



EDITORIAL



**The Annual Plan hearings are upon us again, and again the Chamber will be making submissions on behalf of members to the five regional authorities.**

Chamber members can raise concerns and place them effectively before local authorities by being part of the submission process on an individual basis or by being part of the submissions made by the Chamber each year.

It is important for business to be able to voice their opinion about how local authorities in the region can best grow the economy and make living and doing business in the region as easy as possible.

With the current economic climate coming out of recession but still affected by world events such as unrest in the Middle East and fluctuating trade and currency values, this will be a difficult year for business. And that was before the tragic events of the Christchurch earthquake have really hit home yet on the domestic front.

Chamber members are business owners,

# HAVE YOUR SAY – ANNUAL PLAN HEARINGS 2011

employers and wealth generators for the region as well as being individual ratepayers. The Annual Plan process allows for submission and consultation to ensure there is robust debate about the spend of each authority and their priorities. Members and businesses need to ensure that they are part of that debate. Council effectively has a mandate to move forward if they receive no feedback.

Over the last few years the Chamber has been able to take more of a proactive than a reactive stand on some of the important strategies through the region. We have been included in decision making processes and planning and have had the opportunity to be part of working groups and investigations.

Despite a significant change in Councilors and Mayors around the Otago region, the Chamber continues to enjoy a relationship with each authority and is regarded as an important sounding board for business reaction.

We welcome your feedback, comments and suggestions for the 2011 Annual Hearing rounds.

Your voice is important to ensure that the environment that we do business in is appropriate. Without employment growth, wealth creation and export growth, Otago will not prosper.

## CLUTHA TRAFFIC STRATEGY

An example of a current local issue on the table in South Otago is the Clutha Traffic Strategy.

Karen Morgan is the chair of the South Otago Advisory Committee of the Chamber and has submitted the following:

Last year the Clutha District Council sought submissions from ratepayers about the 'Balclutha Traffic Strategy'. The Council's Long Term Plan has budgeted over \$2 million to be spent in the next financial year on the development of the 'Main Street'.

The current situation is that Clyde Street, the main road through Balclutha, is designated as state highway, whilst the heavy traffic travels down two side streets, James and Charlotte. The funding does not match the traffic flows, with ratepayers paying to maintain the roads used by the trucks.

Council came up with seven options to changing road use and funding, and sought the opinion of Chamber members as part of its first consultation round. We surveyed our members in the area, and submitted the results to Council. We were pleased to get 47 responses from our members, and reported to Council that our members gave 50% support to the status quo position of having no roading changes. There was also significant support for either one of the side roads becoming the state highway.

Council has decided to investigate three of the options further, being the status quo, and also either James Street or Charlotte Street becoming dual direction bypasses. We are awaiting the next step with interest.

## TELL US WHAT YOU THINK

We will be submitting on the following Draft Annual Plans

- Dunedin City Council
- Otago Regional Council
- Clutha District Council
- Central Otago District Council
- Waitaki District Council

Email [office@otagochamber.co.nz](mailto:office@otagochamber.co.nz), phone 03 479 0181 or talk to your local Advisory Committee Chairs: Central Otago: Hugh McIntyre 03 448 8060, Clutha: Karen Morgan 03 418 0020, North Otago: Gary Watling 03 434 9162

# IMPORTANT LAW CHANGES FROM 1 APRIL 2011

Department of Labour  
TE TARI MAHI



Are you aware of changes to the Employment Relations Act and Holidays Act passed by Parliament recently?

Most changes come into effect on **1 April 2011**.

Key changes to the Employment Relations Act include:

- Extending the 90-day trial period to cover all businesses
- Improving personal grievance processes
- Retention of employment agreements
- Union access to workplaces
- Role and power of Labour Inspectors

Key changes to the Holidays Act include:

- The option to cash-in up to one week of annual leave
- The option to agree to transfer the observance of public holidays
- Proof of sickness or injury

More information on the changes is available on the Department of Labour website: <http://ers.govt.nz/updates/>

## WHY IT IS IMPORTANT TO DEVELOP STRONG RELATIONSHIPS WITH YOUR BANK

### 1. Development of strong relationships with your bank

Small/medium sized business operators need to establish a strategy for dealing with their bank relationship manager. The following are suggestions that will help build and maintain this:

- Keep in touch
  - if your account is not being maintained within your arrangement
  - if anything new develops in your business
  - forward copies of your financials when prepared; don't wait on them to ask. If you have a debt, they will want your financials eventually
  - if you know you're going over your limit, let them know before it happens. It will make a difference when requesting short term assistance
- If you wish to borrow money from the Bank, prepare a Finance Application. Don't just go the banker and verbally request loan funds. Prepare a proper submission.

