

## 2006 PRESIDENT'S ANNUAL REPORT

AGM MAY 2007



Andrew Leys, President

It is my pleasure to present this annual report for the Chamber of Commerce Southland, celebrating 143 years of service to the business community of Southland.

This year has been challenging for all of us no doubt, with a tight labour market, rising interest rates and high dollar combined with rising costs associated with yet more government initiatives, such as the 4<sup>th</sup> week of annual leave for all kicking in. Yet Southland Businesses have remained surprisingly robust thanks to continued strong economic indicators, however it has been challenging for many, particularly those that are exposed to the historically high cross rates on several currencies at present.

Here at your Chamber this year has seen us consolidate on the gains made over the past 5 to 6 years, with another respectable surplus, which has helped, increase member equity to over \$183,000. This is a very sound position for your Chamber to be in and has enabled your Board to commit to a significant strategic initiative, which will see us expanding our offices several fold over the current year. That will allow us to develop a 'business centre' as we work even closer with our long term strategic partners, the Otago Southland Employers Association and

NZIM, all three organisations working together from the one location, providing a 'one stop shop' for Business in Southland.

The new business centre will incorporate our own dedicated training facility and boardroom which will be available for member use. It will allow us to target a greater range of training opportunities for business owners and your staff. We look forward to playing a greater role in helping your business succeed.

This year was another successful year in the area of events here at your Chamber. The Export Awards dinner was again a great success and I'd like to thank Export Forum Committee Chair Mark O'Connor and his team – another fantastic night had by all. We also celebrated the achievements of those Southlanders who attained their Trades Qualification during the year with our second annual TradeQual event. This year's event was even bigger than 2005's event, with over 250 attending the function to honour almost 60 graduates who trained and now work in their chosen trade right here in Southland. The event was attended by Prime Minister, Helen Clarke, which provided a great opportunity for Southland to showcase our trades training.

Of course, many of you will have also attended one of the many BA5's held by your Chamber where local businesses get the chance to showcase their achievements by hosting an event for Chamber members. These are great opportunities to promote your business and network with other local businesses and I encourage members to consider hosting an event sometime. These events are an important way in which your Chamber can help business grow in Southland.

cont'd on page 3

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# CHAMBER OF COMMERCE SOUTHLAND

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## Business People working together for the Southland Economy

### CHAMBER OF COMMERCE SOUTHLAND BOARD

#### President

Andrew Leys

#### Vice President

Dave Rohan

#### Past President

Kevin Frater

#### Board Members

Neville Cook

Tony Williamson

Michael Weusten

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Nick Jeffrey

#### EXPORT FORUM REPRESENTATIVE

Mark O'Connor

#### HONORARY ACCOUNTANTS

Ward Wilson WHK Cook Adam

#### SOLICITORS

AWS Legal

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#### Chairperson

Nick Jeffrey

#### Committee Members

Ewen Whitefield

Robyn Perkins

John Wilson

Nigel Moore

Richard Hay

Melissa King

Justine Abernethy

Gary Inder

Pauline Adams

Tony Shallard

### CHAMBER OFFICE

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Richard Hay, JP

#### Office Assistant

Nikki Watt

#### Membership Services

Jennifer Sinclair

Helen van der Linden

#### Young Enterprise

Les Diack

### COMMITTEE REPRESENTATIVES

#### International Friendship Committee

Geoff Lange

#### S.I.T. Committee Representatives

S.I.T. Business – Retail

Moderation Council

Neville Hayes

S.I.T. 2LRN Advisory

Committee

Richard Hay

S.I.T. Gore Advisory

Justine Abernethy

#### Y.E.S. Programme

Les Diack

#### Focus Forum (EDU) – Gore

Ewen Whitefield

Melissa King

Nick Jeffrey

#### Dolamore Park Trust

Julian Morris

#### GDC Review Committee

Nick Jeffrey

### ADVERTISING RATES

(10 issues)	(GST exclusive)
1/6 page:	\$540 pa.
	\$62 a month
1/4 page:	\$750 pa.
	\$86 a month
1/2 page:	\$1500 pa.
	\$172 a month
Full page:	\$3000 pa.
	\$345 a month
Per cm/60mm column	\$5.75 monthly

