Business Friendly Councils

Guidelines and case studies from
New Zealand's Core Cities

AUCKLAND

TAURANGA

HAMILTON

WELLINGTON

CHRISTCHURCH

DUNEDIN

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Foreword

Local Government is currently investing over
$8 billion in infrastructure and services annually
that enables business to operate effectively.
We are a significant and major player in
New Zealand's economic development.

Critical to our success in this role is our partnership with central government and business. Since the Global Financial Crisis (GFC) in 2008 the importance of working together has been magnified as New Zealand has reeled from a number of economic shocks, most notably:

· the impacts of the GFC in 2008 including a recessionary period that followed; and

· the Christchurch earthquake which is by global standards one of the most costly earthquakes in history.

LGNZ's Metro Mayors and CEs Forum proactively responded to these challenges in early 2011 by exploring collaborative economic networks. Using the UK Core Cities model as a guide, the sector formed a six city-region network and called it New Zealand Core Cities.

The Core Cities network is led by LGNZ in partnership with Ministry of Business, Innovation and Employment, Auckland Council, Tauranga City Council, Hamilton City Council, Wellington City Council, Christchurch City Council and Dunedin City Council. The network invested in research to:

· better understand the role and economic contribution our six largest cities make to the New Zealand economy; and

· identify the "competitive advantage and distinctiveness" of each city-region to help identify specific areas where collaboration can add value to the NZ Inc. export effort

The guidelines project has distilled an agreed set of principles and key steps for any council aiming to become "Business Friendly." These principles draw upon and are supported by 14 case studies which showcase best practice across the network.

Business organisations consulted on the guidelines have welcomed the Councils approach to becoming business friendly. In particular, business organisations are keen to see a real cultural shift within councils towards becoming organisations that understand the importance of business in their communities and that take a strong customer focused approach. Business feedback confirms that these guidelines are a sound starting point for making this shift into the future.

The guidelines provide an opportunity for LGNZ to further develop an evidence based conversation with national and local business organisations on how our sector can help support the "economic development" of New Zealand.

Lawrence Yule
President
Local Government New Zealand

Malcolm Alexander
Chief Executive
Local Government New Zealand

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1.Introduction

Prosperous and resilient local economies provide good living standards for local communities and contribute to New Zealand's economic prosperity. Internationally, there is growing recognition of the crucial role local government plays in developing, attracting and retaining local economic activity to create business friendly environments.

Business friendliness is defined by these guidelines:

"Explicit attempts by local government and their partners (including central government) to reduce the regulatory and non-regulatory barriers, costs, risks uncertainties in all forms of commercial activity to stimulate and support local business growth, local business retention and the attraction of new business to the local area."

These guidelines have been developed for councils who want to become more business friendly. They have been produced by Local Government New Zealand (LGNZ) in partnership with the Ministry of Business, Innovation and Employment (MBIE). They identify the different roles councils can – and many already do – play to support businesses and economic development. They provide a series of best practice operating principles and activities fundamental to developing business friendly cities. They also highlight the organisational capabilities councils need to develop to create more business friendly cultures.

Importantly, these guidelines provide 14 case studies drawn from New Zealand's six largest city councils. The case studies provide tangible examples of how councils can successfully create business friendly cities. Findings are based on a review of international literature and on the evaluation of the 14 council case studies. While city-regions are a focus of this report, key learnings can be applied across the entire local government sector.

1.1 The Core Cities Project – local and central government growing the New Zealand economy

The Business Friendly Guidelines are an initiative of the New Zealand Core Cities project, initiated in April 2011, by LGNZ and MBIE in conjunction with the councils of New Zealand's six largest cities: Auckland, Tauranga, Hamilton, Christchurch, Wellington and Dunedin. These six cities are home to the majority of the country's businesses and represent over half the national economy. The goal of the Core Cities Project is to build a shared understanding across local and central government, of the economic contribution and core strengths of New Zealand's largest cities.

The Business Friendly Guidelines reflect the four aims of the New Zealand Core Cities Project:

· cities offer opportunities for economic growth, now and in the future;

· there is a shared understanding that our competition is the rest of the world;

· city-region specialisations are based on different comparative advantages; and

· councils collaborate to improve the economic environment in all New Zealand cities.

Each of the councils involved in the Core Cities network is exploring opportunities to support growing the national economy. So far, four obvious focus areas for collaboration across the network have been identified. The guidelines are a practical action to collaborate on the first of these focus areas: "Sharing best practice – policies and processes that have proven to build business friendly councils."

The Prime Minister and Cabinet hold an annual meeting with LGNZ's National Council: the Central Local Government Forum. At the meeting in June 2013, discussions were held on how local and central government can better work together to grow New Zealand's economy. The New Zealand Core Cities business friendly project was acknowledged as an important step in this process.

Central / Local Government Forum Meeting – Premier House 13 June

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2.Strategic context

2.1 New Zealand's place in the global economy

With a small population and domestic market, New Zealand is reliant on its exports to maintain and enhance its economic prosperity. However, New Zealand's small scale combined with its distance to export markets requires our businesses to be highly productive, innovative and efficient in order to compete internationally. The Core Cities network provides councils with the opportunity to develop innovative and ground-breaking ways to improve the relationship between local government and business and overcome challenges that arise due to the small scale of our cities.

This is important because cities both here and overseas are playing an increasingly critical role in accelerating business innovation and productivity. This is largely due to the benefits they offer in terms of economic density and diversity. In modern global economies, face to face interactions are a key driver for innovation, especially for knowledge intensive economic activity: activity that can generate both higher economic growth and incomes for cities and nations. Cities are also magnets for skilled labour, investment and high-value economic activity and they often act as hubs, connecting their regions to international trade, investment and migration.

Cities matter for New Zealand's economy. Local government's ability to develop business friendly cities is critical for stimulating economic growth and for overcoming the challenges arising from the small scale of New Zealand cities.

2.2 Central government's role in supporting businesses and growing the economy

The New Zealand Government is committed to creating the environment for business to thrive, ensuring that New Zealand maintains its world-leading reputation as a country for "doing business". The Business Growth Agenda is an ambitious Government programme that will enable New Zealand businesses to grow, create jobs, improve New Zealanders' standard of living and importantly, maintain its reputation for doing business.

The Business Growth Agenda focuses on the following six fundamental inputs that businesses need to grow:

· export markets;

· innovation;

· infrastructure;

· skilled and safe workplaces;

· natural resources; and

· capital markets.

