

Rotorua Business Pulse Survey

March 2024

Overall Rotorua business confidence continues to be positive, but has eased from the heady highs of the previous survey following the election of a new government. Rotorua's reputational rebuild continues to be a high priority for the Rotorua business community but of even greater priority is the implementation of a bold visionary future for Rotorua.

Select Survey Period: Most Recent

(1) ▾

Background

The Rotorua Business Pulse programme is a joint initiative between RotoruaNZ and Rotorua Business Chamber. The programme provides Rotorua business leaders (owners, CEOs, GMs) an opportunity to share their thoughts on the local economy and how their business is faring across key metrics. The survey is run on a half-yearly basis with the first survey conducted in April 2022.

This dashboard provides an overview of the topline metrics for all survey periods. [Click here>>>](#) to view the current and previous Rotorua Business Pulse Survey reports in pdf format.

[Click here>>>](#) to participate in future Rotorua Business Pulse Surveys.



Explainer

Business confidence questions are based on the perception of situations deteriorating, remaining the same or improving. For these questions, the results are presented as a net score, subtracting the deterioration percentage from the improvement percentage. Other results are presented as a percentage of respondents. Change values are versus the previous survey period.

Key themes

Key themes for the March 2024 report are a result of the responses collected during the survey period from 14th March 2024 to 12th April 2024:

- Perception of economic performance in the most recent 12 months has improved and confidence in the 12 month outlook remains strongly positive albeit not as strong as the heady highs of the previous survey period following the election of a new government
- Profitability expectations are positive for the second consecutive survey period but confidence in volume of business activity and staff employed is declining
- Business strategy is the number one thing Rotorua businesses feel most confident about for their business and half of all respondents perceive tourism will be Rotorua's most positive driver in the upcoming 12 months
- Finding skilled staff and inflationary pressures continue to be top concerns for Rotorua businesses but positively both issues continue to trend downward in each survey period
- Investing in a visionary future and continuing to rebuild Rotorua's reputation are the top priorities for Rotorua in the upcoming 12 months
- Although staffing pressures are easing, Rotorua businesses value retaining skilled workers as evidenced by their continued offer of flexible work hours and opportunity to work from home where roles allow
- Business survival and adaption was the most common theme of respondents general comments with many being positive they had successfully navigated a challenging period and were increasingly focussed on being part of a visionary future for Rotorua



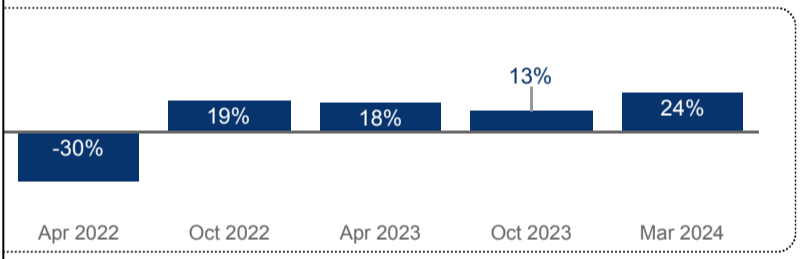
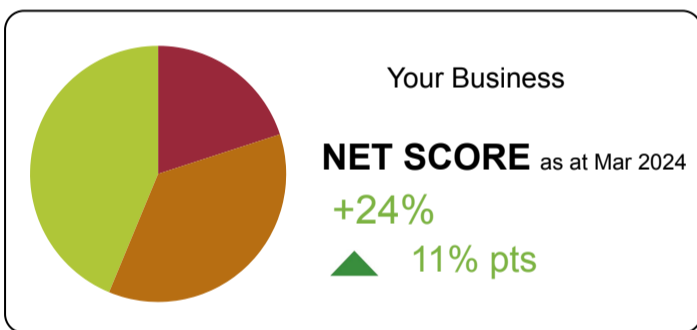
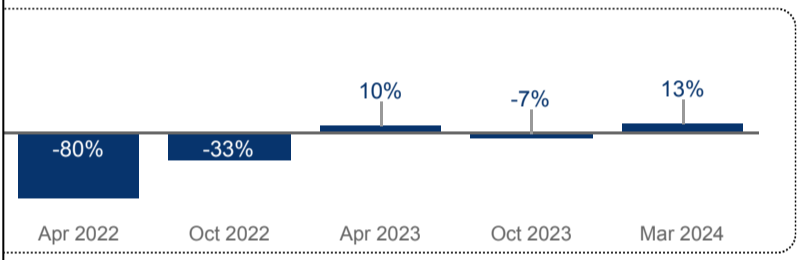
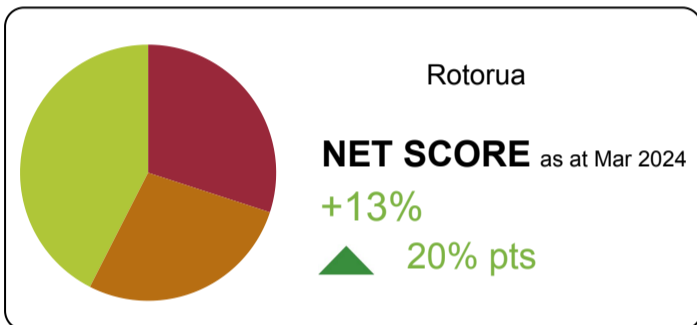
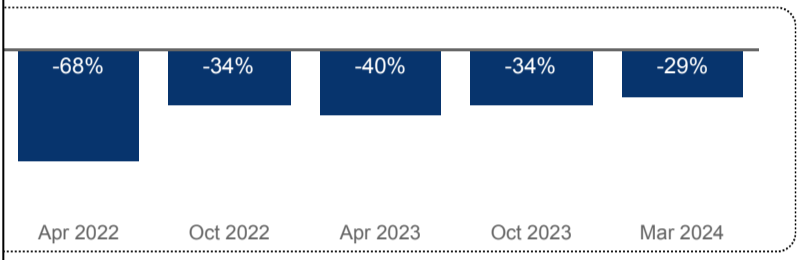
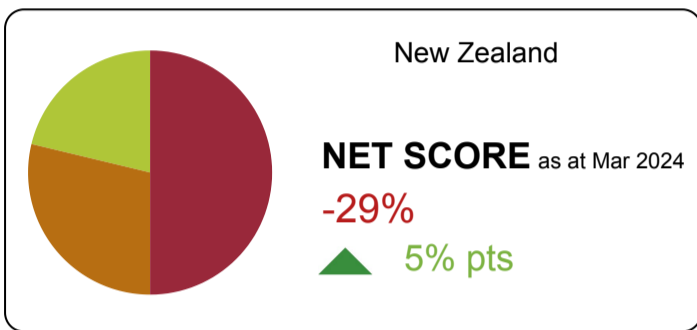
Although businesses perceive the economic situation has improved over the past 12 months their optimism for the upcoming 12 months has fallen from the heady highs of the previous survey period following a newly elected government but continues to be more positive than previous years

