



Dunedin City Council

Draft Annual Plan 2011/2012

The Otago Chamber of Commerce would like to speak to
this submission

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INTRODUCTION

Local economies are about the people that work, visit and live in them. Economic downturns threaten the quality of life of people. And so for Dunedin to remain healthy local leaders must listen to, communicate with, and craft and implement solutions to support people and businesses.

Good plans are not just about generating business or cutting rates; they are about enhancing a quality of life that will retain our community wealth and developing leadership that has intellectual ability to build our region in a positive way.

We believe enhanced community wealth and a higher quality of life comes as the result of a strong economic base built by a business community which generates employment opportunities.

The business community generates the wealth on which our region and its residents depend. It is for this reason that we make this submission. The Otago Chamber of Commerce is pleased to be able to present this submission on behalf of the 1300 Otago businesses that are our members.

The businesses that we represent are a broad cross-section of business demographics with regard to size, location and industry. Furthermore, these businesses are representative of the region's wealth generators as well as being owned, managed and staffed by the region's core residents. Our members employ almost 50% of the 50,300 FTE's employed in Dunedin and our estimate is that our members contribute significantly more than half of Dunedin city's \$4.30 billion GDP. As such, the Chamber's members are large stakeholders in the economic, social and environmental future of the Otago Region.

The Chamber has submitted on and been involved in discussions on a number of issues relating to Dunedin City, and we thank Council for your open dialogue with us.

The Chamber continues to support you in helping to achieve your goals as a representative of business.

SUBMISSION

Developer Contributions

The Chamber is pleased Council has responded positively to the suggestion that more time be given to the consultation process on the Developer Contribution Review. We wrote to Council on 28 March seeking such a deferment.

The Chamber's position on this matter is that Council should charge appropriately in the interest of all existing ratepayers, and that the basis of those charges should take the benefits of development into account as well as the costs. Careful consideration needs to be given to the benefits that would be derived from additional employment that would follow from industrial development in particular.

The consideration for such developer contributions is a complex and technical one. The Chamber is concerned that a public submission process is not necessarily the right environment for such discussions, and therefore has proposed Council establish a working party to more fully debate the policy. This working party should involve Council, industry and developer interests to ensure that merits of this policy are fully explored.

The Chamber and Council have a good track record of being able to work through complex issues, and we offer our expertise and assistance to produce a policy for Developer contributions that is good for all ratepayers and residents of the city.

We request Council form a Working Party to review the Policy for Developer Contributions.

Industrial Land

Dunedin has a shortage of industrial land suitable for business to grow and expand. We are constraining the growth in our economy by not providing suitable sites for business. The Chamber has viewed work undertaken by Council concurring with these statements.

The Chamber has worked tirelessly with Cr Colin Weatherall to resolve issues relating to Harbourside Plan Change 7. In the process of reaching agreement with the Dunedin City Council we determined to form an Industrial Land Working Party. We look forward to working pro actively with Council to address the industrial land requirements of the City.

We invite Council to join a Working party alongside the Chamber to address the industrial land requirements for the city.

Rating Differential

The Chamber has submitted on this topic for many years and our views are well known to Council.

We note the Council is reducing the non-residential general rate differential over a 10 year period. We support this reduction. This will have the effect of reducing the non-residential general rate from 3.08 times that of the residential rate, to 2.50 times more. Council notes in the Draft Annual Plan that the rationale for this reduction is *"the growing imbalance in the distribution of the rating burden on non-residential properties which is attributed to changes in property valuations over time. Non-residential valuations have increased disproportionately and the Council wishes to acknowledge this and at the same time send a positive signal of support to the commercial sector in difficult economic times"*.

Whilst we appreciate the sentiment expressed by Council in acknowledging the imbalance, the Chamber wishes to remind Council that our opposition to the differential is based on the arbitrary nature of its original allocation.

