



Tauranga Chamber of Commerce

Submission to Tauranga City Council 10 Year Plan

2015 - 2025

About the Chamber

The Tauranga Chamber of Commerce is a not for profit, membership based organisation with a membership comprising 803 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 business owners to the very large number of employees who work in these businesses.

As the regions largest business network we see our primary focus is to represent the business community in regards to issues that affect their 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). Regionally we work in collaboration with Export Bay of Plenty, Rotorua Chamber of Commerce, Eastern Bay Chamber of Commerce, and Innovation Waikato.
- Business Mentors NZ -135 mentor matches per annum to offer one on one support from volunteers from the business community.
- Smart Economy Business Advisors - 250 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).
- High Performance Work Initiative - A government contract delivered through Callaghan Innovation which targets specific businesses and aims to increase staff engagement to increase productivity. The last programme was extremely successful with a 30% growth in productivity recorded by participants.
- 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 per year comprising over 800 people. 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 members providing both the room facilities and the trainer to deliver specific training for their requirements.

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 on Easter Trading.
- We provide a regular opinion piece in the newspaper, the Chambers Connect magazine (electronic version) and other media to influence, challenge thinking and inform.
- We provide comment to the newspaper, in response to the current issue and considering “is this good for business” or “does it impact on business”.

Global Business and International Documentation

Because a 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 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:

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- The Westpac Business Awards
- Annual City Leaders Lunch
- Business After 5 network events
- The Business Women's bi-annual conference
- Leaders in Business Series
- 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 or gender. These include:

- The Business Woman's Network
- Rocket Young Professionals
- MOPED- a marketing professional sub group

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, and in some cases lead, initiatives that benefit the community at large.

Introduction

The Tauranga Chamber of Commerce submits on the proposed long term plan 2015 – 2025 through the lens of business and the commercial environment. Tauranga City Council needs to show leadership by investing back into the city to foster business growth and ease of operation. The Council's goal to create a talented innovative city full of opportunity requires an investment in business, technology 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 stability and a future.

Our submission will largely focus 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. The Chamber however, does acknowledge that there are a number of areas in the ten year plan that do not appear to have a direct economic or business outcome but impact on the business macro environment and ultimately make Tauranga a place that businesses and a highly skilled workforce are proud to be a part of. This aligns with Council's mantra of a talented and innovative city full of opportunity, with great spaces, places and environments, and a city with heart and soul.

We acknowledge the Council's prudent approach to manage rate levels, maintain debt-to-revenue ratio and to limit rates to CPI plus 2% growth, however this cautionary approach is not necessarily sending those investment signals that match the growing potential of the region. There is a growing innovation eco-system, with more and more entrepreneurial businesses looking to start-up here or relocate, and it is Council's role to work in partnership with business to grow the economy and the opportunities towards a long term vision. Rate levels and debt ratios need to be in tandem with this long term planning.

A City Vision Statement

The Chamber **strongly supports** a clear aspirational and inspirational city vision, something that every citizen feels they understand and can be proud of, a vision that shows clearly where we are going and what makes this place where they want to live, work, learn and play. The draft ten year plan does not appear to have a strong clear cohesive vision for the region, and we would strongly recommend that Council articulates that. It is from a vision that people and businesses take confidence to invest both personally and financially into the city.

The Chamber **acknowledges and commends** Council's role in the development of the Tertiary Campus in Durham Street, and The Harbour Marine Precinct. Both these initiatives will increase business opportunities and build our economic profile nationally.

City Centre and waterfront

The Chamber **supports** Option (C) \$12 million to entirely fund the upgrade of streetscapes and open spaces around 7 streets and the waterfront (access to water, northern reclamation development, harbourside link, a new wharewaka and events space). Again this will enhance the attractiveness and appeal of the CBD and consolidate the location of the Tertiary Precinct. With an influx of students and a promotion of "technology centric" businesses, the council has an opportunity to review the opportunity to accelerate the development in the City Centre and waterfront beyond the proposed options. The Chamber advocates for a strong vision for this central hub to re-identify it as the "capital" of the Tauranga region. This vision needs to create a magnetic attractive centre that locals and visitors gravitate to. Utilising the geographical Tauranga Chamber of Commerce – TYP Submission 2015-2025

advantage of the waterfront along The Strand and its relationship to the CBD gives the council the opportunity to create one of the most vibrant attractive CBDs in New Zealand. With a long term vision and plan to follow this can be achieved.

