



**Pacific Islands
Trade & Investment Commission NZ**

Updated PITIC NZ Business Plan 2006-2008

**Prepared by PITIC NZ,
December, 2006.**

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GLOSSARY OF ACRONYMS AND ABBREVIATIONS

ADB Asian Development Bank
AIS Auckland Institute of Studies at St Helens
ANZ Australian and New Zealand Governments
AUT Auckland University of Technology
CBD Central Business District
CMT Crisis Management Team
CO Communications Officer.
ECM Employee Centre Management
EU European Union
FAO Food & Agriculture Organisation
FEMM Forum Economic Ministers Meeting
FIAS Foreign Investment Advisory Service
FIC Forum Island Country
FICs Forum Island Countries
FTA Free Trade Agreement
FTOs Forum Trade Offices
FVB Fiji Visitors Bureau
GDP Gross Domestic Product
IPAs Investment Promotion Authorities
LDCs Least Developed Countries.
NGOs Non Government Organisations
NTOs National Tourism Organisations
NZ New Zealand
NZPBC New Zealand Pacific Business Council
OA Office Administrator
PATA Pacific Asia Travel Association
PBT Pacific Business Trust
PCF Pacific Cooperation Foundation
PEDF Pacific Enterprise Development Facility
PIs Pacific Islanders
PIC Pacific Island Country
PIFS Pacific Island Forum Secretariat
PITIC Pacific Islands Trade & Investment Commission
PSD Private Sector Development Strategy
R&D Research and Development
T&D Training & Development
SISs Small Island States

Foreword

In today's fast changing and dynamic world, the impacts of globalisation have affected NZ and the Pacific Islands. The Pacific Islands are facing political challenges as well as struggling to find their place in a globalising world. According to ADB, many of the Pacific Islands are experiencing socio-economic stagnation. GDP growth per capita is low, infrastructure needs urgent development, inflation and unemployment is high, strong growth of "brain drain" from the Pacific Islands to developed countries and urban migration is increasing to the main town centres. The above problems are predicted by ADB to continue in the near future which will worsen hardship for poor people in rural and town areas.

The private sector in the economies of the Pacific Islands is characterised with a large informal economy, dominated by widespread subsistence agriculture and fishing. Major exports by the private sector are indigenous root crops with some exports of specialised agricultural products. Commercial fishing is still at an embryonic stage, although there has been a growth of licensing, servicing and supplying of foreign fishing fleets within the respective Pacific Island's territorial waters. Tourism is also at an embryonic stage for the majority of the Pacific Islands, except Fiji, French Polynesia, New Caledonia and Cook Islands. Key issues faced by the private sector in the Pacific are that the local economies are small domestic markets where purchasing power is low with expensive transport and communication services. The utility services are costly or unreliable and the capital markets are under-developed. There are also few opportunities for the private sector to borrow money because the credit markets are dominated by few commercial banks.

To improve the above situation, governments through the Pacific Islands Forum Secretariat's (PIFS) PSD strategy are turning to harness the power of the private sector and thinking in innovative ways to counter the above challenges. The respective governments in the Pacific are also working towards creating an environment that minimises the cost of doing business in the Pacific, and that in turn encourages business dynamism, entrepreneurship and competitiveness. The PSD strategy stresses that for the Pacific Islands to survive it is imperative that future economic development strategies should focus on areas where FICs already possess, or can relatively successfully acquire, a competitive advantage.

Thus, the Forum Secretariat and respective governments of the FICs are committed in ensuring the PSD strategy is successfully implemented. All four overseas Forum Trade Offices (FTOs) have been delegated the responsibility of assisting the Forum Secretariat in implementing the PSD strategy. The FTOs short and long term plans are expected to strongly reflect and include the PSD strategy. PITIC NZ in the next three years will be guided by the PSD strategy to achieve its vision, mission and goals.

Executive Summary

PITIC NZ has prepared a strategic plan for 2006-2008 that strongly supports the PSD strategy. The plan's prime focus is private sector development mainly SMMEs, due to the fact that the private sectors are the "economic engines" of the Pacific Island economies. The plan assists the FIC private sector to become economically prepared to withstand international competitiveness and foster competitive advantage. This is the foundation that the PITIC NZ strategic plan has been developed. It has been written in close consultation with the endorsed Pacific Plan, PIFS Corporate Plan (2005-2007), PITIC 2004 Organisational Review Report, PITIC Australia's Strategic Plan (2006-2008) and PIFS PSD Strategy. In preparing the plan PITIC NZ has ensured that the plan achieves the key values of the commission and also recognises that the Pacific is a mix of people with diverse needs and that "one shoe does not fit all."

The key focus areas in the plan are trade, investment and tourism. These focus areas have been designed and based on three key strategies; strengthening and establishing strategic alliances, building and sustaining a culture of creativity & innovation, and promoting and empowering domestic entrepreneurship. These strategies have been tailored to achieve PITIC NZ's overall vision, mission and goals. Each focus area has its own background, goal, target groups, work programmes, supporting budgets and monitoring & evaluation mechanisms for the next three years. An essential component in each focus area is the establishment of key performance indicators to ensure that the plan's outcomes are monitored and measured. The plan also recognises that to be successful in the above mentioned key focus areas it must continuously profile PITIC NZ and its achievements as well as look after its staff and place them as top priority. PITIC NZ has developed an integrated communication's plan to raise its profile and services in the FICs and NZ in 2006-2008. The commission's human resource management will be focussed on training and development of staff, as well as creating the best environment to stimulate professional excellence, innovation and passion towards change.

The plan has been developed by the team at PITIC NZ in order that they have ownership of the document. PITIC NZ would like to acknowledge the valuable contributions of the existing staff in developing key sections of this plan. The plan is targeted and focussed, clearly identifying where PITIC NZ is now, where we are going, and how we plan to get there. This plan is also a living document that can be changed overtime and will be updated at least once a year. It is intended to be a practical manual and a road map to guide the staff at PITIC NZ. The success of this plan heavily depends on the co-operative and strategic efforts of PITIC NZ's staff and its key stakeholders. In this plan I am confident that it will provide clear directions for the next three years as well as assist the FICs move towards economic prosperity.

Yours sincerely,

Christopher Roy Cocker,
Trade Commissioner.

Section 1: PITIC Overview

The Pacific Islands Trade & Investment Commission (PITIC-NZ) is an agency of the Pacific Islands Forum Secretariat. The Forum Secretariat is a regional inter-governmental organisation based in Suva, Fiji, representing the interests of its member countries.

PITIC was established in 1988 to:

- Assist market and promote Pacific Island products in New Zealand.;
- encourage foreign direct investment in the Forum Island countries (FICs), and joint ventures between FICs and New Zealand investors;
- And promote FIC tourism in the NZ market.

The Trade Commissioner (TC) is the main spokesperson for PITIC and acts as the Forum representative in New Zealand. Key responsibilities of the TC involve human resource, financial and administration management as well as strategic management and planning. Reporting to the TC is a young vibrant and industrious team who are very passionate about the Pacific and eager to learn. The team has substantial autonomy in the conduct of their tasks and projects and is expected to manage all activities with minimal supervision from the TC. The team of four all have university qualifications in the field of business, tourism, administration and communications. Limited professional work experience in the field of investment and communications is a constraint.

PITIC offers a wide range of services to its members consisting of trade displays, market research, investment promotion, training attachments, publications, tourism promotion, country visits, financial support, credit checks and laboratory analysis and testing fund. The commission received an increase in its budget for 2006 and has also received the same contribution for 2007. PITIC is fully funded by NZAID.

PITIC Review.

Towards the end of 2004 a combined review was undertaken of the PITIC Offices in NZ and Australia. The review was undertaken by external consultants and was a timely event for both offices to review its activities, where to improve and prepare a way forward. The core message of the report is that both offices services and activities are appreciated and valued by the FICs. However, in order to survive in the future and best cater for the needs of its key stakeholders the commission must change. The report successfully reviewed the commissions' administration, management and relationship with external organisations. A Steering Committee was established to plan and monitor the implementation of the key recommendations of the review report. A matrix action plan was formulated as a result of the meeting and some of the key actions in this matrix have been addressed in this plan.

Section 2: THE WAY FORWARD (2006-2008)

Our Vision

To improve the incomes and quality of life of people in the Pacific region by building a strong, sustainable and competitive private sector.

