



Tax system must be made with the future in mind

The Tax Working Group conference last week detailed various scenarios upon which a new tax system can be built. These scenarios focused on the effects of any possible changes on revenue, efficiency, equity and system integrity.

There was a consensus that a broader and lower tax system was needed; that is likely to mean some sort of capital gains or land tax and possibly a higher GST rate. It will be the extent of any changes that will determine their success.

The tax system as it stands promotes investment in unproductive assets drawing capital away from our productive industries that create wealth. The absence of a capital gains tax has meant that a large percentage of investment, particularly in the form of bank lending, flows into the property market.

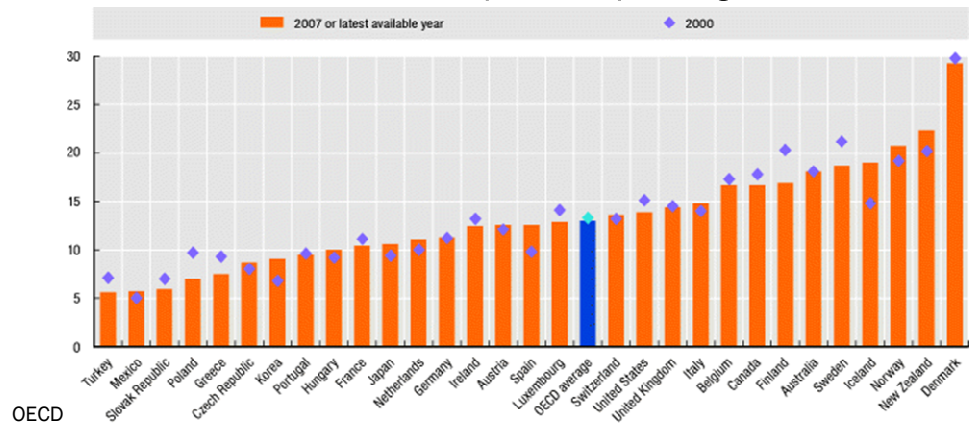
This means credit is more difficult to attain for businesses and as most of the borrowing comes from offshore, it also overvalues the New Zealand dollar. A house performs the same function regardless of whether it is worth \$200,000 or its value inflates to \$400,000, whereas higher value machines can deliver the productive outcomes that the economy needs.

Proposals for changing the system have ranged from simply leveling the top tax rate at 30 percent and increasing GST or creating a land tax to compensate, to moving the tax rate into the low twenty cent range and introducing a comprehensive capital gains tax. The outcome needs to be closer to the latter option to be effective.

With Australia also conducting a tax review and the general trend for corporate tax rates in the OECD moving downwards this change, while an improvement, could quickly become obsolete.

ConnectME

Taxes on income and profits as a percentage of GDP



OECD

It is thought that the corporate tax rate in Australia may be reduced to 27 percent as a result of the review undercutting New Zealand's rate at 30 percent. A look at this table also demonstrates that New Zealand has a heavy reliance on personal and corporate taxes in comparison with other OECD countries.

Currently, fiscal policy favours property and monetary policy favours the non-traded sector, this has to be reversed if we are to arrest the long decline of the New Zealand economy.

Our long-term future depends on these fundamental changes. There has been a lot of talk about how improving the quality of Government spending will assist New Zealand's productive firms, of course it will, but this can only go so far while the Government continues to support a policy framework that transfers wealth from the traded economy.

House prices in Auckland are already reaching their 2007 highs again, indicating that the same imbalances that contributed to our past economic decline are reemerging.

Reform of fiscal and monetary policy focused on the needs of the tradeable sector is the only way out of the mess we have made for ourselves.

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Manufacturers still edgy

The latest New Zealand Manufacturers and Exporters Association (NZMEA) Survey of Business Conditions completed during November 2009, shows total sales in October 2009 decreased 13% (export sales decreased by 20% with domestic sales decreasing 7%) on October 2008.

The NZMEA survey sample this month covered NZ\$616m in annualised sales, with an export content of 44%.

Net confidence fell to -23, down from the -17 result reported last month.

The current performance index (a combination of profitability and cash flow) is at 98.5, up from the previous month's 98, the change index (capacity utilisation, staff levels, orders and inventories) went up to 101 from 95 last month, and the forecast index (investment, sales, profitability and staff) is at 103.8, up on the previous month's result of 98.5. Anything less than 100 indicates a contraction.

