



2007 LOCAL AUTHORITY MANIFESTO

ROTORUA CHAMBER OF COMMERCE

RECOMMENDATIONS FOR A POSITIVE
BUSINESS ENVIRONMENT FOR THE NEXT
THREE YEARS

MANIFESTO

FOR A POSITIVE BUSINESS ENVIRONMENT

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INTRODUCTION

In May 2007, the Rotorua Chamber of Commerce surveyed its members to identify issues they considered important to create a business environment to encourage growth. Respondents were asked to rate the importance of issues on a five point scale. The issues are (most important first):

- *A business friendly and supportive approach from Council to development proposals*
- *A well defined plan and the provision of suitable infrastructure for strong business growth*
- *A commitment to improving the lakes water quality*
- *Strong leadership uniting stakeholders to achieve growth*
- *A clear, integrated and coordinated vision for Inner City Rotorua*
- *A tourism promotion strategy that repositions Rotorua as the premier tourist destination in New Zealand*
- *More involvement of business through consultation on issues relevant to business*
- *Inclusion of a broadband infrastructure development strategy in the District Plan*
- *Encouragement to establish new businesses*
- *A proactive approach to environmental sustainability in building and operational requirements*
- *A coordinated energy strategy (supply and demand) in the District Plan*
- *Reduced size and cost of local government*

The Chamber then approached interested stakeholders in the business community to comment and identify key actions for consideration by the Rotorua District Council to create a positive environment for business growth. This manifesto is the result.

A BUSINESS FRIENDLY AND SUPPORTIVE APPROACH TO DEVELOPMENT PROPOSALS

The Council promotes Rotorua as a great place to work and do business. However, some business sectors perceive that regulatory barriers and negative feedback, rather than positive guidance, are blocking opportunities. Council processes are seen as sluggish and unresponsive and costs of applications and development contributions are too high and inflexible.

Efforts should be made to remove barriers to providing more industrial land. Critically, the implementation of Council policies must reflect the purpose of developing them. Officers appear overly risk averse, so that customers are told how rules and policies prevent the activity, rather than how rules and policies can be applied to allow the activity. The Council should change that culture.

The District Plan must be continually updated to match the increasing rate of change in the business environment and community aspirations. Businesses perceive there are thousands of intervention measures of varying importance. It is essential that Council and the community, including business, know what the vital resource management issues and policies are. Other issues should not be 'deal breakers' for activities that advance agreed community outcomes.

The Council's roles as both development advocate and regulator can lead to frustration when staff won't provide the assistance that business people expect. Regulatory staff must adhere to Council policies, yet it is often in the detail of policies and rules that frustration arises. Better understanding and communication are essential.

KEY ACTIONS

- *Improve communication – open meetings, friendly cooperative staff and a more helpful website that contains the right information and contacts and is clear and easy to use. Make it easy for people to find out about requirements and costs.*
- *Develop a clear, positive vision through the District Plan, setting out how it will be achieved, and communicate that. Change the perception among those surveyed by the Chamber that Rotorua is an expensive and difficult place to do business.*
- *Review and remove unnecessary barriers in Council's policies and procedures and improve certainty and clarity.*
- *Appoint an adviser outside the regulatory process to liaise with business and major developers on processes and opportunities to reduce time and costs.*
- *Review consent processes to ensure they reflect best practice, are customer focused and meet legislative time requirements.*

A WELL DEFINED PLAN AND THE PROVISION OF SUITABLE INFRASTRUCTURE FOR STRONG BUSINESS GROWTH

Successive Councils have developed much of the infrastructure necessary to support a tourist population well in excess of the resident population. Over the past two five-year census periods, population growth has been minimal at 2.5%, from 68,988 to 70,737. The city has also experienced minimal business growth. Eastgate Park on SH30 has been slow to fill, as has Biak Street behind Bunnings.

The challenges faced by neighbouring cities, Tauranga and Hamilton and even Auckland, are creating a selling point for Rotorua as an attractive alternative for business establishment.