Our Mission

To be the leading agent in the NZ market that promotes and develops trade, investment and tourism for the FIC private sector.

Our Goal:

To identify, promote and develop potential and viable business and investment opportunities in the Forum Island Countries targeting the NZ market.

Our Programme Goals:

Trade:

Creating opportunities for Forum Island exporters by providing practical exporting advice, market information and exposure in the NZ marketplace.

Investment:

To actively promote pacific investment information in NZ and liaise with potential NZ investors in a regular, timely and multi-directional way.

Tourism:

PITIC to further promote FIC SMME tourism products in the NZ tourism market to ensure that they benefit from NZ tourism.

Communication:

The commission and its services is better known and understood amongst the media and targeted audiences.

Our Values

As we strive to achieve our mission we will install within our team the following values:

- Strive for accountability, transparency and good governance to key stakeholders.
- To show respect for culture, gender equity and the environment.
- Adopt the highest level of professionalism and integrity.
- Adopt a proactive, innovative team approach to implementing strategies.
- Providing strong customer focus through open communication and flexibility.
- And to strive to add value for our key stakeholders.

Our Roles

PITIC will act as the facilitator, mediator, innovator and communicator for the FIC private sector seeking economic growth in the NZ market.

Our Key Stakeholders

Our key stakeholders will be the FIC public and private sector as well as the NZ Government.

Our Target Audiences

PITIC in all its tourism, trade, investment activities will focus on private sector development in the following specific target audiences:

Forum Island Countries:

- SMMEs
- LDCs and SISs.
- Grass roots level (women/ youth/farmers/Fishermen etc) involved in business.

In the NZ market the prime focus will be:

- Investment brokers
- NZ tourism trade
- NZ importers of Pacific products
- SMMEs
- NZ based PI businesses

Our Strategies

In the next three years the commission's strategies will be designed to be:

- Outcome based.
- Practical.
- Customer focussed.
- Cost efficient and effective.
- Sustainable.
- Empowering.
- Promote gender equality.
- And to "add value."

The three main strategies in this plan are shown below. They have been tailored to achieve the overall vision, mission and goals of PITIC. Also included in this plan is a communications, human resources as well as finance & administration strategy.

Strategy One: Strengthening & Establishing Strategic Alliances:

PITIC NZ will seek, nurture and establish cost effective strategic alliances with organisations within NZ and FICs in the areas of trade, investment and tourism.

The NZ market and FICs offer a wide range of public and private sector organisations that PITIC could nurture and establish win-win relationships. Currently, PITIC has a handful of strong key contacts in NZ and the FICs. The opportunity for PITIC to further increase the number of strategic alliances within NZ and the FICs still remain untapped.

The commission in the next three years is to focus on strengthening existing and building new strategic alliances, particularly within NZ. This involves networking, building relationships and establishing win-win partnerships. The key benefits of establishing strategic alliances for PITIC includes sponsorship opportunities, pooling of resources, saving of costs, unifying of efforts and complementing each other, rather than duplicating. Within NZ, the target will be to existing and potential partners from the corporate sector, public sector, tertiary institutions, Business Councils, corporate media and NZ based PI media. In the FICs, it will include the corporate sector, SMMEs, NGOs, Grass Roots Level Associations and FIC media. The programme activities proposed in the plan for trade, investment, tourism and communication offer excellent opportunities for strategic alliances. Resources required is a sufficient domestic and international travel budget as well as communications budget.

Strategy Two: Building & Sustaining a culture of Creativity & Innovation.

PITIC NZ to build and sustain a culture of creativity & innovation amongst the FIC private sector.

Creativity and Innovation is imperative if the FICs want to establish and maintain a competitive advantage in today's global economy. Creative thinking leads to innovation, in which new technology is applied to produce new products, new services or new business models. Creativity and innovation is the key to the creation of new wealth in our FIC economies. It drives employment growth, technological development, business rejuvenation and the FICs global competitiveness. To maintain this advantage requires continuous commitment and being proactive to innovation from everyone at PITIC as well as the FIC private sector.

NZ is one of the world leaders in terms of innovation and being entrepreneurial. NZ 's economic success today is due to its extraordinary efforts to create new businesses as well as the high level of innovation and growth amongst its existing businesses. Today, the majority of FIC private sectors tend to copy other products or hop into the same "band wagon." Such moves flood the market and cause all businesses to loose out. Thus, there is an urgent need for the FIC private sector to "think outside the box." There is not enough attention in the FICs to launch new products into new markets as well as not just focus on exporting more but also by increasing the value of their exports. The FIC private sector needs to seriously look at their existing products, processes and systems. They need to ask themselves how they could improve on these products, processes and systems as well as be proactive in seeking better ways of solving problems.

In view of the above trends, PITIC NZ in this plan will focus in encouraging and building a culture as well as a new generation of innovators and entrepreneurs in the FIC private sector. Possible focus industries in the FIC private sector can be the agriculture, marine, tourism or creative sectors that cover handicrafts, fashion, music, cosmetics, jewellery, dance and art. Key characteristics to successfully foster and build a culture of innovation, is that PITIC must have a visionary leader, creative and innovative staff, large training and research budgets as well as establish good communication and free flow of ideas with the private sector.

Strategy Three: Promoting and Empowering Domestic Entrepreneurship.

PITIC NZ to enhance and sustain local entrepreneurial skills and foster the growth of an entrepreneurial spirit and culture amongst the FIC youth, women and private sector (particularly SMMEs).

Entrepreneurship is the link between invention, innovation and success. It is the act of starting a new business, introducing a new product or service to the market, or introducing an innovation to the manufacturing, marketing or management process. NZ is a leading country in the world particularly in the enhancement and development of SMME entrepreneurship. The enhancement of NZ entrepreneurialism

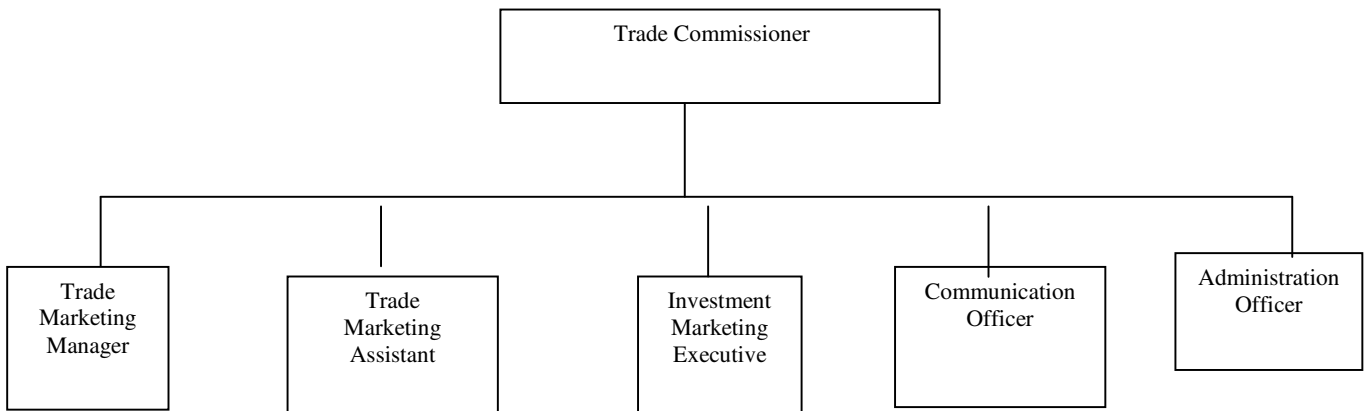
has been one of the key factors contributing to the economic boom in NZ in the past years.

PITIC can learn from the NZ entrepreneurial success stories and assist the FICs develop SMME entrepreneurship. Very little has been done to develop entrepreneurship skills amongst the SMMEs in the FICs. The majority of FIC private sectors do not realise that entrepreneurialism is very important for the growth of their economies. Many are not committed and do not fully recognise that their businesses must change and continue to change pro-actively in response to global market forces and market opportunities to survive globalisation. This three year plan sets out to empower, build and sustain amongst the FIC youth, women and private sector an entrepreneurial business culture. Key resources required will be commitment from the commission's staff, a strong R&D and T&D budget for the PITIC staff and FICs.