### 2. Five C's Of Lending

Bankers utilise a concept that they refer to as 'Five C's of Lending' in determining whether they will lend to an applicant. These are:

- Character - what is the personal element of the applicant?
- Capacity - have they got the ability to repay their loan?
- Collateral - what security is offered?
- Conditions - what is the market place doing in that particular industry or location?
- Capital - what is the present position of the applicant's assets and liabilities?

### 3. What Are Bankers Looking For?

- Bankers are looking for confirmation that the businessperson knows where the business is going. Will the applicant stick it out when the going gets tough?
- How do they manage their business? Do they receive regular financial

statements during the year? Do they prepare budgets and cash flow forecasts?

- Do they have a business plan?
- Does the banker trust the applicant?

### 4. Performance Monitoring

- Bankers expect budgets and cash flow forecasts to be regularly monitored by the comparison of actual to the original budget figures. They want to know that the applicant understands the variations that occur from the original budgeted figures.
- They want to know if management really knows the current position of the business

### 5. Cash Flow Timings

- One of the greatest frustrations for bankers and lenders is cash flow timing estimates. The applicant should understand what the likely peak balances on bank overdrafts are going to be during the month and not necessarily just at the end of the month.
- Consideration needs to be given as to when payments are made, so as to coincide with anticipated receipts from the business operations.
- Cash flow forecasts should also account for seasonal fluctuations.
- Try not to divide your annual forecast by 12 (monthly) or 52 (weekly) as this is unlikely to reflect the reality of your business and your banker is likely to be concerned.

### 6. Periodic Financial Statements

- Bankers require regular financial statements to be submitted to them during the year prepared on an 'accrual basis' rather than a 'cash basis'.
- They are becoming more critical of the components of Statement of Financial Position and in particular want to know whether the correct figures are stated therein.

Contributed by Hugh McIntyre Chartered Accountant and Scott Sinclair Westpac Bank

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All business banking enquiries

**0800 177 377**

[www.westpac.co.nz](http://www.westpac.co.nz)

# SUPPORTED YOUTH INITIATIVES

Dunedin employers have access to a number of initiatives throughout the region which allow them to take on young people in different capacities. We have outlined three such initiatives below but there are also many other programmes including those run by the Malcam Charitable Trust, Work and Income and Youth Grow that also support youth in their quest to gain employment and other life skills.



The 4 Trades Apprenticeship Trust takes the hard work and bureaucracy out of employing and managing an apprentice. 4 Trades is the largest group employer of apprentices in Otago and they also support Modern Apprenticeships.

They specialise in many trades including:

- Automotive
- Painting
- Carpentry
- Plumbing
- Horticulture
- Joinery

Having 4 Trades manage the apprenticeship recruitment and employment issues, visit the apprentice on a regular basis, frees up valuable time for the host to concentrate on core business activities.

Bill Cubitt has been a facilitator for the Trust for a number of years and says "we build relationships with the apprentice and their host company. This allows us to keep on top of any on-or-off the job issues which greatly lessens any impact on the business."

For more information, phone Bill or Charlie on (03) 479 0181 or [bill@otagochamber.co.nz](mailto:bill@otagochamber.co.nz)

## CADETMAX

CadetMax is a programme that supports young people in getting a job and gaining a qualification through a cadetship with an employer.

- Cadets learn a skill, gain experience in a career AND earn a good wage.
- A cadetship is an entry level job that is a foot in the door to a career that may otherwise not be available to someone without qualifications.
- Cadets gain lifetime skills which they can take with them and use with other employers, and in other cities and countries.

The Chamber is currently running it's eight CadetMax programme. Alistair Church who has coordinated the programme in Dunedin over the last 3 years says "he is very appreciative of the support from members of the Chamber who have supported the programme by way of providing work experience for the cadets. In many cases this has led to full time employment.

