

Round about.

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With the current situation regarding COVID-19 and New Zealand's movement through the lockdown stages, we trust this finds you safe and well.

With some uncertainty in business confidence and the market, we thought it would be appropriate to update you on some strategies we can assist with to help you and your business get through the coming months, and the economic implications that this period has brought.

We have been fielding calls from tenants, owner occupiers, landlords and investors regarding what the situation means for their business and what they need to put in place to protect their interests.

These include, but not limited to:

- Rent relief strategies
- Space requirements – short or long term options, upsizing/downsizing
- Release of capital via sale and leaseback
- Investors looking for better returns from commercial and industrial property than current bank rates

Our team of experts have experience in successfully navigating challenging times. We are here to help you when you need us to offer confidential advice and solutions to ensure your needs are met.

Navigating the new industrial world

Prior to the global pandemic upheavals, the industrial sector of New Zealand's workforce was trucking along at a great rate of knots and tenant demands were outweighing the availability of industrial premises. Vacancy rates were low, competition for space was high – particularly in the logistics and supply chain category – and vigorous online shopping activity meant warehouse properties were as scarce as hens' teeth.

Then along came COVID-19 however, thankfully for the sector, overseas examples show the industrial market will largely be quite well-insulated from major disturbance. Yes, there will be casualties and for some parts of the market, the comeback will be slow. Bayleys Auckland Industrial director, Sunil Bhana says even through lockdown, our leasing team has received good enquiry on industrial property for lease and he doesn't see this easing off.

"It's a robust and resilient sector by and large, and some of the trends we were seeing pre-COVID have been fast-tracked as a result of increased demand in certain areas," he says.

Another trend around the country is the owner-occupier market actively looking to free up business capital through sale-and-lease-back transactions. "While owning their own business premises can give security of tenure, relinquishing the ties of property ownership through sale-and-lease-back can allow a business to continue working without disruption from a fit-for-purpose property – all while having capital to plough back into their operation to improve productivity or to pivot their focus," says Bhana.

Changing business needs will drive a change in size requirements. Based on this, tenants will be looking to lease new premises while potentially subleasing or assigning leases on their existing premises. "Having a good relationship with your landlord will be crucial, and experienced agents will be able to negotiate a new lease in conjunction with a lease termination to make the process as seamless as possible" says Bhana. "It's taken a global pandemic to kick-start a more tech-savvy sector and that's going to bring about more change in the industrial property market as businesses look to activate new initiatives in an effective and efficient way.

Need advice? Get in touch with our West Auckland experts

Sunil Bhana
021 938 660
sunil.bhana@bayleys.co.nz

Stuart Bode
027 493 6223
stuart.bode@bayleys.co.nz

Mark Preston
027 393 9258
mark.preston@bayleys.co.nz

Rick Kermod
021 882 452
rick.kermod@bayleys.co.nz

Sam Raines
021 028 66812
sam.raines@bayleys.co.nz

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Cover: Autex Industries Managing Director Rob Croot with owner Mark Robinson and daughters Michelle Robinson and Danielle Robinson



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EDITORIAL AND ADVERTISING ENQUIRIES:

Phil Clode,
Business Development Manager
Mobile: 027 448 7009
E: phil@rosebankbusiness.co.nz

ROSEBANK BUSINESS ASSOCIATION

18 Jomac Place, Rosebank.
PO Box 151190, New Lynn, 0640, Auckland
Phone: 09 820 0551
E: info@rosebankbusiness.co.nz

www.rosebankbusiness.co.nz

www.facebook.com/rosebankbusiness



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From Our Perspective

RBA CEO **Mike Gibson** gives his perspective on what's happening in Rosebank



Welcome to our first full issue of our Rosebank Roundabout Digital

Mike Gibson,
RBA CEO

The “**greater the challenge the greater the triumph**”, and for the RBA that's what we were faced with on the 27th March, when we were about to deliver our print ready files to our local printer Pressprint. However, we were forced to face the realisation that under Lockdown 4 we had no businesses to deliver to and no printer to print for us.

Decision made and on reflection it was only a matter of time, so welcome to the **163rd edition** of the Rosebank Roundabout. A far cry from our first publication in 2004 that featured a 2colour Black/Red publication comprising one sheet of A3 printed both sides; the relevance to today is:

You can only play the cards you were dealt! This isn't how we wanted to launch it, but we have no alternatives, not unlike the Autex Warriors, they don't want to play every game away but that's the hand they have been dealt.

Obituary: John Lindsay Carter. JC.

On a more sombre note I acknowledge the passing this week of J.C Carter, a man ahead of his time, a man of innovation, skill and courage. A life member of the Suburbs Rugby Club formerly in Avondale and the person who ultimately bought metal screw cap closures to the NZ wine industry, via a joint manufacturing venture with Italian based Guala Closures situated in Rosebank Road behind Kreem Café.

John Carter wasn't only a visionary within the wine business, he was team manager of the hugely successful Auckland Rugby era with John Hart as coach, he and wife Peggy had two very accomplished senior Auckland Rugby players, Mark and John, who both represented Auckland. Mark attained both All Black and NZ Warriors honors. Along with their sibling Rachael (of Soho Wines stock) they established one of the most successful boutique thoroughbred breeding and racing studs in NZ under the Jomara Bloodstock entity.

His legacy was inspirational in his chosen fields and his passing is offset by knowing that he has left behind a collection of huge accomplishments. All of us from the Rosebank Community extend our sincere condolences.



