



Strong lineup for Westpac Hawke's Bay **Business Awards**

One of the best line-ups in years has been assembled as finalists of the Westpac Hawke's Bay Chamber of Commerce Business Awards.

Forty one finalists will contest the nine categories with the return of previous category or supreme winners such as Total Food Equipment, 3R Group, Napier Family Centre and Emmerson Transport.

The finalists were announced at the finalists function at the UnisonFibre Business expo two weeks ago and head judge Rick Cranswick said the finalists are all high achievers amongst the local business community.

Mr Cranswick said all finalists' entries represented a high level of innovation and organisation among businesses in Hawke's Bay.

"Selecting finalists is a rigorous process and the judging panel held long discussions before making our selection. Already we know there are many excellent finalists across the categories and every winner is sure to be a top quality business.

"We are now looking forward to meeting the businesses over the coming weeks for the detailed part of the judging process," Mr



Cranswick said.

The other judges are Bill Amner (WHK), Steve Alexander (WHK), John Hutchison (Plan A Consulting), Richard Wilson (Westpac), Rosemary Newport (Westpac), St John Craner (TRACTA), Murray Cowan (GROW HR),

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Finalists announcement of the Westpac Hawke's Bay Chamber of Commerce Business Awards 2011. Continued from page 1

Adrienne Pierce (SMART) and Glenice Riley (SMART), Shona Jones (Hinemaru Solutions), Mark Carrington (Go-reefers) and Gordon Smith.

"This year there is much greater depth in the quality so judging will be difficult and the overall winner will have to be a great business. It will be a tall poppy we can all celebrate," Mr Cranswick said.

The largest contingency of finalists are in the Barnes Mossman Small or Emerging Business Award with 10 finalists.

The Unison Small-Medium Business Award also has a strong field of finalists with eight finalists including Total Food Equipment.

Hawke's Bay Chamber of Commerce chief executive Murray Douglas says there's also an impressive array of finalists in the Pan Pac large business category with well known companies such as school furniture innovators Furnware, transportation firm Emmerson Transport, McDonalds of Hastings and Goodtime Food Company which recently won the contract to supply pies into service station chain Z.

"All the categories have strong fields, none more so than the Pan Pac large business category," he said.

The finalists of the small or emerging, small-medium, medium-large and large are also in contention for the overall Hawke's Bay Today Business of the Year.

In the special categories the EIT Not for

Profit Award has seven finalists including the Hawke's Bay Rescue Helicopter Service and the Napier Family Centre.

The Workfit Healthy Workplace Award has some of the region's most well known companies as finalists such as Enzafoods New Zealand, Unison Networks and McCain Foods.

The winners will be announced at the Hawke's Bay Opera House in Hastings on Thursday November 3. Tickets will go on sale in October and will be available from the Hawke's Bay Chamber of Commerce.

Barnes Mossman Small or Emerging Business Award

Bay Tours & Charters
Birdwoods Gallery
Hawthorne House
Lumsden Kindergarten
The Damson Collection
The New Zealand Drug Detection Agency (NZDDA) – Hawke's Bay
Peak Appearance
Premium Fitness Ltd
Revolution Bikes
Takaro Trails Cycle Tours

Unison Small – Medium Business Award

HT Engineering Ltd
Kilt
Kooga New Zealand Ltd
Martin Beveridge Ltd

Resource Development Consultants Ltd
Specsavers Optometrists Hastings
Total Food Equipment Ltd
World Travellers at Best Travel

Newstalk ZB Medium - Large Business Award

Boulevard Services
Napier Family Centre Inc
Printstock Products Ltd

Pan Pac Large Business Award

Emmerson Transport Ltd
Furnware Ltd
The Goodtime Food Company Ltd
McDonalds Hastings

Te Puni Kokiri Maori Business Excellence Award

Martin Beveridge Ltd
Nutrients NZ Ltd

Hawke's Bay Regional Council Business Innovation Award

Bay Tours & Charters
Origin Earth
Resource Development Consultants Ltd

EIT Not For Profit Business Award

Age Concern Hastings Inc
Centrecare Community Trust
Hawke's Bay Helicopter Rescue Trust
Napier Family Centre Inc
Napier Pilot City Trust
The Stewart Centre @ EIT
Volunteering Hawke's Bay