The opportunities for successful placement into work have varied depending on the economy at the time. The most successful intake was in August 2010, when eight cadets came on the programme. The outcome was seven in work and the eighth one is doing his pre-trade in automotive engineering at Otago Polytechnic. Many of the placements have successfully signed on for apprenticeships."

For more information, phone Alistair Church (03) 479 0181 or [alistair@otagochamber.co.nz](mailto:alistair@otagochamber.co.nz)

## LINKing Employment and Education



Employment & Education LINKS provides employers with motivated young staff. With the closure of Launchpad scholarship programme in Otago, LINKS offers practical supported programmes to employers, school leavers and other job seekers.

Research shows that it is widely recognised that successful programmes depend greatly on the commitment and dedication of individuals to foster sound business relationships and build confidence between youth and employers. Helen Richards of the 'Helen Richards Employment & Education LINKS' says "that in her experience, employers who have the foresight and belief in continuing to train young people benefit by embracing a programme that includes on-the-job-training that is also linked to a National Certificate which in turn develops appropriate skill bases for the future."

LINKS is focused on and specialises in the placement of youth into entry level office and warehousing positions and is committed to providing employers and their young employee with a professional standard of recruitment, assessment, programme induction, support and guidance through either a 6 month or 12 month programme.

For more information, phone Helen Richards (03) 471 5357 or 021 226 5400  
Email [helencrichards@xtra.co.nz](mailto:helencrichards@xtra.co.nz)

## FEATURED CHAMBER ACTIVITIES FOR MARCH

For a full list of Chamber activities visit our website  
[www.otagochamber.co.nz](http://www.otagochamber.co.nz)

### DUNEDIN

- |          |          |  |
|----------|----------|--|
| 16 March | Training | April 1 – Are you ready for the changes to the employment law? |
| 24 March | Event    | BA5 with Westpac   |
| 31 March | Event    | Vodafone Showcase of smart devices and connectivity            |

### CENTRAL OTAGO

- |          |          |  |
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| 15 March | Training | Successful funding applications and sponsorships |
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### SOUTH OTAGO

- |          |          |   |
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| 15 March | Event    | BA5 with Russell Williamson Electrical Ltd and Balclutha Windscreen and Glass |
| 16 March | Training | Effective Communication Skills  |

## FEATURED CHAMBER MEMBERSHIP BENEFIT



### VODAFONE MOBILE OFFERS

Vodafone has 2 great mobile plans available to members with access to deals on mobile devices. Call 03 477 1021 to speak to one of their dedicated local business consultants.

### VODAFONE HOME PHONE & BROADBAND PACKAGES

**HOT OFFER: 2 MONTHS FREE** access when you sign up on any new Ultimate or Ideal package, before the 31st March 2011

	IDEAL	ULTIMATE
Monthly Cost	\$90	\$100
Data Allowance	10GB	30GB

Free upgrade every month to MY SKY HDi with selected fixed-line broadband plans call 0800 85 40 03 for more details

### VODAFONE SMART DEVICES SHOWCASE

Make sure you register for the Vodafone Showcase on Thursday 31 March, 5.15 to 7pm. Vodafone will have smart devices on display, plenty of refreshments available and a knowledgeable team ready to answer your questions during the evening. Call 03 479 0181 or email [office@otagochamber.co.nz](mailto:office@otagochamber.co.nz)

## MEMBER TO MEMBER BENEFITS

Take advantage of the national partnerships the Otago Chamber has with



For local benefits, contact the Otago Chamber if you would like to offer an exclusive discount to other chamber members or find out about the latest ones available to you.



## Otago's BusinessHub

Look no further than the Otago Chamber of Commerce for all your business interests

- Advocacy ✓
- Networking ✓
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### ACKNOWLEDGEMENTS

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Designed and Printed  
**Dunedin Print Ltd**  
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## THE CHAMBER WELCOMES NEW MEMBERS

- Hayes Investment & Insurance Solutions
- Attack Media
- Inch Valley Preserves
- Hotel Motel Taieri (Nellies Bar & Grill)
- 755 Regal Court Motel
- Alexandra First National
- Talking Shop Limited
- Woodscape Gardens
- Oamaru Veterinary Services
- Greg Fahey