



# ConnectME

## Tradeable Sector Takes Another Hit

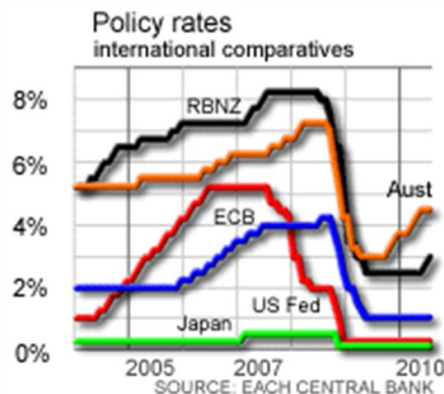
By John Walley

Exporters took another hit as the Reserve Bank raised the Official Cash Rate (OCR) again last week. Despite drops in commodity prices and business confidence since the last OCR the Reserve Bank stuck to its plan to remove monetary policy stimulus.

The decision was perhaps even more baffling than the one in June with Reserve Bank Governor Dr Alan Bollard noting that domestic demand, retail spending, housing turnover and business investment are all weak, but raising the rate anyway.

The dollar dropped away immediately after the announcement as the RBNZ signaled an intention to hike the cash rate more slowly, but a look at the comparative rates from around the world shows that the carry trade is likely to pick up again.

With financial problems in Europe continuing and some concern about deflation in the United States the interest rate differential is only set to get worse.



## August 2010 - Inside this issue:

Commentary	1	Workshops/Programmes	7
Survey Release	2	Transparency and Sustainability	8
Supreme Court Decision: Performing Work of Striking Employees	3	Plan Trans-Shipments To Avoid Being 'Bounced'	9
My Plan - My Schedule - My Business	4	Things All Businesses Need to Know About Parental Leave	10
Employment Law Changes are Afoot	5	MEAssist	11
Forums	6	What's On	12

The situation we have seen over the past two months with the Reserve Bank hiking interest rates, despite continuing weak economic growth and even worse levels of business investment, spells out the problems with the Reserve Bank Act. If targets of growth and employment were included for example, the weak growth in those numbers would outweigh any medium term forecasts of inflationary pressures that may or may not eventuate. Effectively under the current system, if the country is back in recession next year because of rate rises, but inflation remains within the target band, the Reserve Bank can consider its strategy a success.

If any further evidence of systematic lunacy is needed, look at the 0.25 percent hike, the Reserve Bank's statement, and the currency market response. The currency moved one percent on the basis of a sentence from Alan Bollard. That's \$200 million to the export economy on an annual basis. Such lunacy is no framework on which to build a long term, sustainable export business.

This must force some action from our politicians. The way the world is now we cannot afford to have a central bank policy that simply ignores growth today in order to focus on possible inflation a year or so down the track, particularly when most other central banks are pushing the 'lower for longer' outlook.

## Growth Continues at Snail's Pace

The latest New Zealand Manufacturers and Exporters Association (NZMEA) Survey of Business Conditions completed during July 2010, shows that total sales in June 2010 increased 7.4% (export sales increased by 11% with domestic sales increasing 4%) on June 2009.

The NZMEA survey sample this month covered NZ\$574m in annualised sales, with an export content of 42%.

Net confidence plummeted to zero, down from the net plus 50 reported last month.

The current performance index (a combination of profitability and cash flow) is at 99, down from the previous month's 104.5, the change index (capacity utilisation, staff levels, orders and inventories) went up to 107 from 105.5 last month, and the forecast index (investment, sales, profitability and staff) is at 103, down on the June's result of 105. Anything less than 100 indicates a contraction.

The reported constraints were: 8% capacity, 17% staff and markets 75%. Staff numbers for June increased year on year by 2%.

"Some bad news coming out in the economy over the past month has seen confidence in the manufacturing sector drop away quickly despite steady, if slow, growth," says NZMEA Chief Executive John Walley.

"Comments from manufacturers reflect a patchy trading environment. Some respondents reported that they are now back to 2008 staffing levels."

"Markets have remained as the major constraint, but some difficulty getting skilled staff is starting to return now that there is some growth in employee numbers again".

"Manufacturers exporting into Australia and the United States reported good trading conditions, but those trading into Europe reported weak demand exacerbated by adverse currency cross-rates. Domestic trade has remained quiet."

"There was a lot of concern about the damage that the two interest rate rises we have seen already and an upward bias on the Official Cash Rate could do to the recovery in the manufacturing sector. There is a danger that hikes in the OCR could send the New Zealand dollar back up to levels where exporters are priced out of markets in the United States and Europe in particular".

