

# HUMU ISLAND RETREAT

Niue



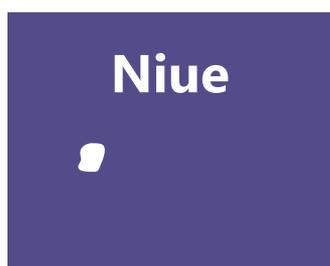
**Investment  
Case Study**

By Dr Simon Mline

# HUMU ISLAND RETREAT



## Country



## Sector



## Type



## Background

Saluma has extensive international work experience that has provided her with insights into global travel. Travelling gave her an understanding of accommodation and food, where she saw important links between food, local culture and the creation of a sense of space. She has a business degree from Auckland University of Technology and a postgraduate diploma in human resources from Auckland University. Her broad goal is to develop Niue and make it comfortable for visitors. She has concerns of how tourism is marketed in Niue, as the authentic product is not always available. One of the key aspects driving her choice to invest was a lifestyle change as well as the desire to give something back to Niue. Saluma did not want to retire, her plan was just to set up a business, but had no idea it would become what it has today.

A Niuean returning home, Saluma started her business two years ago using her own resources, with an approximate investment value of \$300,000-

\$400,000. The initial investment was in two accommodation units on family land that she further developed the business by converting two containers into a café and a convenience store where she sells local produce, cigarettes, and other necessities.

Significant work on landscaping was needed when she started the business. By planting a garden with pawpaw, flowers and coconuts, Saluma was able to sell the produce to the markets and the supermarket. She believes visitors are a key market for fresh local produce; however, she received some criticism from local people, as they were sceptical of her selling these products, "why are people going to buy coconut juice in a box from the supermarket." The locals see food everywhere, but she understood that the "fruit just doesn't jump out for the visitor." Saluma sells coconuts to drink, raw fish salads, and breadfruit chips to visitors as she "always [wants to] supply my guests with something Niuean."

Saluma defines her accommodation and café as developing towards a successful future. In its first year of operation, the accommodation units were full from June until the end of October and full again in December in 2016. The café is busy as well, especially during high season from April to October, however, there is room for growth especially in the shoulder and low seasons. The people who stay with her or visit the café are explorers. They often “wake up and disappear for the day”, and are looking for a more unique and connected experience in Niue.

She currently has two regular employees during high season. One works in the café doing food preparation, service and cleaning dishes, and a gardener. In the high season, there is one occasional helper. Saluma also does basic weaving and is developing this into weaving sessions and lessons for visitors. Much of the marketing for her business is through social media channels, in particular Facebook.

## Challenges

### Labour

Finding staff can often be difficult. There are people available for work when she needs new staff, but Saluma is a bit ‘fussy’ about who she hires. She is looking for someone who is trustworthy, honest and will look after the customer while also treating her workplace with respect (not stealing). Often young people are looking for broader overseas experience, permanent government work or work at places that are more touristy. It is difficult to find and retain staff, “young kids want to be seen and to have some broader exposure to the outside world. It’s hard to get younger workers because of this”. Young people in Niue do not need to work as someone will always look after them, they will not starve for food and even live on the street without work. She notes that it is hard to motivate people who do not need to work to survive. As a new business, the ability to have ongoing work and pay staff diminishes during

the low season and Saluma has no choice but to lay staff off.

Despite Saluma’s human resource experience, motivating staff was a challenge. She is “still trying to understand how to get people to show loyalty and commitment. The work ethic has somehow decreased over the years”. There has been staff turnover, but she has found someone who has come back from New Zealand and is working out well. This new staff member, having come from New Zealand, is used to working without being told what to do all the time. Saluma would like to train staff to manage and run (perhaps own) the business in the future.

**Saluma suggests taking investment slowly, “just come back – don’t rush in, settle in and learn about the place”**

Customer service is the biggest training gap with staff. She provides all of the training on the job, but remarks staff are quite shy and reticent to engage with the guests. She tries to train them by building up their confidence. By training them not to “think too much about who you are serving – don’t be intimidated”. Visitors appreciate local service. Expats really enjoy the quality of the coffee and they like having a local person making the coffee. She notes that visitors like to see progress and people benefitting from tourism. There are also other skill gaps. Saluma makes use of Filipino’s to help with computers and has an Indian technician who assists with air conditioning. Saluma also found it difficult to find local labour for the construction of the accommodation and needed to bring people over from New Zealand to help.

## Local Supplies and the Impact on the Environment

Local produce and supply is difficult to find and this relates to environmental issues but there is plenty of land so Saluma has transformed much of her own land into an organic garden. Her aim is to eat the food that she plants on her land. Saluma utilises local food as she makes coconut milkshakes and fruit smoothies. In Niue, there is overfishing from charter boats with people fishing for families and sometimes even taking fish overseas for families. There is not a lot of fish in Niue and it is having to be imported from Fiji and elsewhere. Saluma needs fish for her business and relies on a couple of friends to supply the fish, but is not sufficient. Often tourists ask for Uga - a type of crab used in traditional Niue cooking. Saluma struggles to meet the demand. Saluma does not hunt but she goes to the local market when she needs them. Not many young people are interested in hunting Uga as it is hard work. It is also difficult to get sufficient eggs locally; she has to buy them from the supermarket for breakfast for her visitors or for use in the cafe.

## Social and Cultural

Saluma finds it difficult as a single woman returning to Niue. There is some negativity from local people (men in particular) about this; they feel a bit threatened. They were fine when they thought she would fail but now she appears to be doing well with her business which has led to negativity. "I have gone backwards with local community relations, 'tall poppy' they see me progress and they didn't expect this". Niuean's go "gung-ho" to start with and then go bust, but her investment has been just the opposite. "It would be easier if I weren't Niuean and much easier if my husband was still alive". People are also embarrassed to take local produce they have grown to the supermarket. It is a sign that you are poor if you are taking produce from your garden to the supermarket. Saluma wants to diminish this myth – "our visitors need and want local food."

Another challenge is the noise that this business creates for the community. It is a quiet village (Mutulau) where her business is located and when it is dark, the community are used to being quiet and going



Source: Image from <http://www.niueisland.com/accommodation-1/>

to bed. Her property and the café has changed that dynamic. The lights are on at night, people talk and this is a change for the community and her family who live around her on the family land.

## Regulation

When building her visitor accommodation, Saluma had to import materials from New Zealand. The construction of the New Zealand sourced materials for the rooms and café was a challenge, as there is a lack of information on local building standards and practices. There were similar issues with regulation, as it was a challenge to get clear information from government around this.

## Reflecting on Experience

Saluma suggests taking investment slowly, “just come back – don’t try to visualise from where you are...don’t rush in, settle in and learn about the place”. She recommends that it is good to ‘chill out’ for 6 months and not be too ‘gung-ho’. She also suggests that you need to be self-reliant and you need to have self-belief.

## Future

Saluma feels confident about the future; however, there was a time that things were not so easy. She had three half developed buildings and wanted to give up, but she “pick[ed] myself up again and decided not to give up – went back to New Zealand to buy more materials and to set up the septic tank and buy my own jack-hammer.” She also plans to develop a spa, as she is a trained massage therapist. She sees this as a strong niche area to develop, but would need some additional investment from her own funds of more than \$100,000.

Saluma suggests assessing long-term goals in accommodation development in Niue. We need to look at the environment and people. “You build into the environment – don’t demolish it.” She suggests “small scale, appropriate and sustainable tourism”, which underpins her business focus. She thinks that the Chinese proposals for large hotels do not fit with Niue, “How could Niue handle a 200 room hotel?” It changes the local village and the whole of Niue.