Xplore Online Award

3R Group Ltd
Animal Health Direct Ltd
Eastern Institute of Technology
Lumsden Kindergarten
Revolution Bikes

Watties Workfit Healthy Workplace Award

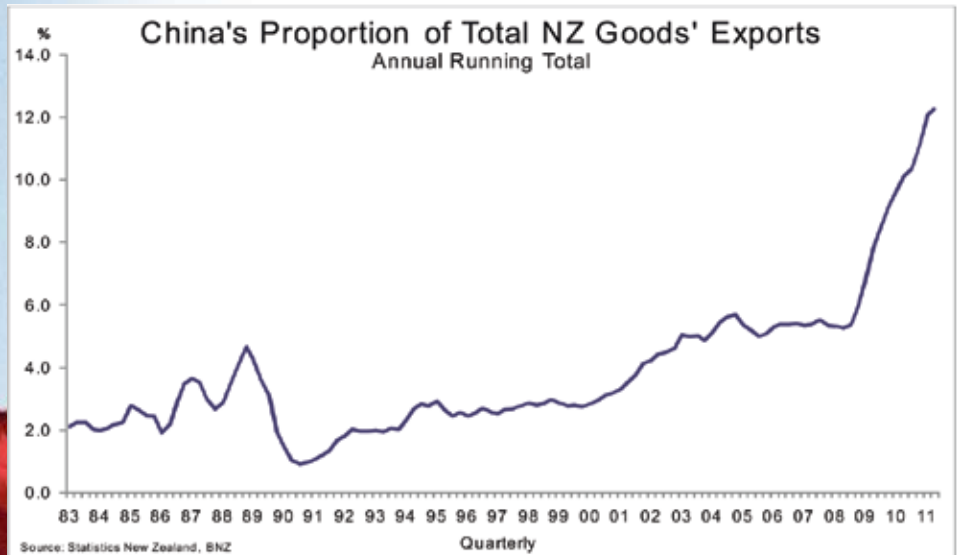
PricewaterhouseCoopers
Unison Networks Ltd
McCain Foods NZ Ltd
ENZA Foods New Zealand
Department of Corrections Psychological Services

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Trade with **China**

The rise of China (back) as a major international trading power is seen as one of the pivotal changes into the 21st century. There are a number of Hawke's Bay exporters who have developed good relationships with Chinese distributors and as a result, good market.

Indeed the trade between New Zealand and China has expanded dramatically and especially since the signing of the Free Trade agreement in 2008. The table below starkly shows the increase.



China is now New Zealand's second largest trading partner and an increasingly large source of tourists.



However as some commentators are noting, trade agreements that are not followed by integrated, commercial strategies do not yield all the opportunities. The growth in the China /NZ trade has largely been in commodity sales (see pie graph on page 4) which it is suggested add only a portion of their potential value to the New Zealand economy

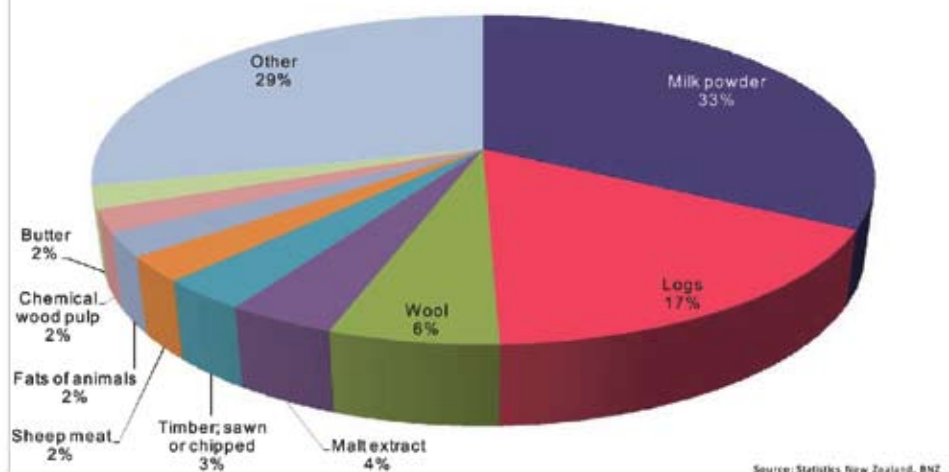
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Exports to China



Some commentators in China are arguing that New Zealand needs to be more focused and as long time Chinese resident David MacMahon says 'utilized the plethora of international China funds and abundant, hungry domestic Chinese capital, and begun the process of becoming regional forces in their sectors'.