Many respondents indicated that they were unsure what sort of inflationary pressures the Reserve Bank Governor was reacting to because they do not see much strength in the New Zealand economy and do not foresee any major pick up any time soon. Certainly Alan Bollard's comment that manufacturing confidence is still elevated has been proved wrong by this survey."

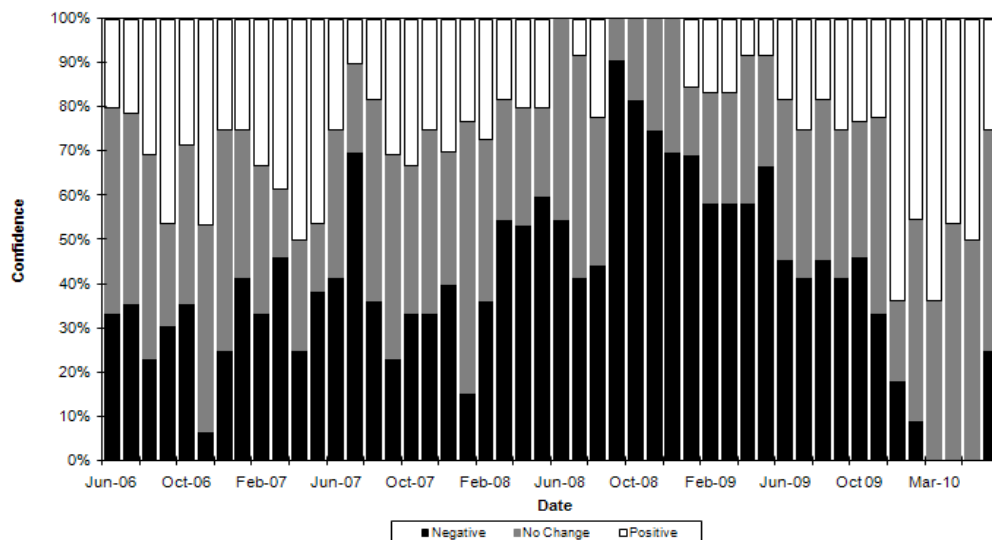
"Comments from those in the real economy have been that the Reserve Bank has moved far too early."

The Bank of New Zealand's Economy Watch commented that, "The lows in the external deficit are most probably behind us. This is a reminder that the economy still has major rebalancing issues on the horizon".

"It is disappointing to see margins in our tradeable sector being torn to shreds again just when it looked like some rebalancing of the economy was going to occur," says Mr Walley. A review of the Reserve Bank Act must be an urgent priority for the Government if all the economic rebalancing comments are to be seen as anything more than rhetoric."

*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.*

Confidence



## Supreme Court Decision: Performing Work of Striking Employees

***Air Nelson Ltd v The New Zealand Amalgamated Engineering, Printing & Manufacturing Union Incorp*** [2010] NZSC 53.

The case of *Air Nelson* has had its day in the Supreme Court.

Air Nelson Ltd is a wholly-owned subsidiary of Air New Zealand Ltd. In June 2007 some Air Nelson employees went on strike. This consisted of a refusal to:

- (a) work overtime;
- (b) handle and perform any administration tasks connected with foodstuff freight at Nelson airport;
- (c) perform de-icing of aircraft; and
- (d) train other staff.

It was usual for Air Nelson's engineering work to be performed by both employees and independent contractors. The contractors mainly performed heavy maintenance, but additionally they carried out an average of five hours of line maintenance work per week (minor repairs and servicing of aircraft between flights and overnight). During the strike, some contractors performed line maintenance on two occasions.

S.97 of the ERA sets out the circumstances in which an employer, faced with a lawful strike, can employ or engage others to perform the work of striking employees. The relevant clauses of s.97 are:

*An employer may employ another person to perform the work of a striking employee if the person:*

- (a) *is already employed by the employer at the time the strike or lockout commences; and*
- (b) *is not employed principally for the purpose of performing the work of a striking or locked out employee; and*
- (c) *agrees to perform the work."*

As stated by the Employment Court in its original decision, "s.97 as a whole is intended to limit the degree to which employers subject to strike action may reorganise their workforce to limit the effect of the strike".

The central issue was whether the maintenance work fell within the scope of s.97 as 'work of a striking or locked out employee'.