Select Survey Period: Most Recent

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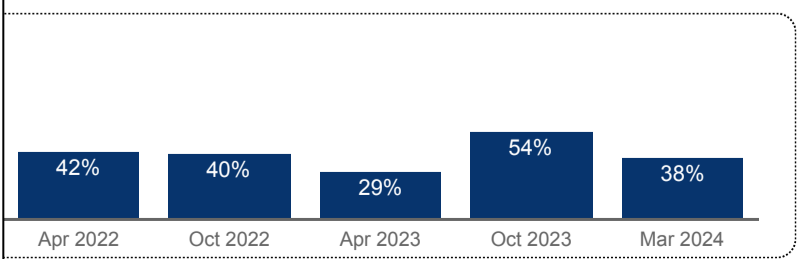
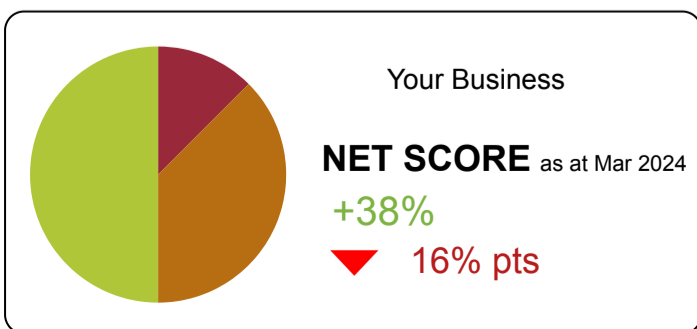
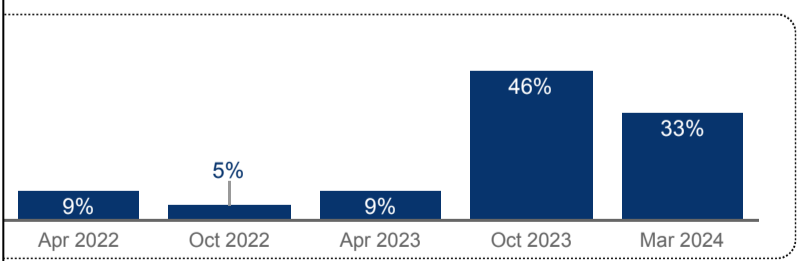
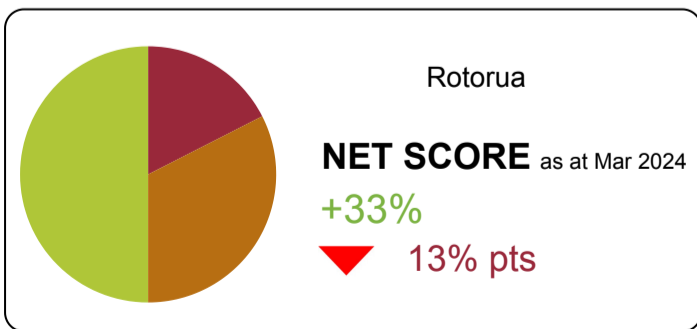
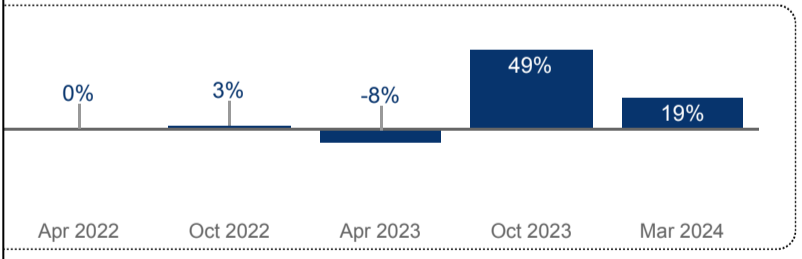
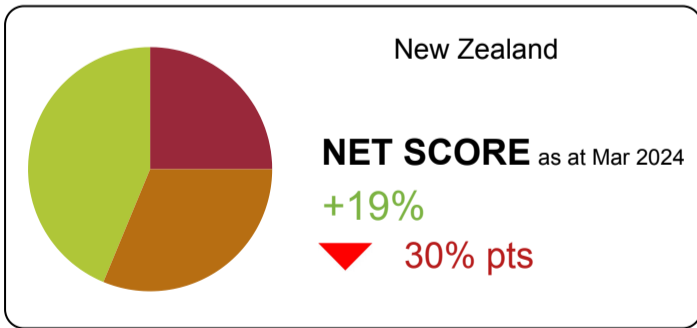
Compared to 12 months ago, how do you think the economic situation has changed for...?

