

Welcome to the October edition of Strictly Business

Is 'Education' Rotorua's Economic Transformer?

The Education Review (August 15 2008) noted that the export education sector contributes 2.1 billion to the New Zealand GDP. Waiariki Institute of Technology is setting itself up perfectly to add immense value to the local economy with Export Education with 11 Bachelor degrees, diplomas and certificates for vocational courses ideal for intending migrants.

The recently opened National Centre of Excellence in Wood Manufacturing at the Waiariki campus is a custom designed and built facility dedicated to providing ongoing educational opportunities for people in the Forest and Wood Industry.

Its aim is to develop technical expertise and research capabilities to equip students with the necessary skills to transform the wood processing industry from its current commodity orientation, to one that focuses on high value-added products for export.

Education is a significant part of improving the skill gaps that exist in the marketplace. I would argue that business productivity improvement through an up skilled workforce will provide both improved profitability and job satisfaction, plus add overall economic value to an economy.

Businesses who have 'teams who work with us' and not 'staff who work FOR us' philosophy, are typically the ones that succeed. Training through education will endear confidence to grow in a firm not to seek satisfaction externally.

In tight economic times, businesses take stock and refocus, I would suggest looking at how you can offer improved employee satisfaction and service delivery would be high on your agenda.

Grant



Grant Kilby,
 Destination
 Rotorua
 Economic
 Development



First Class BrightEconomy Forum 08



It was evident from the outset that parochialism is alive and well in Rotorua. The First class forum delivered both a question of how Rotorua should work together to form a common vision and provided a solution to how we need to 'Gear' ourselves up for trans-Tasman capability both by sea and air.

The home truths of having to upgrade and deliver first class service levels was evident from the diametric change that Queenstown retail and hospitality had to undertake when they commenced trans-Tasman services in 1998.

Customers expect high level service and will want to shop (spend money) at extraordinary times. Remember there are 4000 plus visitors wanting to get into your shop that are holed up in motels/hotels every single night a year in Rotorua.

A paradigm shift in the way we as a city operates is needed. If we truly want international recognition, then we truly need to change. To quote Miles Wilson (Canterbury of Queenstown)...

*"The customers are affluent, sophisticated, confident, demanding, but fun. They are in a hurry but relaxed, they want it **now**, in **their** time. They have a high disposable income, high proclivity to spend, they want to engage with community/culture and lastly, they are presumptuous – take high service levels for granted."*

If this means changing opening hours of designated precincts that serve the needs of the tourist market then this must happen. Miles noted their opening hours were 8am~8.30pm in the winter and 10am~11pm in the summer.

Obviously it would be nonsensical to open one shop for these hours; at least a strip of shops would need to focus on delivering both the product and the service hours the market required.

Training in customer service excellence is an obvious. There must be consistency in delivery and experience offered the customer. As Miles noted, cherish & love your customer more than your children as unlike your children, you've never seen them before and you'll never see them again. And unlike your children, your customer **feeds** you!!

A final summation, this is our opportunity to provide excellence. Excellence is not some thing new but it has to be learned, practised and delivered.

First Class was first class, now let's deliver.

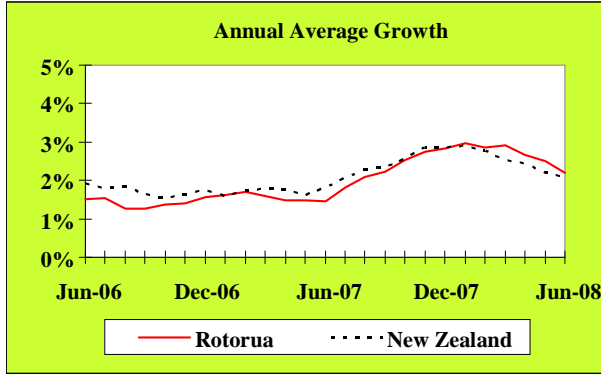
Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do. Excellence, then, is not an act but a habit. Aristotle...