Commercial, Civic and Cultural Hub

The Chamber supports the development and investment into the city centre and agrees that a vibrant and healthy heart of the region is fundamental to creating the energy, activity and economic benefit desired by Council for the wider region. As such the Chamber suggests the Council places the Commercial, Civic and Cultural hub – the CBD - as central to their planning. This would suggest that rather than looking at the city centre as another retail hub, that it has another role that is significant within the regions development. This also allows that each of the other hubs has a clear and defined role within that planning structure. For example The Mount is rapidly becoming recognized as a tourism boutique centre, Papamoa has already begun to grow its own coastal identity and as the city grows will become the centre of the southern isthmus with Bethlehem developing to the North and as such should be recognised.

It goes without saying that the CBD - Commercial, Civic and Cultural hub is unlikely to be replicated anywhere else in the region and as such sits apart. From this basis a number of issues that Council seeks opinions on would be answered in a strategic and cohesive way, rather than ad hoc projects. They would be covered as growing the region's city centre and then a clear vision as to how and why each hub has its place.

The current problems which the Council has with its civic and administration buildings should be seen as a one-off opportunity to consider the future shape, role and function of the central city/CBD.

Rather than go straight to the 'repair and renovate' option as signalled by the LTP, the Council should explore options including demolition with the objective of opening up the central city, with the potential to create a Plaza/destination which could become the heart and soul of the city (as foreshadowed in the 2007 City Centre Strategy).

Separately, it would also provide an opportunity for the council to look at how it delivers the majority of its customer facing services - from a single centralised administration block far removed from any of the Council's communities, or through a more devolved/decentralised approach applying principles of place-based management that could recognise both the vitality and the very different character of the different parts of the city.

The "mould" situation gives Council the opportunity to evaluate all options for service delivery and the Chamber strongly advocates that the Council undertake a broad-based dialogue with its communities with the objective of reaching a consensus on how best to proceed. How the Council responds to the options presented by the problems with its present buildings is one of the most important decisions the Council is likely to make over the next decade or so and should only be taken with the full support of the city as a whole.

Parking

The Chamber see a need for a cohesive approach to parking, and that Council should establish a long term parking regime. The Chamber would recommend that once a parking regime is committed, it is not changed as it creates confusion in the market place. Making parking easily understandable should be a priority.

Chamber would suggest that consideration should be given to pricing mechanism versus public transport. When it becomes more reasonable to park in the parking building than a return trip on a bus, this could impact negatively on public transport as an option, and potentially speed up the need for a car parking building.

Parking Building

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.

Both parking and the new parking building need to be considered within the overall planning for the city centre and waterfront considering the needs now and for the future.

Major Events

The Chamber **supports** Option (C) to incrementally increase the Major Events fund from \$525k in year 1 to a total of \$1.29m in year 10. Total investment \$9.5m

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 comparative cities spend and encourage local residents and visitors to attend. Events create direct and indirect spending bringing money into the local economic cycle as well as creating a vibrant and productive city, a city with heart and soul, talented and innovative city full of opportunity, with great spaces, places and environments.

Investing in our Future – Economic Development

Economic development is a critical element to growing the city and the region. The Chamber's role is to focus on assisting businesses to grow and improve their capabilities. To be the best they can. We work closely with Priority One who work to attract new business to the area with the Chambers role to support, train and encourage growth both financial and operational. This is vital to economic development creating economic stability, certainty and the platform for growth. Both agencies have worked well together with this defined but cohesive approach.

We agree with the Economic Development Report where Council has identified an ambition for Tauranga to become 'a talented and innovative city, full of opportunity'. We welcome continuing to work with Council in this space. We also agree that Council look at the economic development budget to foster the city's skills base, innovative sectors and economic growth.

Through the **Smart Economy Business Advisor** we have recognised a high need area for advice and support for businesses. The role deals with a wide range of business sizes including start up advice, problem solving, ever changing legislative amendments and entrepreneurship.

