

INSPIRING BUSINESS IN HAWKE'S BAY

MAY – AUGUST 2015

THE **PROFIT**

A photograph of a man and a woman smiling in a cheese-making facility. The man is on the left, wearing a light-colored button-down shirt. The woman is on the right, wearing a black top. In the foreground, there is a large wheel of cheese. The background shows shelves with more cheese wheels.

**Niche dairy
business inspired
through adversity**

**COLIN STONE
HEADS TO CAPITAL**

**Primary awards winner
shows soft side**

Cape to City to be predator free



Hawke's Bay

Primary Sector Awards 2015

Celebrating Excellence



Silver Fern Farms
Hawke's Bay

Farmer of the Year

Winners Trish and Craig Sinclair with Chief Executive Silver Fern Farms Dean Hamilton and Hawke's Bay Primary Sector Awards committee Chairman Peter Tod.



Lawson Robnison Hawke's Bay A&P Scholarship

Winner Kahlia Fryer with Lawson Robnison Director Matthew Lawson.

PAN PAC Hawke's Bay Farm Forester of the Year

Pan Pac Managing Director Doug Ducker with winners Jois and Simon Beamish and the Hawke's Bay Farm Foresters Association's Chairman Rob Wilson.

Laurie Dowling Memorial Award

Recipient Bruce Wills, with Laurie Dowling Memorial committee member Roy Fraser.

Hawke's Bay Primary Sector Industry Leader

Hastings District Council Mayor Lawrence Yule with recipient, Bel Group Chief Executive Justine Kidd.

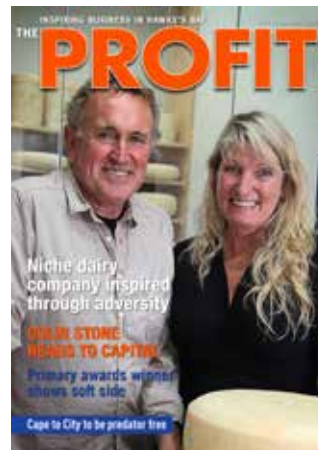
Congratulations to all the winners

Celebrating excellence in the primary sector in Hawke's Bay

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Cover photo by Vivienne Haldane

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EDITORIAL

Decision time looms – have your say

Later this year the people of Hawke's Bay will get the chance to have their say on whether they think the current council regimes is effective or whether one council is the most suitable way forward.

So far the debate has been led by the region's politicians. In one corner you have Napier's Bill Dalton, Wairoa's Craig Little and Central Hawke's Bay's Peter Butler; in the opposite corner and sitting out there as a bit of a loner is Lawrence Yule.

Amalgamation has been tagged by Bill and his mates as Lawrence's proposal.

Interestingly, at the Hawke's Bay Primary Awards, MC for the evening Te Radar introduced Lawrence Yule following a video with the words "see Lawrence, you can have it all". It was a tongue and cheek call but it did have some sentiment in that Lawrence has been regarded as the main champion for amalgamation.

He is backed by what Bill Dalton refers to as a group of elitists looking to feather their own caps.

Obviously this isn't the truth. Although the group is high powered, well connected and in search for a better Hawke's Bay, they firmly believe that the current state of the region is dire and that amalgamation is part of the answer.

They point to weak leadership, too many leaders around the table, duplication of council processes, no regional vision and poor health and social statistics.

Bill and his band of brothers on the other hand say that residents outside of Hastings don't want debt; the same residents believe they will lose local representation and identity and actually claim to be 'getting on just fine' with shared service models as living proof and a range of collaborative examples, such as a business hub.

So who's right or wrong? Well because the issue is being led by politicians, for the public it's hard to believe either side.

It's more of a tit for tat, driven predominantly through regional newspaper Hawke's Bay Today. One side will make a claim and the other will refute it. This is then followed by a round of letters to the editor, texts to the editor and then a Talking Point column, and so it goes again ...

Although we're waiting for the Local Government Commission to call a referendum, the no to amalgamation crew would be the TAB's favourite to win at present. They've done the sums and also know that the people of Hawke's Bay voted against it once before. For them, a referendum will stop amalgamation once and for all.

Meanwhile, the pro-amalgamation group will come out swinging. They're building a war chest of funds and other resources.

So as both parties start preparation for the 'War of the Bay', it's time for us as a community to stand up and look at the opportunities of

amalgamation and the benefits of status quo.

Apathy has the potential to knock amalgamation for six. This is especially the case when our politicians are the only ones fighting it out.

We need to look at our lives in Hawke's Bay and the lives of our family and friends and question what would be better or worse for us under amalgamation or vice versa.

Will a council structure change actually make a difference? As business owners or employees, what improvements could make a difference to the success of our businesses and our lives?

Do you deal with councils across the region and are you sick of duplication?

Do you want a leader with the mandate of our region's total population to take on central government and put a strong case forward for more regional investment, better infrastructure and greater support to improve the health and well-being of our community?

It's also time for some of the business and industry associations to get involved with the debate. For example where are the likes of the Master Builders and Certified Builders Association on the pros and cons of amalgamation?

These are some of the questions we will all have to consider later this year. Make sure you're part of the decision-making.

Give me your thoughts
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National Horticultural Field Day drives 'Horticulture week'

Hawke's Bay is to become New Zealand's horticultural hub in early June as the National Horticultural Field Day and Summerfruit New Zealand work together to host both their annual events in Hawke's Bay during the same week.

Summerfruit New Zealand will host their annual Conference in Napier on June 3-4 while the National Horticultural Field Day is to be held on Friday 5 June at Showgrounds Hawke's Bay in Hastings.

Both events attract a national audience and are usually held at a similar time of the year so the opportunity to align the events and maximize the shared benefits made sense.

"This is a great opportunity for Hawke's Bay to showcase itself as a horticultural centre to the rest of New Zealand. Having the two national events alongside each other means visitors can attend both and it will be a real celebration of the horticultural industry," says Brent Linn, general manager of Hawke's Bay A&P Society, which runs the National Horticultural Field Day.

Last year's Field Day attracted around 3,000 people with a geographic spread from Christchurch in the south to Pukekohe in the north. Organisers expect a further increase in its out-of-region audience this year due to the alignment with the Summerfruit New Zealand Conference 2015.

Having both these events in Hawke's Bay and creating a 'Horticulture week' signifies the region's power within the horticultural industry. With strong support from local industry leaders, Hawke's Bay is set to shine.



Minister of Economic Development Hon. Steven Joyce Minister opens the Rokit packing facility in Havelock North.

Rokit packing facility blasts off

The global success of Rokit™ apples has led to a \$17 million investment into land development and a state-of-the-art food packaging facility in Havelock North.

Minister for Economic Development Hon. Steven Joyce officially opened the multimillion-dollar food facility in mid-March.

More than 80 people are employed at the environmentally sustainable and energy efficient Rokit™ food packaging facility in Havelock North and on 153 hectares of orchards throughout Hawke's Bay.

During the past six months, Havelock North Fruit Company has appointed more than 20 full-time staff at the head office across a range of finance, sales and marketing, logistics, facility management and project management roles.

Rokit™ apples are marketed in six tube sizes – a three-piece, a four-piece, three versions of five pieces and a six-piece – and are available in supermarkets such as Marks & Spencer in the United Kingdom, fresh produce stores in Taiwan and across USA and Asia, as well as New Zealand supermarkets and boutique food stores.

See pages 46-47 for photos from the launch event.



Profit

Success for Horse of the year – thanks Kevin Hansen
Coffee with your canine at the Pakowhai Dog Park
Ready made meals at Mylk in Riverslea Rd, Hastings



Loss

Event management of Horse of the Year to out of town company
The ongoing amalgamation spat – lets hear from the community, not politicians!
Water – is it ours or China's?

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- Chris Mackenzie, Virtual Print

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New Appointments

Key appointments at Hawke's Bay Airport.

Hawke's Bay businessman Taine Randell is the Crown's new representative on the Board of Hawke's Bay Airport Limited while Olivia Pierre has been appointed to the newly created role of aeronautical and infrastructure manager.



Taine, a former All Black captain, has forged a successful career since returning to Hawke's Bay from the United Kingdom in 2008. He replaces Stuart Webster, who resigned in late 2014, as the Crown-appointed director.



Taine has several commercial directorships including Kahungunu Asset Holding Company, Fiordland Lobster

Company and freeze-dried snack food business Kiwigarden. He has also worked in financial and commodity markets.

The Ministry of the Crown is a 50 percent shareholder of the Hawke's Bay Airport Limited with Napier City Council a 26 percent shareholder and Hastings District Council a 24 percent shareholder.

"As the Crown representative, I will be focused on their outcomes as well as maintaining a Hawke's Bay perspective and ensuring the airport delivers exceptional

services for the wider community," Taine says.

Olivia Pierre sees immense opportunities in the continued growth of the airport and will be focused on attracting and securing new clients for the Airport's Business Park and on the redevelopment of the passenger terminal.

She has managed Air New Zealand's parking business enterprises in Auckland, Wellington and Christchurch and has also been airport manager for Air New Zealand at the Hawke's Bay Airport.

"It's great to have ABB as a large-scale anchor client and we are fielding new interest from businesses looking for new space. We're now more flexible in the size of space we can offer and with this comes a wider range of commercial solutions for prospective clients.

"Equally, having been the airport manager, it has given me a great insight into the design of the terminal, what our customers value and how we can best utilise the space and create a unique Hawke's Bay experience for passengers and visitors," she says.

Mark Aspden replaces Colin Stone as the chief executive of Sport Hawke's Bay



Mark Aspden was a partner in an Auckland law firm and is the current chairman of New Zealand Football.

"I am passionate about sport and its importance for individuals and communities and I am excited about the role of chief executive of Sport Hawke's Bay. I know that the organisation has been a high achiever with Colin Stone at its helm and has made a positive impact on the Hawke's Bay community.

"Hawke's Bay is already a very strong sporting region. I am looking forward to working with the team at Sport HB and with our key stakeholders to continue to grow sport and recreation as well as improve health in the Bay."

Kevin Murphy is the new Napier City Council Events Manager



Kevin joined the Napier City Council from Sport Hawke's Bay, where he was commercial manager for 10 years and in charge of funding, sponsorship,

promotion and events.

In his new role, Kevin will oversee key events such as the NRL rugby league game between Melbourne Storm and Saint George on July 25 and the elite cycling nationals in January 2016.

Kevin says he's looking forward to continuing to build on the momentum of event support that the council has achieved so far and to working with promoters and organisations in forming future partnerships for the city.

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Lesley Wilson

As the face of the Hawke's Bay Fruitgrowers' Association Lesley Wilson looks to the challenges facing the horticulture sector.

Q Tell us about your role.

A President of the Hawke's Bay Fruitgrowers' Association is merely the face of the association, the spokesperson for the executive and the executive officer, and all the hard work they do. The association's role is to promote, foster and protect the fruitgrowing industry in Hawke's Bay. Sometimes it's advocacy, sometimes it's reactive, most of the time it's just keeping an eye on what's happening in the district and understanding how it will affect our growers.

Q What's your career background

A I started out as a budding scientist; I have a Bachelor of Science in Zoology. When I decided that wasn't for me I started my own business that undertook project management, executive officer roles and freelance journalism. All the while Des and I were orcharding and raising a family. To be fair, it was mainly Des with regards to the orcharding, and I fitted in where my skills were needed; though I am very much more involved now. We bought our first orchard when we were 22 and 20 respectively, 1

month before the sharemarket crash of 1987; to say it was an interesting time after that is an understatement.

Q What are some highlights

A A whole jumble of things come to mind. Firstly, the lifestyle we created for our children, they are very grounded adults who are achieving great things in their own professions. The protest actions to get apples into Australia; that was a lot of fun to organise, New Zealand really got behind us. Sometimes it's just the day-to-day stuff, like the first bin of apples for the season, that

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really makes you smile; I always take a photo of it. But, looking at the past couple of decades I think it is how the industry has changed, and how people have managed that change.

When we first started growing apples the Apple and Pear Board told us when to pick and what to pick, and we had no control over the fruit when it went out the gate. Now, under de-regulation, we develop, produce, pick, pack and market the fruit ourselves. We manage everything. Our business has expanded from merely producing

apples to being a shareholder in a packhouse, marketing, foreign exchange management and all those things that go with being an exporter.

Q What has been one of your biggest disappointments within the sector?

A There are no disappointments. I get frustrated at times with special interest groups that make farmers out to be the bad guys. However I have found that this is usually fixed by getting the parties in a room together and talking. Most often everyone wants the same thing, they are just coming at it from different angles; and yes I understand that the HBFA is itself a special interest group.

Q What are some of the greatest challenges facing fruitgrowers in HB?

A The top four at the moment are labour, water, land and good biosecurity. Without any of those we don't have an industry. The RSE scheme has been an absolute godsend for the horticultural industry. Without it we, Des and I, would not be growing apples. It allows us to focus on our business, focus on getting young New Zealanders up through the ranks of orcharding, to show them horticulture is a viable and rewarding career choice. We have had two young people get

certificates in horticulture and they are now working for bigger organisations; we are very proud of that.

The whole 'access to water' thing is going through massive change. The Government released the National Policy Statement for Freshwater Management and now many groups are working with the HB Regional Council on its implementation. It's a consultative process, very long, but hopefully worthwhile. The association has worked hard over the past couple of decades getting our message out about protecting good horticultural land from development. We have a good relationship with councils and feel like we are being heard. A couple of months ago the topic du jour in NZ was the fruitfly, biosecurity is something that we are very concerned about on a daily basis. It's not just fruitfly that we need to worry about. There are other insidious pests such as the brown marmorated stink bug. This is not just a horticultural pest, it is an urban pest too, it swarms and lives in the walls of houses. It feeds on lots of different garden plants. I firmly believe tourism will suffer if this pest gets here. There are reports from the USA that home owners can sweep thousands of these bugs off their walls and decks on a daily basis; nobody wants that in their B&B.

Biosecurity is not just about horticulture and when I see that people want to bring 'just one' international flight here I wonder if they really understand how much they are risking.

If, and it's a big IF, international flights were to land in Hawke's Bay I would want biosecurity to be above and beyond national standards. Hawke's Bay has far too much to lose.

Q What are your impressions of apple brands such as Rokit that are pushing the boundaries.

A I love what Rokit and other apple brands are doing. They are revitalizing apples. Everyone benefits. Envy have a twitter handle, consumers engage with them and actively seek out that apples. We don't grow them ourselves but any apple marketing is good. It keeps the product at the forefront of the consumers mind.

Q What will the horticulture sector look like in 5 years – will there be more mergers etc/fewer smaller growers etc?

A Horticulture is growing; excuse the pun. Pipfruit and kiwifruit have some audacious growth plans. Given the current trajectory we need more infrastructure. More coolstores, more packhouses, more highly trained staff. It's not just about planting up more land either, it's about making what you have work better for you. The pipfruit industry is currently changing, with a lot of consolidation going on. There are corporate growers and independent growers, there is room in the industry for both. Kiwifruit is coming out of a remarkable period in their history with PSA. The threat isn't over but their growth projections are phenomenal. I would love to see more kiwifruit grown in HB.

Q What do you do away from the orchard?

A Now that the kids have left home we have more time on our hands. I try to not let work take that up. It's hard when you live and work on the property; you look out the window and see work. In the recent past I did a lot of long-distance triathlon training. It kept me very fit and was a great way to 'decompress' after a week on the orchard, however time and injury constraints have put paid to that for now. This season I am taking my clay-bird shooting and upland game hunting a bit more seriously; I have a new Vizsla puppy that is showing potential. I love traveling, whether it's nationally or internationally, and Des and I enjoy 4x4ing. All of these fit well together – Hawke's Bay and New Zealand is a great place for those that love the outdoors.