Therefore, what else must we do? We established that communication in these times with our membership base is our priority number one! We commissioned Social Media expert, Stuart Thompson, from **Live Wire Media**, who hails from Mangonui in the far North. We were determined and sought to find out what would give us the best and most stable Social Media platform from which we could communicate to and with our members. For us, during the earlier lockdown days, information was scattered in both content and frequency. We determined we needed a platform that could withstand the constant rigor of change from our providers, the degrees of importance in the information, and daily updates. Our team have performed admirably.

Luckily we had held, in conjunction with the EMA, a presentation in October 2019 at one of our then regular **Business Development** workshops that made me recall how smart, informative and interesting Stuart was during a no holds barred two hour session! It is not easy to keep an audience of approximately 70 RBA members and attendees

focused and engaged without a break. He did it well, and so without hesitation Social Media has become our go to Communication platform. I wasn't sure, my uncertainty on this comes with me not being a digital native and could be removed, but these times of uncertainty demand positive actions and so here we are.

Enjoy issue 163, reinforced by NZME with a backup of mechanisms that will extend our reach of this publication dramatically. **Yes, there will be a printed version for our local Café's, but we need to navigate these troubled times first.**

At the RBA we are always available to chat in these strange times and if we can't help you ourselves, we have a wide network of contacts to put you in touch with. This wrap-around care covers, business, resources, banking and pastoral care. Our New Zealand mantra is, be kind and look after each other for no two of us are alike.

Kia Kaha Rosebank
Mike Gibson, Chief Executive
Rosebank Business Association.

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From Our Perspective

RBA Chairman **Bernie McCrea** gives his perspective on things that he has been thinking about

Hindsight is always 20-20

Bernard McCrea RBA Chairman

Firstly, I want to comment that over the early period of the CV19 crisis I waxed and waned between 'it's only the flu' to, 'we need to shut everything down' and 'the sooner the better'. What kept me coming back to 'shut it all down' is this is a mortality issue. My experience from a previous role in running a large life insurance company is anything with mortality rates between 3-10% needs to be well managed, period!

Whether the health story is; did NZ do it better than Australia, or, did we do too much, will only be told next year as we get some perspective and can see in hindsight whose response was more successful. Currently my view is that we've done things mostly correct and it'll give us a blueprint to do it again. I say this as there's always the next health crisis, i.e. already this century we've had;

Sars, Mers, Ebola, Zika etc.

Secondly, I want to comment on the financial issues of CV19 and what I can say is, it is a good thing we keep learning lessons. Post the GFC we can see the lesson learned is to make sure there is plenty of liquidity in the financial markets. Essentially the new financial model is to flood the economy with as much cash as it needs. Whether that's \$12 billion or \$2 trillion, just don't hesitate with liquidity. The moment you don't do that is when you get a lot of unintended consequences.

One main theme I've heard though, at a strategic level is to 'bottle' what we're currently doing well as businesses, in that we're making a lot of decisions and not procrastinating. The Managers I'm talking to are saying they're not returning to a decision model they had pre CV19 which was leaving them exacerbated. Also, good news is that I know workers are stepping into leadership roles which I'm sure they didn't think they would be doing at the start of the year.

New terms like - rolling bottoms, continuous peaks, V & U shape recoveries will become part of our

vernacular and I congratulate you all for how you are managing your own situation. Keep up the good work and If you ever need help please reach out to our team; Mike, Phil, Anouschka, Maureen and Kim as we're all here to help each other.

Regards Bernie.



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Dr Grant Hewison

Reducing Construction and Demolition Waste is a Priority for Auckland Council

Prior to the Lockdown under COVID-19, the Auckland Region was in the midst of a major building boom. It is likely, as we move out of Lockdown, that construction will come back quickly, especially with the Government emphasis on 'shovel ready' infrastructure spending.

However, as we come out of Lockdown, the emphasis has also been on reducing greenhouse gas emissions and sustainability.

Construction and demolition waste accounts for 50 percent of all waste sent to landfills, is a contributor to emissions and undermines sustainability efforts. This includes rubble, concrete, timber, plasterboard and insulation materials. Auckland Council estimates that for the year ending 30 June 2019, Auckland produced around 570,000 tonnes of construction and demolition waste. That's the equivalent of 196 Auckland Town Halls filled to the brim with waste and stacked on top of each other.

As Auckland's single largest waste stream, with high tonnages going to landfill and high diversion potential, construction and demolition waste has been identified as a priority waste stream to achieve the targets of the Auckland Council Waste Management and Minimisation Plan of reducing total waste to landfill by 30 percent by 2027.

Although Auckland Council has limited influence or regulation over the construction industry's behaviour, the Council has developed a three-pronged strategy to influencing construction and demolition waste:

- Working across Council to influence and set targets for Council's operational waste
- Working with large-scale developers, including Kaianga Ora to influence and support construction and demolition waste diversion through policy development, and wider uptake of deconstruction methods of demolition, and facilitating the recycling and reuse of materials
- Working across the community and with Maori and Mana Whenua to develop social enterprise opportunities, employment

and training opportunities, a collaborative approach including industry, and identifying community destinations for recycled materials.

The Council has also been working to adopt a deconstruction and soft strip approach as a standard.

An official New Zealand ecolabel specification supporting waste management companies to reduce the amount of construction and demolition waste going to landfill was launched in 2019. The new specification was made possible through a grant from Auckland Council's Waste Minimisation and Innovation Fund.

The specification, EC-59 C&D Waste Services, was developed by the New Zealand Ecolabelling Trust (NZET) and included consultation with building industry players and experts.