The Government has developed a programme of work to accelerate each of these areas. Some initiatives operate at the national level, contributing to the macro-economic framework which aims to provide a fair and competitive environment for businesses. Others operate at regional and city levels, providing local investments necessary for economic development. These include investment in transport, schools and universities, and skills development programmes.

The Government is also committed to improving the quality, speed and cost effectiveness of central government services to businesses. The initiative, 'Result 9: Better Public Services for Business' is aimed at supporting New Zealand businesses to succeed by making it easier for them to interact with central government. By 2017 New Zealand businesses will have a one-stop online shop for all central government advice and support they need to run and grow their business. The overall programme is expected to reduce the cost to business of interacting with government by 25% by 2017. Government services will also achieve similar performance ratings to leading private sector firms.

2.3 Local government's role in supporting businesses and growing the economy

Local government already plays a critical role in ensuring a friendly and supportive environment for business locally, and makes a significant contribution to economic growth in New Zealand[1] . Councils across New Zealand are responsible for making sound infrastructure investment decisions, administering fit-for-purpose regulation, and providing services that improve local circumstances. (Ref: Annex 2)

An international review of indicators of business friendly cities highlights that many critical elements are provided by local government. These contributions go far beyond what is commonly understood as "economic development." Rather, councils are key shapers of local, physical and social environments within which firms, markets and residents live and do business. Local government contributions have been further categorised into the following six priority areas:

· leadership;

· spatial planning and infrastructure;

· quality regulation;

· services (including three waters);

· business and industry development; and

· social and community.

2.3.1 Leadership (incorporating partnership and facilitation)

The leadership priority encompasses the ability to:

· develop strong relationships and alignment with key stakeholders such as central government and the business community;

· facilitate strategies and plans;

· leverage sustainable funding; and

· provide a proactive, co-ordinated approach to foreign investment.

Activities include incorporating economic development across council planning and policies, and facilitating economic development strategies and/or co-ordinated economic development. Councils are well positioned to take the long-term view necessary to determine what investments are required now in order to meet business and industry needs in the future. Plans developed in partnership with stakeholders are most likely to fit the current and future needs of local industry, firms and residents.

2.3.2 Spatial planning and infrastructure

Spatial planning and infrastructure investment – including all forms of transport and broadband – can increase connectivity between firms and markets and drive innovation and growth. Excellent integrated spatial planning ensures a sustainable supply of well-positioned business and industrial land and helps to develop a quality physical and built environment that meets the needs of local business and supports businesses being able to operate.

2.3.3 Quality regulation

Creating a consistent and fair regulatory framework and providing a healthy natural environment are two common criteria in international benchmarks for business friendliness. The scope of regulatory functions of local government in New Zealand is far-reaching and has direct impact on the conduct of business activity nationwide. It covers activities including (but not limited to) building construction standards, food and hygiene regulations, health hazards, liquor and gambling controls, storage and handling of hazardous substances and waste management. The ability for councils to be business friendly is dependent on the quality of the regulatory processes developed by central government.

2.3.4 Services (including three waters)

Councils provide a range of critical services to support the business community. These fall into five main areas – water supply, wastewater, solid waste refuse, emergency management, building control and transport modes including freight and private vehicles. In providing these services, council staff come into contact with local businesses in many ways.

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1   BERL 2010. Local Government Economic Indicators Framework. Report to Local Government NZ.

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2.3.5   Business and industry development

Many councils provide targeted business and industry services, both in-house and out-sourced. Examples include funding Economic Development Agencies (EDAs), Regional Tourism Organisations (RTOs), central city marketing agencies and i-SITEs. These services are delivered by people with market facing skills who can build relationships with businesses.

2.3.6   Social and community

Councils provide community amenities and services to support and enhance social well-being and enable individuals to contribute to economic activity, as well as attract skilled labour to the locality.
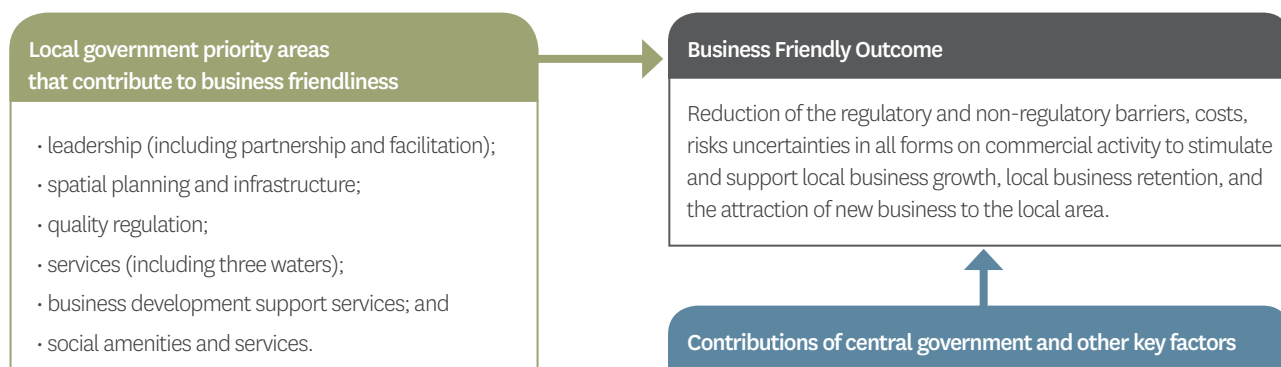
**Local government priority areas
that contribute to business friendliness**

· leadership (including partnership and facilitation);

· spatial planning and infrastructure;

· quality regulation;

· services (including three waters);

· business development support services; and

· social amenities and services.

Business Friendly Outcome

Reduction of the regulatory and non-regulatory barriers, costs, risks uncertainties in all forms on commercial activity to stimulate and support local business growth, local business retention, and the attraction of new business to the local area.

Contributions of central government and other key factors

Figure 1: Six local government priority areas contributing to business friendly outcomes

2.4 Quantifiable measures of local government's contribution to economic growth

The combined expenditure and fixed assets of New Zealand's councils provide a quantifiable measure of local government contribution to economic growth. This expenditure is best understood as investment which enables individuals, communities and firms to contribute to economic growth. Total local government operating expenditure at June 2012 was $8.4 billion while the Core City councils[2] combined operating expenditure in 2011/2012 was $3.6 billion. Local government's contribution to New Zealand's GDP was 4.1 per cent as at March 2012. The total value of fixed assets under local government ownership as of June 2012 was valued at $124.2 billion.