The reported constraints were: production 23% and markets 77%.

Staff numbers decreased year on year by 13%.

"The mood has remained fragile among manufacturers and exporters in October. Confidence and sales have remained low," says NZMEA Chief Executive John Walley. "That said the composite index numbers suggest that improvement may not be too far away and conversations with a number of firms indicate some patchy improvements."

"The improving index numbers reflect a feeling that conditions are improving albeit off a very, very low base. Year on year numbers are still tracking downwards but better news from overseas, an encouraging cross rate with the Australian dollar, and some repeat orders all make for a better feeling in the run up to the year end."

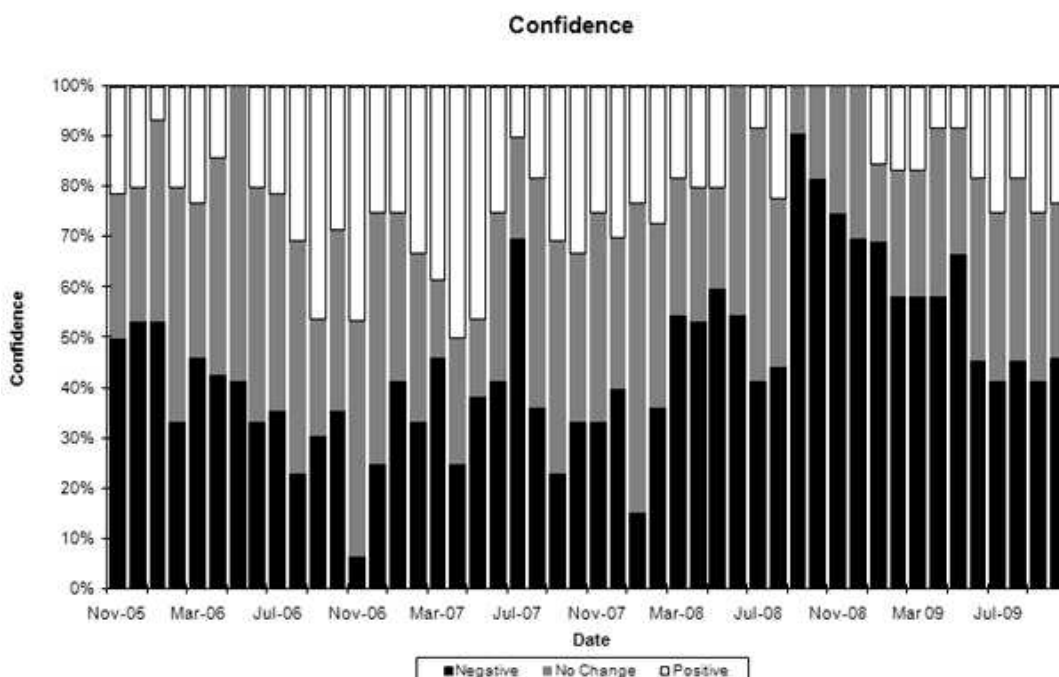
"There remains a stark contrast between the non-traded and traded economies with export sales declining further than domestic sales and the strong improvement emerging from the housing market speaks to an unbalanced and unsustainable recovery."

"Sales and staff have now declined for a sustained period causing a wind down of capacity; this means that any short term demand then leads to capacity problem as reflected in the capacity constraint reported in this survey. Investment continues to slow and firms are reluctant to invest when the returns are so uncertain; it will take some major changes to the policy framework before exporters commit to investment and growth."

"Manufacturers and exporters continue to be disappointed by the Government's inaction over policy reform. Tax Working Group and the 2025 Productivity Taskforce have discussed our poor growth record, but Government seems reluctant to engage in the discussion at this point. One thing is certain unless the policy framework changes, investment by those operating in the tradeable sector will continue to slow and productivity growth will continue to fall. Our climb back up the OECD rankings can only get harder the longer we wait."

For further comment contact John Walley, 03 353 2545, 021 809 631.

The New Zealand Manufacturers and Exporters Association survey gathers results from members around New Zealand. It provides a monthly snapshot of manufacturers and exporters' sales and sentiment.



Deviating from your own policies could lead to a personal grievance

When it comes to disciplinary matters, it is extremely important for employers to observe their own written policies and procedures. While this may seem obvious, it is not uncommon for managers to deviate from the employer's disciplinary policies, or in some cases be unaware of the employer's disciplinary policies and procedures.