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 10% Discount for Chamber Members  
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### b fit TRAINING & SEMINARS



#### Training for Health & Safety Representatives (Stage 2 – 2 day)

Invercargill: 11th, 12th June 8.30am – 12.30pm

#### Performance Development and Training (equivalent to leadership in Action Module 5)

Invercargill: 13th June 8.30am – 12.30pm

#### Recruitment – Tips and Recommendations

Gore Tuesday, 26 June – 4.30-6.00pm

#### An Introduction to Productivity Improvements

Invercargill Tuesday, 24 July – 4.30pm-6.00pm

#### Dealing with Bullying and Sexual Harassment

Invercargill Tuesday, 21 August – 4.30pm-6.00pm

Cost: \$175.00 Member \$250.00 Non Member

For more Information & Registration

Visit: [www.commercesouth.com](http://www.commercesouth.com) or

Contact: Chamber of Commerce

Phone: 03 218 7188 Fax: 03 218 7927

Email: [training@commercesouth.com](mailto:training@commercesouth.com)

## CHAMBER WELCOMES NEW MEMBERS



Blue River Dairy Limited  
 Sport Southland

### b connected 5 BUSINESS BUSINESS AFTER FIVE

On page 7 you will find the BA5 programme for the remainder of 2007, plus other events the Chamber has lined up.

Hosting a BA5 is an inexpensive way to inform the business community about your company. These events are a unique part of your membership of the Chamber, and it is to your benefit to come and mix with others you may not normally meet.

If you have thought of hosting a BA5 but haven't got around to it, give Jennifer a call at the Chamber 03 218 7188 and register your interest. The calendar is already filling up for 2008, so if you want to be part of it you will need to get in early!



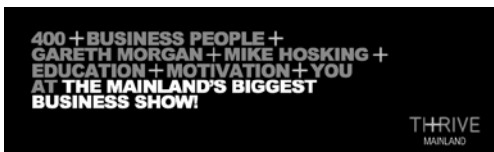
The role of the Chamber of Commerce Southland is to influence and inspire business vitality in the Southland Region. To help you "Be the best that you can be in business". We do this by positively influencing the environment in which businesses operate and by providing "opportunities, products, and services" that will improve the success and vitality of business.

cont'd on page 3

Finally, thank you to my fellow Directors for their ongoing voluntary commitment to your Chamber. Without your continued support the Chamber could not continue to represent Southland Business and Southland would be all the poorer for it. I also thank Richard Hay, our Chief Executive and his team. It has been a year where significant changes have been planned for, which once implemented, will ensure the Chamber continues to go from strength to strength. I'm looking forward to seeing these changes implemented over the coming year and am sure all members will benefit.

I wish all members a prosperous year, and thank you for your continuing support of the Chamber of Commerce Southland.

Andrew Leys, President 2006



In Partnership with all South Island Chambers and the Employers Association, this event is organised and coordinated by the Canterbury Employers Chamber of Commerce for our Mainland Chamber Members.

This event attracted many Southland members last year who found the speakers, networking and event experience well worthwhile.

Early bird and Chamber member prices applicable.

Special accommodation rate available.

More details available on our website  
[www.commercesouth.com](http://www.commercesouth.com)



## NZIM TRAINING JUNE / JULY 2007

### **Assertive Behaviour Strategies**

11<sup>th</sup> June

### **Life Balance for Personal Effectiveness**

18<sup>th</sup> June

### **Advanced Presentation Skills (2 days)**

19<sup>th</sup>, 20<sup>th</sup> June

### **Practical Project Management (2 days)**

2 July

### **Fundamentals of Business Planning (½ day)**

4 July

### **Fundamentals of Strategic Planning**

(½ day) – 4 July

### **Audit Training**

17 July

### **The Coach Approach (½ day)**

18 July

For more details and registration

Phone: 03 230 4981

Email: [info@nzimsouth.co.nz](mailto:info@nzimsouth.co.nz)

Web: [www.nzimsouth.co.nz](http://www.nzimsouth.co.nz)