Our New Structure

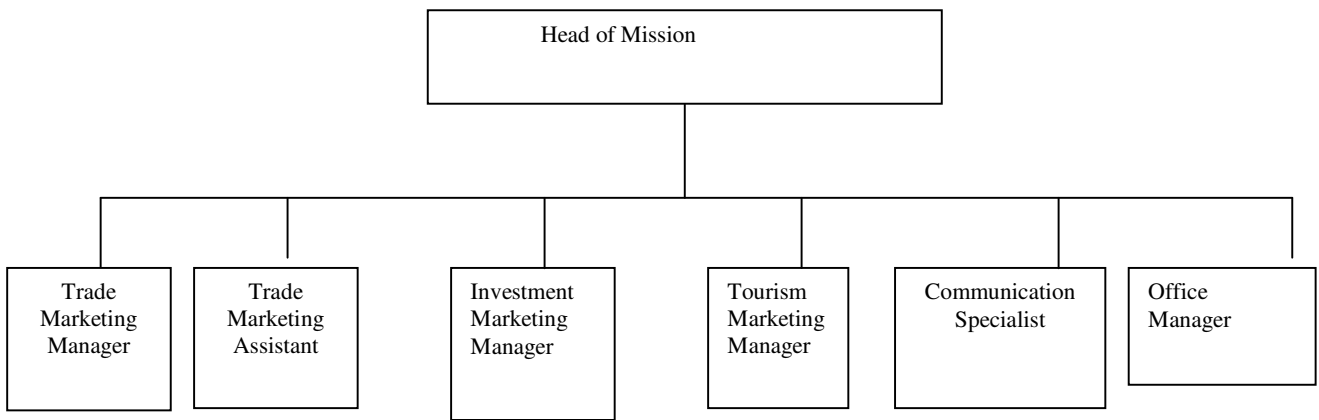
PITIC has gone ahead of the matrix action plan and restructured its generalists marketing positions to specialised roles (as of the 1st of January, 2005). The existing staff at PITIC have qualifications, strong backgrounds in trade and tourism as well as show strong potential for development. In view of the above and to ensure a smooth transition in terms of restructuring, the following new structure shown below will be adopted. The Trade Commissioner will be responsible for the tourism portfolio and will be assisted by the Administration Officer.

New Structure (2006-2008)



PITIC considers 2006-2008 as a transitional period and envisions another proposed structure to be adopted around 2009 onwards. The ultimate objective of the proposed structure shown below is to fill the specialist positions with experienced and professional staff.

Post 2009 Structure



Section 3: TRADE

The Pacific has a well established and growing trading relationship with New Zealand and vice versa. In the last ten years there has been an increase in the average PFIC exports to NZ growing from NZ\$110 million per annum (for the 5-year period 1996 – 2000) to NZ\$140 million per annum (for the 5-year period 2001-2005) and with NZ’s close proximity to the region and a growing Asian and Pacific Island population base it will continue to be an important export market for the Pacific Islands.

With larger organisations such as the Secretariat of the Pacific Community tasked with the Regional Trade Facilitation Programme, and the Pacific Islands Forum Secretariat focussing on International Trade Relations & Infrastructure Development, PITIC’s approach to trade development will be concentrated on Trade Promotion so as to complement rather than duplicate the work already being undertaken in the region. This will also ensure best of use of limited financial and human resources available so as to maximise returns.

PITIC NZ Trade Goal

“Creating opportunities for Forum Island exporters by providing practical exporting advice, market information and exposure in the NZ marketplace.”

The Pacific Islands in spite of their commonality of being developing countries have diverse economic characteristics and each with different trade priorities and issues. This highlights the importance of maintaining some degree of flexibility rather than taking a “one size fits all” approach to Trade Promotion.

With this in mind, three Assistance Programmes were developed to ensure that PITIC could add value to all businesses in the Pacific regardless of what stage of the business cycle they were at:

1.0 Information Support Network

Market Information is important at all stages of the business life cycle and is crucial when considering entry into new markets. The aim of this programme is to provide relevant up to date information to assist with decision making in the area of market entry into NZ, as well as to facilitate idea generation and product innovation in the region.

2.0 Marketing & Promotions

Marketing is an important component to successful market entry. The aim of this programme is to provide assistance to facilitate the participation of Pacific businesses in export marketing and export

development activities. Activities include: trade shows, market research, market/product testing and product development for the NZ marketplace.

3.0 Strategic Partnering & Relationship Building

Building strong partnerships/relationships is a key strategy of this Business Plan, the implementation strategy of the Pacific Plan and also features strongly in the FEMM 2006 Action Plan. This highlights the importance placed on relationship building by our Pacific Leaders and is reflected in the Trade portfolio through the development of a dedicated programme to focus on this at a micro-level.

PITIC NZ Trade Success Measure

“Forum Island Countries will acknowledge and value the significant contribution that PITIC NZ makes in their trade endeavours”

The overall success of the Trade Annual Work Programme will be reflected in our ability to add value to the endeavours of the Pacific Islands to establish markets for their products/services in New Zealand through the three programmes that we have developed.

Budget & Activities 2006

| Activity | Objectives | 2006 NZ\$ | Performance Indicators (per annum) |
|---|--|------------------|---|
| Information Support Network <ul style="list-style-type: none"> • Handling Trade Enquires • Dissemination of Market Information | Providing up to date market information to the Pacific to assist with trade development initiatives geared towards NZ as an Export Market. | 15,000 | <ul style="list-style-type: none"> • 250 Enquiries handled per annum. • 100 subscriptions per trade publication. • At least 2 FIC companies use PITIC market data to formulate export market strategies. |
| Export Business Development in the Pacific <ul style="list-style-type: none"> • Capacity Building • Capability Building | Working to build capacity and export capabilities with a particular focus on targeting women and youth | 15,000 | <ul style="list-style-type: none"> • At least 2 FIC companies/participants use the expertise and knowledge obtained and applies to practical situations. • At least 50% of the participants attending consist of women and youth. |
| Marketing | Facilitate market | 20,000 | <ul style="list-style-type: none"> • At least 5 business contacts per |

| | | | |
|--|--|---------------|---|
| Support Fund <ul style="list-style-type: none"> • Market Research • Market Strategy • Product Promotion | entry of export potential products from the Pacific | | project established from the participating FICs. <ul style="list-style-type: none"> • Generate potential trade of 100% return for FIC participants. |
| PacNZ Industry Partnerships: <ul style="list-style-type: none"> • Industry specific Export Training Programmes • Focus Networks | Encouraging a collaborative approach to trade by developing and fostering linkages between the Pacific's private sector and the NZ private sector. | 15,000 | <ul style="list-style-type: none"> • Establish at least 2 sustainable co-operation networks between industry organisations in the Pacific and NZ. • Generate at least 15 members per network. |
| Special Projects | Facilitates special one-off short term project requests which have merit but may fall outside the scope of set trade programmes. Funding for PITIC's contribution to the Pacific Trade Expo in Yr 2006 & 2008 | 10,000 | <ul style="list-style-type: none"> • Generate potential trade of 100% return for FIC participants. • Sell 60% of the allocated booths to Pacific Island based companies. |
| TOTAL | | 75,000 | |

Monitoring & Evaluation

The following can be used to monitor and evaluate the above activities:

- PIFS reporting system.
- Participation reports
- Participant feedback questionnaire.
- Statistics from website hits.
- Publications.
- Database contacts.
- Membership Benefits

