



EDITORIAL



Budget 2011 was almost dismissed as irrelevant after the Government released so many of the details before the delivery in Parliament by Finance Minister Bill English.

However, there were some fish hooks included for businesses, along with some good news for those businesses able to look a public-private partnerships (PPPs).

The main points of relevance for business were the changes around KiwiSaver, changes to Working for Families, student loans and the partial sale of state-owned assets.

The changes to KiwiSaver will create

BUDGET 2011

extra costs for businesses, both compliance and eventually an increased contribution to workers' accounts. The Government has decided that its contribution to KiwiSaver will drop by half next year and that employer and employee contributions will increase to 3%.

While the Otago Chamber of Commerce welcomes the push to increase the savings of New Zealanders, we believe that some of our members will struggle to increase the contribution unless there is a remarkable burst of economic growth. The Government will tax the employer's contribution so instead of a 3% contribution to a workers account, the worker will only receive about 2%.

The Government has also promised to take a closer look at Working for Families by reducing the help high income earners receive and providing more help to low income earners.

Accountants have already expressed concern at the costs to individuals who operate trusts on behalf of themselves and their families. One local accountant has said the costs of examining the trust income and

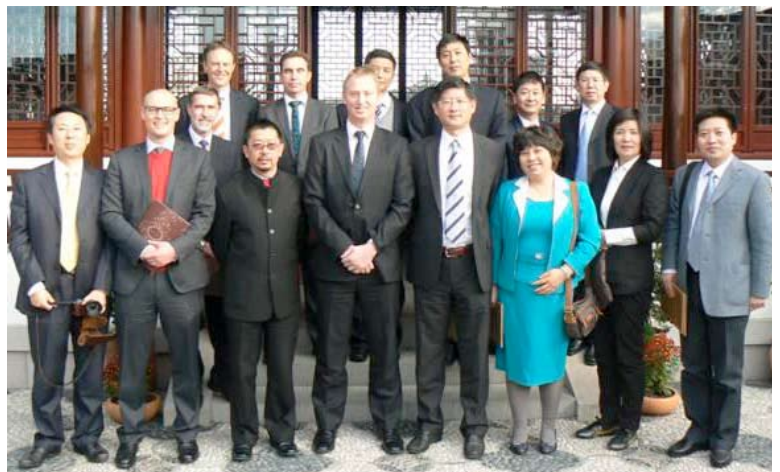
allocating it on a percentage basis to see if the person qualifies for Working for Families will cost more than the benefit.

On the positive side of the ledger, the changes to student loans could see our young people coming back earlier to work in New Zealand after spending some time overseas. The repayment holiday for overseas-based borrowers has been cut from three years to one year.

The sale of up to 49% of energy companies Meridian, Mighty River Power and Genesis, along with coal producer Solid Energy, will be a major boost for private enterprise. New private sector board members are not likely to be government appointees, changing to focus away from providing dividends to prop up the government of the day to providing returns for genuine shareholders.

It is hoped there will be an opportunity for private sector input into the companies, particularly if Solid Energy goes ahead with its Southland mining proposal. Public-private partnerships can only be good to help grow the economy.

The Chamber of Commerce recently hosted a meeting with a Chinese delegation from the East China Power Grid Company at the Dunedin Chinese Gardens. The East China Power Grid Company is the biggest power provider in the world. The purpose of their visit was to meet with business representatives from the Energy Sector to discuss power network efficiency development, energy market reform, and New Zealand investment opportunity in renewable energy. The Delegation is the second to visit Dunedin this year, with the Chamber hosting a meeting for an Agricultural Delegation in April. These visits reinforce growing ties through the Dunedin and Shanghai sister-city relationship, and the Chamber's Memorandum of Understanding with the Shanghai Chamber of Commerce.



YOUNG ENTERPRISE 2011



Our 2011 Young Enterprise companies are proving to be one of the best intakes ever in the annual programme.

At our recent Oral Presentations, judges and attendees were impressed by the high standard of delivery, the range of products and the confidence of the students.

The Young Enterprise Scheme is a learning experience for senior secondary school students who form a company; become directors; develop products and services, which they market and sell, and keep any profit they make, all within a single school year.

About 77 students representing 13 companies from 8 high schools across Otago competed for the four awards on offer in a "dragons den" type format. Judges included local business experts from the University of Otago, Craigs Investment Partners, Big Picture Learning and ASB bank.