Essentially any deviation from an employer's disciplinary policy or procedure opens up the potential of a personal grievance claim on the basis of procedural unfairness.

A recent decision from the Employment Relations Authority, *McLeod v Transfield Services Ltd (CA 195/09)* is a case on point. An employee was involved in a workplace incident which meant the employer was required to follow protocol and undertake an alcohol and drug test. The employee in question tested positive for cannabis use.

Two further tests were undertaken over the subsequent two weeks, which both returned positive results. As a result the employer dismissed the employee for a breach of the drug and alcohol policy. The employee claimed that the dismissal was unjustified as the employer breached its own policy by failing to have a professional assessment done to assess the employee's level of cannabis dependency. The employee gave evidence that his cannabis use was infrequent and that his level of use posed little risk in employment.

The Authority agreed that a fair and reasonable employer would have complied with its policy and offered the employee a referral for professional assessment, and would have considered the assessment before reaching a conclusion about serious misconduct and dismissal.

The Authority held that the dismissal was unjustified and the employee was reinstated back to his former position. With regard to the claim for compensation and lost wages, the employee's contribution was assessed at 50%, so his award for compensation and lost wages were reduced accordingly.

The lesson learnt here for employers is to ensure that disciplinary policies and procedures are strictly followed, as any deviation could render a dismissal to be procedurally unjustified. It is also a timely reminder to ensure your managers are aware of the relevant policies and procedures and receive regular training in dealing with disciplinary matters.

Do you have a Portable Storage Device (PSD) policy?

The Annual Report of the Privacy Commissioner 2009 (the "Report") recognised a need for organisations to improve their practices regarding portable storage devices (PSDs).

PSDs are now relatively common devices in the workplace and include such devices as USB sticks, cell phones, BlackBerries, iPhones, iPods, MP3 players, PDA's (personal digital assistants) and netbooks.

The Report stated that: "We were particularly concerned about the use of personal PSDs in the workplace. It is so easy to mislay one, or to accidentally disclose sensitive information by, for example, lending a USB stick to a friend. People using personal PSDs for work are also more likely to accidentally take that corporate information with them when they change jobs". It was also commented that:

"People should start seeing information handling as part of a business risk analysis – in just the same way they have policies and practices about health and safety, they need policies and practices about information handling".

As a result of the Report the Commissioner has provided the following advice to organisations on the safe use of PSDs:

- Have a formal policy on PSD use.
- Enforce limits on the use of personal PSDs.
- Monitor and audit the use of PSDs.
- Use encryption for all PSDs that are likely to store personal information.
- Make employees aware of the need and procedures to report the loss or theft of a PSD.

It is noteworthy that the Report also recorded a significant increase in complaints, as well as public and media enquires, from previous years. A sign maybe that privacy issues are on the increase and that public awareness has also increased. It will be interesting to watch if this upward trend continues. In any event it is prudent for employers to regularly review their privacy policies in order to keep on top of privacy issues, especially given the constant introduction of new technology.

This article was provided by Brannigans Human Capital . If you require further information relating to this topic please contact us on email: mea@mea.org.nz or phone: 0800 353 2540.



We wish all our members a very happy holiday season and a successful 2010. Thank you for your support over the past year.

From everyone at the NZMEA and Mancan House; Andrea, David, Dee, John R, John W, Kath, Maggie, Peter, Tom, Tonia and Trudy.

Our office will be closed from 5pm Wednesday 23rd December and will re-open at 8am Monday 11th January 2010.

Implementing Lean Manufacturing – The Human Factor and Plans

Many companies have introduced lean manufacturing techniques in New Zealand over the last few years with varying degrees of success. One element often missing from a lean implementation is the human factor which Toyota (often credited as the lean pioneers) realised was the single most important thing to get right. Lean tools are excellent but are only as good as the thought, enthusiasm and sustainability behind them.

The first thing most organisations miss is rating where they currently sit on a 'world's best practice scale' and then creating a workable implementation plan that covers the following topics.

Vision: Does your company have one? Without it your stakeholders are going to struggle to understand why you want to commit to lean and what direction the company is headed. Lack of vision creates confusion amongst the staff.

WIIFM: The 'What's in it for Me' factor. Stakeholders are far more likely to become engaged in lean projects when they see a benefit in it for them personally and not just the company reducing costs. While the real benefit may be retaining their positions this often doesn't cut it as a motivator and it will be regarded as a push change.