The Employment Court gave a broad interpretation to the s.97 reference to 'employ' or 'engage' and found in favour of Air Nelson Ltd. It held that "the extent to which the contract engineers were deployed to do line maintenance work by the defendant during the strike in June 2007 was within the range of work which they routinely performed." The Court concluded that this limited amount of line maintenance could properly be regarded as the contract engineer's own work rather than that of striking employees. The engagement of the contract engineers was therefore lawful and s.97 did not apply.

The Union appealed to the Court of Appeal on a question of law as to the meaning of the words, 'the work of a striking or locked out employee' as used in s.97. The Court of Appeal rejected the Employment Court decision.

Air Nelson, dissatisfied with the decision of the Court of Appeal, then appealed to the Supreme Court. It ultimately found in favour of Air Nelson.

The Supreme Court approved of the Employment Court's approach of seeking a balance between a person's right to strike and another person's right to work. The Employment Court's conclusion that the use of contract engineers who themselves habitually performed some of the line maintenance work (although a small portion of it) was not in the circumstances performance of 'work of the striking employee' was in fact the correct conclusion and therefore s.97 did not apply.

The importance of contingency planning when there is the prospect of strike action is paramount. This obviously includes determining how or whether the work of striking employees can be carried out by existing employees and/or contractors. We would strongly urge you to seek advice in this regard and note that the Supreme Court decision will only have limited application.

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## My Plan - My Schedule - My Business

In the first of a series on planning/scheduling, a case was made to put some effort into understanding your business as it relates to ERP. It challenged the user to look at ERP and decide what it can deliver to a business. ERP (Enterprise Resource Planning) needs to be looked at in a holistic manner. The article acknowledged the gains which have been made in the area of purchasing/receipting and sales (dispatch) by streamlining operations, and leveraging technologies. Yet, interestingly enough, with the critical component of manufacturing sitting between purchasing and sales, smart technologies to solve planning and scheduling issues are used to a lesser extent.

The three articles that followed discussed dealing with overcoming the issues raised by the introduction of planning and scheduling. Planning is used here as the general term for balancing supply and demand. Whereas scheduling is seen as the allocation of resources to jobs and the sequencing of those jobs in the resources they have been allocated to.

### Planning

Implementing an ERP system does not mean that it instantly creates the business benefits you are capable of achieving. "All too often the power of your new ERP system is not applied to the heart of a manufacturing enterprise – its' factory floor." How do we now start to deploy those planning tools we have available to us in a way that will increase manufacturing excellence.

The number one issue is to recognise that this is actually a change process. Implementing planning tools from the ERP may lead to:

- Smaller batch sizes, and more setups.
- Delayed release of jobs to production start.
- Buying what is required rather than a higher volume for the sake of a little discount.

A modern ERP system will enable you to get the best plan. It should acknowledge that this is based on accurate information and a discipline to keep executing a cycle of review and continuous learning.

### Scheduling

"Scheduling tools are used to determine what to make, when to make it and what staff and equipment are required to make your product. Based on the inputs provided, these tools should provide an efficient way of managing these resources, thus reducing costs." As a result scheduling is more internally focused. Making or calculating a schedule can be done against the finite or infinite capacity of the resources involved.

Defining which resources are finite and which are treated as infinite is an important component to successfully start with scheduling. So, to start with scheduling 6 steps are given:

- Determine which resources need scheduling.
- Model your resources (define them in time and capacity).
- Model your operations (define what is needed for production by item).

- Generate a schedule (this is now matching 2 & 3 but you may apply some 'rules' in the processes).
- Validate the schedule, see below as this step was discussed in more detail
- Publish the schedule.

The main advice to get started with this process is to 'keep it simple', focus on what are the real production constraints, and often there are only very few.

The implied assumption is that in order to come to a good start point for the implementation process, a company needs to know what is required in terms of customer orders, products and due dates. For planning and scheduling to work well, accurate information, that is up to date, is a must.

To overcome the first hurdle in scheduling, which I now call 'distrust the schedule' the following advice was given:

- Check the total capacity requirements.
- Spot check some critical individual sales orders, validating dates, manufacturing lead-times.
- and resource allocations.
- An indicator for how accurate your data is would be in the time spent on checking individual jobs versus the time spent on doing some leveling work (move jobs through to other resources or time slots).
- To overcome the second hurdle in scheduling – getting the right balance of detail in your schedule one needs to consider the following points:
  - Do we need a level of sophistication such as a smart scheduling tool as our maximum capacity is rather fixed, and it is hard to calculate or view the impact over time of all the interdependencies between resources?
  - What are my bottlenecks, can they be indentified?
  - Is the master data used in the system accurate enough to support this process?
  - How does a short, time locked schedule relate to our business culture given the level of change we put to our shop floor?