One criterion for a good business situation is good access to air, sea and IT ports. The trans-Tasman airport capability will stimulate business. Access to the Port of Tauranga is better for Rotorua businesses than port access for probably 2/3rds of Auckland's businesses. Broadband access in Rotorua city is viewed as still lagging behind the major cities.

Plans are under way to improve roading with the proposed work on the Tauranga direct route and the eastern arterial. The Victoria Street bypass will do much to facilitate traffic movement across the city.

Rotorua could well be at the start of strong commercial growth. However it will need to build on recent developments to attract new business.

KEY ACTIONS

- *Identify and classify through the District Plan prime commercial development precincts that meet the needs of industrial and technology business parks.*
- *Provide encouragement for organisations to establish and develop industrial and technology business parks that meet business needs.*
- *Increase the priority of roading developments that will provide a safer, more efficient transport network for businesses in Rotorua. Maintain progress on direct route to Tauranga and Victoria Street bypass.*
- *With Rotorua Regional Airport to gain trans-Tasman capability, consider lobbying Transit NZ to rapidly upgrade highway links between Tauranga and Rotorua. This would also promote a twin city concept of Rotorua and Tauranga.*
- *Maintain pressure on Transit NZ to re-establish construction of the Eastern Arterial Highway in its ten-year plan.*

A COMMITMENT TO IMPROVING THE LAKES WATER QUALITY

Many of the Rotorua lakes have experienced algae blooms and deteriorating water quality caused by high nutrient levels due to intensive pastoral farming and sewage effluent discharge.

Pristine lakes will open up huge opportunities to further market Rotorua as a desirable place to live and as a top tourist destination. A cleaner, healthy environment will encourage population growth, improving economic wellbeing and prosperity. More tourists, engaging in more activities centred on the lakes, will add to job growth. The district's lakes provide a competitive advantage against a background of climate warming and a global scarcity of clean, fresh water. The BrightEconomy Board identified availability of fresh water as a strong economic driver for the future. All these factors emphasise the importance of the Rotorua District Council's role in lakes water quality management.

The Rotorua lakes district is a unique environment set in spectacular topography, yet because of adverse publicity about water quality, people outside this area do not appreciate the wonderful advantages of our beautiful lakes and they remain under-utilised for sport, business and recreation.

EBOP and RDC, with financial assistance from Central Government, have committed to restore our lakes. The Rotorua District Council should:

KEY ACTIONS

- *Actively support EBOP in achieving the action plans for the restoration and preservation of the lakes.*
- *Continue to build sewerage schemes around the lakeside settlements*
- *Support EBOP in obtaining a reasonable financial contribution from Central Government.*
- *Ensure preservation and restoration of the lakes becomes a principle driver in the Rotorua District Plan by allowing innovative land use change from intensive farming to more sustainable alternatives.*
- *Encourage the tourism industry to widen its focus from Maori culture and volcanic activity to all Lakes district recreational experiences.*

STRONG LEADERSHIP UNITING STAKEHOLDERS TO ACHIEVE GROWTH

Over the past three years business, community groups and the District Council have begun to work cooperatively towards economic growth.

The District Council has begun meeting regularly with industry advisory groups, major stakeholder groups and representative organisations such as the Rotorua Chamber of Commerce; the BrightEconomy Advisory Board has been formed as an economic think-tank of business leaders; Ready to Retail, the Chamber of Commerce and Destination Rotorua Economic Development have begun working together on the CBD redevelopment; the Chamber of Commerce, retail and tourism organisations and Destination Rotorua Economic Development have worked together on Rotorua Retail Promotions Advisory Group; sector focus groups have worked through Destination Rotorua Economic Development on the Employment Skills Strategy.

Yet divergent and dissenting views still gain a level of attention that dilutes a focus on a 'whole of community approach' to advancing the overall wellbeing of Rotorua.

Strong, consistent leadership towards clear goals is needed. As the political leaders of the district, the responsibility rests with the District Council to unite all groups. The elected councillors need to integrate the multitude of reports on the development and growth of Rotorua into a unified vision, and maintain momentum towards achieving that vision.