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2   Auckland, Tauranga, Hamilton, Christchurch, Wellington and Dunedin.

3.Six key principles for creating a business friendly council

What enables councils to be effective, innovative and world class in the role of championing business success?

The following section summarises six key principles that underpin a council culture that understands and responds to local business needs. This includes understanding and balancing the impacts that compliance requirements have on business with broader social and environmental outcomes. The principles are drawn from the Core City councils' 14 case studies and an international review of best practice. The six principles are as follows:

1. build excellent relationships and partnerships – at the heart of a business friendly council;

2. context matters – identify local challenges and local business needs;

3. provide certainty and clarity for business decision-making;

4. make every interaction with business count;

5. be proactive and look for opportunities to support businesses; and

6. respond rapidly and flexibly to business after major emergencies.

Success often depends on the context within which a principle is being applied, and the specific ways in which a council applies it. These guidelines recognise how challenging it is to take a principle and apply it on the ground. Councils will face different challenges and often it's a matter of grasping opportunities when they appear in order to create change. Therefore, to provide a richer understanding of how the principles can be applied and what is required to apply them, the principles listed below are referenced to real examples taken from 14 case studies. The case studies can be read in full in Section Five.

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Principle one: Foster excellent relationships and partnerships

- Establishing a collaborative culture, skills and processes should be a priority. If a council is not currently partnership-focused, developing an organisational culture based on partnerships will take intentional effort from within your organisation over a sustained period.

- Developing a set of shared tangible outcomes (in other words, defining common ground) is a critical first step to building good collaboration with business (*see section 5.1 – Case Study One: Regional partnerships – Enhancing local economic outcomes in Tauranga City.*)

  To work together, we first need to understand how local businesses operate, their needs and goals and, equally, how we can help business understand council functions, goals and statutory responsibilities.

- Excellent relationships are built over time and councils need to invest long-term resources for relationship management. Councils need to identify the best ways to interact and communicate with the business community. However, face to face contact is always critical. Knowing your key business contacts and being able to "pick up the phone" is essential to maintaining good communications.

- Relationships can be hard won but easily lost. Formalising key council-business relationships (eg through business forums, memorandum of understanding or relationship manager approaches) can ensure continuity of council-business relationships even when key staff move on (*see Section 5.3 – Case Study Seven: Customer focus model delivers excellent service to business in Hamilton.*)

- Focus effort where the greatest gains can be made. This can mean prioritising which organisations are critical to build partnerships with and when councils should get involved in business initiatives. Often getting involved early on as a partner creates greater gains than coming in as a regulator towards the end of a project (*see Section 5.2 – Case Study Five: Waterview Tunnel – Auckland.*)

- Important gains can be made when councils think outside the box and move beyond their traditional role in partnership projects (*see section 5.1 – Case Study One: Regional partnerships – Enhancing local economic outcomes in Tauranga City*) or think about economic development partnerships beyond their administrative boundaries (*see Section 5.5 – Case Study 13: Partnerships for growth – Christchurch City Council's international membership enhances business growth for Canterbury Tourism.*)

Principle two: Context matters – identify local challenges and local business needs

- Different cities and communities face different challenges. Some cities and regions face rapid population growth with the associated pressure on infrastructure and housing provision, while others face static population growth and skills shortages. Equally, no business climate is perfect for every kind of company; rather different types of firms will have different requirements from business friendly councils. Councils need to identify the key challenges affecting their local economy. They need to understand their local business and industry composition and links to other regions. This is best done working alongside business. Councils can then go on to identify collaborative initiatives that can help overcome structural barriers and effectively meet the collective needs of local enterprises. (*see Section 5.1 – Case Study Two: Partnership and facilitation – Dunedin's strategic approach to removing barriers to businesses to grow locally.*)

- Find comparative programmes and services nationally and internationally and learn from them. Contact the organisations that have delivered those programmes and services and identify what their critical success factors and

challenges were. Identify whether you need to adjust and tailor to the specific context of your local area. (*See Section 5.4 – Case Study 11: Travel to work – Auckland.*) Pilot business friendly processes or services to test and fine-tune them before you roll them out more widely (*see Section 5.3 – Case Study Seven: Customer focus model delivers excellent service to business in Hamilton.*)

- Develop and implement economic development strategies in active partnership with business stakeholders. Remember that a strategy is a means not an end – its development needs to generate collective buy-in from partners so it will be championed and implemented by everyone (*see Section 5.1 – Case Study Two: Partnership and facilitation – Dunedin's strategic approach to removing barriers to businesses to grow locally.*) Also see Annex Four for a summary of the economic development strategies from the Core Cities. The strategies vary in scope and in identified priorities, reflecting the context-specific nature of planning for business friendly cities.

Principle three: Provide certainty and clarity for business decision-making

- Business needs clarity and certainty around planning requirements and regulations to make sound decisions. This is particularly critical for major investments (*see Section 5.2 Case Study Six: University of Auckland – "Re-orienting towards the centre.*) Council plans and regulations (eg spatial plans and building consents) need to be internally coherent in order to be implemented by staff in an integrated and consistent way. This may require appropriate up-skilling of some council staff on what the council's strategies, plans and regulations are, and how they might require them to change how they undertake their role.

Principle four: Every interaction with business counts

- Councils interact with businesses in a wide variety of ways (from developing strategies to repairing pavements outside business premises.) Each interaction has the potential to improve or undermine a business's relationship with council. Identify your council's touch-points with businesses and work internally to improve those experiences.

- Develop mechanisms to record interactions and information gathered through them so that a knowledge base on what businesses think is developed. These can be used to inform further developments or the council's programmes and policies.

- Engage with businesses when planning something that will impact on them and seek their views on how to mitigate any negative impacts.

- Use every interaction to proactively ask questions about issues council is considering, rather than relying on input from formal consultation processes.

- Be willing to co-ordinate council responses to key business requests (*see Section 5.5 – Case Study 12: Industry response – Wellington City Council lays out the red carpet for the film industry.*)

- Ensure comprehensive communication with businesses on council activities, decision making processes, requirements and business services so that businesses know why councils are – or are not – undertaking certain activities. Ensure they are aware of the services their council provides (*see Section 5.2 – Case Study Four: Broadband – Auckland and Section 5.4 – Case Study Nine: One-stop shop response – Christchurch City Council addresses the resource efficiency needs of business.*)

Principle five: Be proactive and look for opportunities

- Councils can play a role in helping businesses to leverage new opportunities and they can do this by being proactive in recognising those opportunities (*see Section 5.2 – Case Study Four: Broadband – Auckland.*)

- Sufficient allocation of resources should be made to support the effective facilitation and co-ordination required to scope and develop new opportunities as they are identified.