As more people and businesses are looking for services that have a positive impact on the environment and society, the specification should drive real, positive change across the industry and support better management of the projected increase in construction and demolition waste in the coming years. The C&D Waste Services label will also help verify waste-diversion credits in the NZGBC's Green Star rating tool – a tool that measures the sustainability credentials of buildings across nine categories.



The deconstruction methodology sees buildings carefully taken down, bit by bit, to recover materials so that they can be re-used elsewhere. This can include building fittings and fixtures, such as seating, light fittings, kitchen and bathroom sinks, as well as important building componentry and materials such as trusses, timber, corrugated iron, and steel.

Auckland Council's investment in construction and demolition waste reduction has also been in education and people resources. This is funded through the waste levy, not through rates.

The Council also adopts deconstruction approaches across its own facilities. Projects that have been worked on to date are Community Facilities projects and as such, are funded within budgets allocated to Local Boards for new builds, renovations and building removals.

With supplies potentially disrupted due to COVID-19, it may become the new normal to look to construction and demolition waste diversion, a wider uptake of deconstruction methods of demolition, and recycling and reuse of building and construction materials.

Rosebank News & Events

Find out about the latest **RBA** News & Events.

RBA & Ignite Business Leadership Webinars - Pivoting together

We have been delighted to produce a series of online trainings with Bruce Ross from Ignite Business Leadership to share with our members.

Bruce's extensive business consulting experience has enabled him to directly develop the leadership capacity of hundreds of business leaders via his skilful blend of disciplines. He has shared this experience, and his easy to learn potent neuroscience techniques with our RBA members to help our leaders expand their vision and gain immediate impact.

The following are a summary of outtakes from each of these webinars. To view a replay of each webinar, please click on the connected link. If you would like further information from Bruce, including a complimentary 30min session, please contact him on 0800 548 900.

Covid Pivot #1: How to Sustain Peak Performance through a Pandemic - Wednesday 8 April

Key Points:

- Personal energy management lies at the heart of sustained optimal performance
- Peak Performance (Flow states) are still possible but need deliberate practices and routines
- Given our depleted energy state (from grief, shock, overwhelm) 'being kind' involves deliberate acts of active recovery (little and often) – throughout the day for you and your team
- The world has changed: we were in BC-time (Before Covid), we're now in AC (After Covid)... old attitudes/approaches will no longer work
- Keep your brain empty. Use two lists each day: micro To Do actions (not our usual To Do actions) and a cognitive-load list (all those things you need to think about). Get them all out of your head.
- Use 'Lock down' as a pupae opportunity – what do I need to contemplate to come out stronger, more resilient?

Dropbox link for this presentation: <https://www.dropbox.com/s/7zanh10qm3cvyn9/20200408RBA%231.mp4?dl=0>

Covid Pivot #2: How to Sustain Peak Mental Performance through a Pandemic - Wednesday 15 April

Key Points:

- 80% of success / breakthrough / leadership is mindset. The other 20% are a split between strategy and vision
- State trumps strategy (State = state of mind)
- A simple way to get inside 'Mindset' is that it is binary: 'open / closed' or Allow / Disallow"

- We are only ever in one state or another: Primal (closed) state or Powerful (open) state (Primal state = resourceless. Powerful state = resourceful)
- Typically people are in the Primal state 80+% of the time. Impact: 20% reduction in IQ
- Success in the game of life, is to live in the Powerful state by 80%.
- Neuro-sculpting (the tool that was shared) achieves this; it's both fast and lasts

Dropbox link for this presentation: <https://www.dropbox.com/s/kvr1qdr7bn811dj/20200415RBAMindset.mp4?dl=0>

Covid Pivot #3: How to Survive and Thrive as an Entrepreneur during Uncertain Times - Wednesday 22 April

Key Points:

- The market has changed. What levels of impact has it had on you:
- Positive? Minimal? Substantial? Code Red?
- Each level requires a different but immediate response
- Take care of your cash runway (both personal and business)
- Overdeliver on your current clients... provide pin-point communications, discuss outstanding accounts receivables, agree on the path forward together
- Keep your staff informed and include them in your scenario planning processes e.g. best case, worst case and likely case
- Create your three time-horizon plans (short, medium and long-term)... and execute
- To build a 'house made of bricks', build in crisis resistant 'Exponential organisation' features within your company now. Future seismic shocks are inevitable.

Dropbox link for this presentation: <https://www.dropbox.com/s/334xuor3pwriz5a/20200422RBA%20Pivot%233.mp4?dl=0>





Spark Community Business Hub

extends its services to local businesses

Spark Business Hub Waitakere is celebrating 10 years as an outsourced channel supporting local businesses. Previously, the company has been primarily a Telco business, providing landline, mobile and internet services to its clients. Recently the company extended its offerings to include full IT services.

Having a full portfolio of services available, from Telco to IT, is what sets Hub Waitakere apart. Communications and IT often go hand in hand for companies, so the addition of this offering was a natural progression. With top-notch IT solutions from security, to the full stack of collaboration tools, Hub Waitakere can now work seamlessly to transform a company's tech.

"There are several IT aspects we can talk clients through when we meet them," says Owner, Mike Hannan. "Questions to understand how IT enhances business productivity or drives their bottom line will unlock various solutions and products that we can access. It can be as straight forward as Office 365 support or Cloud Managed Networks.

On top of this, our reach allows us to help with software and

App development as well as AI, IoT and Big Data strategy and implementation."

Mike celebrates three years owning the business this April. With a background in sales and marketing, Mike was drawn to the opportunity to work and assist small to medium-sized businesses directly.