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Māori have key role in region's economic development plans

By Damon Harvey

The role of Māori in the growth of the Hawke's Bay economy is seen as an important opportunity says Hawke's Bay Regional Council economic development manager Tom Skerman.

Tom, is well placed to see these opportunities having worked in Wellington for Te Tumu Paeroa, a trust that supports owners of Māori land to protect and build their assets.

"Demographic trends combined with the treaty settlements that are due to be settled over the next decade, means Māori will play a key role in shaping the future of Hawke's Bay," he said.

Treaty settlements being finalised total about \$370 million from six settlement organisations representing groupings across the Ngati Kahungunu rohe, stretching from north of Wairoa to the bottom of the North Island's east coast.

One of the first group's to start receiving its Crown settlement is He Toa Takatini and last year chairman David Tipene-Leach told the Hastings District Council its \$100 million plus windfall was likely to be the country's fourth or fifth largest settlement.

He went on to say it will bring "a formidable addition to the capital pool" available for investment in Hawke's Bay and one investment they are considering is the controversial Ruataniwha Dam project.

HTT has an option to take a \$20 million stake in the Ruataniwha water storage scheme, if the project goes ahead.

Central to Tom's role at the regional council has been using his commercial, legal and rural background to weave through the myriad of agreements and contracts with farmers and potential investors associated with the water storage project.

At the start of the financial year HBRC approved Tom's request to support a better understanding of Māori economic development opportunities and challenges within the region, and he hopes this funding will help broaden and enrich the thinking around regional economic development.

Tom is a graduate of Law and Finance from Otago University. He worked in a bank for a year, then turned his hand to farming and orcharding for 15 years before practicing law with Sainsbury Logan Williams for five years.

His most recent role with Te Tumu Paeroa was to find and execute commercial opportunities for Māori from their land assets.

"It was something that utilised both my farming background and also my legal experience, and that's pretty much the same with this role with the regional council, especially in regards to the water storage project," he said.



Tom Skerman

As well as the Dam, Tom oversees the regional councils \$1.4 million economic development budget.

The money is primarily distributed in accordance with the current Regional Economic Development Strategy (REDS), a 2011 plan that is currently under review. A new strategy likely to be released later in the year.

The updated REDS, a joint project of HBRC, Napier City Council and Hastings District Council in partnership CHBDC, WDC and delivery agent Business Hawke's Bay, will use interviews and workshops to capture the views of businesses and other regional stakeholders.

Presently HBRC allocates \$850,000 for investment in visitor attraction, which is driven by Tourism Hawke's Bay. Business Hawke's Bay is given \$100,000 to go towards business growth and attraction and \$150,000 is allocated to maintaining a resilient primary sector as well as a number of other work streams and commitments.

Tom says this is where the water storage project fits into his role. Although he wanted



The site of the Ruataniwha Dam



Hawke's Bay Airport

“For many adopting irrigation will be like a change of careers and you can expect our farmers to be cautious”.
– Tom Skerman

to steer clear of predicting whether the Dam would get the go ahead or not, he says there's not many other big economic development ideas about and if it did not proceed, this would be a setback for the region.

“It would be a real blow for the immediate prosperity of the region. There's not a lot of growth opportunity at an equivalent scale in the region's economy.

Funding for the scheme has recently been extended to February 2016 to accommodate the timeframes for the issue of final consents by the Board of Inquiry.

There's been much talk about farmers signing up to the plan, with signed contracts sitting at about 15 million cubic metres of the required 45 million m³ in signed contracts, but Tom says you couldn't expect local farmers to quickly jump at the scheme. He adds that there has been strong interest from farmers and other businesses from out of HB in finding land within the Dam's footprint.

“For many adopting irrigation will be like a change of careers and you can expect our farmers to be cautious.

“There has been very strong interest from farmers outside of the scheme, those that

and the cost. They would happily come to Hawke's Bay and pay the 26c, but the land is not for sale.

Tom is also working with Business Hawke's Bay on the prospect of dairy goat farming, which he believes is another opportunity to create a resilient primary sector. A conference will be held in the region on July 2.

“In my role with Te Tumu Paeroa I did a lot of work on dairy goat farming and I've have seen some successful operations in the Waikato. There are some people in the Ruataniwha catchment and many other parts of the region that would do well from this high value product, particularly Wairoa,” he says.

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Business Hawke's Bay team is working hard to help grow the region's economy. (From left) Catherine Rusby, food and beverage programme manager, Nicky Williams, executive officer, Susan White, chief executive officer.

Business Hawke's Bay – busy getting runs on the board

Over the last year, the region's business-led economic development agency, Business Hawke's Bay (BHB) has been driving a number of collaborative initiatives, and 'runs on the board' are accumulating.

One of the quick runs is the free online calendar for professional and business networking and training events from Waipukurau to Wairoa that is housed on the BHB website. "We saw the need for one centralised spot for business people wanting to learn about training and networking opportunities," says Susan White, BHB chief executive officer.

The site gives details of events and directs the reader to the website of the organisation involved for more information and registration. Businesses such as The Icehouse, Crowe Horwath, Napier City Council, Business Central and Business Training NZ are listing events and traffic counts to the page are solid. Usage will be monitored over 12 months to determine if it becomes a permanent fixture of the BHB website. www.businesshawkesbay.co.nz/events

The establishment of the Hawke's Bay Business Hub that opened mid-April required considerably more concerted effort, not just of the small BHB team but of the

agency's board, whose members have rolled their sleeves up to drive many aspects of the project.

Based at 36 Bridge Street, Ahuriri, in the re-developed former Big Save store, the Business Hub is home to 14 business support services that could see the merit in co-locating to make it easier for the region's business people to unleash their business potential.

BHB is the lead tenant and joining them as Hub members are Business Central Inc, ExportNZ, Food Hawke's Bay, Hawke's Bay Regional Council, Hastings District Council, Hawke's Bay Chamber of Commerce, Napier City Council, New Zealand Food Innovation Network, New Zealand Trade & Enterprise, Regional Business Partner for Capability Development (NZTE), Regional Business Partner for R&D (Callaghan Innovation), and The Icehouse. Some will be based there full-time, while others will hot desk for specific times during the week.

"Our collective aim at the Business Hub is to provide direction on what options are available to help people improve and grow their businesses," says Susan, who has encouraged the collaborative process to draw the organisations together over the past year. These options may include advice and information to help with decision making, access to networks, professional

development programmes, Government support and co-funding assistance through some Hub members. The latter two if a business fits the requisites.

Catherine Rusby, BHB's food and beverage programme manager appointed last May, has had a steep learning curve into the non-bovine dairy sector over the intervening months and is excited at the prospect this could mean for Hawke's Bay's economic growth. The idea resulted from a discussion with Tom Skerman at Hawke's Bay Regional Council, which has a focus on agribusiness development in the region.

Impetus for the project has been generated by commercial interest in high value nutritional powder products that could be processed in the region from local goat dairy. Catherine has been 'connecting the dots' between potential investors, local farmers, central and local government agencies, local property owners, and supporting professionals, and is focusing on securing market investors who are considering establishing their operations in Hawke's Bay.

"OUR COLLECTIVE AIM AT THE BUSINESS HUB IS TO PROVIDE DIRECTION ON WHAT OPTIONS ARE AVAILABLE TO HELP PEOPLE IMPROVE AND GROW THEIR BUSINESSES."

– SUSAN WHITE

Interested parties are strongly attracted by our region's horticulture growing capacity and its supporting supply chain, the competitive land and running costs, and easy access of imported ingredients and export of finished product to Asian markets through Napier Port.

Catherine is anticipating positive developments later this year. In the meantime, there is growing awareness amongst the local farming community on the opportunity to convert from traditional

Catherine Rusby, Business Hawke's Bay's food and beverage programme manager is excited that non-bovine dairy could be a new kid on the block for Hawke's Bay's economic growth.

farming activities to goat/sheep dairy operations. BHB is organising a symposium in July for all those interested to explore a nutritional powder industry for Hawke's Bay.

As well as juggling Business Hub planning, Susan has been actively involved in two economic growth initiatives: a refresh of the Bay's Regional Economic Development Strategy (REDS) and a Targeted Industry Study to identify our best business attraction opportunities.

With the REDS refresh as one of BHB's KPIs with two of its funders, HB Regional Council and Napier City Council, Susan approached the Intersectoral Group, a multi-stakeholder leadership forum, with the recommendation she work with Alasdair Macleod of Growth Solutionz (and former Deloitte partner who has since been appointed chairman of Napier Port) to develop a new REDS. BHB was given the mandate to develop a proposal.



Susan and Alasdair subsequently met with over 30 Hawke's Bay business and community organisations in scoping interviews, determining there was a strong desire for

a cohesive REDS to be developed. "We had a fantastic response from a wide cross-section of the Hawke's Bay community. There is more than a passing interest, there is a genuine buy-in that we need to work together to ultimately lift the wellbeing of people in our region.

Many themes emerged with the over-riding regional message being 'It's all about jobs', says Susan. It was also evident that the existing REDS had created a much stronger focus on, and expectation of collaboration, a core principle on which BHB itself was founded.

The upshot is that the subsequent

proposal was circulated to local government representatives and, following discussion and revision, the project management for the new REDS now rests with James Rowe, economic development manager at Napier City Council, who will be supported by the economic development team members of the other Councils.

The Targeted Industry Study aims to identify the sectors and industries that the region has the best potential for attracting here. A BHB-hosted workshop last year saw local economic development players agree that we can't be all things to all people and that a researched strategic approach was needed for successful targeted outbound business attraction.

The study is being championed by James Rowe with research being undertaken by economist Martin Perry, formerly of Massey University's Wellington Department of Management. Once the Study is complete, the next step will be the development, resourcing and execution of a business attraction plan.

As an agency that is business-led, Susan believes BHB is ideally positioned to facilitate the development of the business attraction strategy. BHB will work with local government agencies to plan and implement a targeted strategy.

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CROSSMAN RICHARDS

– A great example that great things grow here.

By Damon Harvey

In Hawke's Bay we have many cool businesses at the leading edge of innovation, or as the Hastings economic development tagline states "great things grow here".

Many businesses have been built off the back of the primary and food processing sectors and from pioneering businesses such as Heinz Watties and ENZAFOODS.

Industrial Automation specialists Crossman Richards (CR) is one such business.

As specialists in electrical engineering and control systems CR provides solutions from small upgrades through to complete electrical and automation turnkey projects.

Formed more than 12 years ago by John Crossman and Peter Richards, the company has designed and installed hardware and software for many of the region's food processors, pack houses and wineries.

In the early days the business was based in Lowe House, directly opposite the Heinz Watties and Jamestrong Packaging (formerly Ardagh) plants in Fitzroy Avenue, and John and Peter spent many hours at the plants overseeing their processes.

As CR's client base has grown extensively both within Hawke's Bay, nationally and beyond to the Pacific Islands, Australia, across Asia, the US and further afield, so too has the need to have a larger and more professional looking office for its 11 strong team.

In early 2014, CR moved to a modern office in Coventry Road in Mahora, which was purposely designed to suit their needs.

It is also perfectly situated next to DSK Engineering, a business CR works closely with while Coventry Road is also in the heart of food processing and manufacturing, with ENZAFOODS, Heinz Watties and Lowe Corporation among many other businesses based in the same area.

A new water plant is set to open in Elwood Road soon, the first stage of a proposed Food Hub in the Tomoana area and in nearby Whakatu, the likes of Mr Apple and Hawk Packaging feature on CR's client list.

"We wanted a better working environment for our team as well as improved facilities for project administration and simulations.. It also works well that we're close to many of our clients and on the doorstep of the



Peter Richards

exciting plan for a food manufacturing hub," said Peter Richards.

Due to the ongoing growth of the business, John and Peter appointed Russell Greene, to a newly created role of operations manager in 2013.

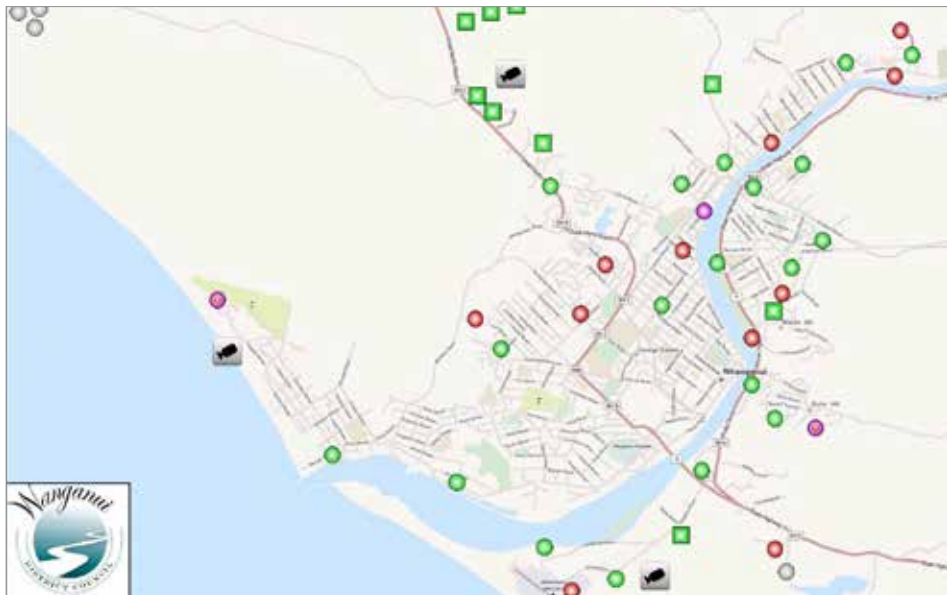
This has enabled John and Peter to focus on building stronger relationships with existing clients and securing new projects, leaving Russell to ensure the business and the team run smoothly.

"We're no longer a start-up business; we've matured and become very strategic about what services we offer and what sectors we target," Peter says.

A recent growth area of the business has been the design and installation of SCADA (supervisory control and data acquisition) systems for councils for freshwater and the disposal of wastewater.

CR successfully completed such a project for Wanganui and is currently developing similar projects for the Horowhenua and Taupo district councils.

The Wanganui District Council provides water services to more than 40,000 residents, from more than 50 bores, reservoirs, pump stations and treatment plants spread across an area greater than 100km² of varying terrain. Most of the sites operated in isolation with no active monitoring. The SCADA application allows management and maintenance staff to connect remotely from their iPads and compliance reports can be delivered automatically.



SCADA Overview of Pump Station & Water Treatment Locations in Wanganui

Some of the team at CR – from left are Alistair Nicoll, Alister Garrett-Tuck, Jo Richards, Russell Greene, Shahn Bradley-Taylor, Brian Voyce and John Crossman.



“WE WANTED A BETTER WORKING ENVIRONMENT FOR OUR TEAM AS WELL AS IMPROVED FACILITIES FOR PROJECT ADMINISTRATION AND SIMULATIONS. IT ALSO WORKS WELL THAT WE’RE CLOSE TO MANY OF OUR CLIENTS AND ON THE DOORSTEP OF THE EXCITING PLAN FOR A FOOD MANUFACTURING HUB.”



SCADA Screen displayed on the iPad

“We had the opportunity to build a greenfield application for the council that is intuitive and fully scalable, where they get accurate reporting of data as well as live information about faults and maintenance without having to drive out to the site,” says Peter.

CR has become highly regarded for the installation of ABB robotics which automates some intensive and repetitive manual processes such as stacking cartons.