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Affordable Relaxing www.rotorua-living.com Unique Central

Economic Growth



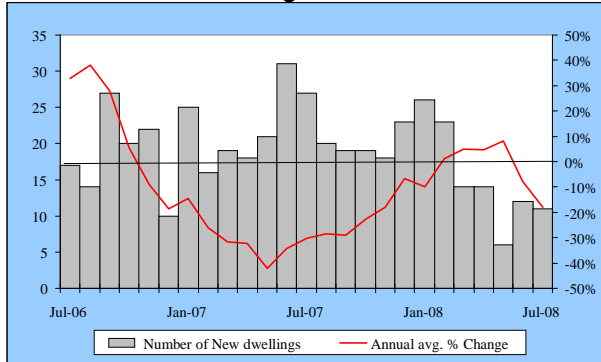
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index has slowed to 2.2% for the year ended June 2008, in comparison to the national annual average growth rate of 2.1% over the same period.

KEY INDICATOR TRENDS

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

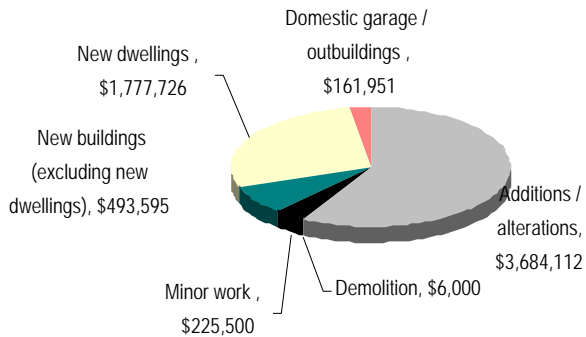
Building Consents



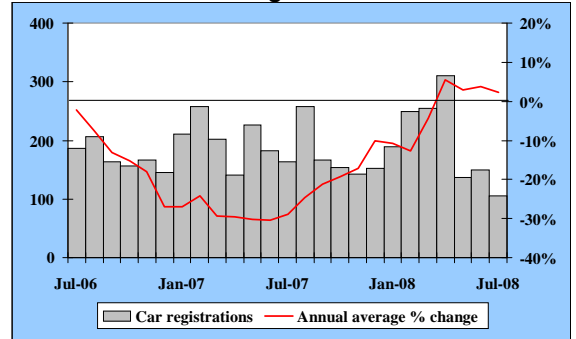
Source: Rotorua District Council

There were 11 consents valued at around \$2.2 million issued for new dwellings during July 2008. This was slightly below the 12 consents issued in June 2008, and is the fifth consecutive month that consent numbers have been below 20. The annual average growth rate in the number of new building consents issued for residential dwellings was negative 18.0% for the year ended July 2008.

Value of RDC Consents Passed, Aug-08



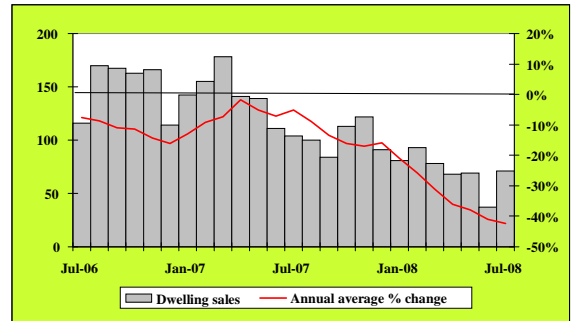
Car Registrations



Source: Land Transport Safety Authority

There were 105 cars (including both new and ex-overseas car types) registered in local postal offices during July 2008, the lowest monthly level recorded over the past 14 years. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was 2.2% for the year ended July 2008.