The four prize categories were awarded as follows:

- Best Oral Presentation (Big Picture Learning Ltd)**

Moemoea Records from Kings and Queens High School

Moemoea Records received several commendations for its record production company which is producing a CD of music written and performed by pupils at Kings and Queens High Schools. 3 of the seven tracks have been recorded already and they plan to sell the CD in Marbecks in August this year.



- Most Investment Potential (Dunedin City Council Economic Development Unit)**

Elastico from Kaikorai College

A simple idea but one that the judges loved; Elastico are producing an elastic band which goes around footwear to cover shoe laces in a number of sporting codes – providing a more lasting solution to "tape".



- Best Business Plan (Craigs Investment Partners)**

3ee from Otago Girls High School

Another innovative product was from 3ee, two pupils from Otago Girls High School who are producing a DVD on how to learn to drive a manual car.



- Best Trade Display (The Otago Museum)**

Moemoea Records from Kings and Queens High Schools

Students now go on to produce and sell their products and then produce an annual report to show their success.

The regional awards will be held in October 2011 with the overall winner of the Excellence in Business Award representing the region at the National Awards in Wellington in December.

If you would like to find out more about Young Enterprise, any of the products listed below or how to become a Young Enterprise mentor, please contact Paul Allen at the Chamber on 03 479 0181.

Columba College	Choc Local	Locally produced chocolates in a kilt
Kaikorai Valley College	Elastico	Elastic band to cover shoe laces
Kaikorai Valley College	Pictur It	Custom photos mounted on board
Kavanagh College	Dun' Deals	Glassware for school leavers
Kings/Queens High Schools	Moemoea Records	Record production company
Otago Girl's High School	Stealth	Childrens' travel activity book
Otago Girls' High School	3ee	DVD detailing road safety and how to drive a manual car
Otago Girls' High School	Liaison	iApp of Dunedin venues and activities
Otago Girls' High School	Perfect match	Promoting OGHS to international students
Queens High School	Wha Taitamariki	Tourism/ Maori educational playing cards
St Hilda's Collegiate School	Good Sorts	Jelly Beans custom packaged i.e. for rugby teams
St Hilda's Collegiate School	Missing Pieces	Jewellery based on board game themes
St Hilda's Collegiate School	Skinettes	Laptop skins

Our thanks to our local sponsors and supporters who continue to make Young Enterprise a success.



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CHAMBER ACTIVITIES

CENTRAL OTAGO FORUM - RIDING THE STORM

A capacity audience turned up for the 'Riding the Storm' event held in Central Otago on 25 May at the Centennial Court Motor Inn in Alexandra.

Industry sector leaders had been invited to speak on how their particular industry was riding out the current economic climate in the Central Otago region. While some industries were positive about the future others reported that the current economic conditions were of concern and adaptations needed to be made.

Points of interest included:

- that there are industries investing significantly in Central Otago
- that there are still untapped opportunities especially around agriculture and water management
- A number of industries were facing tough times but were remaining strong and did have a positive future and outlook given the recession, while others were having to adapt and redevelop their services
- A general positive-ness and hope around the new rail trails developments

What was clear was the passion each speaker showed for their particular industry.

The meeting opened with an introduction by Mayor Tony Lepper and was facilitated by the Chamber's chair of the Central Otago Advisory Committee, Hugh McIntyre. Speakers for the evening were:

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|--------------------|------------------------------------|
| - Daphne Hull | Tourism Rail Trail |
| - Steve Goodlass | Tourism Rail Trail Operators group |
| - Lynley Chirnside | Positive Ageing Services |
| - Warren Whelan | Construction |
| - George Collier | Agriculture |
| - Gary Bennetts | Fruit |
| - Rod Peirce | Clutha Gold Trail |
| - Stephen Jeffery | Roxburgh Community Board |
| - Alistair King | Wine |
| - Mike Coleman | Mining |

If you are interested in further details of the evening please contact Hugh McIntyre on 03 448 8060 or email hugh@mftca.co.nz

Our thanks to Westpac for sponsoring this event.

INDUSTRIAL RESEARCH LTD KEEN TO ENGAGE WITH LOCAL BUSINESS 'INNOVATE WITH IRL'

The Otago Chamber of Commerce is pleased to be able to offer members an opportunity to meet representatives of the Crown Research Institute (CRI) who are dedicated to supporting the manufacturing sector of NZ. Representatives will be on site to inform you how you can engage and leverage support for innovation and R&D that can increase your companies export potential and international competitiveness.

