

# THE NATIONAL BUSINESS REVIEW

Est 1970

July 9, 2010 / \$9.50

The Authority

www.nbr.co.nz

## Editor's choice

### Large firm activity expectations



### Heavyweights

Former Goldman Sachs high-flyer Clark Perkins has attracted heavyweight investors to a new private equity fund in a bid to replicate last year's successful Kathmandu sale.

Page 6

### Dairy debt

Dairy farmer Allan Crafar's \$200 million debt is a prime example of what happens when the heavily indebted industry hits a speed bump.

Page 12

### Cheeky cheaters

While the World Bank is trying to improve the lives of people in developing countries and mitigate the effects of climate change, the Democratic Republic of Congo is cheating by accepting payments for retaining trees.

Page 19

### Grim predictions

With huge accumulated debt the global economy is tilting toward a slowdown – even a double dip recession – despite many stimulus programmes and record low interest rates.

Page 21

## NBR Online

Get the best in business all week  
[www.nbr.co.nz](http://www.nbr.co.nz)  
or  
on your mobile  
[m.nbr.co.nz](http://m.nbr.co.nz)



## Liquidator selling Pat Rippin's life policy

Jock Anderson

In a bizarre New Zealand first, liquidators have put flamboyant developer, tv star, socialite and ex-cop "Burly" Pat Rippin's \$1 million life insurance policy up for sale.

Lawyers acting for the liquidators of Mr Rippin's Hurricane House have put his term life insurance policy with Sovereign Assurance up for tender, hoping someone will pay close to the October surrender value of \$315,000.

Mr Rippin (68), out in force with his pal David (Princes Wharf) Henderson at Auckland mayor John Banks' supercity mayoral campaign launch, was bankrupted in August 2008.

The unusual move – common in the US – comes hard on the heels of Mr Rippin's May heart attack, which left him – according to one friend – looking "very, very tired and wheezy."

A successful tenderer must keep up the premium payments and will collect \$1 million when Mr Rippin dies.

"Pat's a fighter and has been around for a long time. I think he will be around for a good few years to come, otherwise the property market will be a very boring industry," Kirkland Enright lawyer



**BANKRUPT PAT:** His million dollar life policy up for sale

Anthony Law told the *National Business Review*.

"He's been through some really rough times and survived. We are hoping to get around the \$300,000 mark for his policy," Mr Law said.

Mr Rippin's property career began in Wellington more than 35 years ago. His Markham Group was a descendant of publicly-listed 1980s property

high flier Markham Developments.

A disciple of property magnate Sir Bob Jones, Mr Rippin's larger-than-life cronies included rumbustious crime lawyer, the late Mike Bungay.

He is well-known for his lavish parties and was bankrupted over a \$250,000 debt to a marquee hire company.

[janderson@nbr.co.nz](mailto:janderson@nbr.co.nz)

## Bublitz venture curdles

Duncan Bridgeman

Controversial Auckland financier Paul Bublitz and bankrupt property developer Peter Chevin are linked to the collapse of a promising dairy goat business near Taupo.

Hilltop Ridge Farms, which planned to turn goat milk into infant formula for export, was placed into receivership last month.

The company owes more than \$1 million to unsecured creditors around the Taupo region and an unspecified amount to secured creditors.

Damien Grant and Steven Khov of Waterstone Insolvency were appointed as receivers on behalf of a secured creditor after attempts to sell the farm failed.

PricewaterhouseCoopers has subsequently been brought in as a court appointed liquidator.

The secured creditor – Heimsath Alexander – is a security trustee for Viaduct Capital, in receivership, and Mutual Finance, which is 80% owned by Hunter Capital's Mr Bublitz, also a founding director of failed Strategic Finance.

Hunter Capital arranged funding for Hilltop via Mutual Finance and then attempted to raise \$3.5 million by offering shares in the company.

To page 4

## 'Grumpy growth' for New Zealand

Signs the gloss is coming off the economic recovery emerged this week.

The economy is still growing and is still well clear of recession but the bumpiness of the upturn thus far is likely to continue.

The New Zealand Institute of Economic Research quarterly survey of business opinion this week showed a drop in business optimism. The business mood is still above the long term trend in most areas but firms have scaled back their investment and – to a lesser degree – their hiring plans signalled in previous surveys.