Proposed Budget & Activities 2007-2008

| Activity | Objective | Budget | | Key Performance Indicators | Outcome | Measure |
|--|---|--------|--------|--|---|---|
| | | 2007 | 2008 | | | |
| Information Support Network | Providing market information to the Pacific to assist with export development and nurture innovation. | 10,000 | 10,000 | <p>Quality of Information</p> <p>Audience Reach</p> <p>PITIC recognized as a key source for market information on NZ</p> | <p>Information is accurate, up to date and relevant.</p> <p>Information reaches out to a minimum of 85% of the trade database.</p> <p>Minimum of 100 requests for market information received per quarter</p> | <p>6 month survey to subscribers.</p> <p>Types Analysis of Trade Contacts Database</p> <p>Enquiries Database</p> |
| Marketing & Promotions | Promotion and development of pacific products/services for the NZ market place | 40,000 | 40,000 | <p>Facilitate product development for the NZ marketplace.</p> <p>Awareness of pacific products in the NZ marketplace</p> <p>Facilitate prospecting opportunities</p> | <p>Minimum of one pacific product developed to NZ marketplace standards.</p> <p>Profile of pacific products/services at tradeshows filters out to 20% of the targeted audience.</p> <p>A minimum of 5% genuine interest in pacific products/services is generated through trade marketing activities.</p> | <p>Signed product development agreement</p> <p>Post analysis of actual visitors/audience reach and media fro each project</p> <p>Enquiries Database</p> |
| Strategic Partnering & Relationship Building | Building and strengthening linkages between NZ and the Pacific | 15,000 | 15,000 | <p>Facilitate partnerships with other industry organisations</p> <p>Maintaining professional visibility</p> <p>Maintaining and strengthening existing networks</p> | <p>A minimum of two MOU/Partnership Agreement/Network is developed.</p> <p>A minimum of 50 referrals & new contacts</p> <p>Response time to assist requests/enquiries is within 2 working</p> | <p>Signed Partnership Agreement/MOU</p> <p>Enquiries & Contacts Register</p> <p>Enquiries database.</p> |

| | | | | | | |
|--------------|--|---------------|---------------|--|-------|--|
| | | | | | days. | |
| TOTAL | | 65,000 | 65,000 | | | |

**** (Internal Notes accompanying the Trade Strategic Plan)**

Notes:

- a) Removal of the Special Projects Programme – this particular programme was designed to cater for one-off events that may arise from year to year. Given the variance of this particular programme, this programme now falls under the Trade Commissioner’s (TC) responsibility, as the decision-making for this programme lies with the TC and will involve all divisions contributing to as a team in planning and implementation.
- b) Removal of the Training component – whilst there is a strong need for capacity building in the Pacific, unfortunately PITIC does not have the budget requirements to facilitate effective training regimes in the region. In addition to budget constraints it is felt that this component is currently being well serviced by larger agencies such as PIFS, SPC, FAO etc.

SECTION 4: INVESTMENT

Investment in the Pacific Region

PIFS recognises the important role that investment plays in sustainable economic development at both the national and regional levels, through its inclusion in the Pacific Plan. Healthy public-private sector partnerships, transparency and good governance at all levels of government, efficient processing of investment enquiries and applications, attractive investment policies, regional security, protection of intellectual property rights as well as the close monitoring of regional and multilateral trade developments are important to investment promotion and facilitation.

NZ invests heavily in its neighbors, such as Australia in 2006 the total NZ investment amounted to NZ\$9,346m. With the FICs, the potential to invest is also high. The scale of NZ investment opportunities in the Pacific region is wide ranging from large infrastructure projects to small craft businesses. Traditionally investment from NZ has revolved around manufacturing and the remittance process from Pacific Island Nationals now living in NZ. In 2006, NZ directly invested NZ\$32m in Fiji, with further nominal direct investments to Cook Islands, Papua New Guinea, Solomon Islands, Tonga and Vanuatu. These investment figures are a result of the following factors, as reiterated in the World Bank's Pacific Regional Strategy FY2006-2008: political instability, remoteness, land tenure issues, aid dependence, susceptibility to and frequency of natural disasters, reliance on natural resources, dominant public sector, undiversified exports, and rapid population growth. These factors influence investment levels in the Pacific Islands as doing business there compared with other regions has stronger disincentives for a number of potential NZ investors. The companies that do invest from NZ into the Pacific are mainly companies that are already trading in the region or have strong links with the Pacific.

PITIC & Investment

PITIC Investment has evolved from being specifically mentioned in the renaming of the office in 2002 (from South Pacific Trade Commission to the Pacific Islands Trade & Investment Commission) and activities undertaken mainly by the Trade Commissioner with promotional activities conducted by staff; through to a re-structure of the office in 2005 creating a stand alone Investment Portfolio. In 2006 an independent review of the Investment Portfolio by Deloitte has led to a more targeted approach to focus on investment promotion rather than facilitation as it is more likely to produce results within the current resourcing.

In the next three years, PITIC Investment will concentrate on investment promotion that leads to economic development in the private sector, driven by our overall vision to build “a strong, sustainable and competitive private sector”. Incorporating this into our three main strategies of Strategic Alliances, Creativity and Innovation, and Entrepreneurship, the review focuses on two output areas: relationship building and investment promotion. Through adapting the previous investment work programme it is envisaged that the focus on these two outputs will encourage investment in the Pacific Islands in the long term. This will be accomplished by building relationships with regional organisations (ie FIAS, SPTO, IFC), NZ organisations (ie Business Councils, Industry Associations) and appropriate investment industries. Along with creating opportunities for Pacific and NZ based Investment Promotion Authorities (IPAs) to promote Pacific investment projects and incentives, network with NZ traders with the Pacific, and connect with expatriate Pacific nationals.

PITIC Investment Goal

To actively promote Pacific investment information in NZ and liaise with potential NZ investors in a regular, timely and multi-directional way.

Investment Target Groups

The target audience in the review revolves around three main areas: NZ companies exporting to FICs; NZ companies importing from FICs; and Expatriate FIC nationals.

The Investment Strategy will extend that to include in the Forum Island Countries (FICs) all 16 IPAs in the region, FIC project developers who are seeking investment, and on a secondary level FIC Departments/Ministries of Trade, Commerce and Industry, and National Tourism Offices.

The target audience in NZ includes all potential investors: developers, intermediaries, past investors, traders, and Pacific Islanders based in NZ. PITIC will also work in partnership with PIFS, other FTOs, Government (ie NZTE, NZ Aid), non-government regional organisations and business groups (ie Chambers of Commerce, Economic Development Units, Business Councils, industry Associations) that have potential interest and existing dealings with the Pacific.

Budget and Activities 2006

| Activity | Objectives | 2006 NZD\$ | Performance Indicators (per annum) |
|--|---|------------|---|
| Private Sector Marketing (PSM) Fund – Investment. Maximum per project is NZ\$2,000. | Financially assist potential NZ investors and FIC companies towards realizing a potential investment/investor: - Market research/ feasibility studies - Exploration visits - Exhibit participation | 12,000 | - Approve six FIC or NZ companies PSM applications per annum that will enhance an investment project. |
| Promotional Activities (NZ wide networking) | To actively promote FDI into the Pacific. To build relationships | 20,000 | - Generate at least one potential FDI project as a result of each networking event. |

| | | | |
|---|---|-------|---|
| events, seminars or road shows). | with potential NZ investors. Source strategic partner/s to contribute towards expenses. | | - Secure sponsorship for at least 25% of the total costs of each PITIC event. |
| Pacific based workshops. Coordination will be in consultation with PIFS, FIAS, PEDF and other regional offices. | Conduct programmes to up-skill FICs aimed at improving and expanding their knowledge base on: - how to attract NZ investors - looking after investors - providing post-investment care. | 8,000 | - At least 2 FICs has improved their investment processes as a result of the workshops. - Secure at least two other sponsors or partners for the workshop. |
| Market Research | Research into how NZ investors are investing, identification of new investment areas, and how FICs can attract them better. | 7,000 | - Number of printed/electronic copies requested. - At least two FICs have benefited from the market research information supplied and as a result will stage an investment promotional event in NZ. - As a result of the market research information at least one FIC instigates further research into new areas of innovation highlighted by the research. |
| Relationship Building | Providing day to day tools to disseminate investment information. | 4,350 | - Generate more than 30 investment queries per year. - As a result of research and magazine subscriptions, six articles on investment trends, innovation will be produced for the PITIC newsletters per annum. - Generate a 5% |

| | | | |
|--------------|--|-----------------|---|
| | | | growth on website hits and visits per year. |
| TOTAL | | \$51,350 | |

Monitoring & Evaluation for 2006:

The above activities will be monitored as follows:

- PIFS reporting system.
- Participation reports.
- Feedback questionnaires.
- Website Report.
- Dun & Bradstreet Report.
- Membership benefits offered by organisations PITIC is a member.
- Market Research Reports.

