

Welcome to the October edition of Strictly Business

The economic indicators are starting to resemble a 20/20 cricket scorecard (I will not mention the footy) with unfortunately a tightening in the middle of the innings.

Retail sales are still strong (through the reported period to July) but historically (October/November) are due to slow in the lead up to the Xmas boom. It will be interesting to see how the tug of war between the NZD cross rate and commodity pricing affects consumer confidence in the coming weeks, I am not yet stockholding petrol but won't be far off if the trend continues. Although house sales have slowed in volume, the average house sale price is up but the time taken to sell has stretched out.

Judging the speed in which some subdivisions are selling (forty five minutes at one sale day) I suggest consumer confidence is still very strong and we will see another lift in consents in the next few months here in Rotorua.

Such is the topsie turvey world of economics; on the bright side, summer is just round the corner...or is it?

Cheers Grant



Grant Kilby,
 Destination
 Rotorua
 Economic
 Development

Sustainable Business Network – BOP Rotorua Strategy

Sustainable Business Network (SBN) is looking to increase their involvement through sustainable business practises within the Rotorua region. SBN is a forum for businesses who are interested in sustainable development. They will promote and support business to becoming sustainable. SBN defines sustainable business as the integration of economic growth, social equity and environmental management, for the present and future.

Through the adoption of proactive strategies, SBN will implement practices and procedures that go beyond compliance to restore and enhance the environment

SBN supports the Business Case for sustainability through:

- Building leadership business
- Building brands and reputation
- Recruit and retain staff
- Growing businesses
- Understanding and responding to the fast growing marketplace and business environment
- Staying at the head of the pack
- Understanding the role of business in creating a sustainable New Zealand
- Provide training and education
- Brand association with SBN & sustainability leadership

The Bay of Plenty have 113 members in total, made up of a combination of corporate, small/medium businesses, industry i.e. industrial, manufacturing, local government, retail and professional services.

The Get Sustainable Challenge is one of the Sustainable Business Network's key resources for business and organisations, offering a comprehensive overview of business practices and providing a significant benchmarking tool towards sustainability. This has been well received in all SBN regions around NZ with nearly 50 businesses taking the assessment already in the Bay of Plenty.

SBN works with the business to identify specific challenges in improving sustainability and to keep the business moving forward. SBN has developed dedicated resources and workshops to provide each participant with tailored support throughout the process.

Each participating business has the opportunity to enter into the annual Get Sustainable Challenge Awards where businesses are recognised regionally and nationally for their efforts in sustainability.

Registration is **free** for Sustainable Business Network (SBN) members, and includes an initial on-site sustainability assessment, plus access to the Get Sustainable Improvement Guides. The areas covered are:

- Top level commitment, culture and decision making
- Future thinking
- What resources are going into your business
- Staff
- Operational systems and processes
- What resources are being generated by your business
- Relationships and influence
- Communication

Outcomes of SBN Rotorua Strategy

- Increase awareness of SBN and the Get Sustainable Challenge in the Rotorua region
- Deliver the Get Sustainable Challenge and provide ongoing support to Rotorua businesses in the form of Regional Manager presence (dedicated days spent working from the Business Hub) as well as providing workshops throughout the year in Rotorua.
- Develop and strengthen partnerships with Rotorua EDA's and Council
- Assist the RDC with their sustainable development to demonstrate leadership in this area.

For more information:
www.getsustainable.org.nz



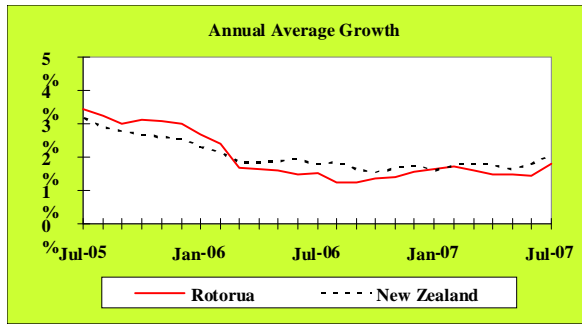
Why not Live and Work, where the rest of the World comes to Play ? **ROTORUA** *Feel the spirit*