● Improved ● Remained the same ● Deteriorated



In 12 months' time, how do you think the economic situation will have changed for...?

● Improved ● Remained the same ● Deteriorated





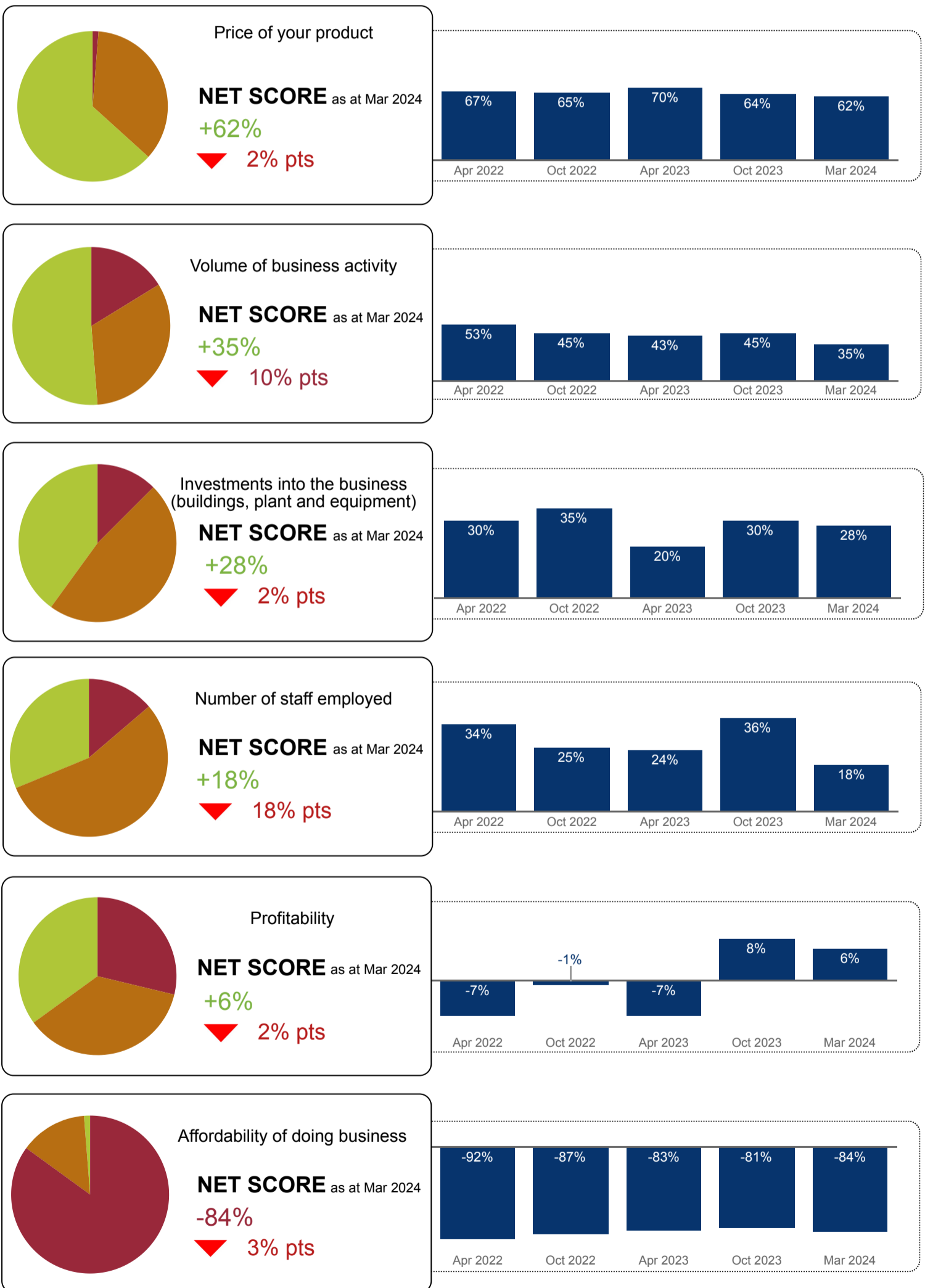
Perhaps driven by slow progress in overcoming inflation and government spending cuts, businesses perceive challenges in managing key aspects of their business over the upcoming 12 months

Select Survey Period: Most Recent

(1)

Across the following measures, how do you expect your business to have changed in 12 months' time?

