



# **Tauranga Chamber of Commerce**

## **Submission to Tauranga City Council Annual Plan**

**2016 - 2017**

## **About the Chamber**

The Tauranga Chamber of Commerce is a not for profit, membership based organisation with a membership of 810 organisations. We have a wide reach into the business community crossing the full range of demographics in both business size and activity. Our reach extends beyond member businesses to support the whole business community and other business networks within that.

As the region's largest business network we see our primary focus is to represent the business community on issues and opportunities that affect its growth and development. We see the relationship with local government as a significant factor in this and with effective communication we can all achieve positive, beneficial outcomes.

We have a significant interest in regional economic development and a direct role in administering central and local government programmes for supporting business development and growth.

**Our contribution to the economic development of the region is multi- faceted and includes:**

### **Delivery of Contract Services:**

We are contracted to deliver the following contracts:

- Regional Partnership for building business capability. The scheme is a result of a joint initiative to provide support to Small and Medium Size Enterprises (SMEs) funded by New Zealand Trade and Enterprise (NZTE) and the Ministry of Business, Innovation and Employment (MBIE) through Callaghan Innovation. Regionally we work in collaboration with Export Bay of Plenty, Rotorua Chamber of Commerce, Eastern Bay Chamber of Commerce, and Poutama Trust.
- Through the Regional Partnership we continue to deliver Business Mentors NZ - 145 mentor matches per annum to offer one on one support from volunteers from the business community.
- Smart Economy Business Advisors - 240 meetings a year to offer 1 hour of advice to help business with issues, planning or a start up. (This is funded by TCC through Priority One).
- Young Enterprise Scheme – To promote economic literacy, business understanding and enterprise through year 12 & 13 students. The scheme is run throughout the country with over 200 schools and approximately 2500 students participating, locally there are 7 schools and 180 students participating.

### **Training**

We provide 80 training and development seminars for over 800 people per year. These are attended by business owners and their staff as they seek to upskill and stay abreast of changes in the business and technology environment. We also customize training for our Tauranga Chamber of Commerce – TYP Submission 2015-2025

members providing both the room facilities and the trainer to deliver specific training for their requirements. This also includes a computer suite with 15 computers to upskill particularly the small business person to become technology literate.

### **Advocacy**

On behalf of our members and the wider business community we are the voice of business and speak on matters which affect them:

- We compile submissions to both local and central government.
- We work through the New Zealand Chambers of Commerce and Industry for Central Government submissions, but have submitted independently to the Select Committee particularly on Easter Trading, an ongoing issue.
- Chamber Connect magazine both printed and electronic version and other media to influence, challenge thinking and inform.
- We provide comment to the newspaper, in response to the current issues and considering “is this good for business” or “does it impact on business”.

### **Global Business and International Documentation**

Because the Chamber of Commerce is an internationally networked and recognized entity and carries global integrity and respect we can offer the following documentation:

- Certificates of Origin.
- Free Trade Agreements Certificates of Origin.
- Certificate of Free Sale and Certificate of Manufacture.
- Carnet's - a Customs document that facilitates the temporary export of goods overseas, and is valid for up to one year.

### **Regional Collaboration**

Tauranga has achieved cohesiveness amongst the business community that facilitates an ease of doing business in the area. The Chamber provides a voice and input on behalf of our members to the following groups across the Bay of Plenty as part of our business commitment:

- Invest Bay of Plenty
- Bay of Connections
- SmartGrowth
- SmartEconomy
- Smart Tourism
- Smart Arts
- Population Aging Technical Advisory Group
- Mainstreet
- City Centre Action Group
- Smart Economy Action Group

## **Networking and Business Events**

We hold over 60 networking events, connecting with over 5000 people each year designed to be informative, connect business owners, recognize business excellence and give the business community the opportunity to hear guest speakers. These events include:

- The Westpac Business Awards
- Annual City Leaders Lunch
- Business After 5 network events
- The Business Women's bi-annual conference
- Leaders in Business Series
- Annual City Leaders Lunch
- Our very popular annual golf tournament

## **Sub Groups**

Within the Chamber there are specific sub groups that we administer and support to enable them to provide to the specific needs of their industry, age, sector or gender. These include:

- Business Women's Network
- Rocket Young Professionals
- Small Business Tauranga
- Tauranga Business Leaders Forum

The Chamber's revenue stream is through membership fees, sponsorship support, and user fees for services supplied. The Chamber receives no public funding from local government, and no central government funding other than through contracts which cover, or part-cover, the operating costs for the contracted programmes.

We also maintain a very active interest in wider community affairs and through our staff and board participate in initiatives that benefit the community at large.

## Introduction

The Tauranga Chamber of Commerce makes its submission on the proposed annual plan 2016 – 2017 through the lens of business and the commercial environment.

The Council's goal to create a talented innovative city full of opportunity requires an investment in business, technology, civic amenity and lifestyle assets that will attract more talent, create more high value employment and retain people who want to live and work in the Bay. It is with a sound economic base that our community will grow, where the citizens of this city can have confidence that they have employment, economic opportunities and a well-supported eco system for innovation and entrepreneurship.