With a base of customers, totalling several thousand, Hub Waitakere aims to bring global solutions to local companies, with local support. The team of 13 is committed to the success of local businesses. A huge aspect of the Hub Waitakere's work ensures customers are kept informed of new products, solutions and services. In core Telco that may mean moving to Cloud Phone for voice requirements, upgrading ADSL/VDSL copper internet to Fibre or Wireless BB and matching the mobile needs of customers with Spark's business plan offerings.

Across New-Zealand, there are 27 hubs, with five in Auckland. Hubs are based around an owner/operator model, meaning a commercial mindset in line with the customers they work with. It



also provides stability when staff transition.

As the word 'Hub' indicates, businesses are encouraged to walk in, talk and see first-hand demonstrations on what is available through the network. Investments are currently being made into the Rosebank Road office to ensure Hub Waitakere is as hands-on as possible. Mike encourages local businesses to drop in and visit the space to have a demonstration and see how modern technology can impact a business.

With the recent development of Covid-19, Hub Waitakere has been forced to look at how the business operates should they need to work remotely from home in the future. During this time, the company will be making sure businesses best understand how they can utilise Hub Waitakere's services should they, too, need to have workers operating from home.

"20 years ago, if a situation like this happened, productivity would have completely stalled," says Mike. "Today, with the developments in technology, and a more fluid workforce, some businesses can continue to provide goods and services. As a communication and IT provider, it is our role to ensure local

businesses understand how they can deliver mobility and collaboration outside of the traditional workplace."

"For some businesses, Covid will have driven a new understanding of how work from home (WFH) can be productive and can play a post-Covid role in supporting productivity, innovation and employee diversity.

This crisis has also shone a light on Business Continuity Planning - critical during the various Covid-19 levels as well as for natural events, fires etc which all run the risk of incapacitating a business which needn't necessarily be the case." When Mike first bought Hub Waitakere, he felt it was important to develop a relationship with the Rosebank Business Association as well as meet as many local business owners as possible.

"We enjoy having an association, with the Association," says Mike. "We see a real value in being able to keep across the overall mood of local businesses and learn from them at RBA forums whether via a formal presentation or over a beer afterwards."

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Autex Managing Director and Warriors Chairman Rob Croot on Regrouping, Rebuilding and looking forward...

The RBA speaks with Rob Croot to hear what he's been up to. It's been a busy time for Rob - as the Managing Director of Autex, an international company and owner of the Warriors, he has a lot going on. Throw a global epidemic in there and you'd be forgiven for wondering how he does it all. Alice Cranfield speaks with him to hear how he's handled the Covid-19 crisis and how he thinks things will look moving forward.

What has lockdown looked like for Autex? How have you managed and maintained communication within the company?

It's been an incredibly challenging time for everyone at Autex, as it has been for all businesses and their staff. Our full operation in NZ has closed for the lockdown. We have a handful of staff dealing with email enquiries and there has been some collaborative groups chipping away on key projects to accelerate our re-start position. Our senior team meet by video conference every couple of days to update financials and plan for upcoming challenges.

We've kept in touch with staff through updates and information as we've been preparing for re-start.

Does the factory resume at L3 and how does this look?

We've spent the last couple of weeks planning for start-up under L3 restrictions and we're looking forward to returning to work.

We have developed new operational procedures to account for the unique working conditions in the plant and will continue supporting staff working from home. We're a tight-knit bunch so it will be challenging to isolate at work. We recently opened a staff cafeteria with the idea of bringing everyone together, so dealing with

Covid-19 goes against all our social team ambitions.

Some of our overseas branches continued to operate throughout lockdown so we'll be in catch-up mode when we start. It will be great to have the team back on-site and see product getting out the doors again.

What do you see some of the biggest challenges being for Autex when we come out of these levels?

Dealing with the unknown is the toughest challenge right now. We're comfortable with completing the short-term demand on jobs put on hold; however, the outlook for the next 12 to 24 months is more uncertain.

There's a lot of doom and gloom being painted, but I don't see all the indicators lining up this way. The NZX50 bottomed out at 9,200 points as we went into lockdown (about the same level as Feb 2019) and we have already rebounded to around 10,500. I think this shows confidence in the investment market and strengthens the possibility of a quicker recovery.

Has the lockdown given you space to question or change the way you are doing things?

Business as usual lets you be lazy and allows you to hide from reviews we should be doing. A shock like this brings us back to reality and forces a look into every corner of our business.

We've been through some tough times, including the '87 crash. We've come out stronger every time and I'm confident we'll do the same thing post Covid-19.

Autex has been in the manufacturing sector for over 50 years now, when did you come onboard and how has your journey progressed?

My journey with Autex started about 18 years ago, and I've loved every second! I joined Autex as a Divisional Sales Manager, progressed through to National Sales Manager, then Managing Director in 2014.

We've gone through huge change during this time. We used to be

one of the largest producers of pillows and duvets in NZ. We also produced non-woven carpets, including the orangey-brown carpet tiles used in schools for decades. We've now exited both markets and created new global opportunities in Interior Acoustics. Autex now employ more than 350 people across NZ, Australia, UK, and USA.

The company's move to own the Warriors in 2018 was big. When RBA spoke with you, in December 2019, you mentioned change as 'the normal' at Autex and fully anticipated this could be seen at the Warriors, too. You've seen this now! How has your experience from Autex, to adapt to changing markets, helped with the current situation and uncertainty at the Warriors?

I almost wish I hadn't said that looking at what we're currently facing!

Nothing beats experience in my opinion. It helps to have overcome challenges, no matter what they are. I'm hugely grateful for the opportunities I've had to learn, grow, and make mistakes at Autex. I'm stronger for it.