Working with DSK Engineering, CR installed two ABB robots in the central food processing facility at Heinz Watties, bringing the total robot installations at the plant to 8 and a total of 10 in Hastings.

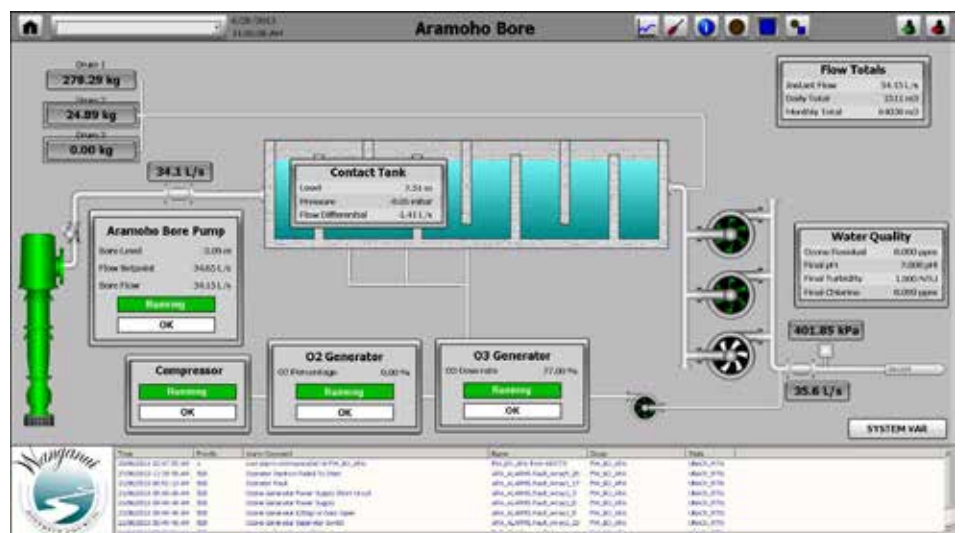
CR has been involved in the wine industry for more than a decade with the likes of Pernod Ricard, Indevin, Villa Maria and Craggy Range as valued clients. Solutions for such well-known names include installing Programmable Logic Controllers (PLC’s) and SCADA systems to enable computer-based graphical monitoring and control of the winemaking process.

The future for CR looks exciting with ongoing international demand, growing opportunities within the wine sector and for other beverage manufacturers as well as the water and waste water projects,” says John.

“We have a very talented team, a clear strategy for the business and strong relationships

with existing clients, all of which bodes well for yet another successful business trading out of the Bay,” he adds.

www.crossmanrichards.co.nz



Pump Station SCADA Screen



Winners of the 2014 Start Up Weekend Hawke's Bay, Agrisafe. From left to right: Kagwa Kironde, Steffan Kelly, Kate Kelly, Adrian Davis, Odette Hoffmann, Bruce Walker and Michael Meyers.

“THERE’S A LOT OF TALK ABOUT HOW WE CAN CREATE COMPANIES AND PROVIDE EMPLOYMENT IN HAWKE’S BAY. THIS FORUM IS A BRILLIANT OPPORTUNITY TO DO JUST THAT.”

– GARETH PEARCE

Get your idea off the start line

By Sarah Thornton

If you want to innovate, excite and have the chance to get your dream business off the ground, then diary August 14-16 now.

Hawke's Bay's first Startup Weekend was held in August 2014 and the event is back for a second time for aspiring entrepreneurs to gather.

Startup Weekend is where business people, developers, and designers get together to form new businesses in a 54-hour marathon of inspiration and collaboration, with a bit of perspiration thrown in. Products are built, ideas launched and team work is the key to the success, as co-founder Gareth Pearce explains.

“You don't have to bring your own idea to a Startup Weekend - you can come along and

share your skills on a project that takes your interest. The main focus is creating a working business model.”

A marketer by trade, Gareth has worked on two projects realised at Startup Weekends throughout the country and is currently involved in a new app project, set to be revealed later in the year. He believes that the Startup Weekend is an ideal forum where people can explore their business idea with likeminded individuals.

“There's a lot of talk about how we can create companies and provide employment in Hawke's Bay. This forum is a brilliant opportunity to do just that. Last year we had 40 people attend, from which 15 pitches were whittled down to six teams. Mentors are wrapped around the project teams, which were then judged by a panel of business experts,” he explains.

Although the majority of businesses developed during the Startup Weekend had a digital or internet platform, some didn't, including 2014's winning project, Agrisafe. For its efforts, Agrisafe took home a prize package worth over \$16,000, including a \$10,000 advertising package with national sponsor TradeMe.

“Agrisafe is a video product teaching agricultural drivers about health and safety. Since the Startup Weekend a couple of the team members have stayed with the idea, developing it further with new business people and re-launching as cropper.co.nz.”

Who gets to run each project and the division of labour is something Gareth says is left up to the teams. “It's up to them to work out equity stakes and the structure of shared ownership. Everyone does their part.”

With its focus on “lean methodology” and “effective company creation”, the Startup Weekend is part of a growing global trend of ‘hothouse’ events that put people together to form new business ideas and products, and take them to market. The weekend also teaches people the skills to evaluate projects, to work out whether they're viable.



Gareth Pearce

“Bricks and mortar aren't the only way to sell your goods. The majority of businesses now are internet based, which is an excellent model - funds are received on an on-going basis from online sales until the business reaches a point where it's scalable.”

Gareth says a challenge for all innovators and potential entrepreneurs is monetising their ideas.

“Hawke's Bay investors need to know about these teams. There is no existing entity that takes these start-ups and helps them realise their ideas. We need more buy-in.

“As an example, Tauranga has a strong investment network and companies have a forum where they have start-ups pitching to them. And it's not just for funding, but other support that can keep the project moving along.

“Startup Weekends are a seed to economic growth in Hawke's Bay.”

For more information on how you can be involved in Startup Weekend: hawkesybay.startupweekend.org

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LIVING LOCAL, WORKING GLOBAL

The bright lights of Auckland, Sydney or London can be a real draw card for young business people. But how does Hawke's Bay stack up as a viable alternative?

Napier-based businessmen Adam Harris and Sam Murdoch believe they have the best of both worlds; a thriving website development company in Hawke's Bay with a local, national and international client base. It's a global approach to business that ensures their company, and their clients, stay competitive and relevant in the market.

Adam founded NZ Digital in late 2011, with Sam joining the business in 2012. Originally based in Hastings, head office was moved to Napier a year ago to share a collaborative office space, Inc & Co.

Like many business people, Adam could easily have moved to Auckland or Sydney, instead opted to stay in Hawke's Bay.

"I get to spend quite a bit of time in Auckland, both for work and socially and I love it. But I also love a short commute to work on a nice sunny day. I have plenty of friends from other cities visit Napier and they remind me how lucky I am to live and work here."

"I ALWAYS GET ASKED WHY I'M STILL HERE, BUT I'VE BEEN ABLE TO DO EVERYTHING I'VE WANTED TO DO FROM HAWKE'S BAY"

– SAM MURDOCH



Adam Harris and Sam Murdoch of NZ Digital

For Adam and Sam, the move to Napier has given them an "energy boost" and both are strong advocates of shared office spaces. Inc & Co is also home to Adam's brother Matthew Harris and Simon Griggs' business Property Tax Returns and a band of freelancers. The space is designed to inspire creativity with an open plan layout, local artists' work on the walls, a foosball soccer table, table tennis and craft beer on tap from local brewery Zeelandt.

The collaborative approach has had a major impact on the fast growth of their business.

"It provides us with the opportunity to get a different perspective to how we can solve a solution for our clients. To have people here that look at things differently to us is a huge advantage," says Adam.

NZ Digital's solid client base of local companies such as Design Builders, 3R Group and Progressive Meats has helped establish the business, and others from outside the region such as Virtual Print, Garden Master Sheds and RTV Tools are adding to the national demand for its services.

Fully spec'd for growth, last year the men moved the hosting of their websites from a global shared storage facility to a fully managed and dedicated virtual private server (VPS), based out of Auckland.

The result has been dramatic. It means the websites they host don't run the risk of grinding to a halt or crashing due to other users on the server.

"We wanted to manage our own risk when it came to hosting client websites. This means that our websites load much faster than others and we are in control of the whole

environment. Security is also paramount, so we are developing more and more websites that are a total business solution for clients.

"We are also specialising more on e-Commerce websites that are fully integrated into a business and include Vend and Xero links. We see the online retailing space in New Zealand is set to grow and we see this as a huge opportunity," says Adam.

Both men see Napier as "more conducive" for creative businesses, especially in the web space.

"I always get asked why I'm still here, but I've been able to do everything I've wanted to do from Hawke's Bay," adds Sam.

"The biggest issue is flights in and out of the region," says Adam. "It's too costly to make a last minute decision to fly to Auckland or Wellington so you have to book too far in advance to get a good deal. And it's not just hard for business but also for just getting away."

Like others in their age group, the pair likes to stay informed when it comes to issues affecting their business and their region, and amalgamation is one such topic.

"When it comes to having a say on things like amalgamation, we will vote but we'll not be actively involved. It's important that we know what the benefits and negatives are of issues like amalgamation as it's important to our region's growth.

"But most importantly, we are focused on expanding our client base even further and setting up a satellite office in Auckland. It's a dynamic industry and being based in Hawke's Bay we see as very positive."

www.nzdigital.co.nz



Perfume Point in Napier's 'old town' precinct Ahuriri has come up smelling of roses following a long anticipated makeover of one of its most iconic hospitality landmarks. Napier's newest accommodation and conference development at East Pier bar and brasserie, now known as East Pier Hotel, marks a rebirth in local economy confidence, and will generate over 20 new jobs for the region.

Since opening its doors in 1992, East Pier has earned its reputation as one of Napier's most popular bar and dining destinations, but it's the venue's burgeoning wedding venue and conference centre appeal that's helping stamp it firmly on the national event hire map. After spotting a gap in the

market as a seaside venue that could cater for weddings, conferences and private events with additional accommodation, East Pier's owners Dave Halstead and brothers Mark and Julianne Herbert set about transforming the facility into a 'one stop' shop. Four years' planning and 14 months' building has seen the place reemerge a Perfume Point triumph, poised to maximize its new and improved potential. Managing director Dave Halstead believes the redevelopment will cement East Pier Hotel as a major national player in the wedding and conference events market.

"We've always been very popular as a wedding venue but since this development has gone public, interest has piqued and exceeded our expectations. We traditionally cater for around 20 weddings per year but

A Perfume point of difference

By Alisha Nielson



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With 218 restaurants across Hawke's Bay and more popping up every month, it stands to reason proprietors more than ever, need a distinct point of difference. Standing on the expansive two storey wrap-around bridal suite balcony

of East Pier Hotel, newlyweds could almost feel as if they're Jack and Rose re-enacting that famous 'Titanic' scene at the

bow of the boat. 360 degree panoramic views of the harbour, stretching out across glistening Hawke Bay back toward distant Cape Kidnappers make guests feel like they're literally at sea. With its modern, clean lines and tasteful colour palette, East Pier's new 21 room, 1,400 square metre 4 star hotel addition is an appreciative nod to the original bar/restaurant building. In fact, the Protean Design development blends so effortlessly into the 'old East Pier', visitors would hardly know the two areas were built more than two decades apart. Adding to the adjoining hotel's charm are the eye-catching historical canvasses of newly colonised Ahuriri that proudly adorn the hotel's walls, giving every space a unique sense of place and identity. East Pier's in-house motto has always been to exceed customer's expectations, and you'd have to admit, for an establishment that helped spearhead Ahuriri's now thriving hospitality movement, they've succeeded.

"A lot of accommodation outlets around here have done very well off the back of events at East Pier and will continue to do so, so for us, this new development was about maximizing our revenue streams and grabbing a slice of that pie. Our boutique sized hotel can sleep 48 and by working closely with Harbour View Motor Lodge and the Crown Hotel, we've upped our offering between us, to about 130 beds within a two minute stroll. It serves the area very well for corporate stays, weddings and larger functions and will be a win-win for everyone." Whilst himself a northern English import,



Dave Halstead

Dave Halstead and his young Kiwi infused family now firmly call Napier home and Dave believes it's Ahuriri's charming fishing village feel that makes it so investable.

"This side of town has its own very, very unique feel and atmosphere, I arrived in 1995 and it's unrecognisable now. Mackersey and McKimm have done a sterling job in

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retaining the area's historical elements and I absolutely think any future development should remain sympathetic to Ahuriri's unique past. It's that mix of residential and light commercial industry that makes this place special."

With its close proximity to Napier's airport and the CBD, East Pier's long established itself as a business hub for corporate events and seminars and boasts Panasonic, Fonterra, Pan Pac, NZCU Baywide, government departments/health boards and local iwi amongst its regular clientele. Now with four separate conference rooms offering state of the art audio visual and sound systems, East Pier Hotel can cater for small boardroom conferences right up to 200 people. Staying ahead of the game is an important part of the ethos of East Pier's management team; Portside Inn Ltd, and Dave Halstead admits the trio behind the brand have the formula right.

Sixth term Ahuriri ward councillor Mark Herbert helped found East Pier back in 1992, before bringing Dave Halstead in as managing director in 1998. The move proved a smart one as former international hotel chain manager Dave has since dedicated a large portion of his life to the place.

"It works extremely well because we're good friends and have got tremendous respect for each other. While Julianne doesn't physically work in the business, Mark is very hands on when his schedule allows it. He's also quite happy to let me run things as I see fit, but is always there as a sounding board if I need it which is invaluable from such an experienced businessman.

"For a young lad growing up in a northern English industrial town, to be given an opportunity to live his life and build his dreams right on the waterfront in a little slice of paradise, really is a dream come true."

Whether it's the continuity of its management or the astute business decisions made at the helm, East Pier stands a survivor - a reminder that good things take time. Certainly if its location's anything to go by, this Perfume Point icon's future should be a sweet one.

www.eastpierhotel.co.nz



View from the Honeymoon Suite



Honeymoon Suite Bathroom



The conference room with sea views

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Senator builds boats with the sun

Hawke's Bay boat building firm Senator Boats is using the sun to help build its wide range of popular alloy boats at its Napier factory.

Instead of facing a \$1500 monthly electricity bill, Senator Boats managing director Wayne McKinley decided to generate his own power, to reduce and stabilise his power costs by utilising the roof of his large factory.

Senator Boats is one of New Zealand's premier boat builders and pioneered the pontoon-style leisure boat market. More than 130 boats sized from 4 metres to 17 metres are manufactured in the factory annually and sent to boat retailers nationally.

Wayne now has one of the largest commercial solar systems in Hawke's Bay, which is capable of generating 20kW of power from 80 x 300watt panels and two inverters. Wayne's system produces 33000kW per year.

For Wayne, solar stacks up financially and he is using what's collected on the roof instantly, to power their large aluminium welders and cutting machinery.

Because most of the businesses power needs are during the day, solar is giving him nearly a 16 percent return on investment as well as reducing the factory's carbon footprint. When it's closed over the weekend power is exported back into the grid, to be used for residential and commercial use.

Wayne wasn't particularly looking at converting to solar, but over the years, he'd

been reminded of the economical benefits by GoldPower Solar's Rupert Ryan.

"I've known Rupert for some time and he kept selling me the benefits of it. I got a quote and it seemed to stack up.

"We looked at our usage and what we were paying our power provider, and if solar power was to return the money they say it would, we thought we may as well give it a go."

Wayne is now eyeing more solar panels on his expansive roof.

"I am now generating my own power which covers 40 percent of what I need, so I may as well try and save 80 percent of my requirement. I'll give it a six-month trial and then decide," he says as he looks at his smartphone and the solar app monitor.