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Local Monitor

Economic Growth



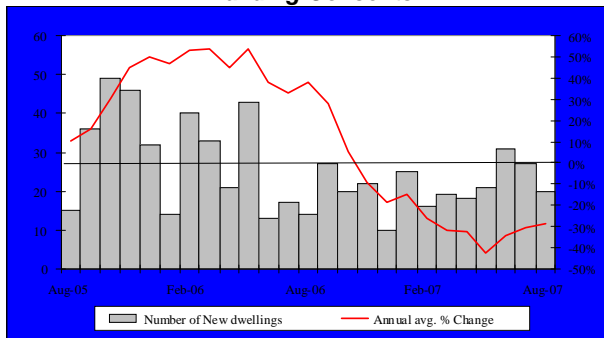
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was 1.8% for the year ended July 2007 which was slightly slower than the 2.1% annual average growth rate in New Zealand's index over the same period

Key Indicator Trends

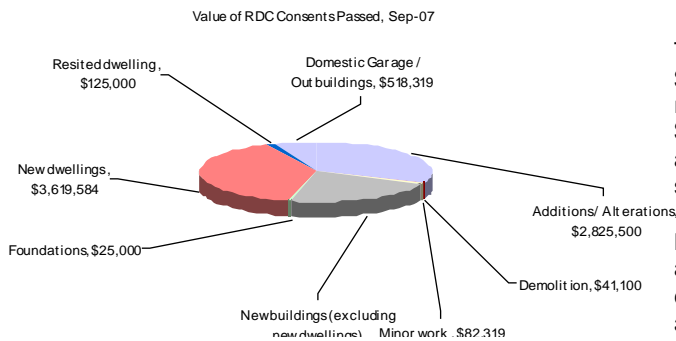
This section of "Strictly Business" examines trends in key indicators of Rotorua's economic activity.

Building Consents



Source: Rotorua District Council

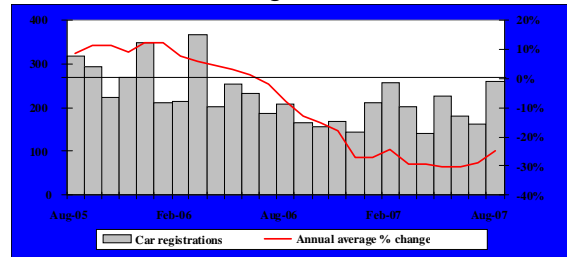
A total of 20 consents were issued for new dwellings during the August 2007 in Rotorua with a combined value of around \$4.1 million. August 2007's consent numbers were the lowest recorded over the past four months but were nevertheless greater than the 14 consents issued in August 2006. The annual average growth rate in the number of new dwelling consents issued in Rotorua was negative 28.5% for the year ended August 2007.



Source: Rotorua District Council

Local Monitor

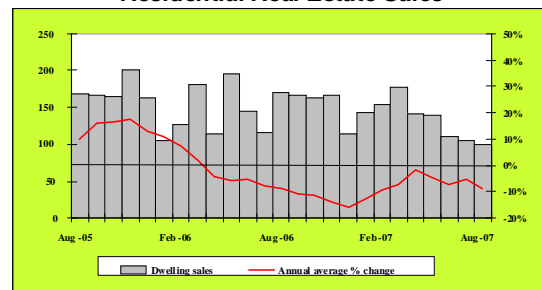
Car Registrations



Source: Land Transport Safety Authority

There was a total of 258 cars (including both new and ex-overseas car types) registered in local postal offices during August 2007 which was the highest level recorded since April 2006. The annual average growth rate in the number of car registrations recorded accelerated from negative 29.0% for the year ended July 2007 to negative 24.6% for year ended August 2007.