Proposed Budget and Activities 2007-2008

| Activity | Objectives | 2007 NZ\$ | 2008 NZ\$ | Key Performance Indicators | Outcomes | Measures |
|-------------------------------------|--|--------------|--------------|---|---|--|
| Investment Promotion | To promote NZ sourced FDI into FICs, disseminate investment information: to FIC IPAs; to NZ contacts. | 22,000 | 22,000 | <ul style="list-style-type: none"> - Promote investment opportunities using PITIC communication tools. - Regular update of investment pages on website each month. - Create networking events to promote investment in the FICs. | <ul style="list-style-type: none"> - At least one lead is developed from articles in newsletter/website. - Attract a minimum of 70 visits to the investment pages on our website each month. - Minimum of 2 leads per event that could result in investment. | <ul style="list-style-type: none"> - Monthly report. - Statistical reporting from our website. - Project report and financial reports |
| Relationship Building | Develop linkages with FIC IPAs and other valuable FIC information sources, develop linkages with NZ companies and individuals exporting to/importing from or have other ties with the Pacific. | 10,350 | 10,350 | <ul style="list-style-type: none"> - Profile the office in the Pacific by creating online relationships with FIC IPAs by providing relevant information to them on the NZ market. - Attend other networking events that expose office to potential NZ investors. - A database updated weekly that can be utilized to profile investment opportunities. | <ul style="list-style-type: none"> - Generate a minimum of 10 enquiries from FIC IPAs. - Generate a minimum of 20 NZ based investment queries per year and a minimum of 2 Strategic Alliances made by year end. - Increase the investment database by 20% by year end. | <ul style="list-style-type: none"> - Monthly reports (for all outputs). |
| Market Research & Development | Research NZ profiles of NZ investment market and develop how FICs can attract them better. | 9,000 | 9,000 | <ul style="list-style-type: none"> - Assist FIC IPAs to develop their information dissemination skills. - Assist potential NZ investors to | <ul style="list-style-type: none"> - A minimum of 3 FIC IPAs developed their websites. - All FICs were represented in the | <ul style="list-style-type: none"> - IPAs project reports completed. - Feedback questionnaire |

| | | | | | | |
|-------|--|----------|----------|--|---|--|
| | | | | <p>easily source FIC investment information using the Investment Business Toolkit.</p> <ul style="list-style-type: none"> - Market research to investigate potential PI expats for the RTR mission. | <p>tool kit by June.</p> <ul style="list-style-type: none"> - A minimum of 5 potential PI expats identified to attend RTR mission by June. | <p>to users.</p> <ul style="list-style-type: none"> - Project report. |
| TOTAL | | \$41,350 | \$41,350 | | - | |

Notes:

- The previous Private Sector Marketing (PSM) Fund budget has been merged into Investment Promotion as under the review offers little value for both the recipient and PITIC due to the small amount of available funds. By reallocating the funds under promotion, it can still be directed to those who were utilising the PSM fund, but more value added outputs can be achieved for activities.
- Pacific Based Workshops budget has been absorbed into both Relationship Building and Market Research & Development. The review recognized that although this activity was admirable it was outside the mandate of PITIC.
- Increasing the budget of Relationship Building will allow for more activities nurturing partnerships.
- Increasing the budget of Market Research & Development allows for the incorporation of development within this activity and a more adequate level of funds for research.

Section 5: TOURISM

Pacific Islands Tourism Overview

Tourism in the Pacific offers great potential for the FICs in terms of tourist arrivals and investment. The South Pacific Tourism Organisation (SPTO) reports that approximately 1.22 million tourists arrived in 2005 to the 12 SPTO member countries. The above total figure represents only 0.15 percent of world arrivals and 2005 visitor arrivals to the South Pacific region has increased from 1.17 m in 2004 and 1.08 m in 2003. The growth was driven by increased airline competition & capacity, changing consumer preferences and stronger marketing efforts. In a recent SPTO report, total tourist spend in SPTO member nations was estimated to be \$US 1,522 million in 2004.

SPTO statistics reveal that total tourist arrivals into the Pacific in the past five years (2001-2005) have been unevenly distributed. About 76% of the total tourist arrivals in 2005 visited Fiji, Tahiti, New Caledonia and the Cook Islands. The remaining 24% were shared amongst the other Pacific Islands. NZ ranked the second largest tourist generating market into the Pacific (19.3%) with Australia leading in 2005 (26.9%). New Zealand visitor arrivals to the Pacific Islands have grown over the last five years (2001-2005), from 149,987 visitors in 2001 to 236,405 visitors in 2005.

Overall the tourism sector in the Pacific Islands has been a robust sector with 3 – 4 percent growth over last 20 years with peaks and troughs. Major investments are currently taking place in Fiji and Samoa with smaller investments in Cooks and Vanuatu. The majority of current tourist businesses in the FICs are locally owned and predominantly SMMEs. The future of tourism in the region is promising. The UNWTO is forecasting a growth of 4-5 percent for 2006 (please refer to <http://www.unwto.org/facts/menu.html>)

PITIC & Tourism

One of the core mandates of PITIC NZ is tourism and very little has been undertaken by the commission in the past decade, due to budgetary constraints. Unfortunately, SPTO and SPANTO have also undertaken minimal activities in the NZ and Australian markets due to donor funding priorities and constraints. In the next three years, PITIC plans to exploit and tap into the opportunities NZ tourism offers. To achieve the above plan, PITIC has designed the tourism strategy shown below.

Tourism Strategy

The PITIC tourism strategy will strive to achieve the key overall goals of PITIC. The strategy will primarily focus on sustainable tourism promotion and development for SMMEs based in the FICs. PITIC will identify at least three SMMEs in the beginning of the planning period and focus on their sustainable promotion and development in the next three years.

The commission will be working closely with the following organisations to carry out the tourism strategy, NZAID, SPTO, SPANTO, FIC National Tourism Organisations and NZ Tourism trade

promoting the FICs. PITIC will be cautious that it will not duplicate the efforts of the above mentioned organisations and will closely collaborate with these organisations to maximise any joint opportunities. To implement the strategy a sufficient tourism budget is required to provide outcomes.

Goal

PITIC to further promote FIC SMME tourism products in the NZ tourism market to ensure that they benefit from NZ tourism.

Justification

Only the “Big Players- Multinationals” in the Pacific are mainly benefiting from NZ tourism. The SMMEs are benefiting to a lesser extent from NZ Tourism. There is an urgent need for PITIC and appropriate organisations to be proactive in assisting the SMMEs to benefit more from NZ Tourism.

Target Groups:

The target audience of the tourism strategy in the FICs will be the tourism SMMEs. Major challenges the above target audience faces are insufficient marketing skills, limited access to training, information and sustainable programs as well as lack of recognisable brands.

Budget and Activities 2006

| Tourism Activity | Objectives | Budget NZ\$ | Performance Indicators (per annum) |
|-------------------------------------|--|--------------------|--|
| | | 2006 | |
| Joint Promotional Marketing Scheme | Marketing support fund targeted at the NZ tourism trade to assist the promotion of FIC SMMEs in the NZ market. | 10,000 | Establish and secure at least one tourism trade partner(s) based in NZ to package and promote FIC SMMEs. |
| Tourism Grassroots Development Fund | In-country capacity and capability building for tourism business ventures operated by youth or women. | 15,000 | At least one new marketing initiative or new product is developed by the youth or women tourism operated businesses. |

| | | | |
|------------------------------|--|---------------|--|
| | | | |
| Market Research. | To provide market research information for the FIC Tourism operators to assist their promotion in the NZ market. Joint partners will be sought for this activity. | 10,000 | At least 50 % of the cost of the market research is funded by other partners. |
| Private Sector Support Fund | Support funds focused in encouraging innovation and creativity amongst FIC SMMEs in the next three years. | 13,000 | Sales or bookings per annum for each SMME funded under the programme increases by 10% as a result of the support. |
| Other miscellaneous expenses | To cover other expenses such as website development, membership subscriptions and maintenance of tourism database. | 5,000 | Number of website visits for tourism section on PITIC website increases by 5% pa. Value of membership benefits compared to membership subscriptions per year. |
| TOTAL | | 53,000 | |

Monitoring & Evaluation

The following can be used to monitor and evaluate the above activities:

- Participation report
- PIFS reporting system.
- Participant feedback questionnaire.
- Statistics from website hits.
- Publications.
- Database contacts.
- Membership benefits.