Although there are upfront installation costs the pay back for most commercial enterprises is usually between 4-6 years while for a residential home it is approximately 5-8 years.

GoldPower Solar's Sam Barley says for the past five years power prices have gone up about eight percent per annum.

"There's no doubt power will be more expensive in 10 years, but we all know that investment in solar gets better year by year after the installation date, so the return on investment improves with time."

Power companies are also recognising the increased popularity of solar and Sam says they have adjusted Feed for Tariff (F.I.T.) accordingly.

"Power companies aren't against solar, they can't be, because they wouldn't want to be seen to be against clean energy.

Wayne's not resigned to making it a one off installation and is looking to convert some of his commercial properties and his home to solar. He'll then become a boutique power company and bill his tenants for solar use, a concept that is already taking off in Auckland and Christchurch.

"This is already happening in Auckland, where the property owner is billing the tenant, so it's worth a look," he says.

GoldPower Solar also does residential installations and created an on-farm power alternative for pumping water from dams and springs, where power is inaccessible.

GoldPower Solar sources quality solar panels, inverters and components from China and Australia.

"Solar is now more affordable than a decade ago. Manufacturers have refined to cut the silicon wafer thinner and have reduced their size by several hundred microns and this has lead to gradually reducing costs," says Sam.

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Yellow is the new red

A successful retailing business with strong family ties

By Sarah Thornton

You could say retailing is in the McLean family's blood. Originally from Waipawa, Iain McLean started his retail career as branch and regional manager for McKenzies and Woolworths in the 1960s, before working in Auckland as divisional manager for Woolworths in the 1970s. Son Ryan, now his business partner, remembers helping his father at stocktake time, bending down to count the stock on the lower shelves "to save Dad's back".

In 1988, Iain and his family moved back to Hawke's Bay to open The Warehouse stores in Hastings, Napier and Gisborne. After owning and managing three stores for 12 years, Iain left the businesses with a view to retiring. However, an opportunity for a new venture presented itself and in 2014, Iain and Ryan opened The Clearance Shed, a large-format discount store selling discontinued and clearance items.

The Clearance Shed is the brainchild of two of Iain's former colleagues and opened its first store in Auckland in 2009. There are now nine stores in the chain, with the McLeans in partnership in the lower North Island operation.

"This is the first business I've owned and I'm lucky Dad has such incredible knowledge and experience in retail. I watched him help grow The Warehouse businesses and put in a huge effort and long hours. He has been invaluable to me and has certainly helped get The Clearance Shed off the ground and trade so successfully," says Ryan.

In 2007 and 2008 New Zealand was mid-recession, with many suppliers suffering due to cancelled orders from major retailers. "The retail environment in general was in a slump. Orders were being cancelled when the goods were already received or on the water, which impacted badly on many importing businesses and resulted in quite a bit of strife," explains Iain.

"The Clearance Shed evolved from taking people's cancelled orders or relieving retailers who couldn't move their stock. As a result, excess merchandise and distress stock have gone and suppliers have recovered a bit. The store is becoming an increasingly viable option for many businesses to move excess stock, as well as a distribution channel for product on an ongoing basis."

Iain and Ryan opened the Hastings store in 2014 and according to Ryan, who is the company's general manager, it's been a rollercoaster ride. "It was very full-on for a while, after we opened Hastings in March we opened Palmerston North in August and then a Porirua store in October."

The Clearance Shed business model is similar to most retail outlets, with suppliers and distributors, or 'trading partners', supplying the goods. It is a franchise-type business like The Warehouse used to be when Iain first opened the three stores but unlike the red shed, which now owns the stock it sells, all stock at The Clearance Shed is sold on behalf of or 'sale or return'. But it's a double-edged sword as Ryan explains.

"THIS IS THE FIRST BUSINESS I'VE OWNED AND I'M LUCKY DAD HAS SUCH INCREDIBLE KNOWLEDGE AND EXPERIENCE IN RETAIL. I WATCHED HIM HELP GROW THE WAREHOUSE BUSINESSES AND PUT IN A HUGE EFFORT AND LONG HOURS."

– RYAN MCLEAN

"We operate very much on the model of low margins, with a fee to sell the goods. Although we give our trading partners a gauge of where pricing should sit, we don't set prices. As we don't own the product, we don't have control over pricing and if a particular product is successful, we can't buy any more as it's a once-only deal. Those are its limitations but it's a model that works and similar businesses overseas have been very successful. It's a business that gives suppliers an opportunity to clear merchandise and, in many cases, avoid liquidation," says Ryan.

With stock displayed on the floor still on their pallets, set-up is minimal. Large volumes are moved, with new goods on offer every



week. It's a high-turnover business that has found favour with consumers. "The fundamentals of retail are still the same as they were when I started out in 1969: give people the best product at the best price with the best service," says Iain.

Iain has also witnessed a shift in consumer buying behaviour over the years. "The

trend has moved away from everything needing to have a label. People are watching their dollars but still want good quality and value. Ten years ago brand was incredibly important, but now a Phillips stereo for \$79 for the kids' bedroom fits the need perfectly. It's still a good brand, just not the premium. You're getting quality without high prices."

The McLean's have plans for expansion but are "catching their breath" first after a busy year. "There are huge opportunities for The Clearance Shed in the lower North Island as sites become available. There is a demand for this type of retailing, which works for the consumer, retailer and supplier. It's win-win."

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COLIN STONE

- Joining a new team after 17 years

By Sarah Thornton

When Colin Stone left Hawke's Bay recently to take up his new role at Sport New Zealand in Wellington, the region's sport sector was in a very healthy state of play.

Colin headed Sport Hawke's Bay (SHB) for 17 years but his career in sports administration and management spans more than three decades.

Originally from the UK, Colin worked for Wimbledon Stadium and Wimbledon Football Club before immigrating to New Zealand in 1982 to establish the Napier City Rovers football club as a commercial entity in order to debut in the National League, and he stayed with the club for the next 16 years.

In 1998 Colin was headhunted to run SHB, one of 17 regional sports trusts in New Zealand.

"SHB is an autonomous charitable trust that was originally set up to deliver Hillary Commission programmes. The Hillary Commission became SPARC and then Sport New Zealand, a government organisation, and SHB is now its regional partner," Colin explains.

He says the sports environment was very different "back then", with clubs being the

key to running most sporting codes. "In the late 1980s clubs were central to sport. But social changes, changes in family and work situations and seven-days-a-week shopping over the following decade have all had an impact on traditional Saturday morning sport, and numbers were declining. Sport needed to be more flexible in its offering."

The main change Colin has seen to meet this more flexible approach is the move from Saturday sports being driven predominantly by volunteers to sports co-ordinated and driven at a regional level by paid professionals.

"Many codes have professional leadership but are still supported by a team of volunteers. Although there are still a few regional sports organisations run from around a kitchen table, the sector has become much more professional and SHB has helped facilitate some of this change.

"However, the growing capacity of regional sports organisations to lead and manage their sports to a higher level continues to put additional strain on the hard-pressed volunteer at club level."

The Hawke's Bay sports sector comprises 35 sport organisations, 400 clubs and countless school teams. "It's a really powerful group. The economic return of major sports

events alone to the region is estimated at close to \$50 million, with \$21 million of that GDP. Sport and recreation are massive economic drivers and with continued regional co-ordination and investment from local authorities, this will continue to climb," says Colin.

With its ability to cut across sectors, sport also has a big part to play in social well-being. In an education setting, the region's 110 primary schools and 24 secondary schools are all supported by SHB to some degree, with secondary school sport co-ordinated out of SHB's Taradale headquarters.

"First and foremost, SHB is the leadership organisation for the sports sector of Hawke's Bay. Our role is not to run sport but to enable sports organisations and their people to build capability and become more effective. It is a 'fishing rod to fish' model," says Colin.



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Colin Stone

From a regional perspective, sport and recreation feed into and bring value to the Hawke's Bay events strategy.

"Through sport we've managed to develop a sector across five local authorities; sport is an easy sector in which people can collaborate. SHB has driven that process. Previously there was no connection between sport and tourism but now we work very closely with Tourism Hawke's Bay and have a MOU in place."

Colin is very proud of the results and benefits the collaborative approach has brought to the entire region. "We worked to bring all netball centres and their affiliated clubs together under the Hawke's Bay Netball umbrella. The result has been a 20 percent growth in participation; it's an example of where success can be achieved by taking a regional approach."

SHB also helped 'join the dots' when the building of a regional indoor sports facility was first mooted 14 years ago. "Napier had plans to upgrade the Centennial Hall at McLean Park while EIT also wanted to develop its own on-campus sports facility. Pettigrew Green Arena is the result and another classic example of good things happening when people work together. And there is no agenda at play – sport can cut

through the political mire," says Colin.

SHB has a staff of 70 and is the home of national sports organisations Badminton NZ and NZ Pony Club, while Cycling NZ has a branch office in its building. SHB also provides the administration for the country's

"I'VE HAD THE BEST SPORTS JOB IN HAWKE'S BAY AND WILL BE ABLE TO USE MY EXPERIENCE TO HELP OTHER REGIONS AND ORGANISATIONS ON A NATIONAL LEVEL."

– COLIN STONE

17 regional sports trusts, of which SHB is one. In addition, SHB has a very robust relationship with Ngati Kahungunu and is recognised as a leading organisation in New Zealand working with Iwi.

With any charitable trust, the ability to fuel itself is an ongoing challenge.

"We need to take the sector to the next level for it to continue to grow and thrive. The potential for the sector is huge but being able to resource ourselves is a challenge – baby boomers are ideal volunteers but they're growing older. But there are opportunities too and I see massive potential in bike

riding, running and 'pay-for-play' sports, participation that is not tied into annual subscriptions or memberships. Clubs and organisations that can grasp this new era and adapt services and sports accordingly will benefit."

Colin's new role at Sport NZ focuses on developing a sports delivery model for his 'stable' of codes – NZ Football, Basketball NZ, Triathlon NZ, Cycling NZ and the NZ Recreation Association. He will also be working with Sport Canterbury and Sport Wellington, developing their sports and recreation strategies to bring their 'sport families' together.

"I've had the best sports job in Hawke's Bay and will be able to use my experience to help other regions and organisations on a national level."

For the next five to ten years, Colin would like to see the country take more of a "participant focus" in sport.

"People have more options now and we need to listen to what they want and when they want it if we are to continue to grow participation in sport and provide a quality sporting experience. In my view Hawke's Bay, with its regional view on the sports sector, is well positioned to do this."

Back to the way it was

Predator free programme – a New Zealand first

By Vivienne Haldane

Imagine the re-emergence of previously endangered native wildlife back into our parks, farms, forests and urban areas.

That's one of the goals of an environmental restoration project, said to be the first of its kind in New Zealand.

What sets this project apart from many others is its focus on carrying out ultra-low cost, integrated possum, feral cat, mustelid and hedgehog control across large areas of farmland, and showing a credible pathway for how this might happen.

Cape to City was launched in Napier on April 30th. The unique project has developed from Poutiri Ao ō Tane, a Department of Conservation (DOC) led and Hawke's Bay Regional Council (HBRC) partnered project that started in 2011 as a testing ground for predator pest eradication, habitat restoration and species reintroduction.

Cape to City is a collaborative effort between the HBRC, Cape Sanctuary, Aotearoa Foundation, Landcare Research and DOC, as well as private business and other Crown Research Institutes.

The project covers 26,000 hectares between Waimarama and Havelock North and represents a significant investment over five years for both Cape to City and a sister project, Poutiri Ao ō Tane. This includes a \$1.5 million investment from the HBRC. Strategic partners Aotearoa Foundation will commit \$2.3 million, DOC \$1.6 million and Landcare Research \$0.7 million towards monitoring and research. Cape Sanctuary

is already investing around \$0.6 million annually.

HBRC Land Services manager Campbell Leckie says: "Through the Council's Possum Control Area (PCA) programme, our region's farmers have reduced possums to very low levels across 650,000 hectares, so we are asking whether there are other opportunities to leverage off that in terms of wider gains in biodiversity and economics. With Poutiri Ao ō Tane, we trialled the integration of wide-scale predator control into our large-scale possum control programme in the region.

"The possum control layer was in place so our goal was to integrate these other pests, at little or no additional costs to the farming community, and to deliver additional benefits to them."

The aim was to reduce the cost of pest control by 80 percent. But how could this possibly be achieved?

According to Campbell, there are several ways. "Part of it is thinking differently about scale and how you do the business. Rather than taking the trap to the pest, which is the norm, we are placing a network of traps in areas accessible by vehicle or quad bike and where we know pests will still come to over time. This reduces the labour cost that is needed to get around traps. To underline this effort we are using long-life lures, focusing on pest habitat and resetting traps less frequently using wireless technology."

Wireless networking of traps is another way of cutting costs. When pests are caught, a signal is triggered and pest control operators need only check these traps then.

These strategies combined reduce costs by up to 50–80 percent, he says.

Farmer involvement is also key to the project's success and the message received so far from focus groups is that it has to be made relatively easy, as well as cost-effective.

"If you say to a farmer, there are 100 traps on your farm and you need to go around them each month to clear and check them – that's a significant commitment for a farmer who has their own business to run. But if you have 100 traps with long-life lures – such as



Campbell Leckie



PRO
Primary

scent-impregnated oil – that are linked wirelessly, this sends a text message as to which trap has gone off where and when. There may only be three to five traps per month that can be done alongside day-to-day farming activities.

“One of the significant benefits in the rural setting is to reduce the number of feral cats that carry the disease toxoplasmosis. This is a major cause of abortions in pregnant sheep. Not only will it bring an economic benefit to sheep and beef operations, it will also bring positive repercussions for bird life and invertebrates,” says Campbell.

Aside from finding an ultra-low cost pathway to predator control, the other element required for the success of Cape to City is community involvement. “We need to get information out to urban dwellers so they understand how they can personally make a difference. It may be as simple as putting a collar and bell on your cat, coming out on a planting day or donating some money.

“The ability of the urban community to make a difference for biodiversity has been clearly shown with our urban pest control on Napier Hill. Bird monitoring there during the past six to seven years shows Tui numbers have quadrupled and Bellbird numbers have trebled there.”

At the Cape Sanctuary, flow-on effects are also being seen, particularly in rare and endangered species like Pateke but also in recreational bird life such as pheasant and

quail, rare skinks and geckos, which were once preyed on by predators but are now being seen in the wider landscape outside the predator fence. Cape to City is also very fortunate to have passionate entomologist Ruud Kleinpaste, aka the ‘Bugman’, as its ambassador to help spread the word.

A FARMER'S VIEW

James Williams is now retired but still lives on his farm in the picturesque Tuki Tuki Valley near Havelock North. He's been a keen planter and appreciator of trees for most of his life.

He applauds the fact that the HBRC are supporting farmers with pest control and encouraging them to realise the potential biodiversity to their properties.

“Biodiversity and aesthetic improvements on farms tie in together and add economic value at both ends of the spectrum.

“Within the rural landscape we are trying to produce a niche product that has value in a huge market place. Therefore, we need to have a complete package in order to create that brand. It also makes the farm a much nicer place to live and work.”

He has taken advantage of a grant from the HBRC to clean up a dam on his farm. He will then fence it off from livestock and in winter, plant 650 native trees.

James has bait stations around the farm that are checked annually by a HBRC contractor.

He says if toxoplasmosis, spread by feral cats, could be brought under control that would be a “small but real economic benefit to farmers.

Since the HBRC's drive to eradicate possums, James no longer sees many on his farm.

We used to have virtually no native birds here at all. Now there are bellbirds and tuis in the garden and on the farm.”