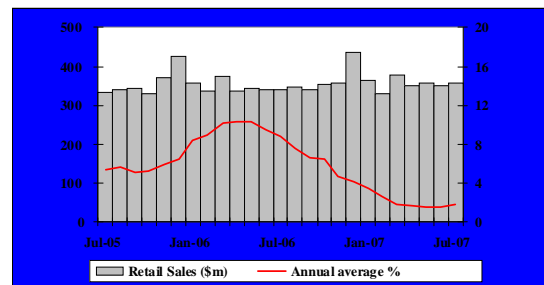
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

Only 100 houses were sold in Rotorua in August 2007 with the median sale price standing at \$245,000. August 2007's sales were lower than the 104 sales recorded in July 2007 and the 170 sales sold in August 2006. The annual average growth rate in the number of houses sold in Rotorua was negative 9.0% for the year ended August 2007.

Retail Sales



Source: Statistics New Zealand

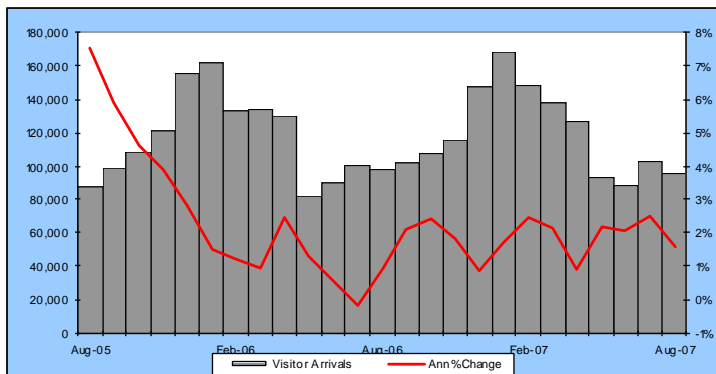
The value of Bay of Plenty's retail sales increased from \$349.1 million recorded in June 2007 to \$356.9 million recorded for July 2007, which was also greater than the \$340.3 million of sales recorded in July 2006. The annual average growth rate in the value of Bay of Plenty's retail sales was 1.7% for the year ended July 2007.

Summary

Better than expected GDP growth in the June 2007 quarter along with improved levels of business and consumer confidence indicate that economic activity may gradually accelerate in Rotorua and New Zealand over the next 12 months. Overall, the annual average growth rate in Rotorua's index was 1.8% for the year ended July 2007 which was slightly slower than the 2.1% annual average growth rate in New Zealand's index over the same period.

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Rotorua Visitor Arrivals



Source: Statistics New Zealand – Commercial Accommodation Monitor, and APR Consultants – Rotorua Private Accommodation Monitor

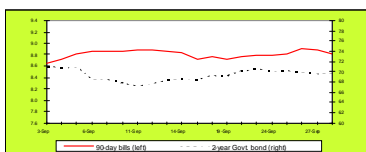
There were 94,921 overnight visitor arrivals to Rotorua's commercial and private accommodation during the month of August 2007 – a 2.8% decrease over August 2006. For the year ending August 2007 there were 1.4 million overnight visitor arrivals to Rotorua - a 1.6% increase over the previous year.

Full report available at:

http://www.rotoruaNZ.com/information/research_statistics/rotorua-tourism.asp

National Monitor

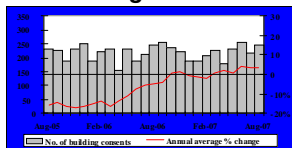
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates fluctuated during September 2007. The 90-day bill rate settled at 8.81% by the end of the month.

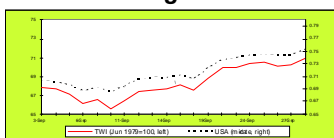
Building Consents



Source: Business Statistics Section, Statistics New Zealand

A total of 2,465 consents were issued for new dwellings during August 2007, the second highest level over the past 12 months. However, August 2007's level was less than the 2,545 consents issued in August 2006. The annual average growth rate in the number of new dwelling consents issued in New Zealand was 3.2% for the year ended August 2007.