● Increased ● Remained the same ● Decreased





Business strategy is the most positive attribute reported by Rotorua businesses. Up from 40% in the previous survey period, half the respondents indicate tourism as Rotorua's most positive driver in the upcoming 12 months.

Select Survey Period: Most Recent

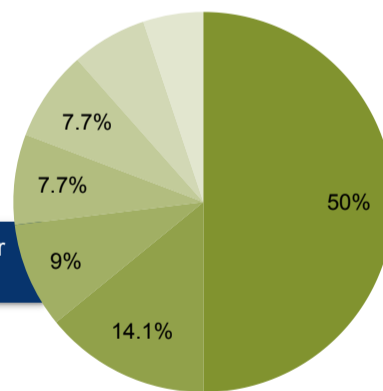
(1)

What is the number one thing you feel most positive about currently for your business?

| | Apr 2022 | Oct 2022 | Apr 2023 | Oct 2023 | Mar 2024 | Mar 2024 change from prior period |
|---|----------|----------|----------|----------|----------|-----------------------------------|
| Business strategy | 16% | 16% | 30% | 24% | 25% | ▲ 1% pts |
| Forward work/sales in the pipeline | 23% | 27% | 17% | 18% | 21% | ▲ 3% pts |
| Business survival (staying afloat) | 9% | 8% | 7% | 11% | 18% | ▲ 6% pts |
| Organisational culture | 20% | 21% | 21% | 28% | 16% | ▼ 12% pts |
| Ability to generate profitability | 4% | 5% | 10% | 5% | 9% | ▲ 4% pts |
| Ability to invest capital in the business | 1% | 3% | 2% | 3% | 4% | ▲ 1% pts |
| Debt levels | 5% | 5% | 5% | 2% | 3% | ▲ 1% pts |
| Retaining skilled staff | 5% | 4% | 2% | 4% | 0% | ▼ 4% pts |
| Retaining unskilled staff | 1% | 3% | 1% | 0% | 0% | 0% pts |
| Other - please specify | 3% | 3% | 3% | 3% | 3% | ▼ 1% pts |
| I am NOT POSITIVE about anything for our business | 3% | 5% | 1% | 1% | 3% | ▲ 2% pts |

What are you most positive about for Rotorua over the next 12 months?

Click on a theme in the adjacent chart to filter the comments below to the selected theme



- Tourism
- Economic/business
- People/place
- Good governance
- Reputation recovery
- Vision/positivity
- Not much

Scroll down within the table to see more comments 78 Comments

Great businesses, great lifestyle

Improved tourism

It's been a relief to see a reduction in negative media articles about Rotorua and the lakefront development and the opening of Waiariki has been exactly what the city needed. I think Rotorua is on the right track and I want to see continued investment and urban development along these lines - it would be great to see some international flights returning to Rotorua Airport in the next 2 - 5 years. Losing the direct flight from Sydney to Rotorua before COVID was a big blow for us and still remains a sore point.

Our unique culture and special people

Maybe another buoyant tourism season?

Spending on tourism increasing. EG: Lake Front area and hotels for tourists and not emergency housing.

long weekends in tourism

With any luck the continuation of good tourist numbers.

Tourism

hope for change

Increase in Tourism





Finding skilled staff continues to ease for Rotorua businesses and is now the second greatest concern after inflation, which has also continuously been easing but at a lessor rate

Select Survey Period: Most Recent

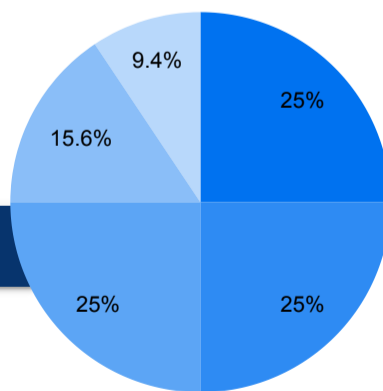
(1)