Business Vitality

## EXECUTIVE OFFICER ANNUAL REPORT 2006 AGM MAY 2007

With the end of our financial year at September 30<sup>th</sup> we saw that the 'best guesses' by economists and others being off the mark with their 'hard landing' prediction. Both our Members and the Chamber continued to have the buoyant times of the previous year, at least on the surface. The reality for most of our exports was far from healthy. While orders in most cases were up or on a par, the balance sheet was continuing to hurt with the NZ dollar, when trading against the green back, continuing to work against us, and as most of our exports are this way we can only be grateful that our exporters have been prepared to sustain the hit hoping that things will come right. Chamber Southland stepped up its efforts in trying to get public awareness, we had many TV, newspaper, local and national radio exposures on this and had talks with many government officials and appropriate Ministers endorsing the issue that we, and indeed the country were facing. This was also done at a national level with submissions and door knocking from our Wellington representative, but we know the outcome and I have to say 'hello, is anyone listening' . . . It would seem that from some comments that I have heard, some members are not aware that one of our strong activities is representing the Southland business community. There is an expectation from the community, central government and the media spectrum for us to be the conduit and to engage with them, so it's important that you let us know your concerns and issues both the good and bad. It would be encouraging if local government and their quasi departments would see it this way though and step up the interface with us.

Through the Chamber brand we had a busy year supporting the community with our awards programs. TradeQual06 received high recognition with the Prime Ministers Office asking if the PM could be present, Southland Top Shop Awards, The News Link Customer service Awards, Young Enterprise Awards recognised some inspiring students, and the 2006 Export Recognition Dinner recognised Joe Bagrie and Stabi Craft for their achievements.

Membership numbers continued to grow throughout 2006 and there was an increase in members coming to the many and varied events and taking advantage of the Chamber "Gold Card" arrangements; in particular OfficeMax and Shell. Unfortunately our membership officer moved to Dunedin and we were without this position for the latter part of the year, I would like to thank Linda for her good work before she left and also Nikki for his continued support in administration, along with Kim in Gore.

Chamber Southland continued to deliver the Government sponsored Biz Information Service from the Chamber Office. This was used mainly by persons wanting to set up a business. Inquiries and mentoring was down slightly on the previous year which is thought to be due to the high employment and work satisfaction rate.

The Young Enterprise Scheme had another successful year within 5 schools and 7 companies. 4 of our students (only ones in the South Island) were part of the NZ team in the "Global Challenge" and James Hargest Company "Hot Dogs" reached the National finals.

The Chamber Southland Website [commercesouth.com](http://commercesouth.com) began to enlarge in content and is packed with Chamber and general business information. Unique visits to the pages are increasing dramatically as members and others find it a great source. The Eastern Southland Committee [gorenz.com](http://gorenz.com) project also grew in content and usage promoting the Gore region.

Thank you to the 2005/2006 Board and President Andrew for the direction and assistance throughout the year. It was certainly a lively one and with the bold expansion strategy and your continued support you will see your Chamber growing even stronger in the coming year.

Richard J Hay, May 2007



### New service for New Zealand companies breaking into US market

Making exporting to the United States easier for small New Zealand companies is the aim of a new warehousing and logistics base in Atlanta. Base3usa has been set up by the business people behind Tauranga company Trimax Industries, which has been successfully exporting its mowing equipment to the United States for some time.

Trimax Industries' Managing Director Bob Sievwright was part of a group of Bay of Plenty exporters looking at logistics issues in the United States with the help of New Zealand Trade and Enterprise two years ago.

While a collective approach did not result, Mr Sievwright spotted a gap in the distribution market for small New Zealand companies that did not have the scale to fit cost effectively into existing logistics options in the United States.