Exchange Rates



Source: Reserve Bank of New Zealand

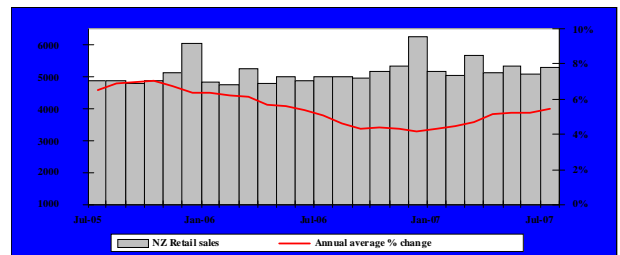
After falling by US\$0.15 over the 3 weeks from mid August to early September 2007, the New Zealand dollar appreciated in value over the rest of the month triggered by the US Federal Reserve's interest rate cut and New Zealand's Current Account Deficit improvement. By the end of September 2007, NZ\$1.00 dollar traded against \$US0.75 and the Trade-Weighted Index (TWI) stood at 71.0 points.

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National Monitor

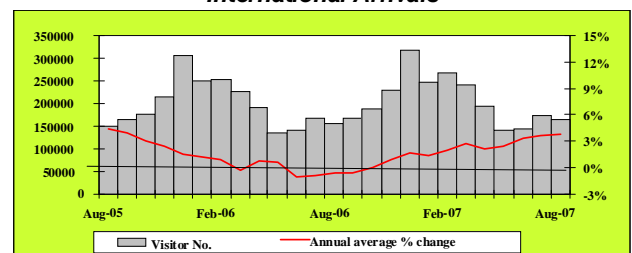
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

Strong internal demand pushed up New Zealand's retail sales in July 2007. The sales value reached \$5,279 million during the month, up from \$5,095.9 million recorded in June 2007, and greater than the \$4,992.4 million of sales recorded in July 2006. The annual average growth in the value of New Zealand's retail sales was 5.5% for the year ended July 2007.

International Arrivals



Source: Statistics New Zealand

There were a total of 164,775 overseas visitors to New Zealand during August 2007, a decrease of 8,631 visitors compared to July 2007, but an increase of 9,075 (or 5.8%) compared to August 2006. The annual average growth rate in the number of visitor arrivals to New Zealand was 3.9% for the year ended August 2007.

Summary

The robust GDP growth along with the improvement of the CAD in the June 2007 quarter helped both business and consumer confidence increase. According to the National Bank's business confidence survey for the month of September 2007, a net 27% of firms expected that New Zealand's general economic conditions will deteriorate in 12 months' time. This was an improvement from a net 34% who took a pessimistic viewpoint in the National Bank's August 2007 survey. Except for manufacturing, all sectors improved in confidence from August 2007's level.

Firms' expectations on their own level of business activity as at September 2007 was almost unchanged from August 2007 with a net 17.2% of respondents expecting to increase their level of activity in 12 months' time compared with a net 16.7% in the previous survey. A net 40% of farmers expected to increase their level of activity while a net 4% and 11% of manufacturers and builders respectively expected to decrease their level of activity in 12 months' time.

Westpac's Employment Confidence Index reached a new high of 135.9 in the September 2007 quarter (>100 means optimists outnumber pessimists), reflecting the fact that the labour market remains buoyant. Consumer confidence also increased over the September 2007 quarter. The Westpac MacDemott Millar Consumer Confidence Index increased by 2.1 points to 113.5. This result in part was underpinned by economic flow-on effects of large payouts to dairy farmers.

The Association of Administrative Professionals New Zealand Inc (AAPNZ) is New Zealand's professional organisation for administrative personnel. It is a local, national and global network administered by its members, for its members.

With a rapidly changing office environment, it is even more important these days for staff to upskill and stay in touch with their profession.

Membership of AAPNZ not only assists their professional and personal development but also provides vital recognition for their Curriculum Vitae.

As an employer, providing membership of AAPNZ is a perfect means of giving recognition to your employees and gives administrative professionals opportunities for personal growth and career development.