Proposed Budget & Activities 2007-2008

| Activity | Objective | NZ \$ | | Key Performance Indicators | Outcome | Measures |
|---------------------------------------|--|--------|--------|--|---|--|
| | | 2007 | 2008 | | | |
| Joint Promotional Marketing Scheme | Support fund for the promotion and marketing development of SMME tourism products in the NZ market place | 20,000 | 20,000 | <p>Facilitate market development of a SMME tourism business for the NZ marketplace.</p> <p>Increase awareness and profile of SMME products in NZ.</p> <p>Facilitate partnerships with other tourism businesses/organizations</p> | <p>Increase in sales/bookings by 2-6% based on 2006 results for SMME tourism businesses in the Pacific.</p> <p>Awareness level of SMME tourism products increase by 2-6% (based on 2006 results) in NZ.</p> <p>A minimum of two partnerships established.</p> | <p>Sales and booking reports provided by joint partner(s).</p> <p>Number of enquiries/bookings records of joint partner (s).</p> <p>Signed agreement(s).</p> |
| Tourism Grass Roots Development fund. | Facilitate product promotion development/ innovative designs and distribution networks for grass roots businesses involved in tourism. | 13,000 | 13,000 | <p>Facilitate tourism product promotion development and entry into the NZ marketplace.</p> <p>Encourage and promote innovation and creativity with FIC tourism products and services.</p> <p>Facilitate and</p> | <p>Minimum of one tourism grass root group in a FIC country has been trained on product promotion, development and entry of their product into the NZ market place.</p> <p>A minimum of one new innovative product/service is introduced into the NZ marketplace.</p> <p>Establish an</p> | <p>Country Visit Report.</p> <p>Registered new product/service in FICs.</p> <p>Signed</p> |

| | | | | | | |
|-----------------|---|---------------|---------------|--|---|---|
| | | | | negotiate a distribution outlet in NZ for the product(s). | agreement with a retail outlet for FIC product(s). | agreement with retail outlet. |
| Market Research | To provide up to date market research information for the FIC tourism businesses. | 10,000 | 10,000 | Facilitate and encourage research of the market to be undertaken prior to entering into a particular market. Facilitate identification of new market opportunities for the FIC SMMEs. Establish valuable partnerships to undertake the research. | At least one tourism SMME is using the market research information to develop marketing strategies. At least one new market opportunity in NZ has been identified and developed for the FIC SMMEs. At least one partner is identified to partake in the research or co-fund the research. | Marketing Plan formulated. . Promotional tools. Signed Agreement. |
| TOTAL | | 43,000 | 43,000 | | | |

Section 6: COMMUNICATIONS

PITIC & Communications:

The commission in the past has managed to profile the office and its services through its website, newsletters and events. Although these activities were carried out in an adhoc fashion, PITIC NZ had enjoyed a strong relationship with businesses and organizations both in New Zealand and the Pacific. The implementation of a strategic communications plan aimed at developing strategic relationships will strengthen the commission's profile within New Zealand.

PITIC is still in a transitional phase and will continue to work towards consistent communications messages. Part of the aim for communications in 2007 will be to unify the office brand and ensure there is a consistency in imagery and presentation to the target audiences. A communications survey carried out in 2005 on the database showed that participants were generally very positive of PITIC activities and could easily identify the PITIC logo. However there were suggestions that PITIC could do more to promote its services to its target audiences and increase its profile in areas such as tourism. This has somewhat been addressed and will continue to be a focus over the next two years.

Communications Strategy

The role of communications has been recognized by the Forum as being important for the dissemination of information about the Forum, its offices, its roles and associated activities. PITIC's communication strategy for the next three years is in line with the Forum and will provide the framework for developing, implementing and controlling the commission's integrated communications programs and activities. The communication strategy will supply consistent messages and imagery from PITIC in trade, investment and tourism to its primary and secondary target audiences.

Communication Goal (2006-2008)

The commission and its services is better known and understood amongst the media and targeted audiences.

Year One: Creating & Partnership

Creating and establishing PITIC's profile in the primary markets and establishing win-win alliances with the media.

Year Two: Strengthening the PITIC brand

Maintaining PITIC's profile in the primary markets as well as broadening to the secondary market using major events staged by PITIC

Year Three: Maintaining the Pressure

Seeking & creating innovative media opportunities to maintain and strengthen PITIC's profile in both markets.

Justification:

There remains a great need to increase the profile of PITIC in New Zealand and FICs.

The implementation of the communications strategy will be the responsibility of the Communications Officer. The prime role of the Communication Officer is to implement the communications strategy and play a supporting role to the trade, investment and tourism portfolios. Close collaboration in planning and implementing the communication plan with strategic partners such as PITIC staff, the media, PIFS and other Forum Trade Offices is pertinent.

Target groups

Primary Market- NZ:

- Corporate media.
- Mainstream media.
- Media targeting the NZ PI population.
- FIC representatives in NZ.
- NZ importers and exporters to the FICs.
- NZ SMME business sector.
- NZ government.

Secondary Market-FICs:

- SMMEs.
- Grass root communities.
- Media (print, audio-visual, and electronic)
- NGOs
- Pacific Island governments.
- Intergovernmental agencies such as, SPTO, FAO, SPC etc.

Communication Tools

The unit will be focusing its communications efforts using the following communication tools:

Market Research: To approach and research the database in 2007 to gather any changes in the FICs and NZ.

Public Relations: the conducting of public relation activities is a team effort which will be coordinated and managed by the Communications Officer. An important part of the Communications role will be to promote PITIC services through the use of links with publications and paid and unpaid advertising for companies based in NZ and the Pacific Islands.

Website Marketing:

The website is increasingly becoming an important source of information for the public. The PITIC website is an add-on to the media tools of the commission to increase the profile of PITIC to the global audience. A vision for the PITIC website is that it will become the premier source of important information in the NZ market on trade, investment and tourism for the FICs. The critical part of the website is not only for credibility as a regional organisation but more as an accessible educational tool promoting the commission, its services and strengthening PITIC's brand. Intended target audiences includes journalists, partner organisations, existing/potential donors, regional NGOs, tertiary institutions, government departments and the public at large who have access to the internet.

To target and capture this cyber-target audience, PITIC will ensure that the website is easy to access, has interesting content, updated at least every two weeks and its design is attractive to attract more users. There is scope for PITIC to fully exploit the website in its communication activities but this will depend on financial resources and recruitment of a person to be fully responsible for the website. To achieve the goal of increasing the usage of the website further training will be need to be undertaken by staff directly responsible for updating the website.

Media:

PITIC will use the media as one of the prime means to increase its profile amongst targeted audiences. The use of the media is important in distributing PITIC messages of its activities and services both in paid advertising and free publicity generated through media releases. As PITIC is a not-for-profit agency, it is important that messages from PITIC are consistent and aligned to its vision to assist the Pacific.

Budget and Activities 2006

| Activities | Objectives | Budget NZ\$ | Performance Indicators (per annum) |
|-------------------------------|---|----------------|---|
| | | 2006 | |
| PITIC Newsletter | To produce monthly full color editions of the PITIC newsletter for PITIC clients who do not have internet access. | 21,000 | Production of 12 monthly newsletters per annum. |
| Joint Publications | To produce a joint partnership with a regional magazine to produce regular updates for the FIC target market on key regional issues related to trade, investment and tourism. | 3,000 | Increase by 25% per annum the awareness level of PITIC within the FIC private sector as well as 10% increase in the recipient list. |
| Promotions /Advertising | To further promote and advertise PITIC and its services to the key target markets using print or radio channels. | 15,000 | To promote at least 4 key events of PITIC per annum to the key target markets. |
| Website Development | To improve, keep an interactive and up to date website for PITIC's internet users. | 7,000 | Increase the number of website hits/visits by 10% per annum. Increase the number of referrals to linked sites by 10 % per annum. |
| Public Relations | Promotional visits within NZ to further promote PITIC and its services | 2,000 | PR visits to at least 6 organisations/companies per annum. |
| Media Database Development | To establish and maintain an up to date media database | 2,000 | Increase PITIC's media database by 5 % every year. |
| Miscellaneous expenses | Membership of PIMA, PINA, PRINA and attendance at annual PR/PINA conference. | 6,000 | Membership benefits and attendance report from media conferences. |
| TOTAL | | 53,000 | |

Monitoring & Evaluation:

The above activities will be monitored and evaluated by the following means:

- PIFS reporting system.
- Web report.
- Published articles generated.
- Media exposure (number of print media articles, radio and TV exposure)
- Bi-annual stakeholder survey.
- Market research report.