He and partner Moira Moroney set up Base3usa, with Moira as Managing Director, to help New Zealand companies "get to third base" in terms of exporting to the United States. Base3usa

offers warehousing, logistics, and fulfilment options and is based on the outskirts of Atlanta, Georgia - within a day's drive of 80 percent of the United States population. Its facilities include a 10,000 sqm warehouse suited particularly for the storage of heavyweight goods, small items, or parts and sub-assembly kits. Base3usa also offers customers logistics and fulfilment options and the capacity to set up a virtual office in the United States. Lionel Crawley, NZTE regional manager for the Bay of Plenty, says the initiative could help New Zealand companies whose sales volumes in the United States are not large enough to take advantage of existing logistics options there. "Trimax has set up the infrastructure in Atlanta to distribute its products across the States and it's great that they're willing to offer their expertise to other New Zealand companies looking to break into this market. "It's also something that dovetails into NZTE's export services such as our Beachheads programme, which helps companies create networks in new markets." For more information see [www.base3usa.com](http://www.base3usa.com)



### REGIONAL TRADE FAIR FRIDAY 27 JULY 2007

Note in your diary to walk through the SIT Arcade between 10am and 4.30pm to check out the Companies participating in the YES scheme for 2007. This is a good opportunity to purchase their products or services - you will be amazed at what the young people have achieved.

This Trade Fair offers the fledgling companies a chance to present themselves to the general public and provides retail experience.

Stands are judged by a secret shopper. A winner will be declared and a Trade Stand Trophy will be awarded at the end of year Awards.

Please support these young people and their Companies - their input has been huge.

### Have you heard of Weasel Words?

A very interesting web-site

Some predictions they are expecting for 2007 - have they already started?

**Carbon footprint** - nobody can really define this, but expect it to be one of the most commonly-used expressions in 2007

**Presenteeism** - not the opposite of 'absenteeism', presenteeism is when you come to work but aren't capable of work, and should have stayed at home. More versatile than 'Mondayitis'

**Factual matrix** - the facts perhaps?

**Dystopian** - opposite of 'utopian' but used to refer to anything that doesn't fit the bureaucrat's notion of an ordered world.

**Architecting** - as in 'architecting' a deal. Sounds more impressive than 'doing' or 'shaping'.

## Because your image IS our business . . .

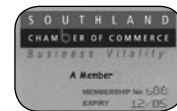
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### OPPORTUNITY SOUTHLAND

Gelu Balan who emigrated from Romania five years ago is offering Immigrant employment and settlement support service, matching the right people for the right jobs. Gelu has first hand experience of the procedures required, and the pitfalls that are there for the unwary.

- Skilled workers
- Experienced
- Qualified
- Hard working
- Family orientated
- Police clearance

Gelu is available to conduct interviews with anyone looking to employ migrant staff. Please contact Jennifer at the Chamber 03 218 7188 to register your interest.

**This report provides an overview of the FDR tax regime and discusses the implications for investors.**

## The FDR Rules

The FDR rules mean that investors are taxed at their marginal rate on a deemed return of 5% of the opening value of their global share portfolio. Global shares have an important role in balanced portfolios and are an attractive investment because they provide diversification and exposure to industries, markets and companies not available in New Zealand. It is these reasons that should drive the decision to invest in global shares. However, investors should be aware of the impact of the FDR regime on global share investments.

**1. High yield shares attractive under FDR.** The key issue for portfolio investors under FDR is the attractiveness of global shares that provide dividend yields above 5%.

Under the previous rules investors were taxed on the gross amount of dividends received. As the FDR is capped at 5% any dividend yield or capital gain above 5% is not taxable. Therefore global shares that provide dividend yields higher than 5% are attractive under FDR. This includes Australian unit trusts and stapled securities (which are deemed to be global shares and taxed under FDR) many of which provide dividend yields higher than 5%.

### Example Assumptions

Investment	Global share
Tax regime	FDR
Amount invested	\$100,000
Gross dividend yield	7.5%
Movement in share price	Nil
Investor's marginal tax rate	33%

### Under previous rules

Gross income	\$7,500
Less tax at 33%	\$2,475
Net income	\$5,025

### Under FDR

Gross income	\$7,500
Gross FDR taxable amount	\$5,000
Less tax at 33%	\$1,650
Net income	\$5,850

### Difference in net income under

<b>FDR</b>	<b>\$825</b>
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Investors continue to receive credit for any withholding tax deducted from dividends on their global shares at source.