Farmer James Williams checks a trap

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Hadley Brown

Colliers Rural forges new ground

Hawke's Bay's newest rural real estate team provides vital international reach with a modern approach and up-to-date technologies.

Farming is the traditional backbone of Hawke's Bay, but with the recent establishment of the new Hawke's Bay arm of Colliers International Rural and Agribusiness, farmers now have an option that is anything but traditional.

Headed by managing director Hadley Brown, Colliers Rural Hawke's Bay is putting a new stake in the ground providing service that "is above and beyond what has ever been done in the past," says managing director Hadley Brown.

"There is a gap in the market here when it comes to global reach; we're the only truly international company in the market which has proved to be very important. The rural real estate industry has come from a traditional base but we can now bring something different, supported by technology and a wider international client base."

Hadley says much has changed during his time within the industry and it's now more important than ever to have a global approach to selling rural properties.

The Colliers International brand is already established as a market-leader in rural real estate in many places throughout the world and creates a larger pool of investors for New Zealand and Hawke's Bay alike.

"We benefit from having a large pool of investors and buyers care of the Colliers International networks as well as the ability to market properties both domestically and internationally.

"We are often dealing with multi-million-dollar businesses and are very experienced in handling the intricacies of rural business transactions, operating with the utmost confidentiality," he says.

Joining Hadley is experienced rural agent and former colleague Mike Heard.

"Mike and I have worked together before and he was the first person I thought of when we started to build our rural team. He's got vast experience with more than 20 years in the industry, many contacts and the motivation to get the best for both vendors and buyers."

The team offers vendors an in-depth understanding of the primary sector, from on-farm operations and funding structures through to key industry participants and current regulatory issues.

Hadley adds "there are some very good opportunities out there and this will be a way for clients to get a higher, different level of service under a brand that is recognised."

Colliers invests significantly in research both for its commercial division and for its rural arm and in its latest report it predicted sales and purchasing activity for New Zealand rural properties to continue their upbeat momentum from 2014, forecasting another strong year of rural and agribusiness activity in 2015, despite a market drop in the Fonterra dairy payout.

According to the report the purchasing appetite for dairy farms across New Zealand remains strong and is not impacted by the short-term pricing fluctuations of the sector.

It reports purchasers are confident in the long-term story of 'New Zealand Inc.' in providing dairy products to a 'protein-hungry' and growing population in the Asia-Pacific that is focused on the quality and location of its products.

Also enabling this long-term view has been the institutional investment and the corporatisation of the primary sector in New Zealand over recent years.

Hadley agrees with the sentiments of the report in that fund managers are looking to create agribusiness portfolios that spread risk across a range of sheep and beef farming, dairy, viticulture and horticulture.



“For large-scale investors, a rural property portfolio sits quite nicely for them as a safe asset and the economic performance of New Zealand provides them with the returns they are looking for,” he says.

Major funds from North America, Europe and Asia are balancing global portfolios and taking advantage of New Zealand’s safe investment status, its position, promising outlook and positive returns.

Domestic purchasing activity will continue to be buoyant for well-developed, well-located properties, along with a rise in interested offshore parties searching for substantial investment opportunities in the sector. This will spur competition, which will lead to further price value rises across most market value segments.

Record prices achieved in New Zealand for beef and sheep producers in 2014 boosted the sector’s lacking optimism of recent years when it took a back seat to the dairy sector.

The November 2014 Rabobank Confidence Survey showed that 75 percent of sheep and beef farmers expected an improvement in the performance of their own farm businesses in the 12 months to November 2015.

“WE ARE OFTEN DEALING WITH MULTI-MILLION DOLLAR BUSINESSES AND ARE VERY EXPERIENCED IN DEALING WITH THE INTRICACY OF RURAL BUSINESS TRANSACTIONS, OPERATING WITH THE UTMOST CONFIDENTIALLY.”

– HADLEY BROWN



Mike Heard

The confidence and investment sentiment will lift farm sales activity and property price expectations further during 2015.

ANZ’s latest Agri-Focus report says New Zealand farmland values have caught the gold rush fever again.

It reported New Zealand farmland values have appreciated the most of 12 key competing and export markets since 2000, but most of the other countries analysed have experienced impressive gains also.

While much of New Zealand’s “X factor” seems to be already priced in, outperformance and total farming returns well outpacing many other asset classes tells you something.

Locally, Hadley says the Ruataniwha Water Storage project has the potential to create significant property transactions or ownership restructuring.

“Many are waiting for the outcome and go ahead, and if it does get the green light it will be great for Hawke’s Bay. We’ve already had significant interest from outside of the region for land within the catchment area.

“They’re ready to jump at it and we anticipate property transactions with farmers in the catchment not wanting to take up their water allocation; change their farming practices or invest further in new on-farm infrastructure. There will be others who are also at a stage of life that they are ready to just move on and that opens up many opportunities for them.”

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RURAL & AGRIBUSINESS

Adversity was origin for success

by Vivienne Haldane

Adversity is opportunity in disguise they say. That's certainly true for milk company Origin Earth owners Joanie and Richard Williams, whose uncertain future a few years ago lead to them creating a new business venture that's now turning heads.

In 2010, Joanie was made redundant from a management position in the dairy industry and around the same time Richard, who is a freelance television camera operator, suffered a macular delamination to his right eye. With just a five percent chance of coming out of an operation with reasonable sight, he took that chance and fortunately made a brilliant recovery.

Such events caused the couple to take stock and the outcome was they decided to start their own dairy processing plant.

Joanie explains how they made this decision. "We were avid farmers' market goers, so we looked around our local farmers' market in Hastings to see where the gaps were and then looked at what we were passionate about and cheese came top of the list.

"From Richard's filming career [he works on Country Calendar and Rural Delivery] and my time spent in the primary sector, we decided we wanted to base the core values of our business on sustainable farming practices, meaning that all our milk could be traced to the farm, the paddock and the animals of origin."

They set their goals and a timeline and got cracking.

After finding premises, Joanie then had to plough through the rigorous process of putting together a plant and tackling "all the dramas around food safety, auditing and compliance. It was massive and seemed to take forever but I am a good planner and keep tight time frames so it all came together.

"My aim was to be in the Hawke's Bay Farmers' Market by Labour Weekend, 2010. We named and registered Origin Earth as a limited liability company in June 2010, and although it was two months later than I had hoped, we were in the Farmers' Market by December 5th, 2010."

They'd trialled cheese making at home for a number of years and in July 2010, they did a five-day commercial cheese making course at The New Zealand Cheese School.

If anyone thinks trying out a completely new venture based on a skill such as cheese making is a masterstroke of confidence or an act of faith, Joanie erases that notion. It's all about planning and attitude, she says. "We are both incredibly hard workers and I knew

that if we became tight financially, then the one thing we could delay that breaks most businesses is employing staff. So before we did that we set budgets and stuck to them religiously."

Milk was sourced from Kevin and Linda Davidson's Plantation Road Dairies in Ongaonga. They were chosen because of their commitment to sustainable farming practices and biological soil management. "If soil is not healthy, then nothing that comes off it can be healthy," says Joanie

As business has grown and to mitigate the risk, milk now also comes from Grant and Bridget Gibson, who milk a herd of 100 pedigree Holstein Friesians in Meeanee.

Starting out at the Hawke's Bay Farmers' Market, Origin Earth initially sold two products – pot-set yoghurt and fresh pasteurised (non-homogenised) milk. Two weeks later they were selling feta and Camembert.

Chocolate milk has recently been added in response to customer demand. "I wanted to create something healthy and to source ingredients that were aligned with our ethics.



Xxxxx xxxxxx

“THE POSITIVE HAWKE’S BAY ATTITUDE HAS REALLY HELPED US AS A START-UP BUSINESS, PEOPLE HERE ARE VERY SUPPORTIVE OF LOCAL PRODUCE.”

– RICHARD & JOANIE WILLIAMS

I used Hawke’s Bay producers – Arataki clover honey for sweetener, La Petite Chocolat’s imported organic Fair Trade cocoa and Heilala Vanilla from Katikati.”

Origin Earth sheep’s milk cheeses result from a collaboration between sheep milk farmers Andy and Kat Gunson and the Williams.

“The Gunsons had been breeding towards a sheep milking dream since 2006 and wanted to take it to the next step. Together we set a time frame and the milestones they needed to achieve. By the end of 2011 we had our first sheep’s milk. We did trial work on feta and Camembert and put down 40 kilograms of sheep cheddar.”

In 2012 Origin Earth relocated to new premises in the former cheese factory on Te Mata Road in Havelock North. This afforded the expanding operation space not only for its processing factory but for a retail outlet as well. The company has a continuing presence at the Hawke’s Bay Farmers’ Market and its products are also sold in certain supermarkets and niche market stores throughout the country.

In November 2010, Origin Earth used 1,165 litres of milk and by November 2014, that number had risen to more than 30,000 litres.

Richard and Joanie are delighted by the way business has taken off and put much of it down to local support. “The positive Hawke’s Bay attitude has really helped us as a start-up business, people here are very supportive of local produce.”

When *The Profit* spoke to Joanie, her arm was encased in purple plaster. It’s the result of an accident she had while out collecting milk from Plantation Road Dairies in the early hours of the morning.

It hasn’t slowed her down though. A few days later she was at the NZ National Cheese Awards to collect a gold medal prize for their sheep’s feta, silver medals for cow’s feta and Haloumi and bronze for their sheep cheese ‘Sleeping Giant’. Not bad for a first-time entrant.

Joanie says their staff are fantastic and gives them credit for their role in Origin Earth’s success. She firmly believes in mucking in rather than standing back and giving orders. “You bring out the best in people if you work with them.”



Origin products can be purchased locally at:

- Origin Earth Cheese Shop, 393 Te Mata Rd, Havelock North
- Hawke’s Bay Farmers’ Market, A & P Showgrounds
- New World Supermarkets throughout Hawke’s Bay
- Pak ‘n’ Save Supermarkets Hastings & Napier
- Four Square Supermarkets Haumoana, Hastings & Havelock North
- Vetro, 46 Bridge St Ahuriri Napier
- Chantal Foods, 45 Hastings St, Napier

She was proud of how they stepped into the breach when she broke her arm.

“We had 300 litres of yoghurt in the process of being made and they did a fantastic job. They were all waiting in the smoko room to make sure I was all right when I got delivered back. I was in tears and humbled at having such an amazing team.”

www.originearth.co.nz

Hard work gets there in the end

It's their moment and one Craig and Trish Sinclair Hawke's Bay's 2015 Farmers of the Year earned through commitment and willingness to adapt and grow – both personally and professionally.



By Anna Lorck

Three years after first entering the competition they made it, and everything they've done to get there, has been worth it.

To win, they raised the bar, on themselves and on the farm they manage Kohurau, a remote 715ha property at the end of Glenross Road Waiwhare, at the foot of the Kawekas. The farm is also a tenant of Tekonini Farm on River Road. Kohurau was originally a ballot farm and was bought by the Kohurau Farming Co Limited, the Sinclairs who arrived almost 11 years ago, are its fourth managers.

Craig, who admits he was pretty overwhelmed at the awards night, is about as down to earth as Kiwi farmers get. And yes, even farmers, hard working men of the land, with big hearts and passion for what they do, can choke up.

"The win wasn't just about us, it wouldn't have been possible without a raft of supporters - we've all won. We have tremendous support from the shareholders who are keen to see us progress. It's been a team effort involving everyone we deal and work with from the agents, farm suppliers, the vets, fencers, casual workers and so on,"

A straight talking self-confessed "basic kind of bloke" Craig's passionate about his family, his work and loves Hawke's Bay having grown up in Marton and then living in Taihape, where with a young family he and Trish started a spray contracting business, just after Sammy (now 20) was born.

"Trish even had her own spray truck and together we slogged our guts out with big long days.

He puts his work ethic down to his family upbringing and also credits a shearing gang which he worked in as a young man for having a lasting and positive impression on his life

"I was about 20 working with these guys 10 years older than me – top, fit and skilled shearers – they would put in huge days, and then they'd play hard when the working day ended, but every morning they would turn up and do it all again.

"They saved their money, they had dreams of owning farms, and all of them do today. All these guys had a big influence on me, on what it takes to get there."

"Have a five year plan, and don't keep it in your head – write it down, so you know and you can tell others where you are going. And then give it all you've got."

– Craig Sinclair

Craig's mum Gladys, who at 93 still lives on her own in Marton, is his biggest inspiration.

"When I was 15 I lost my older brother in an accident, and a few years later my sister died of an aneurism at 40. There were only three of us, it's about as tough as it gets, my parents got through together.

"I was pretty young and losing my brother and sister certainly makes you grow up fast – it puts things into perspective as you don't know what's coming next. Mum has always remained strong and positive, and been there

for me. She's taught me a lot and always told me to work hard, be punctual, be yourself and always try to get on with everyone".

Craig says he likes to keep things simple – when he applied for the manager's job, he wrote a one-page letter "I didn't have a CV back then, but it would look pretty impressive now.

And if there is one thing I've learned that's key to achieving success it's have a five year plan, and don't keep it in your head – write it down, so you know and you can tell others where you are going. And then give it all you've got."

"That's about as technical as I get. So the competition really put me out of my comfort zone. I remember the first time I met the judges I was sweating, I just kept talking. This final time I knew what to expect and must have nailed it."

When the Sinclairs first entered the competition, it wasn't to win – they wanted to gauge where they were sitting, in general as farmers and for farming in Hawke's Bay.

"We knew we were doing well, we were probably in the top 10 percent of Hawke's Bay farms and wanted to better ourselves."

As finalists in 2014 (which was not disclosed publicly) they were disappointed it wasn't to be their winning year.

"We'd really stepped up, made significant changes, and felt we were there. I wasn't that keen to go again but Trish pushed me into re-entering for the third time and the Trust was right behind us.



Craig Sinclair



The Sinclair family – Trish and Craig with Henry and Sammy

“Winning proves, if you don’t succeed don’t give up, keep going, because you learn a lot and everything you do going forward is working towards being the best you can be.

“I think the farm is representative of what a lot of Kiwi farmers are working with – this is hill country, tough country, with horrendous weather conditions.

“We are a real example of how you can get the best out of a typical New Zealand farm

and I think that’s what farmers are interested in, we are a benchmark for others and I’ll be doing all I can to help share the knowledge and help others achieve more.

While Craig and Trish’s five year plan is to stay at Kohurau, when Henry, 15 leaves school they will look at setting more goals.

“The beauty of managing Kahurau is we get to treat it like our own, the Trust backs

us and that makes it a great place to work. I have to justify my decisions, but they give us the scope to really farm and try new things.

“It’s how we roll out here, we work hard, can have some good times along the way, we love living here and it can’t get much better than that, but there are always new opportunities ahead.”

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Hawke's Bay Primary Sector Awards

A record crowd made the most of networking as they turned out to celebrate the best in Hawke's Bay's Primary Sector. MC for the night Te Radar summed it up "Hawke's Bay farmers are the hardest crowd to muster" as more than 400 guests finally made their way to their tables.



Connecting with communities through sponsorship

Electricity distributor, Unison, is gearing up for another busy season supporting junior sport in Hawke's Bay. Having been involved with junior rugby since 2009, its sponsorship portfolio has now grown to include junior netball and hockey.

For Unison, a consumer-owned business, sustainable and socially responsible commitment is not about philanthropy, but about connecting with its communities through active participation.

Unison Chief Executive, Ken Sutherland, said sponsorship played an important part in the overall marketing mix.

"Given the nature of our business, it's not about marketing to sell. Through our various sponsorship agreements, we have managed to create strong communication channels through which we can engage with target groups.