Action Plan: The company needs to develop a solid action plan. Who will champion different lean toolkits and projects? When will these start and finish? How can you quantify the gains made? What should you measure that you currently don't? Having no action plan often creates false starts.

Skills: Without the correct skills to facilitate, lead and apply different lean techniques your teams will become anxious when asked to participate. The best implementations consider the skills required at the beginning of their journey.

Resources: This is a major cause of lean failures. No organisation can expect to implement lean correctly without providing time and money upfront. Very little direct cash is required as most projects in the first year will target easy wins but it will take some time commitment to make things happen. This is seen as investment by most and the returns are many times the investment made.

There are many other factors to consider when implementing lean that are often overlooked. Examples are:

Do we need a Coach/Consultant/Sensei to help?

Some companies have successfully implemented lean using in-house capability but more often than not an experienced Lean Facilitator can get action far quicker and keep things on track. Most Lean Coaches have seen things go wrong in the past and can redirect stakeholders who may not yet have the ability to steer the program when things get tricky.

Who in your company will be your allies and who will try and undermine your efforts?

There are many ways to deal with negative staff members but all caution should be taken not to ostracise team members who don't agree with lean. Often people don't agree with change initiatives due to a lack of understanding or they have a historical grudge against 'change' because they believe it will penalise them.

What tools do you use first? 5S? Workflow? SMED*? Visual Control? TPM**?

Many companies go head first into a 5S program which may or may not be the best thing depending on the outcomes of a benchmarking exercise i.e. if the workflow is incorrect but 5S is the first tool you could end up doing things twice as once you have everything in order but then realise the workflow needs to change you will be committed to doing 5S again after the layout is finalised.

There are many possible pitfalls in lean implementations, but shortcutting at the start will only create extra trouble later or potential failure. Make the effort to plan and ensure your first thoughts are about your people and what they need, they are your greatest asset.

Chris Benn will be presenting a forum for the MEA in Christchurch titled: **Implementing Lean Manufacturing: The human Factor** on **Tuesday 16 March 2010**. Registration is now open at www.mea.org.nz go to events/training for further details.

This article was provided by Improve Group. If you require further information relating to this topic please contact us on email: mea@mea.org.nz or phone: 0800 353 2540.

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Risking Serious Loss by Poor Management Decisions?

Recent outcomes of the economic recession have seen a number of formerly sound companies struggle following inappropriate decision making by senior management. One might ask, how did those senior managers undertake that level of risk without the board of directors being aware of the potential risk?

What type of board policy is it that well governed companies have in place to minimise the impact of such occurrences?

If you do not have a risk mitigation policy in place, how do you design one?

Controlling risky decision making must be a key component of sound board level policies. This includes setting management authorities, limitations and responsibilities, and also the constraints imposed by the strategic direction, long term strategic goals, the trading practices policy, values and ethics policy adopted by the board. Out of these are developed. Annual business plans are developed from there and their financial outcomes in the form of financial budgets and forecasts, must fall within the approved risk levels.

Reporting by the CEO identifies whether the approved plans are on target, and the CEO also recommends any changes for board oversight and approval. This gives the board the opportunity to assess whether management is going beyond what the board regards as 'reasonable risk'. At each board meeting the levels of risk should be assessed as economic conditions vary to what was expected. This may lead to a review of the potential level of exposure, ensuring that it is the board and not management that determines whether critical risks are accepted or mitigated in some manner.

A critical board Policy is for risk mitigation and management that requires regular reviews of critical changing risks especially in tough times. Commonly such a policy categorises risks into three broad groups:

- Major risks, each requiring its own separate board policy, such as economic recession risk, the loss of a key executive, or the loss of key customer.
- Medium level risks, requiring constant, perhaps half yearly or annual oversight and review. These could include foreign currency exposure, entry of a major new competitor, product failure, loss of a major supplier, closed country borders etc.
- Other risks under control requiring occasional review. These could include computer failure including backups, major equipment failure, serious workplace accident, defamation, media smear campaign, theft of intellectual property, natural disasters such as earthquake, flood or fire, failure to comply with legislation.

It is enough to wonder why anyone would want to be a company director. Responsible for all the actions of people in the company, for the above reasons and other risks. One approach to avoid this could be to keep the business rather small so full oversight and control can be asserted on a day to day basis.