- With business needs in mind, it may be possible to identify "win-win" outcomes by focusing on solutions that provide mutual benefits, either by solving multiple problems (see *Section 5.4 – Case Study Nine: One-stop shop response – Christchurch City Council addresses the resource efficiency needs of business.*) or by producing efficiencies for both business and the council (*see Section 5.3 – Case Study Seven: Customer focus model delivers excellent service to*

business in Hamilton and *Section 5.2 – Case Study Five: Waterview Tunnel – Auckland.*) Another example of the latter is where packages of tailored solutions for businesses can be provided (*see Section 5.4 – Case Study 11: Travel to work – Auckland.*)

- Time is a cost for business. It is common for business friendly councils to adopt a case management approach for their consenting processes to ensure that consents are processed in a robust but time efficient way (*see Section 5.3 – Case Study Seven: Customer focus model delivers excellent service to business in Hamilton.*) Consider if it is possible to expand upon this approach and set up processes and arrangements to improve council responsiveness for other business needs (*see Section 5.5 – Case Study 12: Industry response – Wellington City Council lays out the red carpet for the film industry.*)

Principle six: Respond rapidly and flexibly after major disruptions to business

- In a natural disaster (*see Section 5.4 Emergency management – Christchurch City Council responds to businesses in need in a major crisis*) councils need to respond rapidly and flexibly to business needs. In post-disaster situations, the agenda for councils and their partners should be kept very simple – to help local businesses in any way possible.

- To achieve this councils need to:

  - establish role clarity for agencies to improve their ability to respond rapidly in a crisis situation;

  - establish excellent communication to provide information and promote services and assistance available to businesses; and

  - bring in the necessary market facing skills to engage on the ground to assist local businesses.

4. Taking an organisation-wide approach to becoming more business friendly

How might a council take a co-ordinated, efficient and systematic approach to becoming business friendly? While most councils have probably implemented many of the principles listed in the previous section, here are the four key considerations councils can explore to align with the principles.

4.1 Undertake a business friendly council analysis

Assess the council's current situation by:

- Identifying the key touch points (KTPs) where businesses interface with council. This would range from when a council develops a strategy to when it undertakes street upgrades in commercial areas.

- Conducting an analysis of the council's internal strengths and weaknesses at those KTPs.

- Establishing the council's core competencies (a well performed internal activity that demonstrates business friendly culture.)

- Conducting research into the external environment local businesses operate in, to identify economic trends and the current and emerging challenges and opportunities for business.

- Identifying whether council policies, plans and regulations are coherent in terms of their impact on business.

4.2 Identify and assess the challenges and opportunities of becoming a more business friendly council

- Are there areas of high performance within the council where even higher performance is achievable? Can those high performing areas be replicated in other council functions?

- Are there areas of poorer performance where improvements can be made? What challenges is the council likely to face in improving performance and how might they be overcome?

- What are the greatest gains that might be made to improve business friendly performance? Which initiatives might make the biggest difference to business and which initiatives might be the most resource-effective for councils?

4.3 Embed business friendly principles in council activities

Find ways to elicit and understand the needs and concerns of business and reflect them in the way the council works. This involves looking at:

- what is done; and

- how it is done.

Planning processes, communication style and consistency of approach; and clear and coherent strategies that flow through to policies, plans and regulation are all part of the mix, both in their substance and the way they are formulated and delivered.

4.4 Support the development of a business friendly culture within the council

Try to turn business friendly behaviours into "business as usual": ultimately, everyone in the council needs to adopt a business friendly approach. It requires a "whole of organisation culture" for business friendly behaviours to become established, understood and part of daily practice.

The aim is:

- Relationships with business are positive and meaningful.

- The role and statutory functions of the council are understood and respected in the business community.

- The challenges and needs of businesses are recognised and respected by council.

- Council staff are supported and aware of the contribution they make through the way they work.

- A "Business Champion" or similar position is established within your council.

Achieving the above aims will usually require intentional organisational learning and change over a number of years. Generic organisational change approaches that could support a business friendly organisational shift include:

- Getting senior management, and key influencers within the council to actively champion the business friendly goal and allocate staff resources to facilitate the culture shift (eg a business champion).

- Addressing council staff concerns that a business friendly culture could mean weakening the council's statutory responsibilities and assuring them (and ensuring) it will not.

- Communicating to staff the benefits that business growth and economic development bring to their community and making them aware of local economic and related social challenges.

- Meaningfully involving staff from across the council in identifying key touch points and exploring opportunities to improve council performance with business. Working closely with staff to address the challenges in improving business performance.

- Ensuring business friendly initiatives are well resourced so that staff do not become overloaded with work.

- Identifying catalyst projects that will publically showcase a win-win result from a business friendly approach, and can be designed as a research and learning project.

- Actively recruiting people with excellent communication and relationship skills along with commercial experience.

- Celebrating staff who best exemplify business friendliness.

5. Business friendly case studies from the Core Cities network

This section provides 14 case studies drawn from the experiences of six Core Cities. These are grouped under the six priority areas where councils have the best opportunity to enhance their local business environment and support economic development through:

- leadership

- spatial planning and infrastructure

- quality regulation

- services

- business and industry development

- and social and community services.

5.1 Leadership

Case study one:
Regional partnerships – enhancing local economic outcomes in Tauranga City

Proposed tertiary campus concept – downtown Tauranga

Situation: numbers available to enter the labour market declining; need to boost local tertiary education uptake.

Regional demographics painted a clear picture of the urgent need to address imminent skills and labour shortages within the Western Bay of Plenty sub-region as the number of people available to enter the labour market declines. At the same time, the number of people retiring from the workforce increased. This was exacerbated by Bay of Plenty regional issues that have contributed to a low uptake in tertiary education and movement of students to other areas.

Furthermore, there is a high proportion of young Māori in the Bay of Plenty who will be critical to the economic and social well-being of the region. As a growing proportion of the local workforce enter retirement age, many economic opportunities will open for this youthful Māori population, many of who will be at tertiary education and labour market entry age.