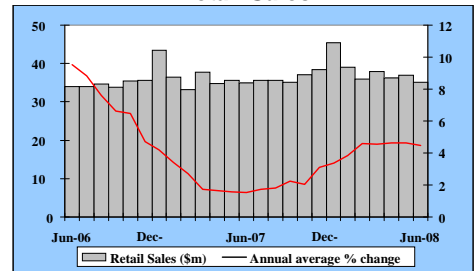
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

There were 71 houses sold during July 2008, with a median sale price of around \$271,250. The volume of sales in July 2008 was nearly double the 37 houses sold in June 2008, but was still less than the 104 houses sold in July 2007. The annual average growth rate in the number of houses sold in Rotorua was negative 42.5% for the year ended July 2008.

Retail Sales



Source: Statistics New Zealand

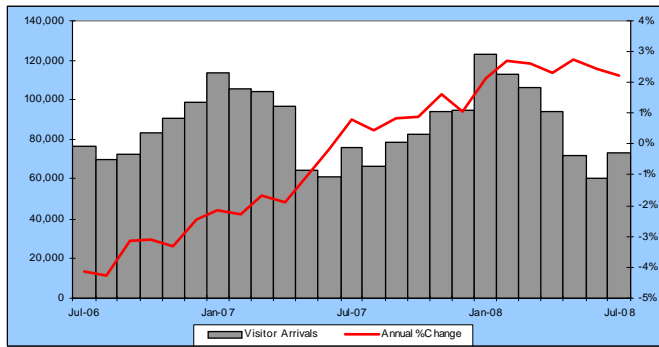
The nominal value of retail sales recorded in Bay of Plenty Region totalled \$351.2 million in June 2008, down from \$368.7 million recorded in May 2008. However, it was greater than the \$349.1 million recorded in June 2007. The annual average growth rate in the (total) nominal value of Bay of Plenty Region's retail sales was 4.5% year ended June 2008.

SUMMARY

The annual average growth rate in Rotorua's index has slowed to 2.2% for the year ended June 2008, in comparison to the national annual average growth rate of 2.1% over the same period.

Rotorua Visitor Arrivals

National Monitor



Source: Statistics New Zealand – Commercial Accommodation Monitor

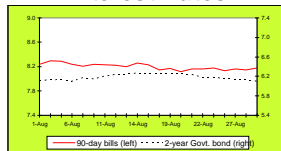
There is a seasonal pattern in guest arrivals to Rotorua's commercial accommodation premises where peaks occur in the summer months and troughs in the winter months. The estimated number of guest arrivals to Rotorua's commercial accommodation premises increased from 59,917 in June 2008 to 73,010 in July 2008. When compared with the same period of the previous year this was a 3.8% decrease over the 75,930 guest arrivals recorded for July 2007. For the year ending July 2008 there were 1.1 million guest arrivals to Rotorua commercial accommodation premises - a 2.2% increase over the same period of the previous year.

Full report available at:

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

National Monitor

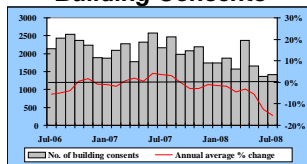
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand wholesale interest rates and bond markets showed a declining trend during August 2008. By 29 August 2008 the 90-day bill rate had declined to 8.18% from 8.34% recorded at the end of July 2008.

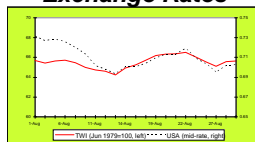
Building Consents



Source: Business Statistics Section, Statistics New Zealand

There were 1,410 consents valued at around \$393.5 million issued for new dwellings during July 2008. The volume of consents issued for new dwellings in July 2008 represented an increase of 48 consents compared with the level of consents issued in June 2008, but represented a decrease of 750 (34.7%) consents compared with July 2007. As a result, the annual average growth rate in building consents was negative 15.5% for the year ended July 2008.