But of course, as the enterprise becomes more successful, so more people need to be involved. The directors become less involved in the operation and the opportunity to personally oversee the level of risk being taken reduces.

How do directors sleep at night, knowing that their senior managers are ensuring all persons involved in the business are working within the management risk policies and procedures that have been developed by authorities granted by the board level policies?

The most important tool besides having risk mitigation and management on every board agenda, which, as the business matures, starts to dominate the Board meeting discussions, is the role of the board Internal Audit Committee.

This committee of selected board members is not undertaking a financial audit, although it may have oversight of the external auditors who do so, but is operating under a board policy that requires it to ensure the company, at all levels, is complying with all board policies. That may, for example, mean being satisfied by senior management that the company's adherence to health and safety policies and legislation has been proven by an external specialist's audit or review.

The committee is empowered to use outside experts to investigate any area where there is no independent review, audit or oversight so that they may be satisfied that the risks taken are at levels approved by the board. Additionally the CEO will, under responsibilities set, be responsible for drawing the committee's attention to any material deterioration of the financial condition of the business, any material breakdown in internal controls, disregard for board policies, fraud or malpractice etc.

The committee presents its findings to the full board of directors, who then can rest easier knowing specialist experts have checked the companies compliance with laws, regulations, its own policies and business plans.

With so many risks a board of directors is accountable for, how else could directors of a growing major company feel sure they were not going to join the list of directors of failed companies?

Eric Livingstone will be presenting a forum for the MEA in Christchurch, **Titled: Strategic Direction and Strategic Marketing Fit On Tuesday 9 March 2010.**

This article was provided by Livingstone Business Consultants. If you require further information relating to this topic please contact us on email: mea@mea.org.nz or phone: 0800 353 2540.

Forums

Forum start times vary but generally sessions run for 90 minutes. Forums are open to all members of your staff, members and non-members of the NZMEA. For more information and to register on-line visit: www.mea.org.nz, select **Events/Training** for the full list of events. Or you can contact us on: 0800 353 2540 or email: mea@mea.org.nz.

Lean Manufacturing Site Visits.

Starts Tuesday 16 February 2010, 3.00pm– 5.00pm, Christchurch.

The New Zealand Manufacturers and Exporters Association (NZMEA), in conjunction with our host companies has put together an opportunity to visit top Canterbury companies utilising and benefiting from introducing **Lean** practices in their business. This programme aims to help members understand that by introducing Lean practices you can give your business a competitive edge in current and future markets.

Site Tour 1 A W Fraser: A W Fraser is the leading manufacturer of engineered bronze components and brass and bronze sections in Australasia. With 90% of products exported to over 25 countries, they have been a significant Christchurch exporter for over 40 years. Customers include many blue chip corporations such as Caterpillar, GE, GM, Brunswick, Westinghouse, Yamaha, Bosch and SEW, to name a few. They are the only brass extruder in Australasia and operate the largest production turning workshop in New Zealand.

Over the past three years they have run an impressive business improvement programme under the banner of Theory of Constraints (TOC) to effect significant improvements throughout the organisation.

Register is open www.mea.org.nz. Please note that registration is for all **four** tours also including:

- Christchurch Engine Centre, Tuesday 2 March.
- Wyma Engineering, Thursday 11 March.
- Patience and Nicholson, Tuesday 30 March.

Process improvement implementation.

Thursday 18 February 2010, 4.00pm, Christchurch.

This forum will discuss the different process improvement methodologies and which one or combinations you can use.

There will be a short video showing a manufacturing company and how they used these techniques to implement process improvements that are systematic. This will then be followed by a discussion about tricks and steps you can deploy in a short time with a reasonably low risk.

Who should attend? CEO's, senior management and operations management. Why? To be really effective at process improvement, fundamental rule sets must change. Due to negative side effects of making such changes, people quickly swing back to old measures. CEO's need to understand the issues and the solutions. They need to insist that negative side effects do not destroy the process improvement initiatives.

Presented by: Peter Thorby is an Associate of ViAGO® Ltd, a company specialising in "bringing chaos to calm" in businesses. He also takes a special interest in TOC/Lean initiatives.

Are your customers using you as a bank?

Thursday 18 February 2010, 4.00pm, Auckland.