To combat these significant regional demographic challenges, best practice was developed by implementing a collaborative model utilising the region's major publically funded tertiary institutions and the region itself. The partnership involves the Bay of Plenty Polytechnic, the University of Waikato, Te Whare Wananga o Awanuiarangi, SmartGrowth (the sub-region's 50-year growth management strategy – itself a collaboration between Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council and Tangata Whenua), and Priority One (the sub-region's autonomous economic development agency.) In 2010, the partnership developed a sub-regional tertiary strategy. This identified the need to develop the region's higher education and research capability in specific areas and assist the University of Waikato in growing to match the scale of the region, through the development of a university-led tertiary campus in Tauranga.

Specifically, the tertiary partnership wishes to:

- Provide increased research and tertiary education focused on sectors where the region has strong competitive advantage.
- Provide increased pathways into and through tertiary education within the Bay of Plenty, from certificates to postgraduate qualifications.
- Work with the region to attract more young people, particularly Māori, into post-secondary education and training within the Bay of Plenty.

Actions: regional funding sought for a purpose-designed tertiary education partnership.

The Bay of Plenty Tertiary Education Partnership is seeking regional funding of $30 million to contribute to the construction of a $67.3 million new purpose-designed tertiary education partnership facility in the Tauranga CBD. To fast-track this project, regional support is being provided (or requested) in several ways:

- Tauranga City Council is providing land for a campus development in Tauranga's CBD at no cost for 33 years (confirmed);
- $15 million will be invested by the Bay of Plenty Regional Council's infrastructure fund (application currently being considered); and
- $15 million will be invested by the Tauranga Energy Consumer Trust (application under consideration.)

There are a number of other successes that have been achieved by the partners to date.

These include:

a. Joint academic activities such as:

- Developing integrated and seamless training pathways – frequently built on Bay of Plenty Polytechnic established diploma programmes to enable joint delivery of a range of nine full degree programmes with key relevance to the region. These include Business Management, Applied Computer Science, Social Work, Tourism, ECE and Primary, Marine and Environmental Science.
- Industry aligned training to meet the region's identified needs and opportunities (for example in marine science, aquaculture, supply chain and logistics, and process material engineering in partnership with the Titanium Industry Development Association).

- Research provision (for example Lakes Restoration, Coastal and Marine, Te Kotahitanga and He Kākano – two current programmes focused on Māori students).
- A Joint Academic Planning and Development Committee.

b. Joint operational activities including:

- Developing a partnership campus approach with shared services and systems for student enrolment, teaching provision and back office support;
- a joint Partnership Steering Group with representatives of each of the three partner institution councils, senior management and community representatives;
- a joint Partnership Operations Committee; and
- a jointly funded partnership project office.

Challenges: convincing elected members of the benefits of the project.

The key challenge to adopting this approach has been convincing elected members:

- that this is a space in which they should operate; and
- the transformational effect of this project on the local and regional economy.

Outcomes: egos left at the door in the best interest of community.

"The foresight shown by local and regional councils to collaborate for the benefit of the region has enabled a greater degree of trust between public and private sectors. Developing public-public partnerships such as the Bay of Plenty Tertiary Partnership initiative to develop campus infrastructure has supported the academic and research programmes needed for the region to achieve sustainable economic growth outcomes."

Andrew Coker, Chief Executive, Priority One

"A partnership approach between institutions and the region, whereby parochialism and egos are left at the door and the best interests of students, business and the community are paramount, has been central to what has been achieved so far."

Bill Wasley, Chairman, Bay of Plenty Tertiary Partnership Steering Group

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Case study two:

Partnership and facilitation – Dunedin's strategic approach to removing barriers to businesses looking to grow locally

Situation: council costing client funds with slow responses.

The city's new Economic Development Strategy responded to a number of key themes as a result of consultation with stakeholders. One of them addressed the city's "business vitality" and concluded there were four major projects that needed to be initiated. "Red Carpet, Not Red Tape" was one of these.

Research found that the council was not responding to consent applications and processes fast enough or recognising that this often cost the client funds that could otherwise have been used on their projects to make them more economically viable. They also identified a number of other tangible barriers. Essentially what business was asking for was a positive partnership between themselves and council processes and interactions, to produce a "win-win" economic climate for everyone.

From this, the strategy clearly states:

"It is important that we have a proactive and business-friendly approach across Council."

Actions: a four- pronged approach to identify barriers and remove them.

A seemingly simple solution became both complex and far reaching and succeeded in identifying the culture and processes council should be initiating across the board. The project will move forward in iterations with planned stocktaking along the way to ensure details remain focussed on the goals. This phase has taken eight months.

A four prong approach was used:

1. Red flag system

- a communication plan to red flag high-value investment projects when they first reach council; and
- initiating a team approach to the project to brain-storm and agree the initial council response.

2. Relationship managers (RMs):

- pilot over a six month period;
- high value projects coming into council are red-flagged and a relationship manager is assigned to ensure proactivity; and
- constant monitoring and assessment at conclusion is bedded in as a "business as usual" council process.

3. Communications and training programme:

- staff are trained in being business-friendly and understanding the role they play in the city's economy; process will include implementing staff KPIs and revising satisfaction surveys to capture relevant information to pinpoint changes needed; and
- a Business Users Group will be formed to feedback on regulatory services performance – with the CEO and activity managers in attendance.

4. City investment panel:

- an initial group meeting on a monthly basis has included relevant DCC departments, NZTE, Otago Southland Employers Association and Otago Chamber of Commerce (further discussion on inclusion of other parties will be on-going); and
- discussion will focus on investment opportunities city-wide and deliver an integrated approach.

Challenges: forming an effective partnership with six key stakeholders.

The strategy is ground-breaking because it is not a council approach but a partnership of six key stakeholders who have a part to play in the city's economic vitality. Partnership agreement and a sense of shared priorities is often challenging through a process like this. It would also appear that although not intentional, the council has become the dominant partner mostly through sheer volume of resources and funding. As a council we must often stop ourselves from making decisions without consultation!

From the council's perspective, the biggest challenge will be a culture change within its own staff. We acknowledge things won't change overnight and quite possibly there will only be one chance to get this right without creating an entirely opposite effect to the one that is desired. Quite literally, hurry up and go slow.

Outcome: greater participation, producing wider and deeper value than first thought possible.