Exchange Rates

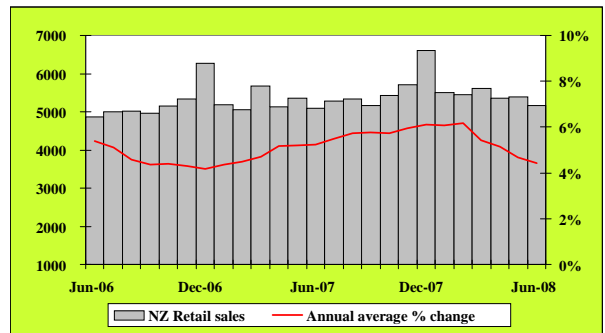


Source: Reserve Bank of New Zealand

By the end of August 2008 NZ\$1.00 could buy US \$0.70, with the trade-weighted index (TWI) at 65.7 points.

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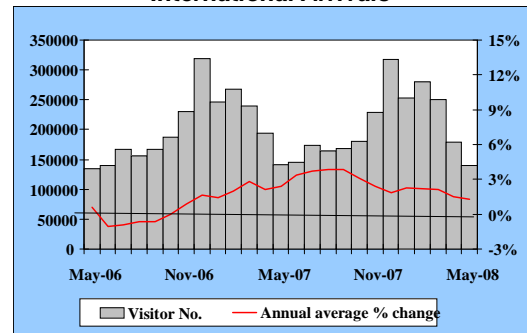
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

New Zealand's nominal (total) retail sales decreased from \$5,399 million recorded in May 2008 to \$5,171 million recorded in June 2008, which was greater than the \$5,096 million recorded in June 2007. The annual average growth rate in the total nominal value of New Zealand's retail sales was 4.4% for the year ended June 2008.

International Arrivals



Source: Statistics New Zealand

There were 175,738 overseas arrivals to New Zealand in July 2008, an increase from the 142,413 overseas arrivals recorded in June 2008. The annual average growth rate in overseas arrivals was 0.7% for the year ended July 2008.

Summary

The New Zealand economy has endured a difficult economic situation over the first half of 2008, with significant rises in food and fuel prices, a stagnant housing market, drought, electricity shortages and the failure of some financial institutions. As a consequence New Zealand's GDP contracted over the first half of 2008.

High commodity prices, especially for dairy products, are a positive for the New Zealand economy. In spite of losing some momentum, domestic demand is still strong, the labour market remains tight and interest and exchange rates have started to ease.

According to the National Bank's (NB) August 2008 Business Outlook Survey, firms' expectations of their own real business activity in 12 months' time improved from a net negative 8% in July 2008 to a net 5%. As petrol prices come off the highs of previous months and with expected interest rate cuts to come, firms appear to be regaining some confidence.

The Rotorua Chamber of Commerce holds the contract for BIZ Business Information. This is a free service for either existing businesses or for those who are considering starting in business. The information provided covers a wide range of publications from setting up a business to business planning.

- Start-up business Information can be obtained by a phone call to the Chamber of Commerce office 349 8356 to send out a comprehensive start-up kit. This kit includes a detailed workbook that helps to assess the feasibility of any business idea and sets out a basic business plan.
- For existing businesses, a more detailed business planning kit 'Planning for Success' is available. This is a step by step guide to writing a comprehensive business plan that can form the foundation of a growth strategy or a funding application.
- If more detailed assistance is required a half hour appointment may be made with the staff at the Chamber of Commerce Office

You do not need to be a member of the Chamber of Commerce to qualify for this assistance

www.rotoruchamber.co.nz



Rotorua's status as a top tourist destination is highlighted in the latest New Zealand Herald I love you New Zealand supplement.

Published as part of the 2008 AA campaign, called I love you New Zealand – the supplement hits the stands on September 16. It draws attention to Rotorua's lakes, spa therapies and adventure activity options.

"Rotorua is a unique destination offering an extensive range of activities, and it is great to see the region being recognised for the top tourist destination it is," Destination Rotorua Tourism Marketing (DRTM) general manager Don Gunn says. The supplement highlights a number of Rotorua attractions, such as its lakes, Rotorua Museum, Paradise Valley Springs, Hells Gate and QE Health. Exclusive property Pukeko Landing and Fat Dog café are also included.