When the month has come to an end do you notice that you have customers who still owe you money? In today's volatile market it is important to ensure procedures for collecting debts are current and robust and that your customers are not having holidays on you, or using you as a bank. This Forum will emphasise the necessity of taking all relevant methods required, including:

- Having the correct paperwork in place to minimise your debt exposure.
- Do you know who your debtors are?
- Debt recovery and the importance of early action on overdue accounts.
- Terms of Trade, do yours protect you?
- What does a debt recovery company offer?

Presented by: Dave Wilson, of EC Credit Control. Dave will speak on the importance of having the correct paperwork and documentation, and procedures to take when collecting outstanding payments. EC Credit Control has 20 years of experience assisting small to medium sized businesses, banks and financial institutions in the recovery of outstanding debt as well as the implementation of their credit management policies and documentation.

Special Interest Sessions 2010

For more information on the Special Interest Sessions and to register on-line visit: www.mea.org.nz, select Events/Training for the full list of events. Or you can contact us on: 0800 353 2540 or email: mea@mea.org.nz.

Christchurch Session: Dr Alan Bollard, Governor of the Reserve Bank. Friday 29 January 2010.

You are invited to an informal meeting with Dr Alan Bollard, Governor of the Reserve Bank. This annual event is your opportunity to share and exchange views with the Reserve Bank.

This meeting is "off the record" to encourage open and frank discussion.

RSVP: By Wednesday 27 January 2010.

Time: 2.45pm - 4.30pm.

Cost: No charge.

Register: www.mea.org.nz select Events/Training.

Auckland Session: Dr Alan Bollard, Governor of the Reserve Bank. Thursday 11 February 2010.

You are invited to an informal meeting with Dr Alan Bollard, Governor of the Reserve Bank. This event is your opportunity to share and exchange views with the Reserve Bank.

This meeting is "off the record" to encourage open and frank discussion.

RSVP: By Friday 5 February 2010.

Time: 4.45pm - 6.00pm.

Cost: No charge.

Register: www.mea.org.nz select Events/Training.

Workshops/Programmes

Workshops are open to all members of your staff, members and non-members of the NZMEA. For more information and to register on-line visit: www.mea.org.nz, select Events/Training for the full list of events. Or you can contact us on: **0800 353 2540** or email: mea@mea.org.nz.

Certified in Production and Inventory Management (CPIM): Basics of Supply Chain Management. Starts Thursday 11 February 2010, Christchurch, 5 half days.

Basics of Supply Chain Management is the first of the five modules in the CPIM programme. You will learn the fundamentals of resource management and get a complete overview of the material and information flows from internal and external suppliers into and out of the business. Business wide concepts for satisfying customer expectations, managing customer demand, managing demand into supply and managing supply activity.

Registration closes: Thursday 4 February 2010.

Certified in Production and Inventory Management (CPIM): Master Planning of Resources. Starts Monday 22 February 2010, Christchurch, 5 half days.

The Master Planning of Resources module of CPIM is the course that offers **solutions** to many of your **demand problems**. The sessions on demand management provide practical approaches to forecasting and understanding how to deal with seasonal and varying demand.

Registration Closes: Monday 15 February 2010.

For further details on these two programmes and to register online visit www.mea.org.nz and go to **Events / Training**.

Trade Effectively in China

Rob Morrison (former CEO, CLSA Asia Pacific Markets, Asia's top independent brokerage) ended a recent interview on Radio NZ with some comments on the need for increased investment in Asia:

New Zealanders get a little fixated with what is happening here in New Zealand. We don't spend enough time looking at what is happening globally, and we do not appreciate the fact that the world is running so quickly. We have to invest a lot more time particularly into Asia.

The way New Zealanders tend to look at their business operations is that if we make one trip up to China or one trip to Japan or whatever, then that's going to be great, as opposed to the fact that we have to be there 10 or 15 times before we can actually do deals in the region. We are simply not trusted if we're not there all the time.

If you are considering an investment in China, you must work out how to set up a local base so that your business is "there all the time" with a permanent market presence.

- Staying in New Zealand and mounting a remote email/ phone campaign isn't going to work. You won't be able to follow up quickly with the face to face meetings necessary to understand your customers' needs;
- Monthly visits to the region will be exhausting as simultaneously you attempt to maintain your New Zealand based business and develop China - and you will still be considered an outsider by the market;
- Setting up a permanent office in China is your best option. This does not necessarily need to have a New Zealand ex-pat managing it. However, you will need to set up good systems to ensure control from New Zealand can be maintained.