Please rate your current level of concern about the following in relation to your business

| | Very + Extremely Concerned | | | | | Mar 2024 change from prior period |
|---|----------------------------|----------|----------|----------|----------|-----------------------------------|
| | Apr 2022 | Oct 2022 | Apr 2023 | Oct 2023 | Mar 2024 | |
| Inflation - cost of goods / services | 71% | 68% | 56% | 52% | 41% | ▼ 10% pts |
| Finding skilled staff | 68% | 63% | 61% | 53% | 38% | ▼ 15% pts |
| Regulatory and policy challenges - central Government | | 47% | 49% | 35% | 35% | ▼ 0% pts |
| Regulatory and policy challenges - local Government | | 40% | 30% | 30% | 33% | ▲ 2% pts |
| Ability to generate profitability | 40% | 31% | 38% | 30% | 30% | ▼ 0% pts |
| Forward work/sales in the pipeline | 21% | 20% | 17% | 23% | 26% | ▲ 3% pts |
| Retaining skilled staff | 48% | 53% | 51% | 39% | 25% | ▼ 14% pts |
| Climate change | | | 43% | 43% | 25% | ▼ 18% pts |
| Debt levels (cost of borrowing) | 19% | 19% | 24% | 22% | 23% | ▲ 0% pts |
| Ability to invest capital in the business | 23% | 24% | 24% | 24% | 20% | ▼ 4% pts |
| Immigration settings | | 35% | 29% | 21% | 18% | ▼ 4% pts |
| Export conditions | 19% | 20% | 11% | 8% | 14% | ▲ 6% pts |
| Business survival (staying afloat) | 15% | 8% | 14% | 13% | 14% | ▲ 1% pts |
| Supply chain / shortages | 33% | 29% | 27% | 15% | 11% | ▼ 4% pts |
| Retaining unskilled staff | 25% | 24% | 24% | 13% | 6% | ▼ 7% pts |
| Finding unskilled staff | 27% | 25% | 24% | 17% | 6% | ▼ 11% pts |

What roles have been difficult to fill over the last 12 months?

Click on a theme in the adjacent chart to filter the roles below to the selected theme



- Tourism/hospitality
- Other roles
- Trades/technicians
- Professionals
- Admin/sales

Scroll down within the table to see more roles 32 roles

Accounting

All roles are difficult to attract recruits due to the requirement to work weekends.

Chefs, Restaurant managers, tourism guides

Detailer/CAD drafter Qualified Cabinetmaker

Digital Marketing & Development and Account / Sales Management

Duty Managers with certificates

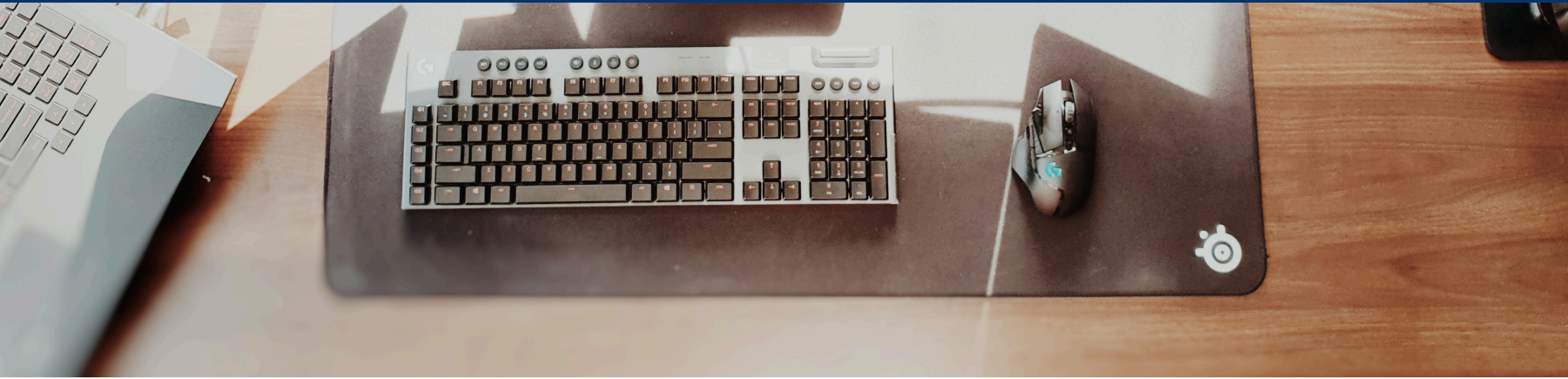
Experienced or qualified flat & auto glass roles. We are having to now consider importing people on visas

Experienced raft guides

Experienced skilled baristas and chefs

Fabricator Welders, Industrial Electricians, Fitters, Experienced Mechanical Engineers





Being profitable, securing forward work and staying afloat are key concerns for Rotorua businesses. Investing in a visionary future and continuing to rebuild Rotorua's reputation are the top priorities for Rotorua in the upcoming 12 months.