DRTM is participating in the million-dollar I love you New Zealand campaign, which aims to increase domestic tourism by motivating Kiwis to travel around NZ, and encouraging them to do so in the shoulder seasons of spring and autumn.



www.rotoruanz.co

Fresh-Ideas Update

Congratulations to the Rotorua District Council Planning team for picking up another top award for their 'Fresh Ideas' district plan project.

CE Peter Guerin was on hand to receive the New Zealand Post Award for Community Relationships at the Society of Local Government Managers' (SOLGM) annual conference in Waitangi last night.

SOLGM chief executive, David Smith, said the judging panel saw the project as one that effectively addressed a process of major importance to all local authorities.

"It had strong and clear strategic linkages, and was excellently planned and managed. The judges thought there was a great deal about the project that other local authorities would be interested in and could learn from," he said.

Peter received the plaque and \$2000 prize cheque, and acknowledged the "monumental effort" by the council's Planning Services team and many others in the council who had been supporting the project for more than a year. He said there's been a huge amount of creative thinking and innovation gone into the project. "We're also impressed by the way the community has engaged with the council while working through the complex and far reaching range of issues that needed addressing while building a new district plan for Rotorua."

It is the second national award for the Fresh Ideas project, having won the supreme award for communications projects at the Local Government Communication Forum in June. Meanwhile, another RDC entry in the New Zealand Post Awards announced at the SOLGM conference was "rated highly" by the judging panel.

Judges said that the Rotorua Aquatic Centre's 'Outstanding Pool – He Wharekaukau Kohure' project was clearly of significant benefit to the council.

www.fresh-ideas.co.nz



Today's Youth, Tomorrow's Leaders

Geoff Howes and Peter Forbes from the Young Enterprise Scheme (YES) team, Tangaroa Engineering, wowed their school with their product, solar-powered, reusable glow-in-the-dark fishing lures, prompting principal Chris Grinter to contact publisher and multi-millionaire Barry Colman, who featured on New Zealand's Dragons' Den, to tell him what the trio were up to. Barry Colman was so impressed with the team's invention he flew them to Dunedin in his private jet to speak to potential investors. The team felt the investors were very positive about their product and keen to keep in touch.

The students came up with their idea more than a year ago. Keen fishermen and frustrated by single use glow sticks that only worked for a couple of hours, they knew they were on to something with their concept.

Containing a "trade secret" glowing ingredient, the lures stay illuminated for 12 hours and are recharged after just 30 seconds in sunlight.

They are in the process of patenting their design and hope to win the regional YES competition and go on to the national final being held in Wellington later in the year.

Next year the trio intend to study accounting, business and physics at Otago University and hope to carry on their business.



How Will We Know When Good Settlement Is Achieved?

Moving to a new country requires adjustment for all migrants. There can be a lot to learn about the 'Kiwi' way of doing things: renting accommodation, obtaining a driver's license, the health systems, making social connections, to name a few.

It is recognized that the chances of successful settlement improves dramatically the better informed people are. Evidence points to the following indicators of successful settlement:

- feeling welcome and accepted;
- being in the right job;
- being housed well;
- speaking and understanding New Zealand English;
- knowing how to access information and services;
- understanding the New Zealand way of life and knowing that you are contributing to it.

Source: *New Zealand Settlement Strategy 2007*



Heather McAllister
Settlement Support Co-ordinator
Tel: 07 348 4199
Email: ssnzrotorua@rdc.govt.nz

The red carpet metaphorically was rolled out to the contributors at the launch of the collateral DVD that provides an honest interpretation of "Live, work, play" in Rotorua.

The DVD (circa running time 15 mins) provides information on our geographic location, our culture, climate, housing, workplace and lifestyle/recreation. The DVD and website www.rotorua-living.com will provide additional information and provide links through to local companies and organisations.

Destination Rotorua Economic Development will be promoting Rotorua at four workshops in London, Leeds, Manchester and Coventry with New Life NZ (an online pre-qualification immigration specialist) and other National companies and Economic Development Agencies to an expected 2000 skilled workers late November.