The benefits of a permanent base in China are huge. If you are able to give a local Chinese address and phone number, immediately your meetings in China will become much warmer and much more productive.

You are based in China and so the Chinese will feel they can rely on you more.

China is developing fast and Chinese customers need to rely on suppliers who can act quickly because they are local - not working from a remote location.

You can choose where to base yourself, either around contacts you already have in China, or based on market research.

With the right person, e.g. an enthusiastic Chinese girl ringing round for a week, valuable customer contacts can be created from the market research, forming the basis for an initial sales trip. Market research does not cost all that much. However be ready to move quickly the contacts created will expect to see you right away.

You'll need to have your brochures and marketing materials translated into Chinese. A Chinese employee will be a good idea too. All this goes to show you are committed to the Chinese market and can be relied upon.

Don't confine yourself to the business models of your current business. In New Zealand, efficiencies through labour savings are often the selling point. This is not necessarily so in China, where the business pressures are different. Chinese customers need assistance to keep up with a fast-developing business environment, e.g. changing regulations and government policies. So listen to the customer's needs and be ready to act very quickly, and innovatively.

Geoff Taylor will be holding a forum in Christchurch for the NZMEA Titled: **How to do business in China** on **Tuesday 30 March**. This will cover many questions that may have arisen from this article.

This article was provided by Asia Pact. If you require further information relating to this topic please contact us on email: mea@mea.org.nz or phone: 0800 353 2540.

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Debt Recovery

In the current economic climate one of the key issues facing businesses is debt recovery. The following article looks at the different ways in which businesses can pursue debtors and the new District Court Rules which, from 1 November 2009, have made it faster and cheaper to enforce claims worth \$200,000.00 or less.

Starting Off

Before commencing the debt recovery process you should always:

- Confirm who actually owes the debt to ensure that demand is issued against the right parties; and
- Check whether all your obligations have been met under the applicable agreement or contract governing the relationship between you and the debtor.

Statutory Demand

If there is no dispute about the debt, the debtor is a company and the debt is over \$1000.00 then a statutory demand is generally speaking, the most cost effective method to recover debts.

A debtor served with a statutory demand must either pay the debt within 15 working days, or apply to the court for an order setting aside the demand within 10 working days.

If the statutory demand is not complied with, then the debtor company is presumed to be insolvent and is susceptible to an application by the creditor to the High Court for an order winding up the company.

Secured Debts

If the debt is owed pursuant to a credit arrangement, ordinarily you will need to make demand. The purpose of a demand is to notify the debtor of the default under the agreement or contract and detail the ways in which the default can be remedied to prevent further enforcement action to be taken.

The demand should include the following information:

- The amount of money that is owed.
- Details of any interest and costs that are being charged and the grounds upon which these are being charged (i.e. where in the agreement or contract it is provided that such costs will be incurred by the debtor.)
- The time within which payment of the arrears is to be made.
- The possible consequences the debtor faces if payment is not made within the specified time.

Enforcing Security

If the demand expires and is not remedied within the specified time, the next step is to determine what other options are available to pursue the debtor.

This may include enforcement of security interests, pursuing guarantors or issuing proceedings against the debtor (if the statutory demand procedure is not appropriate), the guarantors or both.

It is always advisable to refer back to the contract between the parties to ensure any provisions governing enforcement of security are adhered to. There are also duties imposed under certain legislation and legal advice should be sought in such instances to ensure compliance with the same.

Legal Proceedings

If the arrears remain outstanding the next option is to issue proceedings against the debtor (and/or guarantors). A lawyer can assist you with this process.

Under the new District Court Rules, the procedure for bringing civil claims has changed to make it faster and more cost effective to apply to the courts for assistance with debt recovery.

The main changes under the rules are as follows:

- Discovery is all but replaced and parties are no longer required to disclose documents which are adverse to their case.
- More standardised forms replace formal pleadings.
- No summary judgment.

Disputes Tribunal

As of 1 August 2009, the Disputes Tribunal has authority to hear claims up to \$20,000.00 in value at the agreement of both parties. The Disputes Tribunal is an informal, inexpensive forum where parties represent themselves. Decisions are made by referees as opposed to judges and the decisions can be enforced by the courts if necessary. Lawyers can assist with case preparation but are prevented from appearing at the Tribunal unless they are a witness.