**2. Hedge funds and absolute return funds more attractive under FDR.** With the removal of the grey list under FDR many investments that were previously

taxed under the FIF rules are now more attractive under FDR. Especially the likes of high quality hedge funds and absolute return funds that can deliver returns, with an acceptable degree of reliability above 5%pa.

**3. Relief provided for direct investors when returns fall below 5%.** Investors who are individuals or family trusts receive relief for returns under 5% in that any actual return between zero and 5% will have no tax to pay in that year. PIEs, other managed funds and companies etc. that invest in global shares do not receive this relief. We believe this relief will add circa 1.5% to long term returns. *The exception is those people who may wish to use PIE's to take advantage of income thresholds.*

**4 FDR provides clear rules for trading.** FDR provides clear treatment of 'quick sales'. Quick sales are defined as trades in a stock made during a year. These intra-year trades are taxed at a maximum FDR of 5% of the gain while traders (who are now PIE's) in local shares are taxed on all gains. The quick sale rules provide a clear and arguably reasonable, tax framework for trading in global shares, the universe of which includes the 1,200 or so stocks listed on the Australian market that are not in the All Ordinaries.

**5 Investors under the deminimis can opt-in to FDR.** Investors who are under the deminimis for FDR (those that have a global share portfolio with a cost of less than \$50,000) can elect to be taxed under FDR should they wish.

**6 FDR based on value of global portfolios on balance date.** The FDR tax calculation is based on the value of the global share portfolio at the investor's balance date, which is most usually 31 March. Investments into global shares made after this balance date are not included in the FDR calculation until the next balance date. This means that there is no taxable income incurred on this investment in the first tax year in which it was made, provided the investment is not sold during the year. This further enhances the yield in the first year, depending upon the timing of investment.

*Important: ABN AMRO Craigs is not a tax adviser. We recommend clients seek specialist advice from*

*their usual taxation adviser. This report is based on our interpretation of current information, which is subject to change.*

*Alastair Rogerson NZX Advisor*

Theodore Leavitt, Professor of Marketing at Harvard University states simply and directly in his book *The Marketing Imagination*, "The purpose of a business is to create and keep a customer."

A business opportunity occurs when there is a problem to be solved or a need to be met. The entrepreneur seizes the opportunity and produces a product or service that will solve the problem or meet the need. The key ingredient to the success of the business, however, is the ability to attract and retain customers. Without customers, absolutely nothing else is possible, nothing else matters. When management takes its eye off this business ball, the seeds of trouble are sown. That ball is its fundamental reason for being – its purpose.

Profit is not the purpose of a business. Profit is a dynamic incentive and motivator for being in business. In order to sustain the business – for it to grow and remain healthy, profits are obviously essential. But distinguishing the role of profits from the purpose of the business is vital to understanding how consistent long-term profits are best achieved.

Profit is both the result and reward of doing things right and doing the right things. The ability to attract customers, withstand competition and implement sound management practices, all carefully blended together, create a successful business. Doing things right and doing the right thing, however, also makes a statement about the culture of a business.

Leavitt is most emphatic when he stresses the importance of clarifying the purpose of a business "For people of affairs, a statement of purpose should provide guidance to the management of their affairs. To say that they should attract and hold customers, forces facing the necessity of figuring out what people really want and value, and then catering to those wants and values. It provides special guidance and has moral merit."

*"Even Eagles need a push"*

*David McNally*

## GUARANTEES

In today's society, many people attempt to isolate their assets by forming Family Trusts and Companies in an attempt to protect assets from Creditors and/or the Bank.

In almost all cases, the Bank will be one step ahead of the individual and require a personal guarantee. Here are some things to consider when providing a guarantee to the Bank:

As a Guarantor you may have to immediately repay, in full, all money then owed by the Borrower to the Bank, if the Borrower does not make payments to the Bank when they fall due.

The Bank is under no obligation to try and recover the money from the Borrower before asking the Guarantor for payment.

The Bank may require payment in full from one particular individual even if there are other Guarantors.

The Guarantees that Banks use are very comprehensive documents and it is most unlikely that an individual will be able to avoid their obligations under the guarantee.