The DVD is just one tool in the toolkit that Destination Rotorua Economic Development are including as part of the strategy and drive to fulfil skilled workforce gaps in the market.

For \$12 including postage and packaging you can order your copy of the DVD directly from the Economic Development Unit.



www.rotorua-living.com



BoP Sustainable Awards Winners

Rotorua District Council and the Lockwood Group both earned a trophy in the Bay of Plenty Sustainable Business Awards held at the Distinction Hotel in Rotorua recently.



Lockwood Group NZ received the sustainable design and innovation award for its Eco-Smart range of homes.

Judges selected the company because of the in-depth development and testing involved in the range and the "clearly exhibited" effort to make more sustainable and energy-efficient homes a viable option.

Rotorua District Council won the not-for-profit trailblazer award for governmental and educational organisations. Judges were impressed with the leadership role the council had taken through the development of a corporate sustainability vision, policies and action plans and assistance provided to help other organisations to embrace sustainability.

The top award of the evening, the sustainable business of the year, went to Mt Maunganui firm FIL New Zealand. FIL manufactures and supplies dairy hygiene and animal-health products and was recognised for its 12-year commitment to sustainability through ongoing research and development and education of its supply chain and customers



www.getssustainable.org.nz



Rotorua Business Awards

The finalists for each of the business categories of Westpac Rotorua Business Excellence Awards represents a wide cross section of the top businesses in Rotorua. The total number of entries again exceeded expectations. Convenor of Judges, Melanie East, was responsible for coordinating the judging process. Each entrant was visited by a pair of judges during August and September. After the site visits all of the judges met to compare standards across sectors and to debate the selection of finalists. Melanie East comments "the panel of Judges deliberated thoroughly the selection of the 20 finalists, with several categories providing some very good examples of excellence in business."

The later scheduling of the Gala Presentation has allowed the judging of all ten categories with all finalists being announced at the same time.

The finalists of the six main categories are now preparing for their individual presentations to the full panel of Judges, which will take place over the weekend of 18 and 19 October.

The Gala Presentation Dinner will be held on Friday 7 November 2008 at the Unison Arena of our Energy Events Centre. "The Chamber acknowledges the tremendous support that is received from Rotorua companies to enable such a hallmark event to be staged," states Roger Gordon. "It will be an event not to miss!"

Tickets are on sale from today Friday 26 September and can be ordered through the Chamber's web site:

www.rotorua-chamber.co.nz

For more information: Roger Gordon, CEO, 07 349 8355 or 0275 381228 or Michelle Pleydell, President, 07 346 3849 or 0275 380 088



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
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 2006 "Promotional DVD

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

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

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



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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Looking for skilled staff? Advertise on www.rotorua-business.com/employment.asp

Rotorua Events Calendar

Business after Five

- 14 October – Agroventures, AirNZ Holidays, Burger Fuel – Agroventures
- 29 October – Lockwood Group



Rotorua Export Club

- 30 October – Millennium Hotel

- 9 October – Immigration Workshop – Convention Centre

- 21 October - Productivity Seminar – Distinction Hotel

For More information

Email: Info@rotorua-chamber.co.nz

Web: www.rotorua-chamber.co.nz

Address: The Business Hub
1209 Hinemaru St
Rotorua



Workshops

- 14 October - Tourism Fast Track – W/Shops 5 & 6
- 15 October – Managing Resources
- 16 October – Horticulture – W/Shop 1
- 17 October – Horticulture – W/Shop 2
- 23 October – Managing Resources

- 23 October – Marketing on Limited Budget

Further information contact

Empower Team Ltd

0800 4387 267

Or 07 572 5492



What: Meet the political Parties
When: Wednesday 15 October 2008
Where: Distinction Rotorua Hotel
Time: 7:00am - 9:00am
Investment: \$27.00 per person
Tel: 07 349 8355

www.rotorua-chamber.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)
Tel (+64) 7 348 4199
Fax (+64) 7 350 0182

"Success is the ability to go from one failure to another with no loss of enthusiasm."

Sir Winston Churchill