The Future

Looking ahead, the focus for businesses should be in taking preventative steps towards debt recovery as opposed to reactionary ones. Businesses need to get their houses in order by ensuring they have good documentation in place at the front end to protect them in the event of non-payment.

This article was provided by Lane Neave Lawyers. If you require further information relating to this topic please contact us on email: mea@mea.org.nz or phone: 0800 353 2540.

Beyond the Borders

It all started a couple of years ago with a group of keen engineering students with a desire to use the skills gained at university for the greater good of New Zealand and beyond.

Today, Engineers Without Borders New Zealand (EWBNZ) is a registered charity, attracting student and professional engineering members across Auckland, Christchurch and Wellington, and is involved in engineering projects in Vanuatu, Samoa, Tonga, and locally in New Zealand.

Ross Copland, Chief Executive Officer, says the organisation has grown over the last two years from a simple desire to address a growing need.

“We had a small group of students who were really keen to be a part of development engineering work,” says Copland.

“With some Pacific nations being amongst the most underdeveloped nations in the world there was clearly a need for the technical skills that we had on offer.”

Today EWBNZ is made up of both professional and student engineers with a shared vision to confront the global challenges of poverty, sustainable development and social inequity by undertaking projects and programmes aimed at improving the quality of life in communities within New Zealand and in the South Pacific region.

Copland says through providing skills and expertise developed across all disciplines of engineering, EWBNZ matches community needs with the skill sets of volunteer engineers.

“The important thing for us it that the projects we do are community driven. There has to be a genuine community commitment to the project, demonstrated by a proactive approach to EWBNZ for technical assistance.”

Most recently engaged in a project with Kew Consultant Ltd, the Samoa Water Authority and Pacific Water and Waste Association to restore the main water pipeline badly damaged October’s tsunami. EWBNZ had previously worked with the organisations 2007 on a water scheme assessment programme.

“While we don’t focus on disaster relief, having existing relationships with the Samoa Water Authority and Pacific Water and Waste meant they came to us after the tsunami when they needed engineering help to restore their water supply,” Copland says.

Copland who is a civil engineer, and two plumbers - Sean Walker and Troy Rayner spent 17 days in Samoa. As well as restoring the main pipe; they created a preliminary design for a long-term water solution and undertook sanitation and water assessments for schools in the area.

“Having worked with EWBNZ in the same part of Samoa in 2007 I was shocked to see the dramatic impact the tsunami had on the landscape. The incredible power of the waves was evident through the severity and extent of the damage,” says Copland.



Looking ahead, the organisation hopes to strengthen its relationships with other aid organisations such as World Vision, continue its project work and develop the EWBNZ design challenges – university level design competitions that build awareness of the ways engineering can be applied to address technical issues within communities in need.

Copland says the major challenge for the charity going forward is ensuring the sustainability of the organisation.

“We are an organisation that relies totally on the work of volunteers so a huge focus for us at the moment is finding ways to ensure we can develop our programmes without putting undue pressure on our valuable volunteers.”

This article was provided by Engineers Without Borders New Zealand. If you require further information relating to this topic please contact us on email: mea@mea.org.nz or phone: 0800 353 2540.

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- | | |
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Support – We offer support from our HR Advisors and other members, MEAssist, our 90 day service calls, and our qualified list of Associate Members. The Association can also help with business improvement planning through the NZMEA's business diagnostic tool 'M measure' or a "Solutions for Progress" session.

Awareness & Development – we arrange our programmes to expose as many new ideas, and repeat a lot of the old ones, quickly and clearly, this enables members to decide what ideas are most appropriate or useful for their business.

If you have any questions regarding our Membership Benefits please contact us:



We appreciate the support of CQ.

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what's on

Monday	Tuesday	Wednesday	Thursday	Friday
	1 December	2	3	4 Breakfast session with Labour MP's
7 Westland Anniversary	8	9	10	11
14 Executive Meeting 5pm: Guest speaker, IRL CEO, Shaun Coffey. Open to members	15	16	17	18
21	22	23 NZMEA Office Closedown	24	25 Christmas Day
28	29	30	31 New Years Eve	1 New Years Day January 2010
4	5	6	7	8
11 NZMEA Office opens	12	13	14	15
18 Southland Anniversary	19	20	21	22
25 Wellington Anniversary	26	27	28	29 Dr Alan Bollard, RBNZ, Meeting—Christchurch