In any great challenge you must grit your teeth and break it down. The timing, considering our recent purchase of the Warriors, is probably the worst it could be. But we've broken it down, established scenarios and built roadmaps for managing the worst case. The position is survivable, so any better position will be welcomed!

There would normally be a hefty training regime ahead of the NRL, so what does Warriors training look like under lockdown?

The boys haven't been able to train during lockdown so we're planning for three weeks pre-season training before we get back on the park. NRL are working incredibly hard to re-start the season, targeting 28th May, for the first games.

There are a few hurdles to overcome but we are ready and optimistic.

How do communication lines stay open with the team during lockdown? What tools are being used to keep the team spirit united?

Team spirit is probably the hardest thing to overcome through lockdown. We're a tight team and I've always actively encouraged meeting and discussing over sending emails. Since lockdown we've embraced video conferencing and some days the phone hasn't stopped.

During this epidemic have you seen any cross-over skills needed to lead both a company and a sports team?

I'm honestly one of the last people the Warriors needs interfering in football matters! The biggest difference I see with the Warriors, is media interest. It's a challenge to manage communication when media are reporting scrapes of information and slanting towards controversy.



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The Roundabout caught up with two of our local MP's and

Deborah Russell, Labour MP for New Lynn, answered questions from the RBA on her time during lockdown and how she sees things moving forward.

Where have you been based during lockdown and who have you been with?

I've been at my home in Titirangi with my husband and two of our three daughters.

How have your days looked and what have you enjoyed during this time?

I've been doing lots of work by email and Zoom. This has involved talking to constituents and lobbying for them. In many cases I have just tried to be there to offer help and support. It's a lot of staring at screens all day but I've been able to get out for a walk with my husband most afternoons. Some mornings I've managed an early morning walk to French Bay and it has been so peaceful.

Has the lockdown changed your way of thinking - have you had any personal realisations?

I've realised that even though I enjoy being at home, and have always thought of myself as an introvert, I love meeting with people.

How has your work changed? Have you adapted to this new way of working?

The nature of my work hasn't changed, but the way I do it has. While I've adapted to this new way of working, I find it much harder working from home and not actually going to see people in their own place. I enjoy exploring ways to support people and their work.

Once we come out of this period, how do you think your role will change? Has this time made you think about different ways of working moving forward?

There's so much I want to do to help people recover. I especially want to work with the small businesses in my electorate to help

them access support and advice to stay in business. These small businesses are a critical part of our community, and we'll do much better if we can keep them going.

How have you kept in contact with the local electorate area during this time?

I've been emailing, phoning, using Zoom and social media. Ordinarily I'd be working with my Labour team to get leaflets and newsletters into people's letterboxes, but obviously that's not possible right now.

How will you work with local businesses following this lockdown period?

By providing advocacy and support. I'll also be emailing to make sure our local businesspeople know about the help they can access.

What do you think the biggest challenges will be for the local business community coming out of this?

In the first instance, it will be survival; getting cash in the door so employees and suppliers can be paid and giving business owners something to live on. In the longer term, we need to improve business resilience by helping businesses to set up better structures and reserves.

I know that many business owners work hard and keep going on the smell of an oily rag. That's hard enough in ordinary times, but impossible during a lockdown. I'm glad the government could step in with support, but in the longer term, we need to help our businesses grow stronger.

Is there anything you are most looking forward to doing once the lockdown period ends?

Going to the beach, and my not-so-secret vice, KFC.

It's going to be tough ahead for us all. I want to help people get through this as best they can and thrive on the other side. I don't think it will be business as usual, so we'll need to find new ways of operating. I'm keen to be part of this challenge.



Your Local MPs

Hon Carmel Sepuloni
MP for Kelston

Kelston Electorate Office

📍 200C West Coast Road, Glen Eden

☎ 09 818 4131

✉ kelston.eo@parliament.govt.nz

📘 /CarmelSepuloniLabour

🐦 @CarmelSepuloni

Dr Deborah Russell
MP for New Lynn

New Lynn Electorate Office

📍 1885 Great North Rd, Avondale

☎ 09 820 6245

✉ newlynnmp@parliament.govt.nz

📘 /DeborahRussellLabour

🐦 @beefaerie



Authorised by Carmel Sepuloni MP, Parliament Buildings, Wellington



asked them how they are coping with the COVID 19 Lockdown

The RBA put questions to Hon Alfred Ngaro, National List MP based in Te Atatu, to discover how he spent his time during lockdown.

Where have you been based and who is in your bubble?

I've been based at home on Te Atatu Peninsula with my wife and son (one of our four children).

What have you been doing and enjoying during this time?

I've been incredibly busy addressing local issues through emails and phone calls. From businesses dealing with wage subsidies and tax returns, to tenants and landlords concerned with rental issues, the work has been varied.

Social issues are always at the forefront during a time like this. I've assisted neighbourhood support network groups and helped voluntary departments of frontline health providers to access PPE.

As spokesperson for four National Party Caucus portfolios: Disability, non-Government organisations, and Children, including Oranga Tamariki and Pasifika, I've been advocating for these groups.

Has the lockdown changed your way of thinking - have you had any realisations or set new goals for yourself?

My travel schedule last year showed approximately 180 flights, plus thousands of kilometres by land. It made me realise a third of an MP's time is spent travelling. While much of this travel is essential parliamentary business; looking back, I've taken this chance to assess how I can prioritise my duties while still being present with the community.

How have you found lockdown?

Being at home for four weeks has been an adjustment for us all and we've had our moments - I slept on the couch only once! I have realised how much I miss my family, as I sacrifice a lot of time away from home in this role.