"At the southern end of the South Island, our communities have in recent times faced various economic headwinds that have served to significantly restrict regional growth. Tough times necessitate the design and implementation of proactive steps that will maintain and grow our future economic well-being. Here in Dunedin, we have happily been a willing party as a partner participant in each step of assisting the local economic development strategy. The aggregation of the partner contributions has undoubtedly delivered wider and deeper value than first thought possible."

John Scandrett, Chief Executive, Otago Southland Employers Association

"The collaborative approach Dunedin has undertaken in preparing its economic development strategy is one of the contributing factors to its widespread endorsement by key stakeholders and local businesses. The chamber is as committed to the implementation and actions identified in the strategy as we were to its creation. Dunedin is one of the world's great small cities and the chamber is proud to be a partner in delivering greater prosperity to its residents."

John Christie, Chief Executive, Otago Chamber of Commerce

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5.2 Spatial planning and infrastructure

Case study three:

Understanding business needs – creating the framework for CBD vibrancy and growth in Tauranga city

The situation: lack of vibrancy in the city centre.

The Tauranga City Centre Strategy was developed by Tauranga City Council to increase vibrancy and activity in the city centre. It is implemented in a unique collaborative model, led by economic development agency, Priority One, in partnership with council, and actively supported by business agencies such as the Tauranga Chamber of Commerce, Tourism Bay of Plenty, Mainstreet Tauranga, the Bay of Plenty Property Council, Creative Tauranga and the Bay of Plenty Tertiary Partnership.

Priority One is an autonomous organisation, established by the business community and receiving support via business member subscriptions. The organisation is contracted by Tauranga City Council to lead implementation of the Tauranga City Centre Strategy, which is also supported by member funding.

Best practice was developed following a similar model being used to implement Smart Economy, the Tauranga and Western Bay of Plenty Economic Development Strategy. The backing of the business community, represented by the organisations listed above, provides a diverse point of contact for council to engage in dialogue and take action that is aligned with business needs to facilitate economic development outcomes. The involvement of the business community in the delivery of the Tauranga City Centre Strategy outcomes ensures tangible results are achieved that positively impact on business.

A key component of strategy implementation is the appointment

of a part-time City Centre Project Manager, who has significant commercial property development experience. This enables him to understand both the regulatory environment and the private sector's requirements for economic return on various types of development and to translate and negotiate sensible outcomes for both parties. At certain times, he has informed decision makers on the dynamics and commercial requirements for a development to be viable. As a consequence, there is an enabling framework in place to encourage and support commercial redevelopment in the city centre.

In addition, Tauranga City Council has established a City Centre Taskforce comprising five elected members, Council's Chief Executive and the City Centre Project Manager. The purpose of this group is to ensure that Council projects, once adopted, are delivered in a timely manner in the city centre. The City Centre Taskforce:

· overviews the implementation of specific projects so that they conform with Council direction; and

· recommends to committees of council particular courses of action based on more detailed knowledge of issues relating to the city centre.

Actions: establishing a City Centre Taskforce and diverse contact points.

A public/private partnership is in place to implement the Tauranga City Centre Strategy. Significant projects include:

· Developing the waterfront area, including establishing small-scale commercial and tourism attractions.

· Establishing active frontages on a new hospitality development that opens up onto Masonic Park.

· A successful consenting process for the Lady Rose Dairy development, which saw variation to the city plan to enable additional height to support the economic outcome in lieu of difficult ground conditions and overall market conditions.

· A successful Expression of Interest (EOI) process for the

establishment of an international hotel and potential conference centre in the city centre. Parties are currently completing a due diligence process on the site.

- Removing car parking minimums, in response to the needs of the market (this forms a separate case study.)
- Good progress towards establishing a tertiary and research campus in the city centre, for which Tauranga City Council has provided land on a 33-year lease at no charge (this forms a separate case study.)
- Reconfiguring the hospitality area along The Strand to encourage investment in outside spaces and provide a better experience for diners and pedestrians.
- The development of public art in the city centre, includes private buildings.

In terms of private sector investment, building consents issued in the city centre have increased as follows:

- 2009/2010 $4.0 million
- 2010/2011 $19.7 million
- 2011/2012 $37.7 million

Challenges: healthy tension between groups.

The key challenge to adopting this approach is that there is often a healthy tension between outcomes sought by local authorities and those sought by the development community.

A lot of the work undertaken by the City Centre Action Group, and particularly the City Centre Project Manager, is negotiating outcomes to ensure both the public and private sector are comfortable with the final decision.

Outcomes: a new level of private investment and a platform to enable growth.

"Over the past three years, Tauranga City Council has created a business-friendly framework that has laid a platform to enable city centre redevelopment. We would not have seen the level of private investment that has occurred without council's foresight and collaborative policy approach."

Andrew Coker, Chief Executive, Priority One

"The city centre is now well placed to support investment and redevelopment. Continued public sector investment needs to lead and support the private sector to ensure the city centre regains its position as the commercial centre and heart of the region. This investment now needs to focus on improving the physical environment to create spaces that people, commerce, tourism and hospitality want to use and locate beside."

Duarne Lankshear, City Centre Project Manager, Priority One

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Case study four:
Broadband – Auckland

Situation: increase broadband uptake to maximise economic opportunities without sacrificing social priorities.

Central government has been rolling out its ultrafast broadband and rural broadband initiatives having committed $1.65 billion[3] to equip New Zealand with improved broadband access to support economic, educational, and social benefits. Internet and telecommunications will be faster, lifting productivity and supporting new business models.

Auckland Council recognises the significance of broadband. It is regarded as critical infrastructure in the Auckland Plan, due to the:

- contribution broadband makes to the people of Auckland or parts of Auckland;

- consequences for Auckland and New Zealand should it fail; and

- the contribution it makes to shaping and re-shaping Auckland, as distinct from simply following existing patterns of development.

The Auckland Economic Development Strategy also refers to broadband. Two key initiatives, under the Business Friendly and Well-Functioning City priority, are to:

- support the deployment of broadband across Auckland, and work with industry to
  ensure that the roll-out programme balances economic, commercial, funding and social priorities; and

- implement and support programmes that increase the level of uptake, demand and economic opportunities offered by ultrafast broadband.

With these goals in mind, the Council established the Regional Digital Policy Implementation team in the Economic Development department, to maximise the benefit of connectivity. The team leads co-ordination of a regional approach to leveraging the benefits of broadband access and ICTs, and resolving telecommunication issues. Tasks include: enhancing uptake and use of fast broadband and ICTs by Auckland businesses, supporting the development of the regulatory environment as it relates to the telecommunications industry, and supporting access to broadband and digital literacy. Central government's Ultrafast Broadband and Rural

Broadband Initiatives are both key drivers for the work of this unit.