Unless some limit has been placed on the guarantee, the Guarantor will be liable for everything the Borrower owes the Bank. This might include, for example:

- a. new loans taken out by the Borrower, in the future, without the Guarantor's knowledge
- b. money owing for credit card transactions
- c. money owing as the result of any guarantees given by the Borrower to the Bank.

If the Guarantor gives assets as security to the Bank to support the guarantee, the Bank will be able to sell the assets to recover any amounts owed by the Borrower if the Borrower defaults.

It would be advisable to discuss giving a guarantee with your lawyer prior to signing. There are a number of recommendations that your lawyer may make including:

1. Limit the extent of the guarantee if possible
2. Limit the security you give in support of the guarantee if possible
3. Limit the guarantee to the loan now being arranged, if possible
4. Take security from the Borrower in your favour to protect your potential liability under the guarantee
5. Request the Bank to release your guarantee if part of the amount owed by the Borrower is repaid.

As stated above, the guarantee is a comprehensive document and legal advice should be sought prior to execution.

**Please remember this information is designed as a guide only and shouldn't replace the advice of your legal professional. We welcome your comments.**

## ING has taken financial and brand presence in Bennetts

ING (NZ) Limited's minority shareholding in financial planning business Bennett and Associates is one in a number of significant changes to a newly structured Bennetts operation, announced jointly in April 2007 by Bennetts and ING.

From 1 April 2007, Bennett and Associates has a new name, new brand and new structure, as well as the backing of ING, one of the largest financial institutions in the world.

The name Bennett and Associates changed to Bennetts Financial Services Ltd (trading as Bennetts), with the new name accompanied by a new fresh logo.

The Bennetts team of advisers have incorporated their respective individual businesses into the new company, to create one of the largest financial planning practices in the South Island. ING has taken a minority shareholding in the company, and has one representative, CEO Marc Lieberman, on the Bennetts' Board.

"These developments are very exciting for us, our staff and our clients," says Bennetts Managing Director, Ricky Bennett. "The new company structure, provides us with the local expertise and ownership to really develop and grow our size and coverage in the next few years. ING's involvement also gives our clients the comfort which comes from a large global organisation."

ING's Marc Lieberman, says that as a manufacturer and marketer of financial services products, ING is always keen to establish long-lasting distribution partnerships with leading financial planning firms.

"This is the first in a new level of partnership arrangements we are looking to develop. While not all of these will involve ING taking a financial stake or adding our brand to their business, they are all designed to provide mutual benefits for both parties."

"Bennetts is clearly a highly successful practice, whose performance has been regularly recognised with multiple industry awards in recent years. They are therefore an excellent company to commence our new partnership arrangements with", he adds.

When the man you like switches from what he said a year ago, or four years ago, he is a broadminded person who has courage enough to change his mind with changing conditions. When a man you don't like does it, he is a liar who has broken his promises.

*Franklin P Adams 1881-1960 Nods and Becks*

All dreams need not be the stuff of which history is made. Most are very personal. Parents dream of the kind of person their child might be someday. Entrepreneurs dream of success in the marketplace, of a better product, a better way to deliver a service. To be alive is to dream. And yet, in the daily pursuit of our dreams we cannot avoid challenges – and our approach to struggle invariably mirrors our approach to the most significant.

*Stephan M Wolf*

# BA5 REVIEWS

**GRANTS FOR BUSINESS** was the title of the BA5 hosted by New Zealand Trade and Enterprise at the White Heron on Wednesday 2<sup>nd</sup> of May.



Alan Richardson, the Otago, Southland & Chatham Island Regional Manager gave a brief overview on the NZTE and the grants available to businesses looking to expand. NZTE have a network of offshore offices

(48 worldwide), together with a large database of consultants who can be approached for assistance and information. In 2006, 157 businesses provided 74.8% of total exports. The challenge for NZTE is to get companies geared up to promote exports. Grants are provided for expansion to the world market, excluding Australia. It is worthwhile visiting the website [www.nzte.govt.nz](http://www.nzte.govt.nz) and checking it out for yourself. Grants are not just for large businesses, there are several offered for smaller enterprises.