KEY ACTIONS

- *Have a strong vision for the future of Rotorua that can be captured in media and conceptual statements that can create a visual image.*
- *Articulate this vision with passion to all stakeholder groups.*
- *Actively encourage a cooperative and unified whole of community approach to achieving that vision.*
- *Provide leadership to maintain momentum towards the vision.*

A CLEAR, INTEGRATED AND COORDINATED VISION FOR INNER CITY ROTORUA

During the past two years, the Council has commissioned a number of important reports and studies. These include the CBD Revitalisation Study, the Lakefront Development Study, the Built Heritage Study, the Transport Study, the CBD parking review.

Each of these studies is important for the future direction and growth of the central city, with information that can form a strong skeleton for a vision of the future. However, if they are considered individually there is a real risk of conflicting issues arising that may stall progress.

Business wants a thriving Central Business District that not only provides the level of products and services required by business but develops an environment that uses the natural resources available to add character and uniqueness to the city.

Planning for CBD Rotorua should aim for a clear vision of a modern, vibrant, attractive city centre that is a model for other centres in New Zealand. The Long Term Community Consultation Plan provides a guiding set of goals and objectives for social and community values.

The elected representatives should provide leadership by describing a clear and precise vision of what Rotorua will look like in the future, incorporating all the components of the plans being considered by different departments of council

KEY ACTIONS

- *Create a clear vision for the future of Inner City Rotorua.*
- *Clearly convey this vision and the principle concepts to Rotorua residents so they can understand it and embrace it.*

A TOURISM PROMOTION STRATEGY THAT POSITIONS ROTORUA AS THE PREMIER TOURIST DESTINATION

Investment in tourism infrastructure and products in Rotorua has been substantial recently. The Energy Events Centre has established Rotorua as a major player in the NZ convention market with the third largest capacity after Auckland and Christchurch. The district has visitor attractions unequalled in New Zealand. Consent for the trans-Tasman development of Rotorua Airport is a watershed for tourism. Direct flights through Australian hub airports can only add to Rotorua visitor numbers. Major investment has also been made in redeveloping a number of key visitor attractions - Te Puia, Skyline Skyrides and Polynesian Spa are examples. Major hotels have been refurbished and new accommodation facilities opened.

The tourism sector is the largest employer, directly and indirectly, in Rotorua. Internationally, the tourism industry is robust and has shown strong growth, with economic and financial fluctuations having only minimal impact.

Funding of Destination Rotorua Tourism Marketing is a positive investment by Council in the economy of Rotorua. However, funding has leveled off in recent years. Internationally, the global tourism market has become very aggressive and competitive. Large budgets are being used to promote destinations. Rotorua needs to remain proactive and innovative in its tourism marketing.

KEY ACTIONS

- *Continue investment in funding Destination Rotorua Tourism Marketing and link the level of funding to an annual index.*
- *Develop a marketing strategy that positions Rotorua as the premier tourist destination in New Zealand.*
- *Encourage and facilitate a whole of industry approach to supporting and building on the investment the Council has made in tourism marketing through Destination Rotorua Tourism Marketing.*
- *Build on Rotorua's strong Maori cultural and geothermal attractions to continue developing attractions based on the district's other advantages.*
- *Encourage the development, through the CBD revitalisation project, of the CBD as a tourist visitor retail attraction.*

MORE INVOLVEMENT OF BUSINESS THROUGH CONSULTATION ON RELEVANT ISSUES

The NRB annual residents survey suggests a positive satisfaction rating for council. However this does not address the opinion of business operators on the environment for business and economic growth. Businesses account for 8% of Rotorua ratepayers, they hold 11% of the land by value and they pay 30% of the general and Uniform Annual General Charge (UAGC) rates. Business entities do not have a vote at elections nor a voice at the Council table.