"For example, children are a target audience for us in terms of safety messages, and our involvement with junior sport programmes allows us to disseminate and reinforce safety messages widely across our regions."

Sponsorship is also means for companies to build a sense of rapport and 'good-will' in the community.

"Our community partnerships help us get to know our customers and build relationships, through which we are able to foster a strong sense of rapport and trust."

In the past, many companies just handed over sponsorship money in return for having their logo put in the 'spotlight', and then sat back waiting for the benefits to roll in. Sponsorship, as a discipline, has evolved over the years, and this is no longer enough.

"The real value, for us, is in treating our sponsorships as 'partnerships' with organisations and groups in our community, rather than simply an agreement with little more interaction than an annual exchange of funds.



Junior hockey player enjoys Unison's support at the Unison Hockey Stadium.

"We work hard with all of our partners to ensure we achieve maximum leverage from each of the sponsorships in our portfolio."

Unison's leverage programme with junior sport in Hawke's Bay, the Greatest Supporter Programme, is now widely recognised within the community, and over 8000 kit bags have recently gone out to junior rugby, netball and hockey players for this year's season.

"Our community partnerships help us get to know our customers and build relationships, through which we are able to foster a strong sense of rapport and trust."

"By offering our support at a grass-roots level, we are growing the games and helping to ensure these sports are accessible for all children, regardless of their situation."

In addition to the sports kit, which includes sling bags, drink bottles and mouth guards (for rugby and hockey), Unison's Greatest Supporter programme incorporates other initiatives which encourage participation from side-line supporters, like parents.

"We also run a medal ceremony for each sporting discipline, to recognise and reward fair play and excellence throughout the season."

Tina Arlidge, Operations Manager for Hawke's Bay Netball said Unison's sponsorship had already really helped lift the programme in terms of participation.

"Numbers have grown by around 56% in the first season Unison has been on board, and we now have the largest participation rate of any junior netball programme in New Zealand.

"Unison works really hard, alongside us, to ensure we can offer a quality programme that is accessible to every child. Their support is genuine and certainly not motivated by a desire to simply get their brand in the spotlight."

Unison's Junior Sport Leverage Programme

- Over 8000 player kit bags across junior rugby, netball, hockey.
- Player of the Day certificates and trophies for every team, of each code.
- Whistles for coaches.
- Great Photo Competition – each week, one photo from Hawke's Bay junior rugby, netball and hockey is selected as Unison's winner and is awarded with a voucher.
- Game of the Week – each week, Unison's videographer is on the sidelines of Hawke's Bay's junior rugby, hockey and netball games filming all the action and featuring the players as the stars!
- Greatest Supporter Competition – Unison's Greatest Supporters are children who are keen to promote what Unison does in the community and get some awesome prizes for doing it. From May to September, two Greatest Supporters are announced every month, with each winner receiving their very own mission to complete throughout the month.
- Sideline Supporters – every week, Unison, together with the Edge Road Runners, is at junior rugby grounds all over Hawke's Bay, serving hot drinks and muffins to sideline supporters.
- Unison Halftime Heroes – each week throughout the season, Unison, together with MoreFM, visits one lucky netball or hockey team with an awesome prize pack, plus they get their photo uploaded to the Halftime Heroes Wall of Fame.
- Powerman Player of the Week – each week, in conjunction with The Hits radio station, one star player from Hawke's Bay junior hockey, netball or rugby team is awarded an awesome prize pack, personally delivered by Powerman!
- Unison Medal Ceremony – held at the end of the season, a Unison Medal is presented to one star player from each Hawke's Bay junior netball, rugby and hockey team, who has shown strong work ethic, discipline and fair play throughout the season. Each sporting code has its own ceremony, with Unison's 'Powerman' in attendance.



Evangelina Prichard (10) of Mahora School was one of the many junior players to receive a Unison medal last season.



New and the old: New owners Shane Heaton and Gavin Streeter (on right) with former owner David Isaac (middle) and staff member Sam Riddell (left).

What made it so simple in the case of fast growing Isaacs Pumping & Electrical, was that the previous owners David and Sue Isaac were to remain in the business, not for just a handover period, but for as long as they wished.

Isaacs Pumping & Electrical, based in Waipawa was bought by Gavin Streeter and Shane Heaton in 2013.

“David and Susan have been amazing to Shane and I, they remain committed to the business, and are hard working and supportive of everything we do.

“Purchasing the business was so simple, I knew it would be as they are just honest and caring people.

“We were under strict instructions to look after their clients as they view them more so as friends than as customers,” Gavin said.

David wanted a simple business transaction. He started the business in 1993, bought another small electrical business in 2000 and grew a client base servicing local packhouses, the rural sector as well as commercial and industrial businesses.

They also started to do dairy farm work and over 10 years had earned a good reputation for being on-call and ready when needed.

“We always had the cellphone on and made sure service was at the highest level,” says David.

Unfortunately due to health reasons, David and Sue decided to quietly sell the business.

In a conversation with Gavin in 2013, he mentioned that he was keen to sell the business.

“I wanted to keep the sale under the radar and when we did the deal, we knew that the business and our staff were in safe hands.

“Sue and I wanted to make sure that our service levels stayed the same. It doesn’t take much for word to spread, that service levels have dropped. The transition has been really good. Shane and Gavin have the same attitude to clients as we do and also wanted to do well by the staff.”

The timing was perfect for Gavin, who together with Shane Heaton had left their former jobs at an electrical business and were looking at their own business opportunities. They had two options - set up something from scratch or buy an established business.

Gavin and Shane liked the business David and Susan had built up and decided to make an offer.

New owners keep all connected

When a well-established business changes hands it can be an uncertain time for both staff and customers.



“OUR CULTURE IS SIMPLE. WE MAINTAIN THE BEST STAFF AND PROVIDE THEM WITH THE BEST EQUIPMENT AND TRAINING AND UTILISE THIS TO DELIVER EXCEPTIONAL RESULTS TO OUR CLIENTS.”



“We were all a bit worried as we didn’t know them from a bar of soap but since they started, we’ve never looked back.

“As staff, they have placed a lot of trust in us, they have given us as staff and a loose reign to perform. They have set high standards but have given us the tools and then the perks for our hard work.

Shane says 2015 has begun with a focus on training for staff.

“We want to ensure that we can provide a future within this business. We want our clients to benefit from having highly trained staff working on their sites.

For Gavin and Shane, the focus has been on developing their staff and providing them with new opportunities and challenges within the electrical industry, striving to be the employer of choice in Hawke’s Bay as well as maintaining long-term sustainable results for their clients.

“Our culture is simple. We maintain the best staff and provide them with the best equipment and training and utilise this to deliver exceptional results to our clients.

“We want our staff to see a long term future in this business. There’s a clear focus on team development and tailoring training to suit them.

“The team are amazing, they always go the extra mile and they own their projects. Clients are continually complimenting them and the work they do.

“We have been developing our systems and processes to handle larger projects and further training for our staff is key to ensuring we can maintain the increased workload.

“We want to develop our guys and have everyone on the same page. Sam has just started an Icehouse course, which we see huge potential in by adding value to the business.

“The Icehouse offers us a range of options for staff development. We have brought with us a variance in work type, so this makes day-to-day tasks more challenging and interesting for staff,” Gavin says.

Last year Gavin and Shane showed just how very much part of the Central Hawke’s Bay community they are when they initiated a rally to support the proposed Ruataniwha Dam.

They were both fed up with all the negative spin on the water storage proposal, so decided to take matters into their own hands.

“We are firm believers in the dam project and believe it will create opportunities in the wider Hawke’s Bay region.

“Working in CHB on a daily basis and especially after such a dry summer it’s concerning the amount of stress that a drought puts on the local families. Having water storage to us is a no brainer, the benefits will be huge for the entire region,” Gavin says.

The last word goes to Sam, who says that although the business has expanded hugely, with a wide variety of projects, it’s the team that has benefitted most from its renewed spark.

“We all have the passion. We’ve stepped up and in my opinion we have got some of the smartest electricians in New Zealand,” he says.

www.issacshb.co.nz

“We drove down one night for a cup of tea and pretty much signed up on the spot,” says Gavin.

They inherited seven staff and started to slowly make their impression on the business, Gavin with his business management experience and Shane with his electrical trade experience.

The new owners had the drive to make the business a success, but they were unsure if their existing staff would be on the same wavelength.

Now 18 months on we have 20 staff members. All of the original staff remain with the business and have totally bought into the reinvigorated approach and new business opportunities.

As electrician Sam Riddell says “it’s the best thing that’s happened for everyone”, for David and Sue as the former owners, and their staff.

“We did wonder what the good and bad would be of having new bosses.

“David and Sue were really good people to work for but since Shane and Gavin have taken over, it’s opened up so many opportunities for all of us.



HB Pastoral’s new 80 bale dairy shed in CHB



Maison Therese

Relishing challenges in the food sector

By: Sarah Thornton

This year, Maison Therese will celebrate its fifth decade in business as a leading New Zealand artisan preserves producer.

Founded in 1965 by Therese Mooren, Maison Therese first graced shop shelves with pickled onions, and the timeless product remains one of the company's best-selling products. Maison Therese is now run by Therese's daughter Monique Bradshaw and granddaughters Emma and Kate.

Monique joined Maison Therese when she left school, earning her place in the family business with two small pots of tomato relish and piccalilli brewed up on the family's stove, both of which became staples in the range.

"New Zealand has always been a traditional 'bottling and sauce making' nation and is well known internationally for its honest, real food. At Maison Therese, we stick to tried and true traditional recipes and continue to make small batches to maintain quality. We use as much local ingredients and produce as we can but if we are forced to source overseas ingredients, then we use audited suppliers who are controlled right down to the seeds they plant."

In 2001, Monique took over the reins and continues to run the company today with her two daughters and a staff of eight in a modern manufacturing plant, based in Hastings.

Emma has been working at Maison Therese for six years and runs the sales and marketing side of the business. "I studied marketing and design at Otago University and really wanted to get my teeth into something – it was a brilliant opportunity to join the family business."

Kate joined the team a year ago and is learning the production side of the business.

Monique and Emma agree that the retailing environment is tough but by constantly adapting and staying flexible, they've created a highly regarded brand that they intend on growing into a larger and even more successful company.

"We are always watching the market, identifying trends and developing our range accordingly,"
– Emma Bradshaw.

"Our best business decision was to increase our diversity and break the business up into different supply streams, and it has paid off. You spread your risk to mitigate your vulnerability," says Monique.

Food service, supermarkets and cafés are big customers for Maison Therese. To meet the changing palates of consumers, the team is always looking at developing new products and flavours. Currently they

have five new lines that will be launched into the supermarket trade mid-year.

"We are always watching the market, identifying trends and developing our range accordingly," says Emma. "Our pasta sauce range was introduced a few years ago and now it's time to expand on the pickle and relish range."

Maison Therese's focus for 2015 is to grow supermarket sales nationwide and expand the food service business. Exporting is also in growth mode, with Maison Therese now on supermarket shelves in Australia, Singapore and Malaysia, with market validation well advanced in Hong Kong and Dubai.

"We are always endeavouring to deliver a product here and overseas that has integrity, one that reflects New Zealand and our culinary heritage."

www.maisontherese.co.nz





YOU WILL BE UPSTANDING...

by Yvonne Lorkin

New Zealand's leading wine writer Yvonne Lorkin has decided to take a stand on creating a healthier work environment. and has taken her 'desk time' to a new level.



Yvonne Lorkin at her desk

Here's my dilemma. I'm a writer, it's how I earn my living, but it's making me fat! It's making me fat because firstly, being self-employed, I obsess about every waking moment being used efficiently, to make money, to keep things ticking over if you will. I'm also a mother of two and wife of one, so if I take time out to go to a gym or play a game of tennis, or join a sporty club or something – I get an enormous attack of the guilts. That old "you're being selfish" chestnut.

So I'm not exercising enough for starters. But secondly, my job is also a sedentary one. I'm on my bum basically. All day. "Sitting is the new cancer," I was told recently, "there are too many awful health risks associated with sitting for too long". Dear lord, my job not only involves sitting for extended periods, but I also write about food and wine. So when I'm not sitting and typing, I'm eating and drinking! If I didn't do something about this situation I could very quickly become a heart attack in heels; so I typed 'standing desk, new zealand' into my search engine, clicked on www.uprisedesks.co.nz and well, here's what happened...

Day 1

A very sporty-looking Stuart Davenport from Uprise arrives and sets up my desk. It looks stylish and simple, there's no crossbar so it's roomy and uncluttered underneath, plus it's the only desk of its type which clocks in at under \$1000 – which works for me. We plugged it in and he gave me a quick tutorial on how to programme the desk to go up and down to the right height for sitting and standing. It's really simple – arrow up for taller, arrow down for shorter. But you can programme it to automatically set itself for certain heights – like if you're sitting on a chair, or using a swiss ball for example. You're supposed to sit down for short periods – that's normal and Stuart recommends it. The desktop also moves slowly and smoothly – which is good seeing as my desk is often crowded with bottles of wine and glassware of all descriptions.

I'd bought a \$200 24" TV which easily screwed into the monitor arm and became my computer screen. It sits perfectly at eye-height and Stuart instructed me to move the monitor's position every now and again to "vary your positioning".

Day 2

Started work at 8.30am, stood until 11.30am – no probs, but my feet began to ache a bit. It's quite hard work, but I'm feeling more conscious of how my hips are aligned and I'm trying really hard to stand up straight. I've always had a bit of a sway back, so I tend to stick my tummy and hips out when I'm standing for long periods, however as I'm actually sort of leaning onto the desk whilst typing, it feels like I'm straighter, taller even

Day 3

Today I had a dizzy-dressing moment and wore quite possibly the worst shoes possible. I forgot I had a standing desk now, how would I cope in my blue suede heels? But do you know what? I managed fine from 9am until 11am, then my toes and the balls of my feet began to tingle and ache. Easily fixed though, I just grabbed a chair, lowered the desk and was good to go. One hour sitting down and I was ready to get back on my feet. At that moment an email arrives from Stuart "Hope you're enjoying your new desk? Attached is a pdf that suggests some exercises you can do while at your desk. They don't require any equipment. Try going through the exercises 4 to 5 times a day. It is regularity that counts NOT how much effort you put in, if you only have a couple of minutes - no problem.



Stupid shoes

I'm also going to send you a swiss ball, resistance band and a massage ball this week. The whole thing with these desks is getting moving and changing the static nature of a standard sit-down desk".

Day 4

So I did what Stuart said and adjusted the position of my monitor today and it's definitely mixed things up. I also did my first 'Barre Xtend' class at PilatesWorks in Havelock North last night – it was tough! But I feel somehow taller and my shoulders are actually dropping into a relaxed position as opposed to how they always used to be when I was sitting at my old desk – which was up around my ears most of the time.

Day 5

Well I thought I'd be all gung-ho today and decided that I didn't need to sit down at all. The hours ticked by and I felt ok, I was handling it, by 4pm my feet were feeling a bit tender but no biggie. The problem occurred later. At about 6pm I was due to host a wine event at EIT in Napier, so I threw on a frock and the highest, spiky heels I own – and within an hour I was practically hobbling. My feet and legs hadn't rested all day and the wheels fell off them in spectacular, painful fashion – they were still hurting the next morning.

Day 6

So the kids were off school today and I had loads of errands to do. Puppy to the vet, kids to the doctors, appointments here, there and everywhere – so there was no point going to the office. I ended up working from home on the old kitchen table – and man, did my neck and shoulders scream with discomfort after their week of standing.