To summarise, in order to achieve manufacturing excellence in the operations there are things you can do today, things you can implement over time and aspects you need to consider. Understanding your own business and the understanding of your 'core competence' is still a valid exercise.

## Employment Law Changes are Afoot

There's a disturbing report tucked away on the Ministry of Economic Development website. It reveals that management practices in New-Zealand manufacturing firms are poor compared to 16 other countries, with people management being our worst skill. Let's hope that the proposed changes to the employment law landscape announced on 20 July will help businesses address this problem with greater confidence (See [www.med.govt.nz](http://www.med.govt.nz), under New-Zealand Economic Development>>Building Business Capability>>Management Matters).

There are 37 changes mooted in all, many very technical which will have no impact on most employers. However, some will have a direct and major effect, although we need to await the amending Bills to know the details. Here are the headlines.

### Extending the 90 day trial period to all employers:

This will allow every employer (not just those with fewer than 20 employees) to dismiss employees within the first 90 days of employment with no risk of a personal grievance. However, if the main principles of the current law remain in place (as is expected) there will be many hurdles for the employer to jump before being able to take advantage of this extension. The September edition of ConnectME will examine these hurdles.

### Making the disciplinary process simpler:

There will be no "pedantic scrutiny" of process followed, the test of justification will change to widen the range of responses available to an employer, employers' resources will be taken into account in assessing their actions, and there will be more focus on the key elements of fairness. A Code of Employment Practice will also be made available. The October edition of ConnectME will review the practical implication of the simplification.

### Communicating directly with staff during collective bargaining:

Employers are often nervous about doing this because they are forbidden to bargain about matters relating to terms and conditions of employment with individual members whom the union is representing. So long as there is no individual bargaining which will undermine the collective process, under this proposal employers would be allowed to speak directly with staff, including about the terms of any settlement offer.

### Restricting access of union delegates to workplaces:

Union officials will need express consent from the employer. However, the consent must not be unreasonably withheld, so only legitimate reasons (such as health and safety concerns or operational disruption) will enable the employer to withhold consent. A blanket prohibition would also be forbidden.

### Simplifying the way that pay is calculated for employees whose hours and pay are irregular:

This proposes basing pay on the gross earnings for the preceding 52 weeks (or lesser period if the employee has been employed for less). This change will apply to the calculation of pay relating to sick and bereavement leave, public holidays and alternative holidays.

### Allowing employees to cash up a week's holiday:

Employers must not pressurise employees to do this, or they will lose the money they pay and the employee will keep the right to the full four weeks annual leave. Employers will have to beware of employees later accusing them of having twisted their arm and we await the details to see what safeguards employers have.

### Allowing employers to ask for proof of sickness or injury within three consecutive days of an employee taking sick leave:

How this will work where the employee was only ill for one day, and did not consult their GP, is uncertain. How will they prove their illness, unless the GP is prepared to take their patient's word at face value?

The November edition of ConnectMe will examine in detail the proposed changes to the current holiday and sick leave entitlements.

## ADVANCE NOTICE SUPPLY CHAIN MANAGEMENT: CPIM 2010 TRAINING

### Certificate in Production and Inventory Management Programme (CPIM)

Please see dates and further information below:

- **Module 1: Basics of Supply Chain Management (BSCM)**  
Term 3: 23 September, 7 & 21 October, 4 & 25 November
- **Module 2: Master Planning of Resources (MPR)**  
Term 3: 16 & 30 September, 14 & 28 October, 18 November
- **Module 4: Execution & Control of Operations (ECO)**  
Term 3: 4 & 18 October, 1, 15 & 29 November

As per this past year, all modules will be presented over five half-days with exams held in April, July and December.

If you would like to discuss or register for any of the above modules please contact us:  
Karla Clapham on (03) 353 2543 or email [karlaclapham@mea.org.nz](mailto:karlaclapham@mea.org.nz)

# Forums

Forum start times vary but generally sessions run for 90 minutes. Forums are open to all members of your staff, and to both members and non-members of the NZMEA. For more information and to register on-line visit: [www.mea.org.nz](http://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](mailto:mea@mea.org.nz).

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## Customs Duty - Don't Pay Too Much Wednesday 18 August, 4:00pm, Auckland

Customs Duty can be a significant cash cost for manufacturers and exporters, with many of New Zealand's trading partners still imposing double-digit duty rates on imports. Particularly in today's market, cash is king and a review of your supply chain may identify opportunities to reduce the duty costs in your business.