Certainly from Hawke's Bay there are companies who could do more in China and indeed with Chinese investment both here and in distribution and joint ventures in China itself. There are some good examples of how this can work from companies in Hawke's Bay. Future Products Group in Napier have a manufacturing plant now in Shanghai and there are some wineries directly making product in joint ventures for the Chinese market. In addition of course is the pioneering work of Hatton Estate being

the only winery at the FTA signing ceremony in 2008 and since then grouping smaller wineries to export into China.

However we are still only scratching the surface of the possibilities especially in the food and beverage sector. NZTE and other government support however helpful can only do a little: the private sector fundamentally have to initiate the changes and take the opportunities.

A Chamber to Chamber delegation from the Xuzhou Chamber of Commerce (a city of 12 million) will be in Hawke's Bay in early 2012 and there will be a chance for this group to talk to businesses that wish to buy and sell into China. They have been asked to especially think about JVs that involve distribution access into this huge and growing market.

Find a missing file

It's happened to us all. We've either accidentally deleted a file we intended to save or the computer has frozen and we have had to reboot, losing all the work that we hadn't saved.

In the bad old days a reboot provided no way to recover lost work. These days most modern software will automatically recover any work it deems lost when the machine restarts (just make sure you save the document at least once as soon as you start working on it).

The accidental deletion of a file is normally easy to recover from. Just visit the Recycle Bin, find the file in question and click restore to make it reappear wherever you had saved it on your hard disk drive.

If the file has gone from the Recycle Bin do not despair, as it may still be recoverable. You see, when you delete a file it only becomes invisible to your operating system. It is not actually wiped from the hard disk drive until the space it occupies is needed for some other data. So that precious project or those irreplaceable photos may not be gone.

There are several pieces of software that can be used to recover the deleted files. They work by scanning your hard disk drive for those partially deleted files and piece everything back together for you. Try www.piriform.com/recuva for Piriform's excellent free tool Recuva, www.recovermyfiles.com or Get Data Back from www.runtime.org

If none of these pieces of software work, it may be because a hard drive has become physically damaged, from a knock or a faulty part, so it's worth taking your machine to a data recovery company. Find the nearest company using www.yellowpages.co.nz under "Data Recovery" but ring them first to get a quote. Some recovery jobs can be very expensive but many of these companies will provide an assessment for a small fee so you can decide if your lost data is worth the cost.

If, on the other hand, you want to dispose of a computer (TradeMe is usually the way to go) you can remove your files from your machine before wiping the hard drive using something like www.secure-delete.net or www.DBAN.com. These tools will prevent the new owner from recovering the personal files you have removed and we highly recommend using them.

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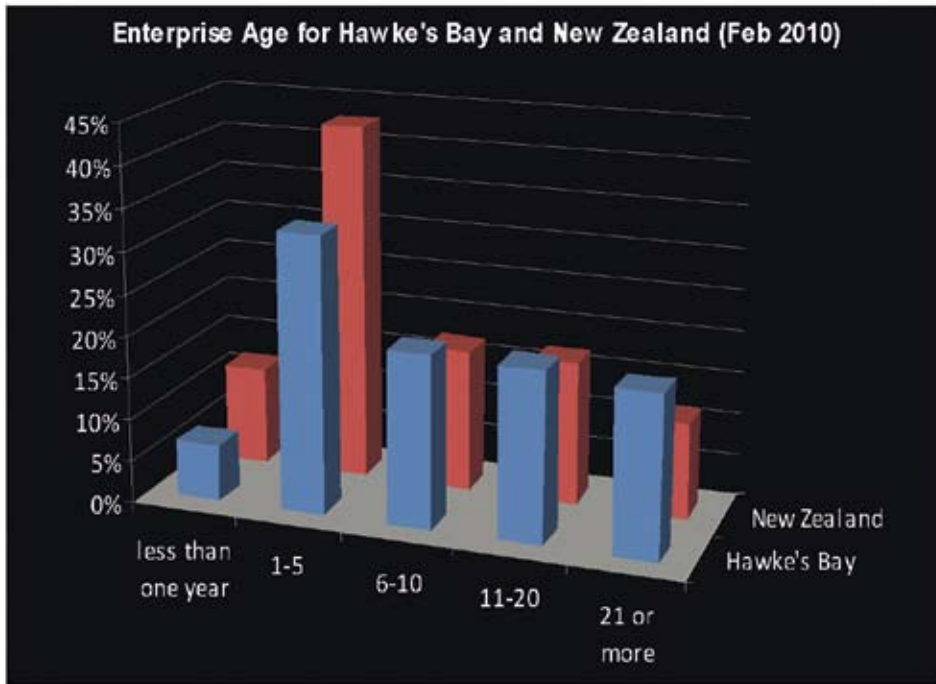
SME's in Hawke's Bay