Our submission focuses on those areas and matters of importance to the business community that affect the prospects for business vitality and the economic development of the city and region.

We acknowledge the Council's tension between growth and managing the cost of growth, and to limit rates to CPI plus 2.5% growth. The Council does need to invest in the city to show leadership and to provide confidence for the private sector. We know there are more and more entrepreneurial businesses looking to start-up here or relocate, and therefore Council has an opportunity to work in partnership with business to grow the economy and help foster an environment that leads towards a long term vision. Those businesses that are already here, starting up or relocating to the region will be influenced by the quality and range of city amenities to attract and retain highly skilled people. Rate levels and debt ratios need to be at levels that support long-term growth and make the city an attractive as a place to be in business.

## Delivering Efficient Services

### Building Services Deliver

The Chamber **strongly supports** the need to retain the accreditation as a Building Consent Authority given the increase in building consents and the growth of the city. There has been and will continue to be very strong growth in the housing market, and we need to resource the Building Services area to meet this demand and ensure that investment in the residential market is not hampered in anyway. We **support** the principle of increasing the staff numbers and investment in training and into technology to create greater efficiencies.

### Tauranga Airport

The Chamber **supports** the investment into Tauranga Airport by bringing forward the funding to upgrade the airport's facilities. We have one of the best and busiest regional airports supporting the fifth largest city, again with growth this will not decrease, and having better facilities will improve the customer experience. The airport is one of our gateways for tourism and visitors and presenting an efficient airport will enhance their experience. We also acknowledge that the Tauranga Airport is a commercially viable operation and that the improvements need to be bought forward into the 16/17 window.

## **Information, Communication and Technology.**

The Chamber **supports** the increase of \$5.2m over and above what had been planned through the LTP. The Chamber considers that any investment into operational efficiency and improved customer experience is always welcome.

The more business services and compliance processes that can be assisted with technology (for example, by offering online self-help environments and after-office hours services) we believe the better outcomes there will be for all Council stakeholders and the community. As the business environment changes and expectations increase for more flexible and round-the-clock services, Council has an opportunity to be a leader in this field.

## **Investing in Tauranga's future**

### **Civic Space project**

The Chamber **acknowledges and supports** Council for the approach to community engagement over the Civic campus. We **strongly support** that Council takes an approach of considering the best long-term solution for both its own needs, and for the bigger opportunity created by the potential redevelopment of the current buildings and available land space in the heart of the Tauranga CBD.

The current problems that the Council has with its civic and administration building should be seen as a one-off opportunity to influence the future shape and direction of a range of city amenities and of the whole CBD. What happens in the CBD is also important for the wider city and region, and the decisions to be made are therefore of critical significance and should not be rushed especially in the context of current electoral cycles.

The Chamber **supports** the creation of an **urban development authority (UDA)** outside of Council that can deliver the long term framework and development plan for the Civic Campus/CBD, consistent with Council's strategic priorities. The Chamber notes that new legislation making it easier for local authorities to set up such an organization is currently before Parliament, and that there is growing interest and support for the idea from a wide range of stakeholders.

For a UDA to be relevant and effective, it will need to satisfy two critical conditions: (1) how it is designed and set up; and (2) the quality, vision and capability of the people who are responsible for its decision-making. The **Statement of Intent** would be the absolutely critical document. It would need to set out the agreed longer-term vision and the key strategies it was intended to pursue. With the right mandate it could take the lead role in redevelopment of the civic centre, and facilitate private sector involvement and community support.

With investment in the CBD being projected at \$350 million over the next five years, the Chamber believes it is vital that investor confidence is maintained and that opportunities for private and public partnerships are maximized. An at arms length urban development

authority is likely to be interpreted as a powerful signal and effective mechanism for achieving these outcomes.

In terms of its own building, the Council should take a long-term view of how it needs to interact with its community and where and how it should deliver services to it. This could include a careful consideration of whether it continues to be appropriate to base Council administration in a single central location, and how technology will impact on the need for centralized office accommodation.

The Chamber **agrees** that an additional budget of \$2 million be moved forward into this budget, and that Council moves the Civic Campus discussion and process forward with an amendment to the Long Term Plan.

### **Parking**

The Chamber **supports** Council building a new parking building in the city centre in the coming three years to support future demand and building an additional floor onto the existing Elizabeth Street car park.

The Chamber **does not agree** with the deferring of the \$24 million car park building, and suggests it should be begun in this budget. We know through our members, the media, Mainstreet and other organisations that are close to this topic, that parking is at capacity, running consistently at over the 85% capacity to trigger parking investment and that it would be more prudent to work ahead of the Tertiary campus and have over supply in the short term, than be caught reacting to a parking capacity issue.

### **City Events funding**

The Chamber **supports** the additional funding of \$471,000 towards events in the city. We acknowledge that this will be directed at marketing of events, and increasing the events team to assist event organisers to better leverage their events. It is important that the extra staffing is clearly defined, and the outcomes of the team are measurable. It is very important that Council understands its role as an enabler and facilitator of events, and not turn into a delivery model other than for the Council events. From the Chamber perspective the private sector has been very active in this space and invests millions of dollars each year to create exciting events that attract people to the city. It needs to be clear that Council is not in the business of creating and delivering events, but working with the private sector to enable more events to happen.