Proposed Budget and Activities 2007-2008

| Activities | Objectives | Budget (NZ \$) | | | KPIs | Outcome | Measures |
|---|---|----------------|--------|--------|---|--|--|
| | | 2007 | 2008 | 2009 | | | |
| Information Support network: Newsletters/Web sites | To effectively use existing promotional tools to profile PITIC and its services to the target audiences . | 20,000 | 20,000 | 20,000 | <p>Increased promotion of PITIC NZ and its services to targeted audiences.</p> <p>Information checked on webpages & any updates made at least fortnightly,</p> <p>Tracked marketing campaigns using joint web links</p> | <p>A minimum of 2 business leads or enquiries per edition</p> <p>Increased number of website visitors by 10% per annum.</p> <p>Increase the number of referrals from linked sites to PITIC website by 10 % by the end of the year.</p> | <p>Production of 11 monthly newsletters per annum.</p> <p>Website monthly report.</p> <p>Website reports</p> |
| Joint Partnerships Newspaper Magazines Radio or Internet | To establish joint partnerships with specified media agencies to promote PITIC NZ in NZ and the FICs. | 15,000 | 15,000 | 15,000 | <p>To secure key strategic alliances with media organisations to promote PITIC NZ in NZ and the FICs.</p> <p>Generate as much publicity</p> | <p>Sign a minimum of two MOUs with two media organisations (NZ and FIC) by the end of the year.</p> <p>To generate a minimum</p> | <p>MOUs signed.</p> <p>Number/copies of printed articles and</p> |

| | | | | | | | |
|---|--|---------------|---------------|---------------|--|--|--|
| | | | | | of the PITIC event using press releases targeted at the media. To create and implement media plans for at least 3 PITIC office events. | of one free media publicity as per press release generated. To generate a minimum of 2 media or business enquiries per project. | number of radio interviews/news items generated as a result of the press releases. Enquiries or media releases picked up by the media as a result of media plan |
| Public Relations, Advertising & Promotions | To further promote PITIC and its services in NZ & FICs to maintain relationships as well as foster new contacts. | 18,000 | 18,000 | 18,000 | Increase PR visits to organisations/companies within NZ. Generate increased PR of PITIC and its services amongst NZ media. Increase joint collaboration with other portfolios. | A minimum of one joint partnership arises as a result of the visit. A minimum of two (print or non-print) NZ media regularly promoting PITIC at year end. A minimum of 3 PITIC projects assisted by communications media plans using paid and unpaid media channels. | MOUs signed. Number /Printed copies of the advertisements in printed or non-print media in NZ. Project report |
| TOTAL | | 53,000 | 53,000 | 53,000 | | | |

Section 7: Special Projects

This section covers team projects to be undertaken collaboratively with all portfolios and staff within PITIC NZ. The Trade Commissioner will take the lead role in the planning and management of these events.

The projects will act as catalysts for the strengthening of linkages between the Pacific and New Zealand whilst also providing a forum for the promotion of the PITIC Office to the New Zealand marketplace. In addition, these projects are expected to encourage cross fertilization and team effort amongst the different portfolios at PITIC.

In some cases external projects may arise on an ad hoc basis presenting an opportunity for the overall benefit of PITIC's key stakeholders. These projects will also fall under the Special Projects portfolio and the consideration of the Trade Commissioner before being adopted.

Goal:

**“Creating opportunities for the development and strengthening of linkages
Between NZ and the Pacific Region.”**

| Activity | Objectives | 2007 NZ\$ | Key Performance Indicators | Outcomes | Measure |
|--|--|-----------|---|---|--|
| <p>North meets South Mission to coincide with the PIPSO AGM and RBF (May, 2007)</p> <p>Major Partners: PIPSO/ PSD unit, Forum.</p> | Bridging the trade gap between Micronesia and New Zealand | 10,000 | <p>Facilitate and establish potential partnerships between NZ based organisations and Micronesia.</p> <p>Promotion of event in NZ and Pacific media.</p> <p>Add value to our key stakeholders.</p> | <p>At least one lead in a business partnership established between a FIC Business and a NZ Business.</p> <p>At least one TV spot created; at least 3 print media placements and 3 radio airways.</p> <p>A minimum of 2 new valuable business contacts achieved and level of education on the NZ business environment achieved as a result of the mission.</p> | <p>Value of business partnership through feedback forms/Project Report.</p> <p>PITIC monthly highlights and bi-monthly.</p> <p>Mission feedback forms.</p> |
| <p>Launch of Regional Pacific Importers and Youth Entrepreneurship Awards categories at the Pacific Business Awards (June 2007)</p> <p>Major Partners: Pacific Business Trust/PSD Unit, Forum.</p> | Promoting successful Pacific Island Exporters and empowering entrepreneurship amongst Pacific Youth. | 10,000 | <p>Establish strategic alliances between the FIC businesses and the NZ entrepreneurs.</p> <p>Promotion of successful PI Exporters, upcoming entrepreneurs and PITIC in NZ.</p> <p>Establish long term partnerships between PITIC and other organisations in NZ.</p> | <p>At least one lead in a joint partnership established between a FIC Business and a NZ Business.</p> <p>At least one TV spot created; at least 3 print media placements and 3 radio airways.</p> <p>Establish at least one major partner to launch these awards.</p> | <p>Value of business partnership through feedback forms/Project Report.</p> <p>PITIC monthly highlights and bi-monthly.</p> <p>Project Report</p> |

| | | | | | |
|------------------------------------|---|-----------------|---|--|---|
| Return to Roots Mission (Oct 2007) | Encouraging Pacific Island business winners in NZ to seek and identify business opportunities back in the Pacific Islands as well as inspire local business owners. | 10,000 | Linking potential business opportunities in the Pacific with mission delegates. Promotion of event in NZ and Pacific media. Establish partnerships for PITIC. | Create at least one lead in a business partnership generated as a result of the mission. At least one TV spot created; at least 3 print media placements and 3 radio airways. Establish at least one major partner for this event. | Value of business partnership through feedback forms. PITIC monthly highlights and bi-monthly. Project Report |
| TOTAL | | \$30,000 | | | |

Notes:

- The above funds is seed capital funded from the three core portfolios of PITIC (trade, investment and tourism) to help kick start the activity.

Section 8: Human Resource Management (HRM)

The next three years is considered as a transitional period for the PITIC staff. It will be a challenging period of continuous organisational restructuring, reviewing of activities and change. Therefore, the commission's human resource strategy for 2006-2008 will focus on staff as its most important asset. The key tools of the HRM strategy will be achieved through employee centre management (ECM), retaining employees and T&D. PITIC's human resource strategy will be the responsibility of the Trade Commissioner.

Goal: To ensure that there is high work performance, low staff turnover, satisfied employees, increased staff morale and motivation, a pleasant work environment, high level of commitment and loyalty within PITIC.

Expected Outcomes: The commission's survival, growth, productivity, competitiveness and adaptability in a turbulent global environment.

ECM is fundamentally viewing employees as the organisation's most valuable asset and treating them as internal customers. It involves paying attention to employees, treating them with dignity, trusting them, striving to meet their needs and actively supporting them. Through ECM the commission uses its staff to help the organisation gain competitive advantage and achieve its overall vision, mission and goals.

Retaining employees will become a challenge in the near future for PITIC, due to current low unemployment rates in NZ and the job market becoming competitive. Today the increasing trend amongst employees is that they are certainly seeking better prospects and workplaces. The world is changing and it may no longer be what the employee can offer PITIC, but what PITIC offers the employees to retain them. The key to retaining staff at PITIC is to select them carefully and treat them right. However, retention will occur once PITIC attracts the right staff and needs to protect that investment. An allocation was included in the 2006 budget for a consultant to specifically provide costings for competitive salary and benefit packages for experienced professional specialists. The results of this report have been budgeted in the 2007 AWP.