**Who should attend?** Anyone involved in or interested in supply chain and customs issues.

**Facilitator:** **Kim Jarrett** heads KPMG's New Zealand Transfer Pricing and Customs Practice. She has a broad range of general tax, transfer pricing and Customs experience and provides her clients with pragmatic advice across this range of disciplines. **Mark Cormack** is a manager within KPMG's New Zealand Transfer Pricing and Customs Practice. Mark has over 16 years of experience working in the New Zealand Customs Service before joining KPMG.

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## Coping with the Unexpected Thursday 19 August, 4:00pm, Christchurch

This Forum shows those in positions of responsibility how to make the unexpected into an opportunity; how to cope when things fall apart and how to survive when all seems hopeless. Every manager has had the experience of finding that nothing works at the point when it is critical that things do work. Disaster can be sudden, unexpected and devastating unless one has a strong plan for turning adversity to advantage.

**Who should attend?** Team members, team leaders, supervisors, line managers.

**Facilitator:** **Ron Dards** has spent over 40 years in positions of senior management in several countries and is the Managing Director of The Test Agency Ltd. Ron provides many real life examples from his time in many different industries as general manager, independent trainer and consultant.

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## Developing Products to Deliver Value Using a Robust Design Process Thursday 19 August, 4:00pm, Auckland

This Forum will provide an insight into how to promote and implement a robust product development programme. It will demonstrate ways to improve innovation, decrease development spend and increase return on investment using proven design systems. It will also examine the development process by stage, with the objective of helping your company improve performance.

**Who should attend?** Intended for anyone with an interest in enhancing their development/design process.

**Facilitator:** **Jonathan Prince**; Director of The Ideas Foundry. Jonathan has a highly successful track record delivering sustainable, breakthrough product for some of New Zealand's leading design houses in the likes of Formway Furniture, Tait Electronics and InFact. Jonathan's knowledge comes from his strong engineering background, exposure to several design processes and strong experience in taking kiwi designed products to the international market.

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## Quick Changeovers Thursday 26 August, 4:00pm, Auckland

This Forum introduces Quick Changeover and provides you with some of the tools and templates you need to immediately implement Single Minute Exchange of Dies (SMED) in your workplace. Many leading companies use SMED or Quick Changeover methods as tools to reduce the time that they waste setting up processes so that they can improve their profitability, equipment utilisation and reduce their batch sizes, work in process and be more responsive to their customers.

**Who should attend?** Supply chain managers or production managers. Owner managers of mid-sized companies.

**Facilitator:** **John Simpson** is one of The Improve Group's, Auckland based manufacturing excellence coaches. John is a professionally qualified engineer who has worked with some of the world's leading companies in a number of operations.

## 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](http://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](mailto:mea@mea.org.nz).

### Training the Trainer

Thursday 26 August, Christchurch, 9:00am - 4:00pm, Christchurch.

In-house training has become increasingly important as companies take on new staff or retrain present staff for new roles. Supervisors and team leaders need to be able to identify training needs and prepare training programmes that suit individual staff members or small groups. The workshop format will include plenty of examples, an explanation of the principles, and opportunities for role-play and practice. Participants will be issued with personal workbooks.

**Who should attend:** Anybody in the position of needing to train others.

Registrations close on Thursday 19 August.

### ***Certified in Production & Inventory Management (CPIM): Basics of Supply Chain Management (BSCM)***

The 1st CPIM Module for Supply Chain Professionals

Starts Thursday 23 September, Christchurch, 5 half days.

This module explores the basic concepts in managing the flow of materials in a supply chain. In the BSCM, you will gain a complete overview of material flow, and an understanding of internal and external suppliers to and from your organisation.

**Who should attend:** Supply chain professionals wanting the CPIM qualification, master planners and schedulers, operations managers and all other employees including managers and supervisors requiring an understanding of supply chains and their role in them.

Registrations close on Thursday 16 September.

### ***Certified in Production & Inventory Management (CPIM): Master Planning of Resources (MPR)***

The 2nd CPIM Module for Supply Chain Professionals

Starts Thursday 16 September, Christchurch, 5 half days.

This module explores the processes used to develop sales and operations plans and identify and assess internal and external demands and forecasting requirements. The course focuses on the importance of producing achievable master schedules that are consistent with business policies, objectives, and resource constraints.

**Who should attend:** Supply chain professionals wanting to complete their CPIM qualification, master planners and schedulers, operations managers, sales and marketing managers, because of the depth on demand planning demand managers.

Registrations close on Thursday 9 September.