So I've made it through my first week... it's not easy, your feet hurt, your hips feel a bit wonky (even though it's because they're actually in the correct position for the first time in years), but I feel taller, straighter and dare I say it, in better nick. I'll be updating how things are progressing over the next few months – so stay tuned.



Fresh to the market

Would you suggest to your child to consider a career in Professional Farm Management? You bet!

By Brent Paterson | Rural Directions

Brent Paterson is the founder and managing director of Rural Directions- Primary Sector Recruitment & HR. His rural credentials are impressive from running a sheep stud and beef operation in Patoka, through to his involvement in Rural Directions subsidiary company, Primary Industry Management. To contact Brent, email – brent@ruraldirections.co.nz.

If there is one thing that gets me upset it is when people try to separate farming and business - that's rubbish!

If an average farm was 500ha then a quick calculation might suggest the person in charge has a \$6m asset as their responsibility. If that's not described as a business then I'm in the wrong business.

Like it or not the farm ownership structures are changing. Change creates opportunity. The opportunity before us in the Sheep and Beef sector is in professional farm management. Outside of farming, people no longer 'fall into' CEO roles, (and less now inside farming also). Candidates mostly go through a robust process to demonstrate that they can deliver to a high standard with consistency. If they do not deliver they see their job advertised in a board memo.

Investors, whom make up a growing ownership statistic of farms in NZ, understand the value of professional management and are prepared to pay for it. If you were to agree on the changing ownership theory then the opportunity is obvious. So what are some of the traits a

business might select a professional manager on?

Education

If I was a betting person I would suggest, if presented with the option of appointing an educated candidate or an uneducated one, the educated one will normally get the role. This doesn't mean a PhD has been done on the rumen of a animal but rather a demonstration of learning, and ultimately continued learning. Create your own personal development plan. To do this you are probably best to invest in some testing to understand what professional development you need.

Track Record

Show the employer that there has been thought put into career planning, be sure the people whom you work for have a good brand in the market, whether or not you like it, your brand will be associated to their brand. Having clear reasoning for job moves and clear demonstrations of the difference you have made while in that role.

Professionalism

The importance of refined presentation and reporting skills are vital. It is a challenge for

those that have spent their first part of their careers in very operational roles, to suddenly elevate themselves into this. Remember that you are now in a profession and it's likely to be very competitive out there.

Anyway the demands of a professional are high, as are the rewards. You will be challenged and have to gain credibility within your team, by being the best operationalist amongst them and then putting on a suit and delivering the fiscal report to an investor, whom has an empathy for the land but a thirst for profit.

If this appeals then the industry needs you to start mapping your career now. The current increase of professional farm management roles into the market demonstrates to us that the ownership platform is changing and if we are at the beginning of change, then this is going to be designation that is worth investigating.

A saying I tend to overuse is relevant in this case, as it takes a great deal of Luck to land a role as a professional farm manager; Luck is where preparation and opportunity meet.

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Resource Management

The five key elements to a successful Resource Consent process.

By **Cameron Drury** | Cheal Consultants



Owing to the number of sectors and broad range of activities affected by resource management regulations and frameworks, it would be rare for individuals or companies not to come across a resource management process at least once in their life, or for some, at least once a year or more. So why do these regulations and frameworks appear so difficult to some and not others, and why do some people find the resource consent process frustrating while others remain quite positive about their experience.

There are probably multiple answers and views on these questions, but in our experience five key elements are fundamental to demystifying the process and removing the barriers to a provide platform for achieving a successful outcome.

We operate across various sectors and manage a variety of resource management processes including commercial developments, landuse activities, subdivisions, water takes, discharge activities, water harvesting schemes and heritage matters. We work across both Regional and District Council functions and understand the differences and overlaps between the two, which in itself is often a point of confusion and misunderstanding.

Just like any other commercial process or personal adventure, like planning an overseas holiday, it's a matter of appreciating that you may be entering the unknown, and acknowledging the need to investigate and better understand this foreign territory. This is the first element you need to be aware of. The worst approach is to assume that obtaining a resource consent is straight forward, or naively think it should be.

Now we're not saying that there aren't horror stories, or that there isn't a need to continually improve and encourage "a can do" approach, but it's a two way thing between the applicant and the council. This is the second element, and providing the council with good quality information will enable a quicker and more constructive process.

Taking time at the outset to plan your approach and investigate the issues to ensure the right work is being undertaken by the right service provider in the right order is

the third and possibly the most important element.

We came across a sheep and beef farmer a few years ago outside of Hawke's Bay wanting to develop a water harvesting facility by constructing a dam across a minor tributary of a major water body. We later learnt that in excess of \$50,000 had been spent on engineering design prior to having any certainty over whether or not the actual water could be taken.

Now this wasn't a simple process. Flow regimes had to be understood at the outset, effects on downstream allocations considered, effects on ecological habitat determined, and residual flow frameworks developed while being conscious of avoiding costly and labour intensive monitoring regimes. We obtained the consent and delivered the outcome sought, but a great deal of time and money had been risked prior to our involvement by not being aware of the issues and resource management frameworks at the beginning.

Various service providers and technical experts all have a valuable role to play in these types of activities, but a project needs to be run strategically. Here the initial expenditure in dam design could have been limited to a conceptual level to support the resource consent process, with detailed design following in support of the building consent process, being the legislative forum to consider structural issues in more detail. This approach would have avoided the higher level of work and associated investment being lost if the resource consent was not granted, or granted to a reduced scale.

Building a positive and constructive relationship with council also assists the process. Points of agreement or disagreement can be determined and the detail of any technical assessments confirmed. For example, rather than undertaking a full Traffic Impact Assessment for a land use or subdivision proposal, council may agree that a simple analysis of a particular intersection during peak periods will suffice. This gives rise to the fourth element. Engage with the Council. There is a wealth of knowledge here and assistance can be forthcoming if you are open to receiving it.

It's about investing in steps towards certainty, which is the fifth element. If done properly



Demystifying the RMA consent process.

1. Acknowledge the need to investigate and understand what the process involves
2. It's a two way thing between the applicant and the Council
3. Ensure the right work is being undertaken by the right service provider in the right order
4. Engage with the Council
5. Invest in steps towards certainty

and strategically, this will focus the issues, manage time and cost, and provide greater confidence, which will place you in a better state of mind to navigate the process.

So next time you find yourself coming across a resource management process, take a step back, acknowledge that it may be a different sector to what you are used to, entertain the idea of seeking professional Planning assistance to ensure your project is run strategically with the right people undertaking the right work in the right order, and establish a constructive relationship with the council from the outset.

Cameron Drury is a Senior Planner with Cheal Consultants and the Regional Manager of the Hawkes Bay operation. Cheal provides expert services in the fields of Planning, Surveying and Civil, Geotechnical and Traffic Engineering. We have offices in Hawke's Bay, Taupo, Ohakune, Taumararui and Rotorua.



“GET ME THE HIGHEST RETURN”

When posed the question of “What do you want to achieve with your investments?” Many people respond, “I want the highest return I can get, with the lowest risk”.

By Tobias Taylor | Spicers Portfolio Management

Of course that answer is somewhat problematic, because in order to generate any given return, there is always a certain level of risk involved.

In fact, there is an inherent link between investment risk and investment reward, or return. That is, the higher the expected return of a financial asset or security, generally, the higher the risk associated with it.

But what is meant by ‘risk’, and how can we manage the risks associated with investing? Even the perceived safe haven of cash has risk attached to it. There’s the risk that the bank it is held with experiences some sort of problem or failure.

What investors are really saying when they say, “I want the highest return I can get, with the lowest risk”, is that they want the best return they can get. Of course this will be based on the amount of risk they are willing to take and the time frames of the investment goals. Essentially every investor has two key objectives they want to achieve:

1. to protect and/or grow their capital
2. to get a return better than what they can get in a bank deposit.

Most importantly, investors don’t want to be worried that they might lose a significant portion or, worse, all of their hard-earned nest egg. They want to be able to sleep at night. So how might an investor achieve the ultimate goal of getting a good return, at an appropriate level of risk, but one which also allows them to sleep at night?

There are two simple concepts to consider.

Risk

The first is the concept of risk, what it means and how it affects investment returns. The second is diversification and how it can be used to manage risk and assist in generating better returns for investors.

Everybody is familiar with the concept of risk. We face risks every day as we go about our lives. Essentially risk has two components: exposure and uncertainty.

But these risks do not stop us leaving the front door and driving our car. Instead, we assess the risk and we take precautions like wearing a seat belt, obeying the road rules, and being alert to other road users – and most of the time we arrive safely at our destination.

Investment risk is no different. Whenever we invest, we are exposed to uncertainty, but this time the uncertainty is that the investment will not turn out as expected. While this could go one of two ways, i.e. either better than expected or worse, it is the latter that investors want to avoid.

The variation of returns for any given security, asset or group of assets is referred to as volatility.

Volatility is a measure of the degree of up-and down movement in the value of a security or asset over time. Volatility is a common measure of risk in the investment world. Principally, low-risk assets have low volatility and high-risk assets have high volatility. Investments in cash and bonds tend to be less risky than property and shares.

That is what ultimately drives investment returns.

Diversification

Diversification is a simple concept but not always practiced.

A mixture of well researched and appropriate investment assets in any given investor’s portfolio will vary depending on the investor’s objectives, goals, time horizon and tolerance for risk. Traditionally, asset classes are grouped in two categories:

1. Income assets generate a high portion of their returns from income via interest or coupon payments, e.g. cash and bonds.

2. Growth assets generate a high portion of their returns from capital growth over time, e.g. shares and property. It is the potential of their capital value to match or exceed the rate of inflation that makes them considered growth assets.

So why diversify?

A well-known phrase talking about diversification is: “Don’t put all your eggs in one basket”. This is very apt. In investment terms, the concept of diversification is exactly the same. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

How do I diversify my risk and for what benefit?

In the main, most investors are going to diversify their portfolio across the ‘core’ asset classes of cash, bonds, property and shares. But how does an investor determine the appropriate mix of these assets in order to construct the optimal portfolio for their individual circumstances? This is where good financial advice comes in.

Quality financial planning organisations provide a series of well-diversified portfolios which span the risk spectrum for investors. From conservative through to high-growth options, all the bases will be covered.

Tobias Taylor is a Certified Financial Planner (CFP) and Authorised Financial Adviser (AFA). Tobias is an Investment Specialist and is the Managing Principal of the Spicers Hawkes Bay & East Coast office, which is a Spicers Franchise and thus proudly a Hawkes Bay and East Coast owned business. For more information on Spicers see www.spicers.co.nz. This article contains information of a general nature only and is no substitute for personalised advice. If you would like advice that takes into account your particular financial situation or goals, please contact your financial adviser. A disclosure statement is available from your adviser, upon request, and free of charge.



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How up to date are you?

When there's an update request, do you click the update button or do you ignore it?

By Wray Wilson | Need a Nerd



How many times have you said NO to that annoying java pop up offering you to update your software? Have you ignored that Apple IOS update because you've heard it will just slow your iPhone down? Have you sat frustrated at your desk at the end of the day waiting, waiting and waiting because your computer is telling you to not unplug the power while it installs updates?

Updates can be a real nuisance – they generally arrive when you don't have time to do them and they seem to happen constantly. 'My system is running fine you say – what do I need to update for?' However, the need to update is very real.

In the extremely competitive software market, manufacturers are constantly rushing product to market that may be less than perfect. You



wouldn't expect your new car to have to go back to the workshop every month to get something tweaked (unless it was built by British Leyland) but software is different. As the software development cycle becomes shorter and more devices, platform and packages are added, things invariably get missed. Updates are critical to ensure that your software can do what it was designed to do, that it is compatible with other software, is stable, and performs at its best.

Perhaps the biggest function of updates is to address security problems. There is a constant battle in the electronic world between software manufacturers and people trying to exploit loopholes for nefarious reasons. In addition to having an effective antivirus and malware protection, installing updates as they are released will help to protect you from these vulnerabilities especially when it comes to your web browser and plug-ins. If you have disabled automatic updates for Firefox, Chrome,

Flash, Adobe Reader or other important software; go and turn them back on right now!

Many people have concerns that installing updates will cause issues with their PC – especially Windows users. In the past, occasional updates have caused things such as the dreaded 'Blue Screen of Death'. However in relation to the number of PC users worldwide, this is a rare occurrence. The risk of serious issues and security breaches is far higher for people who do not carry out updates.

Don't become part of a botnet – a network of potentially millions of infected computers that are controlled by someone for criminal gain – keep your devices up-to-date.

When it comes to antivirus and malware programmes, it is crucial that your updates are set to automatic. These will enable you to receive the latest virus protection updates as they are released and protect you from infection.

You can work out how your device is configured to update by visiting the relevant settings area and searching for 'update'. Unless you have a particular reason for turning it off, updates should be set to run automatically. Most modern operating systems won't reboot your machine after installing updates until you give it the go ahead, so gone are the days of losing work due to a reboot while you were away from your computer.

Having a computer with the updates turned off is like living in a house with the doors unlocked. Intruders might not come to the door all the time, but if they do, they can walk straight in!

Wray Wilson is the chief executive of Need a Nerd. Need a Nerd is a nationwide technical sales and support business to the SME and residential market. Email - wwilson@needanerd.co.nz

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EIT PROVIDES PATHWAY TO AN INTERNATIONAL CAREER

Indian student scores a hat trick of success in studying at EIT Hawke's Bay.

By Mary Shanahan

As a young boy growing up in the city of Hyderabad in India, Michael John Balvuri fancied a future as an accountant and a cricketer. Later, studying for his bachelor and master's degrees, he added another ambition to his wishlist – to study overseas.

Michael has achieved all three of these dreams, moving to New Zealand for further study at EIT Hawke's Bay and working now for a company in Christchurch where he also enjoys playing cricket in his spare time.

The 25-year-old appreciates the value of good business skills as much as he does an effective leg-break bowl.

His father, a builder with his own construction company, has worked in the Middle East for more than 12 years and Michael says he has a wide-ranging knowledge and understanding of international business. His mother is an

early childhood teacher in a city historically known as a pearl and diamond trading centre and India's second largest movie producer.

Michael moved to New Zealand two years ago to study for EIT's Graduate Diploma in Business (Accounting).

He now has a full-time position with a tax refunds company and plays for Lancaster Park Woolston Cricket Club in Christchurch.

Aiming to build an international career, the young man weighed up many options for his graduate studies. He first heard about EIT while working towards



After completing his master's degree, Michael Balvuri left India to study at EIT.

his Bachelor of Commerce (Computers).

Having then gained his Master in Business Administration from Osmania University in Hyderabad, specialising in finance and human resources, he pinpointed the graduate programme he felt would build his profile.

EIT proved “a very good learning experience,” he says of his choice, and New Zealand offered good job opportunities.

“I had some good lecturers, who not only shared their knowledge and expertise from the business world but also their life experiences.”

At the end of his first semester, Michael undertook a business project which scoped potential demand and diversification opportunities for Slotraceshop, a business supplying scale slot cars to hobbyists throughout New Zealand.

“I learnt several things during my project,” he says, “and was able to contribute to the company in many ways.”

Michael identified the need for technological enhancements targeted at young hobbyists. He also recommended that the company promote new products and latest events on social media and build a new app.

During his year at EIT, Michael continued to pursue his passion for cricket – “it runs in my veins,” he says – playing two seasons as an all-rounder for the Taradale Cricket Club.

Through all of this, he says his main source of support and encouragement was his partner Rajani Manne.

A senior bio-medical engineer, Rajani has been his “strong support in bad times and good times”, particularly during his last two years away from home.

Looking back on that time, Michael is feeling very proud that he has pulled off a hat trick.

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Grace Patterson, Bachelor of Computing Systems graduate. Business Analyst, Fastway Global.