The Chamber still supports an overriding principle that:

1. Applies user charges wherever practical to ensure resources flow into these areas of greatest demand.
2. Makes use of uniform charges where user charges are not feasible and where the outcome will be more equitable than raising the money from rates based on capital values.
3. Broadly reflects the benefits provided by Council. The allocation of benefits necessarily involves subjective assessments. However, it is important the exercise is completed in a professional accountable manner.

We note Council appears to support our underlying philosophy, and we are pleased to the Councils Rates and funding Working Party proposing to review the use of targeted rates for the library and potentially other services in time for the Long Term Plan 2012/13 – 2021/22.

The Chamber supports the reduction in the non-residential general rate differential.

Rugby World Cup

The Chamber of Commerce has worked closely with Council on various aspects of the Rugby World Cup (RWC). We are very pleased with the progress the city is making and must commend staff for the work undertaken to date. While much of this is yet to be seen publically we believe the city is preparing well for this major event.

The Chamber through its Retailers Committee offers support to the Council. In particular we will assist with:

- ***Dissemination of information***
- ***Facilitating workshops***
- ***Co ordination of retailing hours***

Branding

The Chamber is one of the brand partners working with Council to undertake a new campaign including design of a logo. This is an important activity to undertake, and we commend Council for involving other 'partners' in developing the concepts.

We encourage Council to explore further uses for the brand.

Buy Local

The Chamber is concerned at developments that are occurring throughout our city towards national procurement. We appreciate that Council is looking to reduce its expenditure by reviewing its purchasing policy, but we would ask Council to fully explore the ramifications of not supporting local industry where appropriate. There is a strong economic argument for such an imperative, and we would be encouraging Council to support local industry to a greater level than it currently is, not less.

We encourage Council to review its procurement policy.

Carisbrook

We note Councils intention as outlined in the Annual Plan as follows:

"That the Carisbrook properties be sold outright under current zoning (industrial) as soon as practicable, subject to the price and terms and conditions being subject to approval by the Property Sub Committee and the Council.

That the Council approves registering a restrictive covenant against the Certificate of Title of the Carisbrook site prohibiting certain types of future development (such as a retail shopping centre, supermarket or multi big box retail) and this be brought back to the Council prior to any sale.

That the Council includes appropriate special conditions of sale in conjunction with the New Zealand Historic Places Trust."

The Chamber fully endorses this intention and thank Council for protecting the current (industrial) zoning.

The Chamber supports the sale of Carisbrook with the intention of providing more industrial land for commercial development.

Digital Strategy

The establishment of a digital strategy along with the provision of infrastructure to allow for high speed, affordable broadband, is as important for the future of our business community as a roading network. The city has embarked on this for the benefit of the city, and we believe is an appropriate activity to be undertaken by Council in the interests of the wider community.

The Chamber continues to support Council's Digital Strategy.

Economic Development Strategy

The Council is currently undertaking a review of the Economic Development Strategy which the Chamber of Commerce, along with other agencies, is participating in. It is our view that any outcome from the strategy must link to any review of the Economic Development Unit, and future measures of its performance.

The Chamber welcomes the review of the Economic Development Strategy.

Consultation

The Chamber seeks to be a positive contributor to the City of Dunedin, and in particular to areas which affect its membership. The Chamber has a wide range of members who have shown a tremendous willingness to provide their skills and expertise to assist the city. We have experienced many examples of both good and poor consultation within our city. The Chamber and Council need to work together, along with other agencies, to ensure consultation is not just a function fulfilled to meet the requirements of the Local Government Act. There is a real opportunity for our city to adopt a consultative process that engages key stakeholders on issues that Council is seeking funding or policy changes on. The Chamber would encourage Council to explore ways that this could be done for the benefit of all residents.

We encourage council to explore consultation processes that engage with key stakeholders and residents.

Conclusion

The Otago Chamber of Commerce is very encouraged by the relationship that it has with the Dunedin City Council. Together we have been able to discuss and work on initiatives that benefit the city. We offer Council the skills and support of the Chamber, and look forward to working with you into the future.