Meetings and training opportunities are held regularly with guest speakers and professional facilitators from throughout New Zealand. Members can also benefit from scholarships to gain qualifications through a polytechnic or workplace assessment of their skills.



For more information please visit our website www.aapnz.org.nz or contact Anita Galland, AAPNZ Rotorua Group President, P O Box 1494, Rotorua

A collaborative approach to economic development is currently being formed to ensure focus and funding is appropriated to regional initiatives that will drive the regions potentials.

Following the Ministry for Economic Developments strategy for regional economic development, BERL were commissioned to identify the 'regional comparative advantages and opportunities that exist. Further, how interagency, private enterprise and local Govt agencies could collaboratively work together to a common goal.

The committee and governance group are currently being formulated. The framework for the way forward is as follows.

- Focus should be on areas where wider collaboration across the region will result in better outcomes than operating individually. The Regional Economic Strategy (RES) and/or vision, when developed, should incorporate/ensure overarching principles:
- Sustainability – including climate change; and all aspects of water; with emphasis on environmental impacts.
- Incorporate the four well-being's – economic, social, cultural, environmental
- Innovation



www.med.govt.nz

New Life New Zealand Update

People wanting to make the move to New Zealand has now increased to over 5000 with the vast majority of these being from the UK. Within a few months, we have over 250 people signed up to use our service to help them secure a job in New Zealand. If you are an employer who is struggling to recruit skilled staff then please contact us, as our service to you is completely free.

We need to hear from you if you are an employer,

- who has had a negative experience recruiting staff from overseas
- who thinks the immigration process is too complicated
- who is receiving requests from people overseas looking for work.

New Life NZ can do all the work for you! Our first agent in the UK has just started and will be attending the NZ expo in Manchester. New partnerships have been formed which will help us to look after the people we bring into New Zealand so that they settle successfully and stay here. New Life NZ are committed to bring skilled people to the Rotorua region.

For further information
Contact:

www.newlifenz.com

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Manager

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Young Enterprise Scheme

The Lion Foundation Young Enterprise Scheme (YES) is an education programme which was developed by Enterprise New Zealand Trust for senior secondary students. Over the last three years, YES has been co-ordinated by the Economic Development unit of the District Council with the financial support of the Rotorua Trust.



More than 3,000 students and 600 companies nationwide, including nine teams from John Paul College and Rotorua Boys' High, were involved in the scheme this year.

On the 10th of October the Regional Awards were held with John Paul College team, IceConz, taking away the Regional Award. Iceconz will fly to Wellington on 31 October for the National Awards.

The team will then compete in a 'Dragon's Den' style event against all regional winners with the winner taking out the National Award.



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PermaPine Strikes Gold

People flocked to the annual Westpac Rotorua Business Excellence Awards which were held at a gala dinner on October 5 at the Energy Events Centre. The awards attracted a record number of eighteen entries. The caliber of entrants was so high four finalists were chosen in two of the categories – Emerging Business and Community Organisations, which usually have three or fewer

PermaPine took out the Manufacturing and Trade Business Award and Business of the Year.

Convenor of Judges Melanie East's comment: "*The variety of large and small organizations competing on the basis of quality is what makes the judging process so interesting and in some categories so challenging.*" (Daily Post)

Other category winners:

Bunnings Rotorua (Retail Award)
Indian Star Restaurant (Hospitality and Attractions Award)
McClelland Optometrist Ltd (Service Provider Award)
Victim Support Rotorua (Community Organisation Award)
Croucher Brewing Co (Emerging Award)
Sealed Air – Cryovac – Gillian Tangi (Employee of the Year)
Farm & Garden Equip - Aaron Corney (Apprentice of the year)
Bunnings Rotorua (Social Responsibility)
Credit Union Lakeland (Customer Choice Award)



www.rotorua-chamber.co.nz/businessawards

Immigration earns NZ over \$3 Billion

Research shows that new Kiwis boosted New Zealand's coffers by \$3.3 billion in the year to 30 June 2006 (research report, 'The Fiscal Impacts of Immigration'). The report sets out the positive impact from migrants has grown about 80% from previous research done in 2003 which showed a net fiscal impact of \$1.7 billion.