Actions: three monthly rolling updates, digital enablement programmes available to a wider audience.

The team has engaged Chorus (the ultrafast broadband network builder for Auckland) to provide three-monthly rolling updates of build plans, and to provide advanced access to draft forward works plans. This enables the team to target its services to ensure the right information gets to the right people at the right time (in particular businesses,) and to assist in the construction process.

The team is able to work directly with business associations and other geographically targeted groups about to receive roll out, to raise awareness of the potential of ultrafast broadband. This helps inform decision-making about getting connected, but more importantly about the journey businesses need to begin to make the most of faster broadband and ICTs. The key challenge for SMEs is a limited capacity to absorb risk. For many businesses, this risk will be a limiting factor.

Following this initial messaging, the team has an opportunity to connect interested parties with programmes that can help them work fast broadband and ICTs into their business plans. An example of this is MBIE's Digital Enablement Programme, offering workshops to business through the regional partnership programme. The Digital Leadership Forum, which is facilitated by the team, enables a wider audience to connect with this and other initiatives.

Current broadband services (e.g. ADSL and ADSL2+) are designed to enable the domestic consumption of data with faster speeds for downloading than uploading (i.e. download at 12 to15 MB – uploading at 1 to 5MB). Users can also experience services slowing down or dropping out as the number of users using the same infrastructure increases.

This is known as the contention ratio – where service deteriorates as the number of users increases. In contrast, with ultrafast broadband services it is possible to download at 100 MB/ second and upload at 50 MB/second (uploading faster than it was possible to download previously) thus improving:

- performance – greater performance, higher speeds and superior reliability enables less contention between multiple uploads and downloads on the same connection (i.e. no deterioration experienced by concurrent users) and;
- affordability – Fibre optic broadband has previously been expensive and limited to larger businesses. Ultrafast Broadband makes fibre based broadband accessible for SMEs.

Challenges: limited capacity for SMEs to absorb risk while coping with change.

The challenges, as highlighted above, are related to SMEs' limited capacity to absorb risk and cope with change. This has meant the team has focused on how to communicate what businesses need to do to benefit from ultrafast broadband. Messaging needs to be relevant and easily understood. To that end the team has been working with Crown Fibre Holdings to produce video case studies, available on YouTube. Three case studies have been produced and a fourth is pending.

In the Holgate Panelbeaters clip, Tim Holgate speaks of the advantages gained from Ultrafast broadband for his business.

- Previously, the system connecting multiple sites and the back office with the workshop had reliability problems, crashing intermittently. With no more crashes or drop outs, the business is able to integrate electronic platforms, such as records management software, across locations.
- Much of the business is reliant on digital images of the vehicle damage for assessments, approvals and showing the repairs. Digital images of vehicle damage can be shared with the insurance companies and clients efficiently and effectively. Hundreds of high-resolution digital images can be shared in seconds rather than minutes.
- The business operates out of two sites, one at Albany and the other in Browns Bay. Sharing an internet platform enables workflows to be tracked and everyone kept informed of progress.
- Remote access between the two sites means that administration is able to be centralised or farmed out as work flows permit. Administrative productivity is estimated

to have increased 10 to 15 per cent. (http://www.youtube.com/watch?v=SrgD047O-Oo&feature=player_embedded)

Outcomes: myth-busting around costs and increased productivity – up by 15 per cent.

The team found that this type of engagement involves "myth-busting" especially about costs, but also potential pit-falls. For example, multiple unit buildings might require the consent of all unit owners before a single unit can connect to Ultrafast Broadband.

The team primarily aims to ensure businesses have the necessary information to support making a decision to connect or not. In providing information about what can be achieved with access to the Ultrafast Broadband, the team is careful to ensure its comments could not be construed as comment on the various packages from the competing retail providers. It is important for council to maintain its position as a neutral advisor.

The other video case studies can be found at:

- http://www.youtube.com/watch?v=B18FesOtrf4
- http://www.youtube.com/watch?v=5Ckof_EjXpo

Quotes

"Access to Ultrafast Broadband is part of the essential infrastructure of a productive and growing economy and will be crucial to New Zealand improving its competitive advantage in the global market."

Minister for Communications and Information Technology, Hon. Steven Joyce, 16 September 2009

Case study five:
Waterview tunnel – Auckland

Situation: the most significant and complex infrastructure project in Auckland – with up to 140 building consents. The Auckland Council is working in partnership with the team delivering the most significant infrastructure project to take place in Auckland in the next few years.

The NZTA's $1.4 billion Waterview Connection project will link State Highways 16 and 20 to complete Auckland's long-awaited Western Ring Route by early 2017. The completed ring route will provide an alternative to State Highway One for commuters, freight and through-traffic, and also create a direct, motorway link between the city's CBD and international airport. At the heart of this new 5km section of motorway will be twin 2.5km three-lane tunnels – the biggest by diameter to have been bored in Australasia – that will descend 45 metres below ground level to pass beneath the hard rock created by Auckland's volcanic past. There will also be numerous above-ground works, including vast retaining walls and a four-level interchange.

Construction of the tunnel is lengthy and complex with 120 to 130 components, each potentially requiring individual building consents. Under the traditional approach, building consents would have been applied for after all the construction design work had been completed. The Council would then undertake a complicated assessment and review under time constraints. Information requests and queries would follow and the process would be returned to the start if any faults were found. It is likely that there would have been amendments required as the construction work progressed, following a similar process.

The tunnel delivery process is highly specialised, with the project team consisting of internationally experienced designers, constructors, and independent reviewers. Additionally, the construction programme is tightly integrated across all work places and disciplines: civil, structural and tunnelling. The standard building consent process potentially repeats the independent expert review of the tunnelling and associated works, as well as placing the Council activities on the critical programme – with any delays directly impacting the successful project delivery.

The challenge was to define and agree a process that ensured the Council responsibilities under the Building Act were met, while protecting the project delivery programme from risk of delay.

Actions: the Well Connect Alliance – a specialist consortium – facilitating and fast-tracking consent processes for major infra-structure.