My mum has been sick and not being able to be with her physically during lockdown has been tough. Upon reflection, I realised I don't

ever want to be in the position where I would say those truly tragic words, 'if only'.

How do you think your role will change as we come out of lockdown?

I've always known and accepted my role is to be in service to the public both locally and nationwide. Coming from a construction background, particularly as an electrician, I've always looked for pragmatic solutions to the challenges faced while growing entrepreneurial and innovative opportunities.



I believe there will be new market opportunities, with changing consumer demand and new technological platforms for delivery. I'm keen to work with the whole continuum from the workplace to ensure our local community economy grows along with NZ.

How will you work with local businesses following this time?

MPs have been given a direct line to the government and I'll continue to advocate on a number of issues of concern: from businesses experiencing wait times on direct call numbers to departments, to facilitating the wage subsidy, to IRD payments.

How have you maintained contact with the local electorate area during this time?

I've been on the phone lots - talking with major social service providers, local businesses, and service clubs. My office has maintained regular contact with the local community, especially those in the vulnerable age group.

What are you looking forward to when lockdown ends?

A flat white from Little Sisters café on Central Park Drive. A Big Westie Breakfast from Plant Barn café on Universal Drive, and a guilty cream donut from Kreme café next door.

Any last thoughts?

I'm proud of the community spirit and generosity during this time. You can see the true character of a people and place in times of crisis and chaos - #proudtobeawestie.



Hon Alfred Ngaro

National List MP based in Te Atatū



Parliament Office Parliament Buildings, Wellington • 04 817 9917

Te Atatū Office Level 1, 288 Te Atatu Road • 09 834 3676

@alfred.ngaro@parliament.govt.nz | alfredngaromp | alfredngaro.co.nz

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Member Profiles

We profile **New Members** of the Rosebank Business Association

The Avondale Returned Services Association

The Avondale Returned Services Association ("the club"), has been an integral part of the Avondale community since 1933 offering support and friendship to both returned service men and their families, as well as the people of the wider Avondale community.

After having been located for some 80 years in Layard Street it is now firmly settled in its new premises at 48 Rosebank Road.

Much has changed since 1933. Now in 2020, what the club was first formed for is becoming a distant memory for some. Very few returned men from World II are still alive and we are very proud of our 98 year-old veteran, Doug Reid who served in Casino.

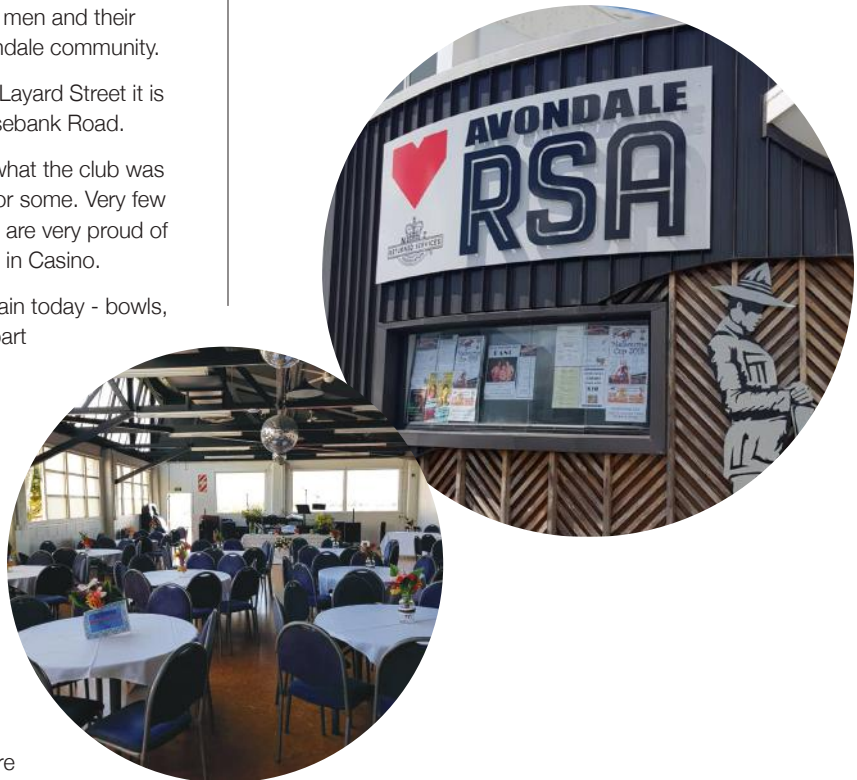
Sports sections that formed from 1937 still remain today - bowls, darts and pool being the most popular, taking part in tournaments against other clubs in the West Auckland area as well as nationals.

The future of the club is reliant on these activities but more importantly having a restaurant that offers quality food and, in this respect a new Chef, Billy Tauata, has recently taken over the kitchen and has an extensive menu.

The club has excellent facilities for functions - weddings, birthdays, anniversaries, funerals and any other occasions that people celebrate. With a great restaurant, bar, resident band and poker machines, all needs required are catered for. For younger families a Kids Korner has been constructed where the little ones can have their own space and area of entertainment.

Moving forward the club is planning its future and among other things considering changing its name, as other RSA's have already done, to bring it into 21st century environment. Whatever the name becomes, the Avondale RSA will still have its place in the club.

Recently the club joined the Rosebank Business Association and is looking forward to being involved with their members and associates.