Migrants contributed \$8.1 billion in income tax, GST and excise duties, which far outweighed the \$4.8 billion New Zealand spent on education, health and welfare for immigrants. They are also hard workers, and less likely to be on a welfare benefit.

Immigration ensures that employers can access the much-needed skills they need for economic growth, and links to export markets, investment, ideas and diversity.

The research is part of a three-year series of work by the Department of Labour into the economic impacts of immigration. It will be fed into decision-making about future immigration policies and will be an important source of information for future economic planning in New Zealand.

The research also showed that Auckland gets the biggest boost from migrants as 45% of all migrants live there. But over time they spread around New Zealand.

Migrants from all over the world play a vital role in the economic transformation and diversity of this country. In the long term that role is set to increase in the future as our need for skilled, talented people continues.



<http://www.dol.govt.nz/publications/research/fiscal-impacts/index.asp>

The Evolving Economy

Wellington's a busy place at the moment as a number of agencies are currently reviewing and updating their respective parts of the Government's overarching economic development strategy. Communicated under the banner of Economic Transformation, the strategy lays out the Government's approach to economic development under several themes.

That updating of the strategy is itself a vital part of Economic Development. Economic development is very much an evolutionary process. Strategies and plans need to change as the economy develops over time and as we learn more about what we need to do in order to genuinely transform our economy.

In that context of learning, change and evolution, I want to look at just one crucial aspect of economic transformation, namely, the 'internationalisation' of the New Zealand economy.

2007 has been designated Export Year. Choosing to focus attention on boosting exports is a sound decision for a small country looking to climb our way back up the global wealth ladder. Unfortunately, this export focus has occurred in a year when the exchange rate hit what was essentially a cyclical peak which has, at times, distracted us from more important structural issues.

The case for greater exports is well understood and generally accepted. Because of the small size of our firms and our relatively small domestic market, the New Zealand economy simply lacks scale. If our firms are truly looking to grow, a domestic focus will not be sufficient to generate the scale of production required. Clearly then, true economic transformation in the New Zealand economy will require a significant boost in exports.

However, the internationalisation of the New Zealand economy is not just about exports. It is actually bigger than that. Internationalisation is also about investment.

Through Investment New Zealand, the Government has committed considerable resources to attracting investment into the economy. After reflecting on what investment policy settings will best achieve higher sustainable growth, the Minister of Economic Development recently announced that the focus of Government policy will shift to incorporate assisting outward foreign investment.

The Economic Development Association of New Zealand fully supports this additional focus. The Government has clearly understood that New Zealand investment offshore is an important part of the economic transformation equation and is making the appropriate policy changes. The announcement is a crucial change which will help us move back up the international wealth ladder.



www.edanz.org.nz

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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.



Business Mentors
New Zealand

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

30 October > NBs Restaurant GelatAmore
13 November > SBS Computers
27 November > Waiariki Institute of Technology
12 December > Mayor Kevin Winters

Focus in Business Series

27 November > Right Click Seminar (Technology working for Business)

(Limited places available, early registration recommended)



For More information

Email: Info@RotoruaChamber.co.nz

Web: www.RotoruaChamber.co.nz

Address: The Business Hub
1209 Hinemaru St
Rotorua

New Zealand Export Breakfast

25 October > Dr John Forrest 'A new Twist on Tradition'



association of New Zealand exporters

Enterprise Training FREE Workshop

31 October > Intro to Exporting Workshop



For further information contact:

0800 4ETPBOP (0800 387267)
email: etpbop@xtra.co.nz

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)
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Fax (+64) 7 350 0182
E-mail; Chris.Heywood@rdc.govt.nz

"A positive attitude may not solve all your problems ... but it will annoy enough people to make it worth the effort." [Herm Albright, 1876-1944]