T&D has become a very popular issue amongst many organisations in NZ because employers recognise that no organisation can maintain its goals without labour of the right quality and quantity. Global competitive pressures have created the need for continuous T&D at PITIC to enhance economic competitiveness. In-house T&D programmes have been conducted in 2006 in which the team at PITIC has benefited. However, the key to successful T&D depends on PITIC's commitment to invest the necessary resources, such as time and funds for T&D.

Section 9: Finance & Administration

The administration and financial management of PITIC provides the core backbone to supporting the effective delivery of this plan. Effective and efficient administration and financial management builds donor confidence in PITIC. Good administration and financial management also enables the Trade Commissioner and other team players make sound decisions, best use of resources and identify risks early enough to make corrective action.

The Trade Commissioner is responsible for the Finance & Administration Strategy of PITIC and is supported by the Administration Officer. The Administration Officer is a key position within the Commission and plays a vital role in ensuring the commission functions efficiently and effectively. The Administration Officer is also responsible for the commission's information resources which includes PITIC's database and literature library. Accounting reporting is outsourced to Hargrave's Accounting Firm, payroll is outsourced to Deloitte and the commissions IT maintenance to Portent Computer Services. The financial activities of PITIC are audited annually and are carried out by Deloitte.

Overall Goal

To ensure that the administration and financial functions at PITIC meet best practice standards for good governance, transparency and accountability.

Expected Outcomes:

Overall efficiency and effectiveness of the organisation.

Target Groups:

- NZ Government.
- PIFS.
- FIC Governments and private sector.
- PITIC team.
- Hargraves Accounting Firm.
- Deloitte Auditors.
- IT Portent Computer Services.
- All other key stakeholders of PITIC.

Objectives and Performance Indicators 2006:

| Strategy Objectives | Performance Indicators per annum |
|---|--|
| To monitor and manage PITIC's budget versus actual expenditure efficiently and effectively. | Operating and grants programme actual expenditure does not exceed budgeted expenditure per month. |
| To enforce cost cutting measures on operating expenses (but must be conscious that this will not hinder the daily workflow) | Reduce the expenses of at least one actual expenditure item in PITIC's overall expenditure budget by the end of each year. |
| To effectively and efficiently administer staff movements and maintain staff accountability. | Provision of monthly updates of staff annual leave, sick leave and other leave records. |
| To ensure staff is up to date with the latest accounting practices and IT developments. | OA to attend at least one training programme to update accounting skills and at least one training course to upskill IT skills per year. |
| To maintain accurate, timely and up to date accounting records. | Provision of timely monthly invoices, record payments and bank statements to Hargraves at the end of each month. Petty cash balances at the end of the month. |
| To maintain an efficient and effective file management system as well as library. | PITIC filing system is updated and computerised by the end of the each year. Library records are updated and fully catalogued by the end of each year. |
| To establish and maintain a centralised database of contacts for PITIC. | Research, purchase and establishment of a centralised computer database package by the end of 2006. In the 2007 & 2008 continue to maintain and update the database. |
| To purchase a new server for PITIC to replace the current server which is out dated. | Purchase a new IT server for PITIC before the end of 2006. |

Updated Objectives and Performance Indicators 2007-2008

| Strategy Objectives | Performance Indicators per annum | Outcome | Measures |
|---|--|---|--|
| <p>To maintain, monitor and manage PITIC's budget versus actual expenditure and timely and accurate up to date accounting records</p> | <p>PITIC running smoothly with expenditure not exceeding budgeted expenditure.</p> <p>PITIC and Hargraves meet end of month deadlines.</p> <p>Petty cash is efficiently managed.</p> | <p>Operating and grants programme actual expenditure does not exceed budgeted expenditure per month.</p> <p>Provision of timely and accurate monthly invoices, record payments and bank statements to Hargraves at the end of each month.</p> <p>Petty cash balances at the end of the month.</p> | <p>Hargraves Monthly Financial Statements.</p> <p>Bank Statements.</p> <p>Feedback from Hargraves at monthly meetings.</p> <p>Feedback from Hargraves at monthly meetings.</p> |
| <p>To enforce cost cutting measures on operating expenses (but must be conscious that this will not hinder the daily workflow)</p> | <p>Ongoing reduction of PITIC's overall operational expenses.</p> <p>Develop and introduce a cost saving measure/system for PITIC's operating expenses.</p> <p>Overall expenditure at PITIC is well managed.</p> | <p>Identification of at least one operational expenditure item in the beginning of the year and target to reduce this expense by 2-5 % by year end.</p> <p>Introduction of at least one cost saving measure/system for PITIC's operating expenses.</p> <p>A minimum of \$10,000 surplus of funds to cover additional expenses or to be carried forward to the next year to assist</p> | <p>Hargraves Monthly financial statements.</p> <p>Hargraves Monthly financial statements.</p> <p>End of year Hargraves Monthly financial statements.</p> |

| | | | |
|---|--|---|--|
| | | operational and grant activities. | |
| To effectively and efficiently administer staff movements. | Administration of staff movements is efficiently managed. PITIC team are well informed and updated on staff movements every month. Efficient turn around period on staff leave applications. | Up to date internal monthly staff leave records Distribute to all staff an updated leave records by the 1st of each month. TC quickly approves within one day leave applications because the information is up-to-date. | Research time for staff records is very quick. Feedback from staff. Staff leave approvals are efficient and within approval protocols. |
| To maintain an efficient and effective file management system as well as library. | Develop an orderly filing system. Library records are updated and fully catalogued. Produce an updated file and library list. | PITIC filing system is updated, organised and in place by July. Easier to find library resources by year end. An updated list is produced and circulated to the team at the end of the year. | Research time required to locate files. PITIC team feedback. Updated hard copy of files and library resources. |
| To purchase new database software for PITIC to establish and maintain a centralised database of contacts for PITIC. | Research, purchase and establishment of a centralised computer database package. Encourage the team at PITIC to use the central database. | Centralised database is installed and running by July 2007. Each portfolios database is accessible | Fully functional dbase with staff trained and utilised with appropriate dbase data integrity. Full utilisation |

| | | | |
|--|---|--|--|
| | <p>Continuous maintenance and update of the centralised database.</p> | <p>and readily available to all at PITIC by year end.</p> <p>Database is updated at least every two weeks.</p> | <p>monitored.</p> <p>Feedback from the PITIC team and number of return mail.</p> |
|--|---|--|--|

Proposed Budgets 2006-2008:

The following table shows PITIC's indicative income/expenditure levels over the period January 2006-December 2008. Currency below is NZ dollars.

The total budget required from NZAID for 2005 was \$500,000 and 2006-2008 will be \$889,000 which is expected to be allocated as follows:

| Income | 2005 | 2006 | 2007 | 2008 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| NZ Aid | 500,000 | 889,000 | 889,000 | 889,000 |
| Internal Revenue/Carry over funds | 17,000 | 32,000 | 32,000 | 32,000 |
| Total Income | 517,000 | 921,000 | 921,000 | 921,000 |
| Expenditure | | | | |
| Personal | 251,000 | 362,500 | 386,625 | 386,625 |
| Operational/Administration Division | 181,500 | 288,200 | 280,025 | 280,025 |
| Trade Division | 40,000 | 75,000 | 65,000 | 65,000 |
| Investment Division | 25,000 | 51,350 | 41,350 | 41,350 |
| Communications Division | 12,500 | 53,000 | 53,000 | 53,000 |
| Tourism Division | 12,000 | 43,000 | 43,000 | 43,000 |
| Special Projects | | | 30,000 | 30,000 |
| Total Expenditure | 522,000 | 873,050 | 899,000 | 899,000 |
| Deficit/surplus | -5,000 | 47,950 | 22,000 | 22,000 |

Note: It is understood that not all activities will run on schedule accordingly any "deferred

Expenditure" or unspent funds from previous year's activities will be brought forward in part to supplement the following year's activities.

PITIC NZ will continue to seek contributions from other strategic partner, through cost sharing of programmes/initiatives.

Monitoring and Evaluation

- PITIC monthly staff movement internal updates
- PITIC internal monthly expenditure updates.
- Hargraves monthly income and expenditure as well as profit and loss reports.
- PITIC annual forecasted budgeted statements and cash flow statements.
- Deloitte annual audit report.
- Portent bi-monthly IT maintenance spot checks.