The criteria for grants available was outlined. Grants are not freely given, nor is it regarded as a handout process. To be successful a company must have a true and realistic vision of what it wants to achieve and be prepared to go through a rigorous process, which includes a major appraisal of the systems already in place. However, although this may be daunting, it can only be beneficial to a business, as the end reassurance is that the business is functioning efficiently.

Following on from this, Craig Coote from Quality Foods spoke about their Company applying and being the recipients of two grants. He outlined the process involved, how they handled it, and how the money has been utilised for the good of Quality Foods.



He stressed if you are looking for a grant for expansion, to talk with the NZTE – they are there to help, they want you to succeed, and they have a huge knowledge base. Craig also advised the importance of networking – asking questions of other people, other companies. Knowledge is there to be shared so everyone can benefit.

The evening was a fascinating insight into what is available and the NZTE is fulfilling a vital role in the success of many ventures.

## GO STATS!!

This is the war cry from the Department of Statistics as they embark on a mission to educate the population on what resources are available in statistics for those in business.

The Hon Clayton Cosgrove opened the evening stating it is their aim to give something



back to the community to enable businesses to make rational, informed decisions with the data that is available.

And what a lot of data is available! Currently there are 60 million pieces of information on the website. The majority of the information is free, but should you wish specific data there may be a small charge.

Andrew Hunter, General Manager of the Christchurch Office of Statistics New Zealand was MC for the evening, and Graeme Simpson, Client Services Analyst presented an overview of Invercargill and Southland showing that Businesses in Invercargill between 2001 and 2006:

- have grown in number by 17%
- have grown from 3,380 businesses to 3,960
- provided employment for 23,800 employees in 2006
- show over a 15% increase from 2001
- Southland businesses grew at a faster rate than the rest of New Zealand.

A section on how to establish your market and a section on how to access the website was followed by a 'workshop' session on laptops, assisted by Mike Moore and Christine Dean from Statistics NZ. BA5 attendees were able to test firsthand how to utilise the website.

It was a thoroughly worthwhile evening and those of you who missed it because you thought 'Stats' would be boring missed a thoroughly enjoyable and informative event. Statistics is the passion of the team who came down to deliver the information.

Visit the website – [www.stats.govt.nz](http://www.stats.govt.nz), or if you are having difficulty phone their free help line on 0508 525 525. Our sincere thanks to the Minister and team from the Stats Department for their highly educational evening.

**“GO STATS”**

**5 connected BUSINESS**  
BUSINESS AFTER FIVE

- |              |  |
|--------------|--|
| 12 June      | “The Aurora Way”   |
| 12 July      | Kiwibank   |
| 14 August    | Tall Poppy Books   |
| 12 September | Fonterra   |
| 15 October   | Chamber new premises opening (providing all goes to plan!) |
| 14 November  | Blue River Dairy Products                                  |

Mark your diary now with these events to take us to the end of 2007. We have a good variety of BA5's for you to come to. Don't miss these valuable opportunities of networking and learning about other Southland businesses.

It is important to support each other!

### **Other forthcoming Chamber Events:**

**June (date tba) Energy Symposium** Specialised Guest Speakers

**6<sup>th</sup> November TRADEQUAL Dinner**



## Trade Events and Fairs

Tell us your request we will find it

### APPAREL

**Fashion Exposed** Melbourne  
 September 07

### BUILDING & CONSTRUCTION

**Build NZ** Auckland June 07  
**Designbuild** Sydney June 07  
**Building & Home Expo** Melbourne  
 June 07

### ELECTRONIC, IT & ELECTRICAL

**Multimedia & Entertainment  
 Technology**

Singapore June 07

**Communication & Information  
 Technology**

Singapore June 07

**Information Technology** Singapore  
 June 07

### ENERGY

**Oil & Gas Expo & Conference**  
 Singapore December 08

### ENGINEERING

**Empowering Technology** Vietnam  
 July 07

**Controls, Automation,  
 Instrumentation, Laboratory**  
 Singapore Nov 07

### ENVIRONMENT

**Enviro Expo** Singapore Nov 07

### FOOD & HOSPITALITY

**Food & Hotel Equipment &  
 Supplies** Vietnam April 08

**Food & Hospitality & Specialist  
 expo events** (largest in Asia) Singapore  
 April 08

**Foodhotel Expo** Ho Chi Minh City  
 Nov 07

### TIMBER & FORESTRY

**Timber & Working with Wood**  
 Sydney June 07

### RETAIL

**Pharmacy** Auckland June 07  
**NZ Gift Fair** Christchurch July 07  
 Auckland October 07

Checkout the full details:

