

## Dunedin City Council - Annual Plan 2022/23

### SUMMARY

Business South Inc welcomes the opportunity to provide a submission on the Dunedin City Council's Draft Annual Plan 2022/23. We are pleased to make a submission on behalf of over 780 members in the Dunedin City area.

We consistently work to ensure the business community has a voice in local government and value the positive working relationship we have with Council in several projects to ultimately build on and grow the Dunedin economy, albeit in unprecedented times.

Business South Inc wishes to take part in the hearing process to discuss this submission with the Council. We see ourselves as a collaborate partner with the city from the perspective of maintaining open and transparent communication and engagement with the business sector.

Business South Inc has been formed by the recent merger of the Otago Southland Employers Association and the Otago Chamber of Commerce. We are well connected and well-resourced through these organisations and our shareholding in BusinessNZ (see **Appendix 1**). These provide centuries of combined wisdom with access to some of the best policy minds influencing and shaping the future of our nation and is ambitious on behalf of the business community to work with Council on its planning whilst ensuring the business voice is loud, collaborative, influential and heard.

Making the city attractive by having a business-friendly brand is vital for future investment.

We have questions of Council:

1. **What is the Council doing to support small to medium (SMEs) and start-up businesses** to driving our local business economy? Councils can play a role in helping businesses to leverage new opportunities, thrive and being proactive in recognising opportunities.
  - a. Our members want support from Council for attracting and retaining local economic activity to create a business-friendly environment so they can operate effectively and sustainably.
  - b. There are immense pressures on businesses right now – issues with workforce, affordable housing, and supply chains. The price of doing business is going through the roof. How is Council working to retain people in a vibrant city and attract new talent? How is the Council resourced, organised and is there adequate capacity to assist businesses? Council must be proactive with strategic foresight to ensure this is a compelling place to do business, locally, nationally, and globally across all industries.
2. **Economic Development Plan** – the plan needs updating for sustainability, Centre of Digital Excellence, infrastructure opportunities, industries, and achievement of the

targets. The partners such as Business South Inc and the Otago Polytechnic have also changed, and the updated plan needs to reflect this.

3. **What is happening with seeing opportunities with infrastructure, planning, consenting and creative options for housing** given the forthcoming impacts of the large ACC, university, and hospital builds.
  - a. We need to increase the affordability, availability and variety of housing options and types for workers and families across Dunedin (and the wider region). We need land packages opened up; public private partnerships; consideration of housing in commercial areas and transport transit areas.
  - b. There are people who would be happy to commute from places like Palmerston and Waiholā (Clutha District).
  - c. Businesses are buying accommodation such as backpackers to accommodate staff for infrastructure projects.
4. **Waste minimisation** – having ambitious targets without resources is not sustainable. What is Council going to be doing to support and enable waste minimisation for the business community given the stated goals that council has signed up for? What feasibility studies have been completed for the cost of this goal? What allowances have been made for future growth?

There is a perception amongst our members that resourcing does not exist. Business South Inc would like to work in partnership with the Council to improve communications and information sharing in this area.

5. **What is happening with the Dunedin to Middlesbrough train line?** Members at both ends of the line would like transparent conversations and actions.

## KEY ISSUES

There is no 'one view' of issues with a business lense, as business owners come with diverse ranges of life-skills, life cycles, skill sets, innovations (both technological, sustainably and a change mindset) making significant contributions to the business and wider community both locally, nationally, and internationally. We do, however, bring together a cross-section of perspectives to collaborate with Council and bring about real positive change for Dunedin City.

SMEs nationally are 97% of the NZ business landscape, the numbers are similar for our regional membership. Small businesses and local entrepreneurs and those that support them are the 'backbone of our economy'. They are the ones growing local jobs, providing stable employment, developing, and strengthening community resilience and fostering opportunity.

Business South Inc's strategic vision is to have a thriving business environment that benefits the whole region, thereby ensuring economic growth is achieved in balance with building cohesive communities. One of our key pillars is to ensure that local government are constructive partners in developing vibrant and sustainable local economies.

While the range of concerns expressed by our business community are varied and often reflect local circumstances, there are several common themes. These are: the challenge around funding, the regulatory and compliance cost burdens, infrastructure requirements, accountability, capacity, and the increase in the range of issues within local government's scope.

## A. IMPACTS FOR BUSINESSES

1. **Rates increase** - Why are there such large rate increases overall? Business South Inc would like the council to review the differential between residential and commercial rates. The commercial rate differential is 2.46 times greater than residential rates. Our members want the Council to look at reducing the differential.

It must be said that the timing of rates rises, as businesses are recovering from Covid-19 is not the best. It is poor timing to introduce rates rises for employers and employees at a time when cost pressures on businesses are extremely tough with businesses recovering from the impact of Covid. The pandemic has cost the country and individuals a great deal. Cost increases have not been matched by increases in revenue. There are members who cannot see the benefit of rate rises under current economic conditions.

2. **One-way street system** - Business South Inc surveyed the membership on the proposals and the summary of results is attached. Overall, there was an 87% preference for retaining the one-way system.

Businesses will be affected by these potential changes, and they must be considered as an affected party. The productivity issues of increased travel times and more congestion carry real costs in labour, time, fleet costs and should not be underestimated. Businesses trading on the affected roads have stronger opinions as to the effects on their operating models.

For our members in the immediate area of the new hospital rebuild, a change will have significant impact on daily business operations, and they will have to review how they operate.

3. **George Street - Dunedin Retail Quarter upgrade** – Business South Inc supports investment in the city that makes it a vibrant place to visit and shop. A thriving downtown Dunedin is critical to our city's economic growth. Many inner-city businesses are still grappling with Covid and the aftermath. Retail, hospitality, and events members are feeling the financial strain and impact on their wellbeing.