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## Transparency and Sustainability: Key Issue for Future Supply Chains

Consumers increasingly want to know details on what they are buying, where it came from, how it was produced; whether it is organic and fair trade certified or if it is environmentally sustainable.

This growing environmental impact awareness and demand for information requires that businesses and producers become ever more transparent and open to the consumer with a range of information.

New Zealand continues to position itself strongly in the area of sustainability and general environmental issues. We are globally recognised as environmentally conscious, especially with the long running. 100 percent pure campaigns. Sustainability and transparency is, and will continue to be, a key driver in gaining competitive advantage for New Zealand products.

Governments are now endorsing emission reduction and environmental accounting on products entering their marketplace and are introducing Carbon Labeling programmes for an increasing range of consumer products. In line with this trend some of the largest retailers in the world now require that selected products have a Carbon Label clearly displayed for the consumer's attention.

The UK giant Tesco has opened its first zero-carbon store and is already stocking a number of carbon footprint labeled products. Tesco aims to reduce its carbon footprint both in its own operations and its supply chains.

Walmart has also taken major steps on its business sustainability. The Walmart Sustainability Index Initiative has fifteen thorough questions on the sustainability assessment for its suppliers. Questions vary from the basic measuring, reporting and taking appropriate steps to manage their greenhouse gas emissions, through to comprehensive Life Cycle Assessment. (LCA).

Similarly, Marks & Spencer launched a new programme to be the most sustainable retailer by 2015. As part of their environmental commitments Marks & Spencer aim to reduce their carbon emissions by 35%. Raw material production accounts for 50% of the carbon footprint of their food products for which farming will be one of their key focus areas. All farms supplying to Marks & Spencer will need to be part of Sustainable Agriculture 2012

These trends and demands for sustainable products are not just limited to the UK but are now key issues in demand worldwide including Japan, South Korea, Singapore and Taiwan.

Japan announced its Carbon Footprint Labeling programme in 2008. Their labels appear on dozens of items including food and drink.

South Korea passed into law the establishing of its Green Growth programme aiming to promote its economy through environmental and sustainability initiatives. The Act includes setting emission reduction targets and mandatory consumer information -'carbon footprint' labeling.

Singapore and Taiwan have also followed suit with their own carbon footprint labeling programme set to be rolled out this year.

These increasingly environmentally conscious international markets provide both challenges and greater opportunities for New Zealand businesses. New Zealand businesses need to be much more proactive in measuring and monitoring their sustainability credentials. No longer is an environmental statement enough, it must be backed up by accurate information.

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## Plan Trans-Shipment To Avoid Being 'Bounced'

In recent months there have been numerous reports of export cargo being "bounced" by international shipping lines and delayed at domestic ports for the next available service.

Such delays are aggravating and costly to New Zealand suppliers of distant markets, where success depends heavily on the ability to supply products on a consistent, dependable basis.

The rising incidence of "bounced" consignments is the result of a steady decline in the number and frequency of overseas vessels calling at our ports, particularly those south of Auckland and Tauranga.

A further effect of this shrinkage is that larger export interests tend to get preferential treatment over smaller ones, the latter having to pay a higher rate in order to guarantee a slot.

As producers and manufacturers of exports are left with fewer options for international services in their regions, the onus falls increasingly on trans-shipping goods internally to or from one of the big hub ports.

For South Island firms this means greater reliance on transport links into and out of Tauranga and Auckland, which are by far the dominant exit and entry points for exports and imports.

Domestic cargo trans-shipment services need to be well co-ordinated with international services if consignments are not to be left high and dry.

What can manufacturers and producers do to improve their trans-shipment links and avoid the potential problem of being "bounced" down the line?

Above all they should look for domestic freight operators with well-established and scheduled links into and out of the major hub ports.

Depending on distances and timeframes, the choices revolve on coastal ship connections directly from port to port, and on land-based networks involving road and/or rail modes.

Whatever the method, it does not necessarily need to be on a daily basis. What is important is that consignments should not be ad hoc, and crucially should be co-ordinated with any relevant international shipping schedules.



That means planning well ahead of time as much as possible and not leaving consignment bookings to chance, or to the eleventh hour. This is especially the case for full container loads (FCLs), where early bookings not only guarantee space but will also ensure the best available rate.

Securing early slots is good sense at any time of the year. However, it is crucial as the season moves into summer and the Pre-Christmas peak in international trade volumes.

Given sufficient notice, freight operators will invariably find room for FCL cargo and any specialised equipment required, such as reefer boxes and insulated containers for perishable cargo.