Along with a brief presentation from a company as a case study of how IRL interact; there will also be an opportunity to hear about

- What a CRI does
- How CRI is dedicated to support the manufacturing sector of NZ
- How IRL have been part of major of innovation and technology development in NZ over the past 20 years
- How to best connect and work with IRL
- How IRL can help you access funding to support technology development for your company/organisation

- Do both short term and long term technology development work?
- IRL are the measurement standard holders in NZ and can provide calibration and measurement support for industry



The speaker will be Gavin Mitchell, the Commercial Manager of the Industry Engagement Group in Wellington. John Souter the South Island Account Manager and Jonathan Miller, Account Manger, Auckland who will also be in attendance.

As the only Crown Research Institute mandated to support New Zealand industry, IRL is firmly industry focused and exists to conduct scientific R&D in the manufacturing and service sectors that delivers ongoing economic, social and environmental benefits.

This lunchtime event will be held on Thursday 23 June at The Dunedin Gas Museum in Braemar Street. To attend please contact the Chamber on 479 0181

HOME AND BUSINESS SERIES WITH OUR GUEST VODAFONE

Date: 27 June 2011
Time: 10:00am — 11:30am
Member Cost: Complimentary
Location: Otago Chamber of Commerce, Ground Floor,
Burns House. 10 George Street, Dunedin

RSVP to 03 479 0181 or email office@otagochamber.co.nz by 24 June 2011

- Work from home?
- Have a small staff?
- Want to network in a smaller group?



Join other small business members at the Chamber for these informal sessions over a cup of coffee.

The Home and Business series brings you a wide variety of speakers and topics of interest each month. There is also time to network with other members at the end of each session.

This month our guests are Donna and Chantelle from Vodafone who are excited to give Chamber members the opportunity to learn about their new smart device phones, you will also hear about Vodafone's new 'coverage and quality solutions'.

FEATURED TRAINING PROGRAMME

- Are you a small to medium size business?
- Are you serious about increasing your profit and bottom line?
- Do you want to learn concepts that big business takes for granted?

GET THE 'SKINNY' ON LEAN

This High Impact Training Programme has 6 modules which cover:

- Module 1: Introduction to Lean: Introducing the concept of Lean and its history
- Module 2: Leadership / People - Making Lean stick: How do you get people on board with Lean?
- Module 3: Value Analysis: Lean is a systematic approach toward continuous business improvement
- Module 4: Reduction Analysis: Setup reduction builds on the principles
- Module 5: "Problemtunities": Problem solving is one of the most powerful but least used techniques
- Module 6: Measurement: At the very core of Lean is the customer

Glenn Manahi of GO Solutions is a passionate educator at heart and has been involved in developing people since the early 1990's here and overseas. He has specific knowledge on programmes like Continuous Improvement, Business Improvement Teams, Total Productive Manufacturing and Balanced Scorecard. Despite these being programmes associated with big business, the concepts can be applied to make smaller businesses more productive.

Brendan Williams from the Marlow Street Pie Kitchen says "Lean Manufacturing, for me, is a structured, detailed description of all of the things I have been trying to fix in my business since I started. The lightbulb turned on after attending a course in 'Lean' hosted by the Otago Chamber of Commerce and run by Glenn Manahi. It was an unconventional, eye-opening and fun way to think differently about your business.

I think most manufacturers chase the idea of 'Lean', but until the principles of Lean Manufacturing are laid out, does it seem like an easily achievable thing. The practical side is straight forward and logical, but the softer side of the process is the key. How to get your staff to buy into and think lean."

For more information or to register, contact Rae at the Chamber on 03 479 0181 or email rae@otagochamber.co.nz

JUNE FEATURED MEMBER BENEFIT -

Book now and get 20% off St John Refresher courses

Chamber members have the opportunity to book staff on a St John Refresher Course at a 20% discount if booked by 30 June. You can also book untrained staff on the Workplace First Aid Express Course at the same 20% discount.

- First Aid Refresher Course now just \$113.60 incl GST* This one day course is suitable for those who require revalidation of the Workplace First Aid certificate every two years. They can attend this course whether or not the original training was done with St John.
- Workplace First Aid Express Course now just \$129.60 incl GST* This one day course is ideal for first aiders in low risk workplaces. Completion of this course qualifies students as a trained first aid person as described in the guidance notes published by the Department of Labour.

Book online now at www.stjohnfirstaid.org.nz and get 20% off

*Terms and conditions apply. Offer valid to 30 June 2011. Customers can book courses up to 6 months in advance provided they are paid for by 30 June 2011. Offer applies to scheduled courses only. Discount applies to one course per person unless booking on behalf of other employees.

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