The upgrade decision is made, and the consultation and engagement process were first class. Whilst not all agree with the decision, that's democracy. What is important now is that the project is completed in line with published timelines with minimum disruption to members. The published plans were thorough and inspirational and heeded a lot of concerns.

The achievement of a future-focused retail quarter has never been more vital to ensure that good commercial outcomes are achieved. Confidence must be retained and improved to ensure appropriate property development and retail innovation to occur. We need stellar brands and tenants who are confident to sign ambitious leases. Transport modes and parking must be correlated to ensure that shoppers and visitors catered for to shop and dine with safety and enjoyment. We need only look overseas to see how the social realm suffers when cities get this wrong. We look forward to continuing to partner and support the Council on getting this project achieved.

4. **Cycleways Programme** - We note the discussion in the Dunedin Urban Cycleways Programme where it mentions benefits of the “economic growth, particularly through regional tourism”. We are supportive of co-ordinated approaches that will grow cycle tourism businesses in the industry, those that support them, and any new businesses starting. Since the pandemic, interestingly cycling has become one of the fastest growing industries worldwide.

## B. FUTURE PLANS FOR THE CITY

There should be provision for businesses to readily engage with Council to co-create projects that are future-focused aiming to attract investment and sustainable business growth in the city, and wider region. The purpose is to make Dunedin an outstanding, cost effective and compelling place to do business. There is no one answer on how to do this. A key element to do so is through supporting investments and brave actions that will help employers successfully recruit and retain staff with necessary training, skills, and experience.

We encourage positive collaborative action with Council on the following initiatives:

1. **Getting the NZ Immigration office back in Dunedin** – While it is a central government responsibility, support from Council to get this on the agenda and being present in the city would be a vital outcome for businesses to be competitive in attracting quality migrants. This would make a statement as to the city’s status and vitality to people overseas considering where to base their future lives.
2. **Stimulating productivity across all our business sectors** – Productivity is being impacted by labour force shortages, access to supply chains and rapidly rising costs of doing business. We need Council assistance to advocate on behalf of our members to help overcome these problems.
3. **Sustainability** – Business South Inc will drive social, environmental, and financial sustainability as an organisation as well as supporting the businesses of Otago and Southland to embrace sustainable business practices. Collaborating with Council on sustainable projects will be beneficial to our community. BusinessNZ see this as a critical area of focus from a national perspective.

4. **Domestic and international travel** – Business South Inc seeks Council support to encourage businesses to use the services of the likes of Air NZ to travel, forging a balance between conducting business online (driven by the impact of Covid on all our lives) with being able to have face-to-face business connections. There is the need to pull people to Dunedin from a business and tourism perspective, with more routes and flights to ensure accessibility and affordability. It will have a flow-on effect for tourism businesses locally and regionally.
5. **Tourism** – Tourism businesses would like to see leadership from the Council in terms of new tourism initiatives. We need new attractions and packages to attract tourists. What is Council doing as cruise ships returning to our shores? How can we ensure visitors spend time and money onshore?
6. **Hosting big events in the city** - Our event, hospitality, accommodation members are looking for proactive sales and marketing of diverse events that will draw visitors to the city. When we get this right with city activation, we will have a story and offer second to none. We are ready to collaborate with all partners to grow on past successes.
7. **Education** – We support getting international students back into the city and participating in the educational opportunities available here. We seek support from the economic development arm of Council to assist by marketing the city widely including international sister cities.
8. **Strengthening Māori and Pasifika business community** – Business South Inc is building long-term partnerships to foster and grow the creative and diverse business communities. We would like the Council to support cultural diversity in the business sector.
9. **Workforce Central Dunedin project** – We are continuing to invest and develop the workforce required to build the new infrastructure projects in the city. We require a strong collaborative working relationship with Council, and other key stakeholders, so that these major projects will successfully contribute to a vibrant liveable city. See table below.

New Dunedin Hospital – Inpatients	Ministry of Health
New Dunedin Hospital - Outpatients	Ministry of Health
Adams Building Replacement	University of Otago
Cumberland Residence Seismic	University of Otago
Te Rangi Hiroa Residence	University of Otago
Social Housing	Dunedin City Council
Tunnel Trails	Dunedin City Council
Retail Quarter George Street	Dunedin City Council
Hillside Redevelopment	KiwiRail
ACC Building Dowling Street	ACC

On behalf of our members, thank you for considering this submission and we look forward to presenting at the forthcoming hearing in early May 2022.

#### CONTACT FOR FURTHER INFORMATION

For further information, contact the Chief Executive Officer, Mike Collins, 03 479 0181.

## APPENDIX 1. ABOUT BUSINESS SOUTH INC

*Business South Incorporated - Otago Chamber and Southern Employers* is a membership-based service organisation. The Chamber and Southern Employers together have a combined history of nearly 300 years' worth of business support, expertise, and representation in the region. The Otago Chamber of Commerce<sup>1</sup> was founded in 1861 and the Otago Southland Employers' Association was founded in 1890.

Comprised of over 1,300 members, Business South Inc actively provides information, advocacy, and support for business:

- connecting members through networking events and functions
- advocacy
- business support
- employment relations
- health and safety
- workforce development
- developing capability and skills through our training workshops and programmes, including the not-for-profit sector.

We also advocate and offer a voice for business concerns and submit on behalf of members on local and national government policy. We represent a broad cross-section of business demographics including, location and industry type, with a full range from small businesses through to large employers and stakeholders in the Otago and Southland region.

We are a member of both the national BusinessNZ and NZ Chamber of Commerce networks.

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<sup>1</sup> Business South Inc excludes the chamber organisations in the Queenstown Lakes District – Queenstown Chamber of Commerce and Ignite Wanaka.