Avondale RSA
48 Rosebank Road, Avondale, Auckland 1026
Phone: 09 828 5000
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Business Nuts & Bolts

Business to Business advice from **RBA Members**



Jason Ennor
MyHR

What you need to know about COVID-19 Alert Level 3

On Monday, 27 April at 11:59pm, New Zealand moves to COVID-19 Alert Level 3 and we will remain there for at least two weeks.

Under Alert Level 3, more businesses are able to reopen, so let's look at what you need to know about work life at level 3.

First and foremost, limiting interactions with others is the overarching principle of Alert Level 3. That means we all must keep in our household 'bubbles' when not at work, school, getting groceries, or exercising.

More businesses can open, so long as they comply with strict health & safety and social distancing requirements:

- People must work from home wherever possible.
- Workplaces must operate safely, maintaining physical distance between workers, recording who is working together,
 - limiting interaction between groups of workers, disinfecting surfaces, and maintaining high hygiene standards.
- Retail and hospitality businesses can only open for delivery and contactless, pre-ordered pick-up, but customers cannot enter stores, i.e. no face-to-face contact.
- Supermarkets, dairies, and petrol stations can continue to allow customers into stores, with the same measures and restrictions as Alert Level 4
- Businesses cannot offer services that involve face-to-face contact or sustained close contact, so no gyms, hairdressing, massage, house cleaning, or door-to-door salespeople.
- Other in-home services, e.g. tradespeople for repairs or installations, can operate if it is safe and a 2-metre separation is kept from those in the house.

- If you used personal protective equipment (PPE) in the workplace prior to COVID-19, then keep using it. Otherwise good hygiene measures like hand washing with soap and water, physical distancing, sneeze and cough etiquette, and wiping down surfaces is the best defence against COVID-19.

Contact tracing in the workplace

Lots of businesses have questions about contact tracing. The government has said recording who is working together will be necessary under Alert Level 3 (and beyond), but we haven't seen exact details of the level of contact tracing or how workplaces should do it.

We expect the government to develop more rigorous guidance about how businesses track their contacts, but for now, start by asking yourself these questions:

1. What is the purpose of contact tracing?

To be able to track contacts an employee has had, in the event that person gets the COVID-19 virus.

2. What sort of contacts does our business have?

For example, delivery people, other staff, patients, customers (at Alert Level 3, all customer interaction must be contactless, but this will change when we move to Alert Level 2).

3. How can I reliably track the contacts my staff have had so I could give a list to the government in the event of an infection?

The form this 'list' takes will be a bit different for each industry and business, e.g. anybody coming to and leaving a building site would be recorded, and that becomes the contact list. A coffee cart could ask customers to 'sign in' when they order coffees, providing their details for follow-up contacting (if required). For other companies, the list could simply be a shared spreadsheet or a word document of any employees, suppliers, and others that enter the premises.

If you need any assistance with planning and getting your business and your team back up and running, please don't hesitate to contact the MyHR team.

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0800 694 769
Stronger Together



Bret Gower
Smith & Partners Lawyers

Commercial Leases during COVID-19: a guide for landlords and tenants

At midnight on 25 March 2020, the New Zealand Government implemented an alert level 4 to deal with the COVID-19 (novel coronavirus) crisis and a state of emergency was declared the same day. All businesses deemed non-essential have been required to close, and as a result thousands of New Zealand business owners are effectively locked

out and no longer able to access their leased premises (“the lockout”). This means thousands of tenants have questions of their landlords about whether they are still liable to pay rent and outgoings during the period of the lockout.

Landlords too have many questions about whether tenants are excused from their obligations, and for how long? Is 100% of the rent no longer payable? What about outgoings? What if the businesses are still operating essential services from the premises but only partial access is allowed? What if the business is effectively closed but the tenant still has all its goods stored in the premises?

At Smith and Partners we have already fielded many landlord and tenant enquiries about these very questions and, as always, every situation is unique and requires case by case analysis and advice. However, we can make the following general observations that should be of assistance to landlords and tenants looking to understand their position.

Emergency access

Commercial leases are not standardised but many are commonly drafted on the Auckland District Law Society (“ADLS”) Deed of Lease precedent, the most recent precedent being the 6th edition, which provides at clause 27.5 that:

“If there is an emergency and the Tenant is unable to gain access to fully conduct the Tenant’s business from the premises... then a fair proportion of the rent and outgoings shall cease to be payable...”

The ADLS clause does not provide much clarity for landlords or tenants about determining apportionment or whether they need to give notice - and some landlords and tenants find “fair” is too subjective for their liking. Unfortunately - because of its drafting - this clause appears open to interpretation. However, we consider that in many cases, “a fair proportion” means if the tenant cannot access their premises to “fully conduct” their business then virtually no rent will be payable for the duration of the lockout.

There may be cases where tenants continue to gain benefits from their lease despite being locked out, for example if the tenant



business provides both essential and non-essential services they may continue to have some access - or if the premises is a storage facility that continues to store the tenant’s goods despite the tenant not having full access. There may be an argument that the tenant is not prevented from “fully” conducting its business and therefore that “a fair proportion” does not mean 100% of the rent is not payable - but it will be case and fact specific. Similarly, if the tenant’s business continues to run freezers or cool stores to maintain its goods over the lockdown period there may be an argument that a proportion of outgoings for electricity and insurance will continue to be payable.

We consider that some outgoings that relate to the interest in land granted under a lease (as opposed to the contractual obligation to pay rent), such as rates and insurance ought to still be payable by the tenant.

Force majeure and frustration

If the lease is not written using the standard ADLS precedent, or is an old edition that does not include the emergency access provisions set out above, the tenant may have recourse to force majeure or frustration protection.