[www.commercesouth.com](http://www.commercesouth.com)  
 bglobal – Expo's & Fairs

New Zealand's economic circumstances were interesting a year ago, and now they are astounding. This is an economy in the tenth year of a sustained expansion with a 7.75% cash rate, an elevated currency and what most other countries would consider a reasonably tight fiscal policy. Despite these constraints New Zealand house price growth accelerated in the year to April, jobs growth picked up in the March quarter, unemployment has been under 4% for over two years, and retail sales volumes over the March quarter rose nearly 3.8%. Yet both wages growth and inflation moderated in that quarter. The March quarter trimmed mean measure of core consumer price inflation came in at 0.4%, the lowest reading in four years. The private sector ordinary time wage cost index for the first quarter

fell back to 0.7%, the same increase as the March quarter a year earlier and less than the readings of 0.9% and 0.8% in the previous two quarters. The Reserve Bank of New Zealand pays no great attention to the trimmed mean measure (unlike the Reserve Bank of Australia) and instead draws attention to the more alarming non tradable measure. It deprecates the usefulness of the wage cost index (again, unlike the RBA) and appears to put more faith in anecdotal reports about wages pressures from its business contacts. If statistics mean what they are supposed to mean, however, the New Zealand economy is an exemplar to the rest of the world. It follows that the RBNZ must be doing something right, though we think it will be a while before the RBNZ claims credit for what it now disbelieves.

## GLOBAL SOURCING MADE EASY FOR SMALL BUSINESS

The International Chamber of Commerce has just published an ICC Legal Handbook on Global Sourcing Contracts, the first comprehensive handbook to help small and medium sized companies navigate this process internationally.

The book responds to an unfilled need: as domestic competition increases, small businesses are searching for ways to raise efficiency through global sourcing. The process can be daunting for them.

"This handbook helps small companies build a better business plan for global sourcing. It covers all the important steps, from structuring requests for information, moving on to requests for proposals to drafting contracts, evaluating suppliers and identifying possible loopholes" said Michael Hancock, Co-Chair of ICC's Task Force on Global Sourcing and a consultant at the law firm Salans.

Sourcing involves the transfer of a non-core business function or process to a specialised provider and is an important way for an enterprise to concentrate on its core activities and reduce costs. But companies must be able to fairly evaluate the balance of risks, costs and performance of a potential new supplier before making a sourcing decision.

Taking that difficult first step – to request information on sourcing and inform employees of this initiative – can be made simpler by involving an outside agent, namely the local Chamber of Commerce. The local Chamber can also supply lists of professionals in a given country, such as accountants, lawyers, surveyors and government licensing bureaus to help conclude a sourcing agreement.

Currently, few resources exist to help small businesses manoeuvre the comprehensive range of sourcing issues and opportunities. Responding to this need in the marketplace, ICC tapped its network of international business experts to produce the global sourcing handbook, which spells out the key issues in an easy to understand style for a non-legal business readership.

Through the years, ICC has built a reputation for its growing list of publications that provide business with practical tools not available elsewhere. The Global Sourcing task force is part of ICC's Commission on Commercial Law and Practice which also produces the best-selling series of International Model Commercial Contracts.

To purchase this handbook contact the Southland Chamber Office.

Studies have shown that those who consistently excel at what they do receive far more from work than salary and camaraderie. Today there is growing recognition that productivity is directly linked to the level of satisfaction and fulfillment that people get from their work. People who excel have a sense of purpose, a feeling that their work has meaning and contributes to a worthwhile cause.