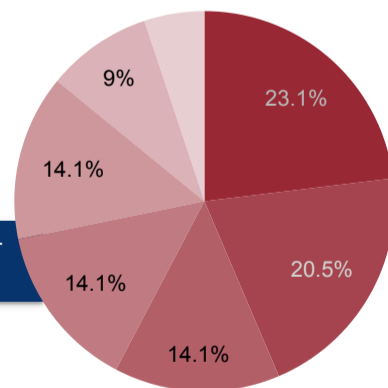
Select Survey Period: Most Recent

(1)

What is the number one thing that keeps you awake at night with regards to your business?

| | Apr 2022 | Oct 2022 | Apr 2023 | Oct 2023 | Mar 2024 | Mar 2024 change from prior period |
|---|----------|----------|----------|----------|----------|-----------------------------------|
| Ability to generate profitability | 16% | 3% | 11% | 16% | 18% | ▲ 1% pts |
| Forward work/sales in the pipeline | 8% | 13% | 7% | 8% | 14% | ▲ 6% pts |
| Business survival (staying afloat) | 8% | 5% | 7% | 7% | 11% | ▲ 4% pts |
| Finding skilled staff | 24% | 21% | 17% | 12% | 11% | ▼ 1% pts |
| Regulatory and policy challenges - central Government | | 8% | 6% | 4% | 10% | ▲ 6% pts |
| Inflation - cost of goods / services sold | 5% | 5% | 5% | 6% | 6% | ▲ 0% pts |
| Retaining skilled staff | 4% | 7% | 15% | 7% | 5% | ▼ 2% pts |
| Ability to invest capital in the business | | 4% | | 1% | 4% | ▲ 3% pts |
| Retaining unskilled staff | | | 2% | 1% | 3% | ▲ 2% pts |
| Regulatory and policy challenges - local Government | | 1% | 1% | 2% | 3% | ▲ 1% pts |
| Export conditions | | | | 3% | 1% | ▼ 2% pts |
| Debt levels (cost of borrowing) | 3% | 8% | 6% | 5% | 1% | ▼ 4% pts |
| Finding unskilled staff | 1% | 4% | | 1% | 0% | ▼ 1% pt |
| Climate change | | | 5% | 4% | 0% | ▼ 4% pts |
| Other - please specify | 4% | 4% | 7% | 9% | 3% | ▼ 7% pts |
| NOTHING keeps me awake at night | 8% | 11% | 12% | 13% | 11% | ▼ 2% pts |

What do you think should be the highest priority for Rotorua over the next 12 months?



- Vision/investment/vibrancy
- Reputation/rebuild
- Housing/homeless
- Tourism/events
- Business/talent
- Safety/crime
- Council costs/debt

Click on a theme in the adjacent chart to filter the comments below to the selected theme

Scroll down within the table to see more comments 78 Comments

- Marketing to foreign tourists, highlighting the benefits of coming during winter to smooth out the seasonal peaks.
- Perception change
- continue to build its positive brand to NZ and beyond (minimise the lingering view of emergency housing)
- Tourism promotion and sorting housing.
- Affordable housing and getting people out of motels and into decent homes. Motels to be used for visitors to Rotorua
- Attracting and housing talent - if we manage to convince someone to come to Rotorua, it is almost impossible for them to find housing both rentals and purchasing of homes - this is a huge deterrent
- RLC being made to only sign off on building consents with the proviso that local tradies MUST be given the opportunity to tender and if denied the work, data and feedback supplied. I am sick of seeing out of town trades people on our community building sites that we didnt even get an opportunity to quote for. - EG: *** business name withheld ***
- Investment in improving Rotorua as a destination for skilled and unskilled workers to move to and enjoy.
- Crime

Comments are randomly sorted. Sort order refreshed approximately every 15 minutes.



There is a declining trend in businesses planning to hire additional staff in the upcoming 12 months, which is perhaps contributing to some businesses reporting an increased supply of quality talent and fewer issues in attracting talent

Select Survey Period: Most Recent (1)

Which of the following statements are true for your business?

| | Apr 2022 | Oct 2022 | Apr 2023 | Oct 2023 | Mar 2024 | Mar 2024 change from prior period |
|--|----------|----------|----------|----------|----------|-----------------------------------|
| Flexible hours are offered to employees where roles allow | 54% | 79% | 70% | 69% | 69% | ▲ 0% pts |
| The living wage or higher is paid to all staff | 62% | 68% | 64% | 68% | 62% | ▼ 6% pts |
| We plan to hire additional staff within 12 months | 57% | 63% | 62% | 59% | 53% | ▼ 7% pts |
| Staff have the option to work from home where roles allow | 45% | 49% | 48% | 41% | 46% | ▲ 5% pts |
| We currently have vacancies that need to be filled | 47% | 52% | 55% | 47% | 42% | ▼ 5% pts |
| AI technologies are being explored for incorporation into our business | | | 23% | 50% | 41% | ▼ 9% pts |
| We have policies in place to reduce carbon emissions | 26% | 41% | 31% | 42% | 40% | ▼ 2% pts |
| Māori cultural elements are incorporated into our business | | 47% | 46% | 48% | 39% | ▼ 10% pts |
| We expect to change our capital structure within 12 months | | | 12% | 14% | 14% | ▲ 0% pts |
| None of the above | 10% | 3% | 4% | 8% | 5% | ▼ 2% pts |

Rotorua Business Success Story



Ciabatta Café & Bakery's bread has personality, no two are the same, yet each is as good as the next

Good bread takes time, the best ingredients, a method that favours quality over speed of production, and a great oven. The finest of breads also require an artisan baker who understands long fermentation methods – the process that turns flour, water, yeast, and salt into the greatest, most complete food on earth.