There is a clear economic benefit of events to the city which should be recognised alongside the social benefits. We need to increase the support in this area to sit more in line with other comparable cities' spend and encourage local residents and visitors to attend. Events create direct and indirect spending bringing money into the local economy as well as creating a vibrant and sustainable city.

### **Economic Development**

The Chamber **strongly supports** the proposed additional budget of \$325,000 through the targeted economic development rate. We believe the two strategies of International Strategy and Digital Enablement plan will continue to make Tauranga the place to do business. We know that our small business base in Tauranga needs to build significant digital knowledge and capabilities to leverage the potential of the recent rollout of fibre and availability of other digital technologies.

Economic development is a critical component of growing the city and the region. The Chamber has a core role of assisting businesses to build confidence and to develop their business capabilities. In this we complement the work of Priority One, which has the macro focus on sector growth and on attracting new businesses and investment to the region. Aside from being a conduit for Government assistance to individual businesses, the Chamber plays an important role in fostering the whole eco-system of business networks and support in Tauranga – contributing to a more cohesive, collaborative and business-friendly environment.

The Chamber has recognised the economic significance of the small business sector by forming a new internal division **Small Business Tauranga** to cater specifically to the needs of this sector.

Through the **Smart Economy Business Advisor (SEBA)** we have recognised and responded to a high demand for advice and support from a wide base especially new and emerging businesses, with no requirement to be a Chamber member. The role deals with a wide range of issues including start up advice, problem solving, the impact of legislative requirements as well as the ever-changing business environment.

The contract brief has been to provide business advice and referrals that support SmartEconomy outcomes and initiatives. This service has allowed us to provide business assistance to 2880 individuals (existing and prospective business owners) over twelve years. Outcomes from these SEBA consultations include many successful business startups as well as a number who have been steered away from embarking upon potentially disastrous business ventures.

This service complements and is a gateway into the central Government-funded Regional Business Partnership (RBP) Programme – which targets growth-oriented companies typically at a more advanced stage of development. From an initial consultation with a Smart Economy Business Advisor, a business can often be referred to additional assistance avenues through RBP such as NZTE Voucher funding (for upskilling), Callaghan Innovation grants (for R&D) and Business Mentors (for ongoing support).

Chamber supports:

- The addition of the **proposed budget of \$325,000 in 2016/17** through the targeted economic development rate.
- The continuation of Council's contract with **Priority One** to provide economic initiatives and outcomes for the region.
- The continuation of Priority One's management of the **SmartEconomy contract**.

- Council's ongoing funding of the facilitation services provided by **Tourism Bay of Plenty**.
- The continuation of Council's contract with **Export NZ BOP** for the delivery of economic outcomes with Tauranga's Sister Cities.
- The continuation of Council's contract with **Tauranga Chamber of Commerce** to give effect to the Smart Economy outcomes and initiatives via delivery of the Smart Economy Business Advisor.

### **Visitor Information Services**

The Chamber **supports** the additional budget of \$400,000 in this plan through the combination of an increase to the targeted economic development rate and loan to be applied to the redevelopment of the i-SITE and i-PORT facilities. The projected growth of domestic and international visitors, including cruiseships, provides a compelling business case for this – and represents a minimum requirement for New Zealand's 6<sup>th</sup> biggest tourism region. The visitor information centres are the first-stop-shops for many visitors to Tauranga, and must be resourced and maintained at an appropriate standard.

### **Draft Rates Remission Policy**

The Chamber supports the extension of the rates remission for earthquake-prone buildings across the region to assist those property owners to repair and renovate their buildings to make them safe and secure.

### **Bay Cricket Oval**

The Chamber **supports** Council contributing towards the lights for the Bay Oval cricket ground. We understand that the Bay Oval Trust has made a submission to Council through the LTP and that Council will consider this once the business case has been presented.

With international media schedules demanding a shift to more day-night matches, it is imperative that the current Oval obtains a significant upgrade if it is to become a regular venue for internationals. There would be strong economic benefit along with media exposure across the world that would benefit Tauranga and the region. As New Zealand's 6<sup>th</sup> largest urban area, Tauranga needs world-class facilities to attract world-class events. The Chamber sees this as an opportunity to look at a joint funding model with private sector to obtain the \$2.7 million budget needed for the lights.

### **Shared Services and common standards**

The Chamber continues to ask that Tauranga City Council consider options for even closer integration and the setting of common standards with the Western Bay sub-region. We note that closer integration is occurring at an executive level through Bay of Plenty Local Authority Shared Services but we consider this has the potential to be extended to common back-office services and processes, making it easier for businesses to operate

across the two districts. SmartGrowth and SmartEconomy continue to give an excellent platform for unified decision making.

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**Signed:**

A handwritten signature in blue ink, appearing to read 'S Gregec', with a horizontal line underneath.

**Date:** 31 March 2016

**Tauranga Chamber of Commerce would like an opportunity to speak to this submission at hearings.**