The Minister for Small Business, Hon Maurice Williamson spoke at the recent Unison Fibre Business Expo organized by the Chamber. He provided some further insights into government policy in regard to small business and explained some of the changes in the SME space.

Interestingly he showed some new data about the mix of business in the bay

including a very reduced business start up landscape. As the graph below shows, in the last 5 years the formation of new companies in the Bay has slowed compared to the national trends. Low term this could have a major effect. At the same time we still have a number of businesses that have survived greater than the national picture.

Continued on page 6



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Slashing your **accountancy fees** made easy

Fed up with high accountancy fees and not getting much in return? Slashing your accountancy fees is as easy as pie!

Firstly and most importantly, make sure you get a fixed quote and don't put up with hourly billing where you take all the risk and the accountant is actually rewarded for taking longer to complete the job! If your accountant says he or she can't give you a fixed quote find one who can!

In addition, the following will all help to reduce your accountancy fees:

- Be organised. If all the information your accountant needs to prepare your financials and tax return is easy-to-read, clear and well-arranged you won't need to pay your accountant to sort it all out for you.
- Supply all information required promptly and in full - accountants are not clairvoyants - and the biggest problem in accountancy is getting all the information we need to do the job.
- Use accounting software - it's now as cheap as with loads of additional benefits - customer database, invoicing to customers, aged accounts receivable etc all at the touch of a button.
- Take an interest in your own affairs and show some enthusiasm - accountants are only human and will tend to reflect the interest you show.
- Ask to pay in monthly instalments. Most accountants will give you a better deal in return for certainty and regularity of income.
- Systems, systems, systems - are your bank accounts reconciled regularly, do you know who owes you money, who you owe money to, what you have in stock, what cash you will need next month or the month after?
- Be nice to your accountant. It's natural for them to try harder for someone they feel positive about.
- Use an appropriate firm. Size is not necessarily a guide to costs but you don't need an international firm if you have a small business in provincial NZ.

To conclude, make it easy for them not hard, as otherwise you will be the loser! If you need help to slash your accounting fees contact Nick on 0800 ASK NICK or email nick@abac.co.nz.

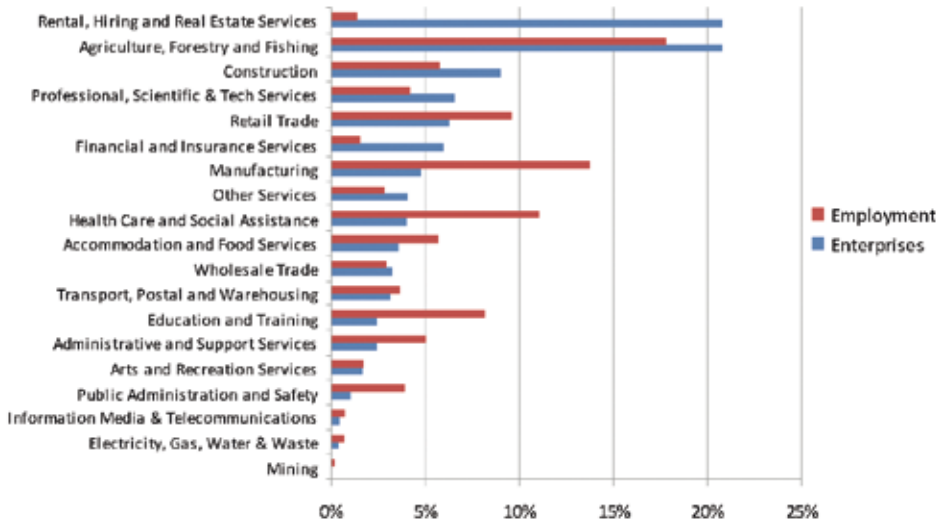
If you have any tax or business queries of any kind telephone 0800 ASK NICK, e-mail me at nick@abac.co.nz or use "Contact Us" on www.abac.co.nz. The information in this article is of a general nature and should not be relied upon as a substitute for specific advice.