Economists also suggest New Zealanders should not become over-concerned about turmoil in European and other northern hemisphere

economies: this economy is now much more involved with Australia, China and other Asian economies and these are still growing.

"Europe was never going to be part of the growth story anyway," Westpac Bank chief economist Brendan O'Donovan said.

But New Zealand faces a period of what ANZ Bank chief economist Cameron Bagrie calls "grumpy growth" as New Zealanders pay off debt and rein in their spending. The main concern is that New Zealand per capita productivity is still poor and there is little sign of improvement – meaning the country's capacity for GDP growth without inflation is limited.

In depth pages 8-9, 21

## Millionaire's downfall

Only four years after horse breeder and property developer Michael Tololi appeared on the *National Business Review* Rich List he was adjudicated bankrupt in the High Court at Auckland yesterday.

Associate Judge Jeremy Doogue made Mr Tololi bankrupt yesterday on an application by Secure Resources, a company owned by Waikato horse breeder Terry Gott. ASB Bank was a supporting creditor. First signs of Mr Tololi's major financial trouble emerged early last year.

In depth page 3

22°S – Rio de Janeiro, Brazil

Benefit from a premier rate, relax with a premier service

While you can benefit from a great home loan rate, you may never fully relax until you have confidence in your banking service. That's why HSBC Premier is about more than just great home loan rates.

4.99%  
PA for six months

So if you have total home loan needs of \$500,000 or more, contact us today.

Visit [hsbc.co.nz/homeloans](http://hsbc.co.nz/homeloans) or call 0800 888 686.

HSBC Premier

HSBC

The world's local bank

Eligibility criteria applies to HSBC Premier. HSBC normal lending criteria applies. Interest Rate quoted is subject to change without notice. Early repayment fees may apply to fixed rate loans. Premier Terms and Conditions, Personal Financial Services Terms and Conditions and Fees and Charges apply. Issued by The Hongkong and Shanghai Banking Corporation Limited, incorporated in the Hong Kong SAR with limited liability, acting through its New Zealand branch.

# Executive health+

Current flu risk  Southern Cross Health Society

## First aid training takes new e-learning route

Niko Kloeten

A forward-thinking health care consultancy is breathing new life into first aid training with the introduction of a new e-learning product that teaches first aid skills from the computer screen.

Life Care Consultants, a private training organisation established in 1994, has used years of practical application and stakeholder feedback to develop a first to market e-learning package which it offers in conjunction with traditional face-to-face scenario-based assessments.

Aiming to upskill managers and workers and help organisations create a better and safer working environment, Life Care Consultants has a client portfolio featuring a diverse range of industries.

Managing director Janet

Brothers, a former surgical nurse, says the company has a large presence in the electrical, forestry, civil construction and early child education sectors – however, she observes a common barrier to more widespread first aid education.

“The time and travel involved in attending first aid courses makes completion difficult. Cost is a smaller barrier to learning than the actual time required out of people’s days.”

Life Care Consultants’ e-learning package enables trainees to learn in their own time and in any location, through remote access to the online learning centre.

Each trainee is given an individual log-in to access online tutorials, along with a curriculum list and personal management of



**CONSTRAINTS:** Janet Brothers says managers struggle to find the time for first aid training

their own progress, before going on to complete “live” assessments with a Life Care Consultants’ trainer.

Ms Brothers notes that her team frequently finds that workers below

management level have a higher compliance level in training compared with managers, who struggle to attend scheduled courses due to other time pressures. She says this highlights the need to find creative and technologically advanced solutions such as the e-learning package.

“Its flexibility makes it accessible to anyone. We pride ourselves on offering tailored learning solutions and overcoming any barrier to learning, because we believe what we have to teach people is so valuable.

“The e-learning module pushes the boundaries of traditional first aid training by placing it alongside other courses which offer technology-based learning options. These kinds of advancements are required across the entire education sector.”

A study in Sydney, where e-learning for CPR training has been available within a hospital, shows a significant improvement in the level of compliance, knowledge and competency.

Learning via the e-learning method has seen competency in performing CPR increase from 34% to 88%.

The Life Care e-learning package is receiving positive feedback and is currently being trialled by New Zealand Customs staff who say the course has been most engaging and have found that it really increases trainees’ knowledge.

Meanwhile, Life Care Consultants’ assessment policy has not changed, Ms Brothers says.