N09-9631

Coping with Growing Pains

Growth creates opportunities for all aspects of a business, including people.

By **Kimberly McKay** | BDO Central



Did you ever have growing pains as a kid? Or perhaps you have a child that has gone through it. It's very unpleasant and you generally don't get much sympathy. Many businesses also go through growth spurts that give them growing pains. Of course it's a great problem to have – growth is desirable and the accepted wisdom now is 'grow or die'. None-the-less rapid expansion creates a multitude of challenges such as the need for more people, more space, better systems, more investment, lots of other stuff, and you need all of it yesterday.

It's a very exciting time to be in an organisation but it can also generate a somewhat chaotic environment that is taxing on your



people, depending how long it goes on. While the business owner may be happy working regular 16 hour days fuelled by the adrenalin of seeing their dream come true, the rest of the team may not.

There is a danger that the loyal team who have helped get the business started can be adversely impacted by a rapid growth phase. They will almost certainly have increased workloads and may experience that feeling of no matter how fast they run they can't keep up. A common frustration is that too much time is spent reacting and fighting fires and people know their productivity and efficiency is affected. They may find themselves being thrown in the deep end due to ad-hoc changes to roles and responsibilities. On top of all that there are new systems to learn and implement, new people to hire, train and manage, and possibly a move to new premises thrown in as the last straw.

So make sure you step off the merry go-round occasionally to put energy into taking the team along with you on the journey. It can be difficult to anticipate growth and scale up appropriately. However consider putting some structure around the following elements



to increase your team's comfort levels with the rapid changes they are experiencing:

- Share your vision for the business and help people see how they contribute to its success. Help people visualise the future state you are all working towards.
- Communicate the organisation's higher purpose – the "why" we are in business and why it's worth going through these growing pains. Profit is important for sure, but what is unique about your organisation? For example, does your brilliant product or unique service offering make a difference to people's lives in some way?
- Acknowledge the growing pains honestly in your communication with people and provide opportunities for them to raise concerns, fears or suggestions. Involve staff in solving problems, with collaboration across teams where possible. For things you can't fix, explain why and what you are doing to minimise the impact or solve issues over the longer term.
- Provide a plan so people can prepare for peaks or deadlines, prioritise appropriately and see how their activity interconnects with others. Your planning horizon may be shorter than usual because of the pace of change (perhaps quarterly or monthly rather than yearly) but it's better than no plan at all.
- Provide as much clarity as possible around roles and responsibilities, even if this is still

evolving and will need to be reviewed again later

- Train people for new tasks so they don't feel they are left to 'sink or swim'.
- Demonstrate care for the wellbeing of your people – monitor workloads, stress levels, ability to take breaks and holidays, the safety and comfort of the working environment.
- Find opportunities to recognise and reward success and commitment. People will give their discretionary effort willingly when they feel appreciated and valued.
- Above all CELEBRATE. Everyone needs some fun to boost morale amidst the frenzy. Celebrate where the business has been, where you are now and where you're going.

These strategies all take precious time but they can pay dividends in sustaining desired growth. Business expansion certainly has its challenges, especially if you are growing fast. However, from personal experience I'd much prefer to deal with growing pains than the pain of down-sizing.

Kimberly McKay is a Human Resource Consultant at BDO. She has extensive experience assisting both small and large employers with all aspects of their HR needs. BDO are Chartered Accountants and Business Advisors, with offices in Napier and Palmerston North. They are able to support clients with a comprehensive suite of accounting, information systems and HR services. For more information contact Kimberly on 06 835 3364 or at kimberly.mckay@bdo.co.nz.



THE CAKE THAT ROCKED EMPLOYMENT LAW

What influence should social media have in employment issues?

By Edward Bostock | Bramwell Grossman Lawyers



The recent case involving NZCU and the infamous cake has been widely reported and is a landmark result. That case was concerned with a breach of privacy however employment issues and the employer-employee relationship came into focus.

This caused me to consider how much Facebook and other social media outlets are used in an employment context, whether they should be, and what significance should be placed on information gathered from social media.

As the case was concerned with the end of an employment relationship and the actions of the (ex) employer it also got me considering the process of managing employees and if employers are aware of the need to always act in good faith, especially with disciplinary issues.

Social Media



With the seemingly increasing dominance of social media outlets such as Facebook, Twitter and Instagram it is evident that employers use those outlets as part of their vetting process for prospective employees.

When I lived in London a few years ago I heard anecdotal evidence from recruiters that applicants (predominantly recent university graduates) had been rejected simply because of the photographs on their Facebook page. The applicants had met all the other requirements for a position and had performed well during

the interview but the employers viewed them as unsuitable due to the perception they got of them from photographs on the applicants' Facebook page.

Many of you may think that this is not fair and even a breach of privacy however there are no restrictions to viewing what a person puts up for the world to see. In terms of Facebook, it has comprehensive privacy settings that allow you to restrict what information is publically available so it is incumbent on the Facebook user to implement them.

Employers must use the means available to them to consider an applicant's suitability. For example everyone would expect an employer to obtain references from previous employees and on that basis is it reasonable to view social media outlets as another source for a reference? Everyone will have a view on what the answer to that question is however all we will say is that it would be inadvisable to rely too heavily on any one source of information, particularly social media – what you see on someone's Facebook profile is unlikely to be an accurate reflection of someone's ability to do the job or even their character however it may help make a final decision.

From a prospective employees perspective, it would be advisable to ensure that your privacy settings ensure that the public can only view the images or content that you want them to – in essence do due diligence on yourself.

Disciplinary Issues

Employers must always act in good faith with their employees. For example in a dismissal

situation an employer must, along with having 'cause' to dismiss, follow a 'fair procedure'. What is considered fair depends on the circumstances but what is clear is the need to involve the employee throughout the process. Taking a situation of poor performance, an employer's focus should be on discovering if there is an underlying cause to the issue at hand and what can be done to help them improve – e.g. further training.

Legislation and case law identify that, as a minimum, when an employee is invited to a disciplinary meeting the employer should make the invitation in writing, identify who will attend the meeting, provide the reason for the meeting (and the disciplinary issues at hand), indicate the possible outcomes (e.g. warning or dismissal) and advise that the employee is able to bring a representative or support person to the meeting. Taking these steps will ensure that the employer goes some way to following a 'fair procedure' however holding a meeting alone is not enough – what is equally important is how the employer acts at the meeting and that the outcome could not be seen as pre-determined. The meeting is to first advise the employee of the issues at hand (it may be news to them) and then to get their side of things – there must be an outcome but it is not reasonable for an employer to make a decision until hearing and considering what the employee has to say.

Edward Bostock is a solicitor at Bramwell Grossman Lawyers in Hastings. He has Bachelor of Laws from the University of Sheffield in the UK. To contact Edward, email edward@bglegal.co.nz

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Investing in Commercial or Residential Property



Stronger interest in property investment - what are the pros and cons?

By Paul Harvey | Williams' Harvey Registered Valuers

2014 saw a distinct rise in the number of valuations we were doing for investment portfolios in both the commercial and residential sectors. This was a promising sign with regard to the recovery of the local and national economy as the confidence to invest in property depends largely on the perceived positivity of the marketplace.

In our industry we observe how buying your first investment property can be the start of a large portfolio of investment properties and the investor becomes well versed in the marketplace and the property types. We are often asked by investors what the pros and cons are regarding investing in property and what the differences are with regard to investing in the residential sector versus the commercial sector. So what are the pros and cons when it comes to investing in either sector?

Residential

Lower returns

Generally lower returns are expected when you invest in residential property. As a landlord you pay all outgoings such as local authority rates and insurance premiums and therefore your rental return is a GROSS return. For example if you take a Median Rental for a three bedroom house at \$320/week, this will give you \$16,640 gross per annum. If you apply that to the Median Sale Price (MSP) for a dwelling in Hawke's Bay at \$280,000 this indicates a gross return of 5.9%. This is the rental return only and does not take into account any capital gains due to market growth in values.

More management

Residential properties need a reasonably high amount of management due to tenant issues, vacancies and maintenance and repairs. Tenant turnover in the residential sector can be more frequent.

High maintenance

Potentially more maintenance is required by the residential landlord. This can be especially typical if you get a bad tenant. Generally speaking if you buy at the low end maintenance tends to be higher, however, the gross return will also be higher.

Less obsolescence

Over time fittings date and wear. Kitchens and bathrooms will require renovations possibly over a 20 to 30 year period.

More tenant turnover

As a valuer I normally allow anywhere up to 4 weeks a year as vacant. However finding a new tenant is relatively easy.

Easier to sell

Residential investment properties tend to sit in the lower capital value bracket which means that if you want to sell the property there are more buyers able to buy. This means that buying an investment property is highly competitive but easier to sell.

Finance criteria is more flexible

Most stakeholders or lending institutions will lend up to 80% on a residential mortgage, sometimes they have a slightly different criteria for investment property.

Seismic strength

The Building Act 2004 long term strategy focuses on buildings that are most vulnerable in an earthquake. It does not include small residential buildings.

Commercial

Higher returns

Generally speaking 7% - 9% is the norm for good quality commercial investment properties in Hawke's Bay. However the wider range is from 5% - 13% NET which takes into account a much wider spectrum of quality types.

Less management

Tenants occupy under a term lease. Security of tenure for a tenant who is busy running a business is important and it is in their best interests to maintain the building so they can operate in a manner acceptable to their business.

Less maintenance

The lease terms stipulate who is responsible for what, however, with the majority of leases we see the tenant is responsible for the interior and the landlord the exterior and structural items such as the roof. Also, you normally employ tradespeople to do your maintenance as opposed to residential when you often undertake the jobs yourself.

More obsolescence

Obsolescence can be a bigger issue for commercial property especially if it is special purpose. To attract good tenants the space provided needs to be relevant. Renovation/refitting of premises can be very expensive and in some sectors may be required every 10-20 years.

Less tenant turnover

Commercial investments tend to see a lower tenant turnover. Typically a term lease is in place; say in the range of 5 - 10 years, and often with rights of renewal. Tenants build goodwill out of a location and there is value to the business to stay put. Finding new tenants can be more difficult and take longer periods.

More difficult to sell

Commercial properties are possibly more difficult to sell especially if the property fits into a high capital value bracket and there are less buyers to sell. Seismic rating and issues surrounding a properties earthquake proneness have also impacted considerably in this area.

Finance criteria is less flexible

Trading banks have their own criteria, however traditionally they have a much lower equity ratio - say 60%. Stakeholders believe there is more risk and hence the requirement to have more equity in the property when you purchase.

Seismic strength

After the earthquake events of Christchurch, a building's seismic strength has become increasingly important to tenants, owners and stakeholders. The general sentiment and acceptance level from the market is when a building's strength is 67% or greater.

As always every property is different in terms of size, locality, construction, age and condition, surrounding properties and its proximity to services and amenities that are relevant to its market sector. The above should be used as a general guide only and we advise you seek professional advice with regard to your own personal property investment strategy.

Paul Harvey is the Director of Williams' Harvey Registered Valuers. He has a diverse and broad knowledge of the HB property market. To contact Paul, email: paulharvey@williamsharvey.co.nz

Rockit Base Blasts Off

The Rockit apple packing facility was officially opened by the Minister for Economic Development Hon. Steven Joyce in Havelock North. The new packing facility uses state of the art technology and will employ over 70 people during the harvest season. It is also the head office for the Havelock North Fruit Company – the owners of the Rockit brand.

Rockit apples is the brainchild of Phil Alison and is regarded as the world's smallest apple. It is packaged and marketed in a tube and competes with other food in the snack food category.





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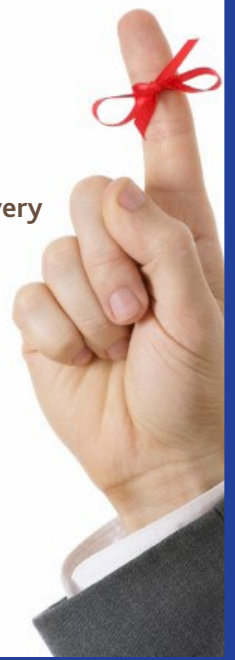
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Small Business Tax

– Where is it heading?

By Cedric Knowles | KNOWLedge Accountants



Even non-accountants would have heard about the \$1.5 billion dollars the Inland Revenue Department is proposing to spend on a “Business Transformation Process” which will include a totally new software system.

I am sure you will all be reading this thinking “it will work perfectly and come in on budget” – yeah right! However, the process that IRD has under way is about much more than software, and is likely to have a major impact on how small businesses capture and process financial data, and interact with government departments. There have already been a number of quiet changes over the past few years including data swapping between IRD and ACC, between IRD and overseas counterparts such as the ATO in Australia, and the introduction of single NZ Business Numbers through the Companies Office.

Now believe it or not, I’m old enough to have been working as an accountant in the days before computers (I’m sure I heard another “yeah right!”) – most of my work was pen and paper which was then crunched by a massive and expensive mainframe computer, followed by all sorts of forms being manually completed and sent by snail-mail to IRD, companies office, and so on. Those days are long gone with almost all data processed with some form of business

software, and nearly all forms and payments lodged online. I have written before that New Zealand has one of the more simple systems of tax that I have come across around the world, with GST applying equally to most goods and services, and income tax rules being relatively straightforward (IRD just asks how much you earn and gets you to send it all to them!)

So what might change?

I have written previously about the way in which a lot of current taxes are collected – basically very erratically and with a lot of room for error or fraud: PAYE once or twice a month, deducted from employees and held (in theory) on trust until 20th of the following month; GST usually every two or six months and due on different dates depending on when the weekend falls; Income tax either once a year or in three arbitrarily determined amounts as provisional tax; and a whole raft of other taxes with varying due dates, and almost all requiring some type of form-filling. And all of the processing of these transactions tends to be centred around a traditional bank account. The challenge for tax authorities, accountants and small business owners is that this is changing very rapidly – transactions now happen in numerous places (and numerous currencies) that were unheard of only a few years ago – the likes of Paypal, Google Wallets, Air

NZ OneSmart cards, trade dollars and points etc – the list goes on, and all of these transactions may either be a tax deduction that could go missing or income that is not declared.

What I believe we will see happening is the collection of tax being devolved to small businesses via their accounting software systems – it is entirely feasible for systems to be developed that capture a tax component at the time of the transactions and holds it in limbo for disbursement to the IRD. This of course ticks all sorts of boxes for everyone involved – the IRD reduces its cost base, software developers get more customers that are more “sticky” and workload is reduced for small business owners. The Green paper already produced by the government is heading along this path, with the first step being automatic lodgement of PAYE and GST returns from accounting software.

Provisional tax is also another area that is likely to see a lot of change – the current standard system simply assumes that business profits will be 5% the next year and earned evenly throughout the year – again, yeah right! This often leaves big shortfalls or overpayments, and exposes businesses to interest at over 9% from IRD. Again, it is likely that some form of “pay as you go” will be introduced, based on figures from accounting systems.

It almost goes without saying that accounting systems such as Xero will become a necessity for most small businesses – with a major role in reducing compliance costs. Of course, the benefits of such systems have already been seen in the hundreds of businesses I deal with, producing close to real-time useful financial information – this is increasingly changing the role of accountant from beancounter and tax calculator, to something much more useful: having the time and information to understand what is actually going on in a business and provide useful advice that helps owner’s achieve their goals.

As always, times keep on changing, there are interesting times ahead in the world of tax.



Cedric Knowles is a director of KNOWLedge Accountants, Hawke’s Bay. He has worked as an accountant in the Bay since 1987. Contact Cedric by email: cedric.knowles@knowles.net.nz

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