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If we look to employees per business, comparing this to the number of businesses we find in the traditional Hawke's Bay sector of rural production, we have a preponderance of owner operators making up roughly 20% of employment and about the same number of enterprises. This compares with manufacturing industries which take about 14% of employment but only just over 4% of total enterprises.

Hawke's Bay businesses and employees by industry



The minister then went on to talk about the critical need for government policy to ensure minimal compliance costs for the 98% of Hawke's Bay businesses which were in the small business (less than 20 employees) category.

Market salaries and tax avoidance - **are you at risk?**

Following the Supreme Court's unanimous decision in the Penny and Hooper litigation, where they found that the arrangements were tantamount to tax avoidance, the IRD has published its current view on how the law should be applied (Revenue Alert RA 11/02).



The IRD will be concerned with arrangements where the compensation received by the individual is artificially low, while related entities benefit (or the individual ultimately benefits), and any commercial reasons for that transaction do not justify the low level of remuneration.

When the business involves the provision of the services and a diversion of income occurs then there needs to be a focus on two issues:

- Is the individual appropriately compensated for his or her skill and exertion?
- If not, are there any valid commercial reasons for the individual receiving a reduced level of remuneration?

The revenue alert notes that the use of companies, trusts, and other business structures do not give rise to avoidance concerns.

The court decision sends a strong message that if you put in place artificial and contrived arrangements (such as artificially low salaries) where there aren't defensible reasons, the Courts may find tax avoidance, and then will allow the IRD to ignore the wider structures in place (to some degree).

The IRD have noted that they are more likely to examine arrangements where the total remuneration and profit distributions received by the individual service provider are less than 80% of the total income derived by the business.

However, it remains to be seen whether the 80% threshold indicated in the Revenue Alert provides a rule of thumb for businesses providing personal services in the future.

It is important for business owners to understand how this court decision may apply to their own circumstances and we recommend discussing this with your adviser – especially in the areas of asset planning and business structures.

Chris Guillemot is a Principal and Tax Specialist for WHK Hawke's Bay and can be contacted on 06 872 9200 if you require advice on the above issue.



FLYING HIGH IN BUSINESS

Westpac
HAWKES BAY
CHAMBER OF COMMERCE
2011
Business Awards

Tickets on sale!

Don't miss the business event of the year. Tickets are now available for the Westpac HB Chamber of Commerce Business Awards which will be held **Thursday 3 November** at the HB Opera House.

Cocktail Function and Awards Ceremony
\$25 plus GST

Cocktail, Awards Ceremony and Gala Dinner
\$120 plus GST

To book, call us or go to:

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snapped



Danny Gough presenting certificates to finalists in the Unison Small to Medium Business Category



Tony Mossman presenting certificates to finalists in the Barnes Mossman Small or emerging Business category.



BA5 evening at Credit Union Bay Wide.

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events



Green Drinks

A chance for those into sustainable business practices to network and learn - and this should mean all of us.

DATE: Wednesday October 5,
5.30-7p.m.

VENUE: Chamber offices- 205
Hastings street Hastings

INVEST: \$2 for nibbles- cash bar

RSVP:

admin@hawkesbaychamber.co.nz

British High Commissioner breakfast meeting

As part of the Export Hawke's Bay Westpac International series, the British High Commissioner Vicki Treadell will be the guest talking about trade between the UK and New Zealand.

DATE: Wednesday October 11,
7.30-9 am

VENUE: War Memorial Centre Marine
Parade Napier

INVEST: \$25- light breakfast

RSVP:

admin@hawkesbaychamber.co.nz

Business After 5 - A & P Society

DATE: October 19 5.30-7p.m.

VENUE: President's tent- Showgrounds

INVEST: Complimentary

RSVP:

admin@hawkesbaychamber.co.nz