Award-winning [Ciabatta Café & Bakery](#) offers a range of delicious continental breads and pastries baked daily on site, including their famous cronuts, giant soft pretzels, turnovers, streusel, almond crossaints, and pain au chocolat.

Trained pâtissier Alex and his wife, Sue, have established themselves in Rotorua as having some of the best artisan bread. Self-taught bakers **Alex and Sue Burge** then launched a wholesale operation baking out of their backyard, and eventually opening their café, where Alex built all the furniture and fittings.

Their space, Ciabatta Café and Bakery, has been around for an astonishing 13 years – long enough for Sue and Alex to have transitioned into leading and supporting a team, giving the duo some breathing space to enjoy catching up with their customers over coffee, and getting out of town for a bit of travel.

A wall of handwritten fan notes makes an impressive statement leaving no doubt you are in a popular place. The bakery and café has regular customers from all around New Zealand and even some from further afield who drop by when they're in town.





The slow progress in overcoming inflation and the persistent cost of living crisis in New Zealand continues to be challenging with some businesses needing to adapt for ongoing survival

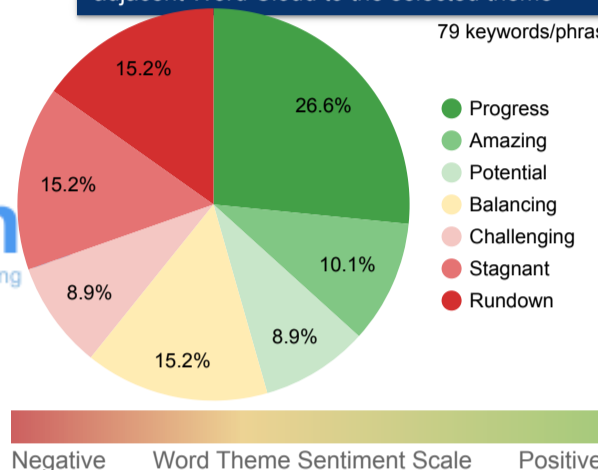
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What is the ONE word that you would use to describe Rotorua currently?

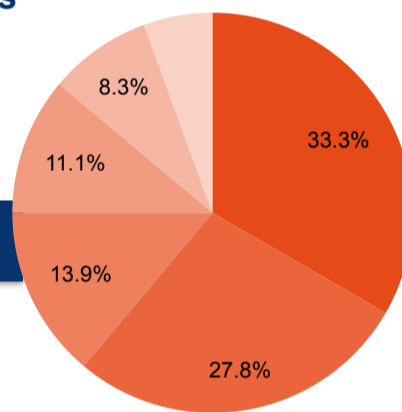
Click on a theme in the chart below to filter the adjacent Word Cloud to the selected theme

79 keywords/phrases



Finally, do you have any other comments or thoughts on your business or the Rotorua economy?

Click on a theme in the adjacent chart to filter the comments below to the selected theme