These two legal concepts can apply to leases, but again the parties need to consider every case according to the facts - and what the contract actually records as the agreement of the parties.

If the lease includes a force majeure provision (the clause 27.5 emergency access provision discussed above could be seen as a form of force majeure) it will usually set out the effects of the force majeure event and how each of the landlord and tenant are required to act, to notify each other - and potentially to terminate the agreement. The reality in most cases is that force majeure, and the emergency access restrictions, effectively suspend the operation of the lease rather than end it.

If there is no emergency or force majeure provision then ultimately a tenant may claim the lease has been frustrated. Contractual frustration will mean the contract is terminated entirely but this legal doctrine has a very high threshold and the decisions that have flowed from the Christchurch earthquakes show that courts will not easily or quickly find that a lease has been frustrated.

Other considerations

On 27 March 2020 the Government announced a business continuity package allowing depreciation on commercial and industrial buildings from 2020/2021. As a commercial landlord you should discuss the implications of this with your accountant

to ensure you have the correct tax structures and valuations in place to ensure you get the maximum benefit available.

Lease cancellation provisions

Under the Property Law Act 2007, a commercial landlord can cancel a lease where a tenant fails to pay rent if the rent is unpaid for no less than 10 working days, and the landlord has served a notice of the breach that specifies a period of not less than 10 working days to remedy the breach, and the tenant does not remedy the breach by the end of the specified period.

The Government has announced that it intends to introduce a Bill to extend the above time-frames from 10 working days to 30 working days. This will give more time for commercial tenants to catch up with rent payments before the landlord can cancel the lease. If the tenant is not able to catch up, the tenant will have more time to approach the landlord about temporary changes to the rent or lease agreement to help the tenant get by until it can resume operating as usual. These temporary changes will be introduced once Parliament resumes and will apply to all notices issued from 10 days after the access restrictions came into force on 25 March 2020 - and will continue in force for 6 months from that date.

Post-lockout

Clearly the effect of access restrictions on tenants will not be welcomed by landlords who continue to have mortgage and other

financial commitments of their own. We cannot stress too heavily how important it is to remember that every case will be unique and that the parties need to keep the lines of communication open. Landlords should talk to their bank about whether they can help - if cash flow is an issue a mortgage holiday or interest-only arrangement might ease the stress.

Both tenants and landlords need to do everything possible to mitigate their losses including applying for government assistance where it is relevant. Insurance is unlikely to cover any losses under these circumstances with pandemics generally being excluded - but do check with your broker. Both parties need to take a long term view - one where being understanding of your tenant's or landlord's position during this difficult time will help keep good tenants in place when the restrictions are ultimately lifted and businesses can return to work.

We anticipate a high number of disputes will arise from the lockout - and having a commercial property lawyer on board (with their understanding of land law and the law of equity) will add value to your negotiations. If you require specific advice about your position with regards to your rights and obligations, please contact the commercial team at Smith and Partners for a frank and pragmatic view of your options - and remember, every case will be unique - get good advice early and do not assume anything. www.smithpartners.co.nz

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Warwick Russell
SMEric Insights

Businesses need to resist the temptation to stay hunkered down on defence during this crisis.

5 Ways to Stimulate Cash Flow in a Downturn

Businesses have now dealt with the urgent issues regarding Covid-19, such as staff safety and the security of their supply chains. The next critical step is to try to keep the cash flowing by managing near-term revenue and expenses after we come out of lockdown.

History has shown that businesses that successfully come through previous crises focused on near-term cash flow strategies that were both radically generous with customers and partners – and thoughtfully aggressive with near-term revenue and expenses management.

To achieve this balance, business leaders can take five complimentary actions:

1. Secure near-term sales by taking risks with warranties and return policies

Customers are nervously navigating a ton of uncertainty. Taking a risk with generous warranties and return policies both can reassure them and close sales.

Concentrate on fewer leads but contact them more and reassure them and build trust with customer references and reviews.

Acquiring new customers is important, but it is really crucial to hold onto your existing ones so strive to give them more value but avoid discounting.

2. Implement new revenue/pricing models

Businesses should test new revenue and pricing models with their “superconsumers”. Many of whom will jump at the chance to secure goods and services they know they will want and need at

a meaningful discount. This could be gift cards and subscriptions, rather than traditional transaction-based models. Consider extending payment terms for services.

“Superconsumers” have a shared interest in your survival.

3. Accelerate innovation

Launch near-ready innovations now. Customers will be grateful for new and improved products/services – even if all the kinks are not yet fixed. They will likely help you identify problems and fix them before a broader rollout.

4. Cut “sacred cow” marketing costs

There is pressure on to do more with less so it’s time to eliminate low yield tactics. Start by taking a swing at marketing costs that are suspected to not pay back but are too politically correct to cut during better times. These tend to be marketing costs and/or geared towards motivating distributors or channel partners more than clients.

It is still important to keep your name in the mind of consumers, but it may be better to focus more on direct marketing and online ads.

5. Engage in new kinds of customer acquisition

Proactively seek new customers. This is particularly relevant for companies that sell intellectual property like software, training and services that have low marginal costs. Free extended trials will often convert into paying customers six to 12 months down the line, e.g. Zoom and Loom.

Customer acquisition by M&A should also be considered. Companies with the means should be on the lookout for acquisitions that bring over new customers, cross-selling opportunities or new business models and categories. These acquisitions still need to be a strategic fit.

Businesses need to resist the temptation to stay hunkered down on defence during this crisis. Instead, go on the offense by using radical generosity and thoughtful aggressiveness as guiding principles. www.smetricinsights.com

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