The Rotorua District Council seeks advice from such groups as the Tourism Advisory Group, Retailers Group and BrightEconomy Advisory Board. However none of these groups is an effective debating forum between a representative business stakeholder group and elected representatives of Council. To develop a positive environment for growth it is essential that all stakeholders in the Rotorua economy work together.

The process of introducing the development levy proposal and the subsequent lobby by business suggests that a better consultative process could be adopted. The discussion during 2006 on the rating methodology and the suggested move to capital value rating has resulted in considerable dissatisfaction by business over the consultation process.

KEY ACTIONS

- *Commission an annual business ratepayer satisfaction survey on aspects of Rotorua District Council performance relevant to business.*
- *Establish a Business Forum chaired by the Mayor that comprises all 12 elected Councillors and 12 representatives from across all sectors of Rotorua business.*
- *Use the BrightEconomy Advisory Board in developing business-related Council policy, rather than to comment on policy already formulated.*

DEVELOPMENT OF A BROADBAND INFRASTRUCTURE STRATEGY

The business environment has changed considerably. The web has become an essential component of business marketing and its importance will continue to grow with increasing emphasis on global markets and a focus on export led strategies.

Marketing through interactive websites and the growth of voice over internet technology require high speed broadband. Fast communication can also help businesses to take advantage of the time difference from northern hemisphere markets in a world where technology based services no longer need to be geographically close to the consumer. In addition, technology is speeding up global change in product and service design and delivery. Competitive, successful organisations use internet portals to keep abreast of product development, market trends and research.

Many decision makers, leaders and managers are seeking a better work-life balance. Some elect to live in life-style environments and travel to work, others do much of their work from an office at home, while others are totally mobile, working from a virtual office in a briefcase.

All these changes require a communication network with reliable, high-speed access to broadband. If Rotorua is to attract new industry it must provide the required infrastructure. The Rotorua District Council should develop a broadband strategy that encourages and facilitates the establishment of a quality broadband infrastructure.

KEY ACTIONS

- *Investigate methods of optimising the regional broadband network and improving intra-region connectivity from the region to the main Auckland-Wellington broadband highway.*
- *Include a requirement for broadband access capability in reticulation of utilities to new subdivisions or replacement of existing utilities.*
- *Facilitate the extension of broadband capability to the rural areas of the Rotorua district.*

ENCOURAGEMENT TO ESTABLISH NEW BUSINESSES

Destination Rotorua Economic Development has done some excellent work in re-positioning Rotorua as a place to live, work, play and invest. The 2006 perception survey by APR Consultants identified a number of challenges in the perceptions of Rotorua held by many respondents to the survey from outside Rotorua.

The recent establishment of Rotorua Central as a large outlet retail centre has seen a number of vacancies in retail space in the more established area of the CBD. Some of the property in the CBD is aged and in need of restoration or redevelopment. The Opus International report on the CBD revitalisation identified a positive plan to re-establish the CBD as a vibrant retail district. The report recognised the need to attract new retailers.

Strong business growth across all sectors of the business community is essential for the economic growth of the city.

KEY ACTIONS

- *Continue the work of the BrightEconomy Advisory Board in addressing the negative responses of the perception survey.*
- *Continue the work of Destination Rotorua Economic Development in positioning Rotorua as a place to work, live, plan and invest.*
- *Create a positive retail environment in the CBD to attract the interest of new retailers by adopting a CBD revitalisation strategy.*
- *Develop a strategy that will incentivise existing property owners in the CBD to invest in refurbishment and/or redevelopment.*
- *Develop a strategy to attract, incentivise and facilitate the establishment of new businesses to Rotorua.*

PROACTIVE APPROACH TO ENVIRONMENTAL SUSTAINABILITY

Sustainability featured strongly in the Prime Minister's Opening Statement to Parliament. Territorial authorities should pick up on this call to action and ensure a theme of sustainability is maintained through all aspects of the district's planning and operations, including development, construction, waste management, transport and energy.

Many households use Rotorua District Council's recycling centres, but a large amount of recyclable material is still going to landfill. These facilities should complement curbside recycling rather than being the main collection system. A curbside recycling system should collect recyclables at the same time as the general rubbish bags. Rotorua is the only district in the Bay of Plenty not offering curbside recycling.