The coastal shipping company Pacifica, for example, regularly shifts empty containers between ports to balance supplies and to anticipate user demand based on seasonal and regional fluctuations.

Without advance bookings at least several months ahead it is next to impossible for trans-shipment carriers to accurately forecast volumes of goods out of or into a region in any particular week.

All too often under this scenario, international cargo is liable to be "bounced" if it is not accounted for along the full length of the supply-line, from the point of origin in one part of the country to the point of departure in another.

In the changing world of offshore shipping logistics, therefore, there is more reason than ever for cargo consignors to lock in trans-shipment requirements as early as possible and work with their preferred transport operator.

This is the surest recipe for transport efficiency, economic gain and peace of mind.

## Things All Businesses Need to Know About Parental Leave

As an employer if you have received a request for parental leave here are three things to do to get started.

### Find out what your employee is eligible for:

The Department of Labour online calculator can help you determine if your employee is entitled to take parental leave and receive government funded parental leave payments.

[www.ers.dol.govt.nz/parentalleave/calculate/index.html](http://www.ers.dol.govt.nz/parentalleave/calculate/index.html).

The maximum rate of payment for government funded parental leave is adjusted on 1 July each year. On 1 July 2010, the maximum payment will increase from \$429.74 to \$441.62 per week (gross). This means that employees will be entitled to either their gross weekly rate of pay or \$441.62, whichever is lower.

Employees must apply to Inland Revenue for payments and to their employer for the leave.

[www.ird.govt.nz/yoursituation-ind/parents/parents-paid-parental-leave.html](http://www.ird.govt.nz/yoursituation-ind/parents/parents-paid-parental-leave.html).

### Respond appropriately to requests:

As an employer you are required to reply to your employees parental leave request in writing and your response should cover. Templates for responding to an employees request can be found at:

[[www.ers.dol.govt.nz/parentalleave/forms/employer.html](http://www.ers.dol.govt.nz/parentalleave/forms/employer.html)]

### Understand how parental leave effects other leave entitlements:

Employment is treated as continuous during the period of parental leave.

Annual leave and sick leave continues to accrue while an employee is on parental leave. If an employee becomes entitled to annual leave while on parental leave or during the 12 month period after they return, special rules apply to how it is calculated.

Find out more about accrual of annual leave during a period of parental leave at:

[www.dol.govt.nz/workplace/knowledgebase/item/1260](http://www.dol.govt.nz/workplace/knowledgebase/item/1260).

Get more information on parental leave for employers at:

[www.ers.dol.govt.nz/parentalleave/employers/index.html](http://www.ers.dol.govt.nz/parentalleave/employers/index.html).

### If you are self employed:

You could also be eligible for paid parental leave. Get more information on parental leave for self employed persons at:

[www.ers.dol.govt.nz/parentalleave/self-employed/leave-entitlements.html](http://www.ers.dol.govt.nz/parentalleave/self-employed/leave-entitlements.html).

## GST Update

The Government have launched a GST Advisory Panel to help businesses with the GST rate increase announced in the 2010 Budget.

Visit <http://www.gstadvisory.govt.nz> for more information.

## Manuals & Training Resources for Canterbury businesses since 1999

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- ✓ Logistics
- ✓ Factory SOPs
- ✓ Machine manuals
- ✓ Health & safety
- ✓ Finance & administration
- ✓ Human resources
- ✓ Payroll
- ✓ ERP user manuals & on-line help
- ✓ Customer manuals
- ✓ Custom built for your business.
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- ✓ On-line and on paper.
- ✓ Always up-to-date.

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 **STREAMLINERS**  
Business Productivity Specialists

# MEAssist

To network with other Members or get assistance from our Associate Membership contact:  
meassist@mea.org.nz or call 0800 353 2540

Our Associate Membership includes a wide range of specialists, consultants and service providers who can assist Association Members with:

- |   |   |
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| <ul style="list-style-type: none"><li>➤ Strategic Business Development</li><li>➤ Business &amp; Technology Planning</li><li>➤ Business Coaching</li><li>➤ Market Research &amp; Marketing</li><li>➤ Export Marketing</li><li>➤ Advertising &amp; Branding</li><li>➤ Communications &amp; PR</li><li>➤ Import &amp; Export</li><li>➤ Customs, Logistics &amp; International Freight Forwarding Services, Including Part Container Services</li><li>➤ Finance, FOREX &amp; Banking</li><li>➤ Accounting, Payroll &amp; Tax</li><li>➤ Investment Capital</li><li>➤ Insurance Services</li><li>➤ Debt Collection</li><li>➤ Business Sales &amp; Valuation</li><li>➤ Research &amp; Development Services</li><li>➤ Product &amp; Prototype Development</li><li>➤ Product Design Process</li><li>➤ Intellectual Property Risk Assessment &amp; Commercialisation</li><li>➤ Intellectual Property Patent Registration</li><li>➤ Engineering Analysis, CAD &amp; FEA</li><li>➤ Project Management</li><li>➤ Operations Management</li><li>➤ Theory of Constraints</li><li>➤ Lean Manufacturing Programmes</li><li>➤ Competitive &amp; Agile Manufacturing</li><li>➤ Kanban, Production Planning &amp; Scheduling</li><li>➤ Condition Monitoring - Products &amp; Services</li></ul> | <ul style="list-style-type: none"><li>➤ Risk Management</li><li>➤ ERP, MRP Solutions</li><li>➤ Supply Chain Management &amp; Certified in Production &amp; Inventory Management (CPIM)</li><li>➤ IT Systems - Design &amp; Implementation</li><li>➤ Website &amp; Software Development</li><li>➤ Industrial Automation &amp; Control</li><li>➤ Recruitment &amp; Selection</li><li>➤ Human Resources Management</li><li>➤ Conflict Resolution &amp; Mediation</li><li>➤ Employee &amp; Immigrant Settlement Management</li><li>➤ Management, Leadership &amp; Team Training</li><li>➤ Training Analysis</li><li>➤ Knowledge &amp; Information Management</li><li>➤ Employment Law</li><li>➤ Change Management</li><li>➤ Temporary Staff</li><li>➤ Technical Publications</li><li>➤ Business Graphics &amp; Printing</li><li>➤ Energy, Water &amp; Waste Auditing</li><li>➤ QC &amp; QS Management</li><li>➤ Health &amp; Safety Systems &amp; Training</li><li>➤ International Travel</li><li>➤ Fire Evacuation &amp; Compliance</li><li>➤ Drug Testing</li><li>➤ Maintenance &amp; Asset Management</li><li>➤ Factory &amp; Plant Efficiency &amp; Utilisation</li><li>➤ Strategic Pricing</li><li>➤ Company Boards &amp; Governance</li></ul> |
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We facilitate relationships and transactions between manufacturers and exporters FREE of charge.

Where the Association facilitates a transaction with Associate Members a standard charge, or referral fee applies. This is invoiced to the Associate Member providing the service. These fees vary between Associates and reflect a wide variety of pricing models. The fee is constructed to be less than the usual marketing overhead recovery component of an Associate's pricing which enables a saving for Associates while using competitive market pricing which benefits all parties involved.



## Membership Benefits

**Awareness and 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..

**Representation** – your views having a platform, face to face with politicians, documented in submissions and discussed in any number of different gatherings.

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

If you require further information regarding any articles published in this issue please contact us on email: [mea@mea.org.nz](mailto:mea@mea.org.nz) or phone: 0800 353 2540.

Monday	Tuesday	Wednesday	Thursday	Friday
2 Programme: First Line Management - Christchurch	3 Programme: First Line Management - Christchurch	4	5	6
August				
9	10	11	12	13 Canterbury Furniture Manufacturers Trade Group
16 NZMEA: Executive Meeting and Council & CEO Forum	17	18 Forum: Customs Duty - Don't Pay Too Much - Auckland	19 Forum: Coping with the Unexpected - Christchurch  Forum: Developing Products to Deliver Value - Auckland	20
23	24	25 Forum: Are you ready for the GST rate change? Christchurch	26 Forum: Quick Changeovers Auckland  Workshop: Training the Trainer - Christchurch	27
30	31	1	2 Forum: Quick Changeovers Christchurch	3
		September		
6 Programme: First Line Management - Christchurch	7 Programme: First Line Management - Christchurch	8	9 Forum: Disciplinary Action Process - Christchurch	10
13 NZMEA: 131st Annual General Meeting	14 Forum: Emissions Trading Scheme - Christchurch	15	16 Programme: First Line Management - Auckland	17 Programme: First Line Management - Auckland
20	21	22 Forum: Websites, Google and Social Media: The Internet in Your Organisations Marketing Mix - Christchurch	23 Programme: CPIM Basics of Supply Chain Management - Christchurch	24
27 Canterbury South Anniversary  Programme: CPIM Master Planning of Resources - Christchurch	28	29 Forum: Negotiation Christchurch	30 Forum: FX & Tax	