This is a vital service as we are all aware of the statistics around business failure in the first 5 years which have a ripple effect that goes well beyond the affected business.

The contract brief has been to provide business development services that effect SmartEconomy outcomes and initiatives. This service has delivered by meeting with 2640 people in the eleven years we have been able to offer this to existing and budding business owners with no requirement to be a Chamber member. A number of these SEBA consultations can now be seen

to be running successful businesses and just as importantly a number of potential commercial misadventures averted.

We largely agree with Council in their recommendations for an increase in funding to enable an acceleration of activities. But the Chamber is greatly concerned with:

- e) Re-configuring existing support for SME's to focus assistance on the development of digital capabilities and online opportunities.

This on the surface would appear to be putting the advice service at risk and redirecting the funds into digital capabilities. There is no doubt that digital literacy is important and should be addressed, but not at the removal of a proven high need service being delivered to the business community. They should both be acknowledged and Council should consider both of similar importance. Both of these services have merit and could be considered as a two stage process.

Economic development is focused on attracting new and growing existing businesses that are utilising the area's strengths such as horticulture, food manufacturing and marine related activity. We believe the SmartEconomy strategy has in the past set the framework for this. Reviewing the strategy is prudent as the business climate evolves but careful consideration needs to be given to successful contracts currently in place that are already tracking towards the Council's objectives. The future is about having economic activity that results in building business capability and confidence, growing a highly skilled, educated workforce and consequential economic growth and wellbeing across the community. These people become ratepayers both commercially and residentially.

Chamber supports:

- Option (3) to increase the economic development budget by \$234,481 to \$2.35m in 2015/16, and reverting to inflationary increases after that.
- The economic development review being undertaken in 2015/16.
- Councils contract with Priority One to provide economic initiatives and outcomes for the region.
- Priority One continuing to manage the SmartEconomy contract.
- Council's ongoing funding of the facilitation services provided by Tourism Bay of Plenty.
- Councils contract with Export NZ BOP for the delivery of economic outcomes with Tauranga's Sister Cities.
- Council's contract with Tauranga Chamber of Commerce to provide community good business development services to give effect to the Smart Economy outcomes and initiatives via delivery of the Smart Economy Business Advisor.

Draft Policies

Rates Remission Policy

The Chamber **supports** the rates remission policy on general rates being given to earthquake prone buildings undergoing earthquake strengthening. The Chamber would recommend that you extend this to all commercial and industrial buildings in this predicament, rather than just the City Centre. The Chamber suggests that this is one way to help mitigate the disruptive cost to business operation.

Revenue and Financing Policy

The Chamber acknowledges Councils prudent approach to expenditure and to debt reduction however; investment into economic development related activities translates directly into jobs, much needed growth and attracting skilled people and high performing businesses to the region.

We support Councils underlying philosophy to take an active role in stimulating and supporting economic growth.

The Chamber has **concerns** about the policy on rate increases over the next 10 years. Councils will struggle to stay within the limits of the CPI increase, especially as infrastructure costs are not typically included in common costs used to measure CPI. And even more importantly limiting rate increases to 2% plus growth seems at best highly unlikely. Is Council setting itself a parameter that is not achievable? We would caution against this policy but suggest something that is achievable and realistic, perhaps the medium over the last 20 years. In a city with a static population this may be achievable but when population numbers can't be controlled it's not realistic to set a % limit and encourage investment.

The Chamber notes there are a number of assumptions on CPI and the document does not have a lot of information. We do however, have a concern that Council is using CPI and suggest that Council use an index that matters and is relevant such as LGCI.

Sub-Regional Approach

The Chamber asks that Tauranga City Council consider options for closer integration with the Western Bay sub-region. We note that closer integration is working at an executive level through Bay of Plenty Local Authority Shared Services. There is potential for more streamlining of processes therefore making it easier for businesses to operate across the two districts. The streamlining of processes would allow time and thought to the representation discussion. If there are lessons to be learnt from the Auckland city model, it was the diverse communities of interest and their representation that caused the greatest angst with the community. SmartGrowth and SmartEconomy continue to give an excellent platform for unified decision making.

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Signed:

A handwritten signature in black ink, appearing to read 'T Palmer', written in a cursive style.

Date: 20 April 2015

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