Construction and demolition methods and materials affect sustainability. Some examples of actions to improve sustainability include: using materials that will not continue to emit noxious gas for years after the building has been completed; using materials that have been made sustainably (e.g. from renewable resources); designing buildings to re-use grey water for flushing toilets and pre-heating cold water going into hot water cylinders, and recycling construction and demolition waste.

Rotorua District Council can offer a free advice service to developers and residents on sustainable construction methods and materials, as the Waitakere, Hamilton and Kaitiaki Coast Councils do.

Rotorua District Council currently dumps two major waste products – lake weed and sludge from the waste water treatment plant – that could be used to make fuels.

KEY ACTIONS

- *Encourage and facilitate recycling from all households.*
- *Encourage and facilitate sustainability in the construction sector.*
- *Research and facilitate conversion of waste products into fuel.*

A COORDINATED ENERGY STRATEGY FOR THE DISTRICT

Climate change is a serious global issue. Rotorua District Council must develop a strategy to reduce Council's carbon emissions and assist the community to reduce carbon emissions with the target of becoming carbon neutral. With the Council and community working together, Rotorua could be marketed as a carbon neutral destination to add a facet to the tourism portfolio. Rotorua has the opportunity to become a leader and gain significant benefit.

Energy will be a critical resource for economic growth. Rising demand and cost of traditional forms of energy, plus supply constraints, are posing increasing challenges. Economic growth will be enhanced by the district moving towards self-sufficiency in supply and generation.

The District Council should show leadership in this important dimension of economic growth. The Council should appoint an Energy Champion to advise homeowners, industry and business on new technologies and their application; to identify funding agencies and provide guidance in accessing the wide range of funding for cost-effective energy solutions; to facilitate support from funding agencies for energy management initiatives; to promote energy audits; to provide energy management advice; to manage pilot projects; and to work with Maori landowners and others to assist in developing small geothermal and other micro-generation developments.

RECOMMENDATION

- *Develop an energy management strategy that includes an energy management policy and plan for the Rotorua District Council.*
- *Adopt best practice for energy use by the Council and publish details to establish the Council as a positive role model in energy management.*
- *Support and actively enable new local energy management initiatives.*
- *Set strict carbon reduction targets for the Rotorua District and develop an action plan for their achievement.*
- *Develop and support renewable energy generation initiatives including hydro, solar, geothermal and bio fuels.*
- *Develop work started by the BrightEconomy Board on local energy resources.*

REDUCED SIZE AND COST OF LOCAL GOVERNMENT

The core function of local government is the funding and, where appropriate, the provision of local public goods. These comprise democratic, representative and governance processes, infrastructure including roading, water supply, storm water and wastewater systems, lakes water quality, and community wide services such as rubbish removal, parks and reserves, certain library services, and public health and safety such as the control of contagious diseases and food safety.

Rotorua District Council is involved in a number of services that have high 'private good' elements. They include the Rotorua Regional Airport Limited, the Rotorua Energy Events Centre, the Rotorua Aquatic Centre, the Tourist Information Office, the Forestry Information Centre and the Organiser event management company.

While infrastructure development is crucial to the growth of Rotorua, the management of those that have a high level of private good and considerable commercial opportunity should be divested to private interests while retaining community ownership of the asset and generating a return to the ratepayer on the investment.

Reducing the Rotorua District Council involvement in non-core activities and services that provide a high level of private good or offer commercial opportunity will reduce the size and cost of the Rotorua local authority to the ratepayer.

KEY ACTIONS

- *Review Council units that provide private goods and services to the public to ensure they operate effectively and efficiently. The review should consider different management models and the benefits of divesting commercially viable activities to private enterprise while retaining a return on the investment.*
- *Reduce the size, scope and cost of local government by focusing on core activities of local government.*
- *Desist from moving into areas of commercial operation that compete directly with private interests and expose Council to commercial risk.*

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