“In fact, it has improved with this addition. We believe that by separating the training process from the assessment, we are able to ensure an even more robust assessment process, because each requirement is independent of the other.”



CHECK UP

Compiled by Niko Kloeten

nkloeten@nbr.co.nz

### Attractiveness makes healthy mates

The more attractive you are the better you are at noticing when a member of the opposite sex is eyeing you up, according to a new study. The study was conducted using photos on a computer screen and participants had to quickly indicate whether the faces were looking at them. “Women were quickest to classify gaze direction when they were looking at hunky, masculine-looking guys. Guys were quicker when they were looking at pretty, feminine women,” Benedict C. Jones, of the University of Aberdeen in Scotland, said in an Association for Psychological Science new release. Research suggests masculine men and feminine women make the healthiest mates.

### Fructose-high blood pressure linked

People who consume large amounts of the sugar fructose are at risk of developing high blood pressure, a new study has found. Evidence is mounting about the adverse health effects of fructose, which is found in varying amounts in fruit and in high-fructose corn syrup, which is used in some soft drinks. For the study, which took place at the University of Colorado in Denver, researchers looked at the diet records of more than 4500 people to look for fructose content. People who ate 74g or more of fructose per day were at 28% greater risk of blood pressure of 135/85 or higher and 77% more likely to have very high blood pressure of 160/100 or more, the researchers found.

### ... but beetroot juice may reduce it

Drinking a small glass of beetroot juice may reduce blood pressure as much as nitrate pills can, new research from London suggests. Beetroot juice is naturally high in nitrate and research suggests it has other health benefits such as boosting stamina and allowing people to exercise for longer. The latest positive result for beetroot juice comes from three studies that examined the effects of potassium nitrate, potassium chloride and beetroot juice on blood pressure. Both the nitrate pills and the beetroot juice raised blood nitrate levels and were effective in lowering blood pressure and they were both well tolerated, the study found. Potassium chloride made no impact on blood pressure.

### Anti-HIV treatment tested on mice

Scientists have been testing on mice a form of gene therapy that could eventually be used to fight the virus that causes AIDS, HIV (human immunodeficiency virus). But they warn that even if it works on mice there’s no guarantee the treatment will be a success in humans. And it may be years until that happens. Still, the scientists are excited by the results of their research, which involved modifying human stem cells and injecting them into the mice. The stem cells multiplied into immune system cells that provided protection against HIV infection, according to a study released online in Nature Biotechnology.

### Gene patterns predict longevity

Scientists have identified a group of variants in the human genome that can predict with 77% accuracy whether a person will live to be 100 years old. More than 1000 people who lived to be 100 or older were compared with 1200 other people to find genetic patterns more common in the centenarians. And it seems that longevity genes trump disease genes – the long-lived people were found to have many of the same genes linked to diseases as everyone else. “A lot of people would not want to live to 100 because they think they would have every age-related disease under the sun and are on death’s doorstep, but this isn’t true,” said senior study author Dr Thomas Perls.

**THE NATIONAL BUSINESS REVIEW**  
The Authority

**WHEN EVEN LEADING DEVELOPERS GO DOWN**

NBR’s journalists have dug deep to uncover a story that continues to rock New Zealand’s property industry to the core. These headlines represent just some of the results of NBR’s probe in print and online.

<p><b>Fontein’s failed Huka Falls resort bought by ex partners</b></p> <p>14 AUG, 2009</p>	<p><b>Bankruptcy inching closer for leaky building developer</b></p> <p>30 JUNE, 2010</p>
<p><b>McKenna fails to pay Westin investors</b></p> <p>5 FEB, 2010</p>	<p><b>Apartment developer’s \$1000 deposit scheme raises questions</b></p> <p>2 JULY, 2010</p>
<p><b>Victoria Park redevelopment staves off David Henderson’s bankruptcy</b></p> <p>10 FEB, 2010</p>	<p><b>Collapsed deal puts Soho back at square one</b></p> <p>5 JULY, 2010</p>

**NBR.CO.NZ/PRINT**      **NBR.CO.NZ/ONLINE**

Please Note: NBR Online is a separate daily news service to The National Business Review newspaper which retains exclusively its weekly in-depth commentary and analysis content.

**THE NATIONAL BUSINESS REVIEW**

If you like these and want more go to NBR online [www.nbr.co.nz/health](http://www.nbr.co.nz/health)