Scroll down within the table to see more comments 36 Comments

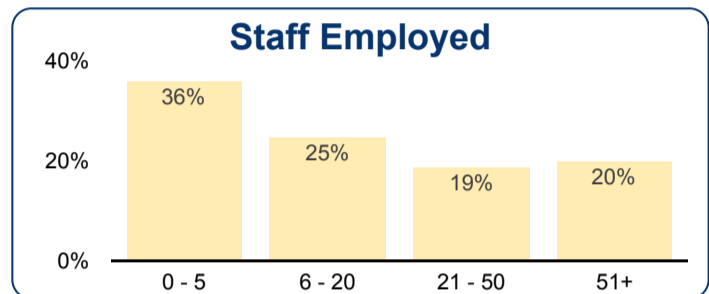
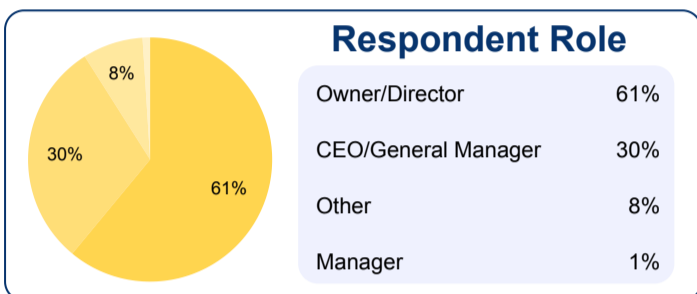
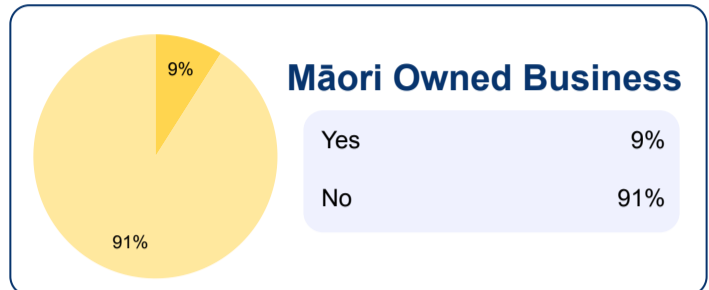
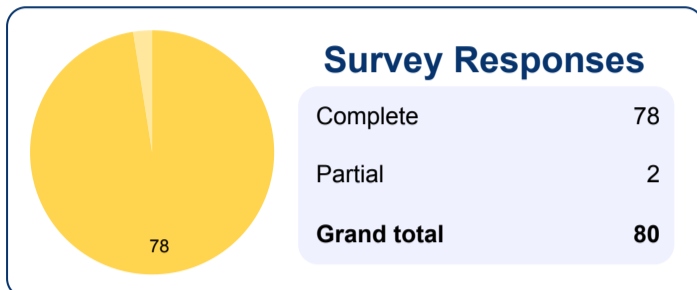
- Job buying culture is negatively impacting local economy
- A future vision for our city is critical - we need something that everyone can get behind from an economic, social, cultural and environmental point of view so we actually have a plan that we can follow and made decisions around.
- We do need more industry in Rotorua not just tourism and forestry
- Air accessibility needs to be improved, basic routes to Auckland, Wgtn and ChCh are hard to make work with the limited flights available - ROT to ZQN would be an economic game changer
- Until the community has money in their back pockets, there is limited spend on small businesses or luxuries
- Issues that have arisen over decades and generations will take decades and generations to remedy. There are no quick fixes for long term issues.
- Definitely busier in town but roading, infrastructure & community and lagging. Retail is still very slow - both here and across the country, have received 2 receiverships in last month
- We have had to pursue business opportunities outside Rotorua as there is little potential for growth in the city at present
- It is great to see forward momentum away from the COVID & Emergency Housing fog. I would like to see some further rebuilding of transport network links particularly between Rotorua and the central plateau - not just Intercity.
- We need to be bold and think 25 years+ ahead
- We need strong positive leadership that can see the big picture future for Rotorua. Clusters can be helpful in some sectors.
- We have been here since 1981 and we want to stay here
- Our pipeline has returned to pre-covid levels. Domestic householder discretionary spend has all but disappeared.
- We must look at finally reducing our dependence on Tourism. We must do more to push for innovation and technical sciences. Business in Rotorua need to work as a cluster and work co-operatively to grow our local economy. The Chamber does a great job in encouraging this, but business must work closer and stronger to help Rotorua thrive.
- Justin at RotoruaNZ is amazing :)
- Need some more events in winter
- We need to see significant investment in the Visitor Industry to enhance Rotorua & the Central North Island as a destination.
- My training and education work which is the majority of the work undertaken in my business has essentially ceased as a result of government reduction in spending
- After over 40 years living in Rotorua (and loving it), I find it challenging that outsiders still bring up the rubbish from the TVNZ 'Sunday' programme so long ago now about emergency housing in motels (a single incident). Attitudes are changing, but VERY slowly, unless those people are mountain-bikers or other outdoor sports people.

80 Rotorua businesses participated in the survey, a decline from 108 businesses in October 2023. A cross-section of businesses from different industries participated, with 91% of respondents being the owner or CEO of the business.

Select Survey Period: Most Recent

(1)

There was a broad distribution of different sized businesses, from small SMEs to large 51+ employee operations. 9% of respondents were Māori owned businesses, a decline from 15% in October 2023.



Which industries does your business operate in? *(one or more responses allowed)*

| | Apr 2022 | Oct 2022 | Apr 2023 | Oct 2023 | Mar 2024 |
|---|----------|----------|----------|----------|----------|
| Tourism and Accommodation | 30% | 28% | 30% | 38% | 34% |
| Professional, Scientific and Technical Services | 17% | 10% | 18% | 18% | 18% |
| Hospitality and Food Services | 19% | 12% | 15% | 14% | 11% |
| Forestry, Farming and Fishing | 4% | 10% | 11% | 9% | 9% |
| Manufacturing | 6% | 11% | 13% | 8% | 9% |
| Building and Construction | 4% | 11% | 11% | 11% | 8% |
| Education and Training | 5% | 1% | 6% | 5% | 8% |
| Financial, Legal and Insurance, Service Rental, Hiring and Real Estate Services | 5% | 5% | 7% | 6% | 8% |
| Information Media and Telecommunications | 5% | 6% | 8% | 6% | 8% |
| Retail | 9% | 10% | 10% | 8% | 8% |
| Other Services | 15% | 11% | 14% | 10% | 6% |
| Administrative and Support Services | 3% | 1% | 3% | 1% | 5% |
| Health Care and Social Assistance | 4% | 4% | 6% | 3% | 5% |
| Transport, Logistics, Postal and Warehousing | 3% | 7% | 4% | 5% | 5% |
| Environmental | 5% | 5% | 4% | 4% | 4% |
| Arts and Recreation Services | 1% | 0% | 7% | 2% | 3% |
| Electricity, Gas, Water and Waste Services | 1% | 4% | 4% | 2% | 3% |
| Wholesale Trade | 5% | 5% | 7% | 6% | 3% |
| Agriculture | 1% | 2% | 4% | 5% | 1% |
| Public Administration and Safety | 1% | 4% | 3% | 3% | 1% |