The delivery team for the Waterview Connection is known as the Well-Connected Alliance (WCA) – a specialist consortium comprising the NZTA, Fletcher Construction, McConnell Dowell Constructors, Parsons Brinckerhoff, Beca Infrastructure, Tonkin & Taylor and Obayashi Corporation (a Japanese construction company.) Some of these participant companies had worked together with Auckland Council on the recently-completed Victoria Park Tunnel project, as members of the Victoria Park Alliance. It is from this initial co-operation that conversations about finding a better process began.

Overlapping with the Government's review of the Building Act 2004, these conversations continued between the Alliance and Auckland Council. They resulted in 12 months of work developing and formalising a charter, setting out an agreed process; its rationale and the roles, risks, obligations and duties of all parties, as well as all technical aspects of the building consent process for the Waterview Connection tunnels.

The charter follows the Government's signalled intent to ensure clearer accountabilities for owners, designers, builders and building consent authorities and risk-based consenting. This seeks to align the amount of checking and inspection required with the complexity of the work and the skills and capabilities of the people involved.

The charter's general approach is based around exemption (k) of Schedule 1 to the Building Act 2004, where a council may at its discretion and on its assessment of risk, exempt proposed work from the requirement to obtain a building consent. Under the Schedule, exemptions may be granted on the basis of:

- demonstrated competence of those undertaking the work;
- the complexity of the work relative to the competence of those undertaking the work; and
- independent quality assurance systems or other checks and balances applied in the course of the work.

The charter approach reverses the traditional approach. The Council has agents involved in the design and construction process from the outset, to contribute to the discussion, identify potential concerns and risks, and develop possible solutions. This process is also independently monitored to ensure the quality of the outcome, such as the granting of a building consent.

Challenges: maintaining appropriate responsibility for works and fostering trust on a project wide basis.

Some previous infrastructure projects have sought exemption from the building consent process. These exemptions have been project wide, and effectively seen the consenting (territorial) authority relinquish their responsibility for the works.

In establishing this charter, the parties recognised that the Council must retain duty of care over all elements, and further, there is an expectation in the community that any constructed element with a direct public interface should still be consented.

Critical elements supporting this approach and the development of the charter include:

- the high level of trust and understanding between the Council and the Alliance arising from the shared experience of delivering the Victoria Park Tunnel;
- the long term commitment of the Alliance to the project, through the tunnels construction, operation and ongoing maintenance;
- the emphasis on quality assurance and the way it is built into the process;
- independent auditing through the process;
- the explicit manner in which risk, responsibilities and accountabilities are addressed and documented; and
- the commitment of all parties to find solutions and reach agreement while negotiating the charter.

This approach to such a complex build ensures significant savings to all parties, producing a win-win result.

First, the charter will deliver significant time savings. The Well-Connected Alliance and Council achieve agreement on the treatment of individual packages of work during the development phase, rather than following the lodgement of the final construction design. This allows the project to proceed with greater confidence that the complicated and integrated construction programme is not at risk from a delay in the traditional back-end consenting procedure.

The Council is able to better manage its resources, avoiding the spike in demand that such a large, complex project would create, and avoid the potential impact on workflows. Collaboration and early involvement in the project design and delivery activities allows better resource management within the council building control team. Given the growth pressures

that Auckland faces, the ability to pursue this type of approach has significant implications for the Council.

The Ministry of Business, Innovation and Employment (as the former home of the Ministry of Building and Housing) has recognised this project as a pilot that can inform implementation of the Government's Building Act Review. The Ministry's agreement to the approach taken in the charter was integral as it would result in the building and BRANZ levies being forgone.

Of particular interest for the future, is the potential scalability wof this approach, making it applicable to a broad range of building projects.

Outcomes: a charter that eliminates wasteful repetition and is accepted as investment friendly.

"*A milestone agreement that recognises local building codes set a minimum level of compliance, and are not always appropriate for infrastructure projects of the magnitude of the Waterview Connection, which is being built by the Well-Connected Alliance.*"

Tommy Parker, NZ Transport Agency's (NZTA) State Highways Manager for Auckland and Northland

"The project, for example, is swarming with engineers and designers who bring international expertise and experience in large tunnelling projects. Every component of the project is subjected to intensive scrutiny from international and independent expert peer reviewers."

"Having the process repeated by Council staff for every single component is therefore wasteful and time consuming for Auckland Council and for the NZTA. This agreement allows the Council to meet its obligations under the Building Act without jeopardising the integrated construction programme or compromising standards."

Auckland Council's Chief Executive, Doug McKay, says the charter is a great example of facilitating and fast tracking the consent process for major infrastructure.

"It fits very well with our goals to accelerate economic development and be more business and investment friendly."

Left to Right – John Burden, WCA, Tommy Parker, NZTA, Doug McKay, Auckland Council

Case study six:
University of Auckland – "Re-orienting towards the centre"

The former brewery

Situation: need to gauge wisdom of re-locating university campus before abandoning previous plans.

The University of Auckland gave its purchase of Lion Breweries' former 5.2ha Newmarket site the green light on 22 April 2013, with settlement on 31 May 2013. This announcement also signalled the continuation of the excellent relationship between "town and gown:" the university and Auckland Council.

Ideally situated on a major bus route and between two train stations, the Newmarket site will be developed over the next 30 years as a mixed-use campus for teaching; research; student accommodation; business development and other facilities. Over time, activities on the Tamaki and Epsom campuses will be relocated amongst the City/Grafton and Newmarket sites.

The University had previously planned significant growth on its Tamaki campus, part of this is to begin in the near future. For example, the University planned for the early development of research facilities to enhance the offerings of the Engineering School, with facilities for seismic and wind tunnel research. The University needed to establish that its aspirations for the Newmarket site could proceed with a high degree of certainty

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before becoming fully committed to the site purchase. Changing the development strategy for Tamaki and Epsom to concentrate activities in the inner city represented both a significant investment and change of direction, requiring quick decision-making to replace redundant plans.

The former Auckland City Council and University of Auckland had recognised the importance of their relationship through the "learning quarter" relationship, which also includes AUT. This relationship was strengthened by the University's re-orientation. Over recent years, the Council's key account management approach has benefitted both the University and the city, particularly in terms of the University's ongoing major development programme.

The partnering approach resulting from this, enhanced by excellent initiatives and proactive approaches by senior city staff across a variety of disciplines, has benefitted the University in many ways; not the least being the exchange of information from the early project phases through to the timely issue of resource and building consents.

A further step change in the relationship was marked by the negotiations resulting in a Partnership Agreement (the Agreement) based on this key account management approach.

Actions: partnership agreement details protocols and processes to provide certainty.

The University required certainty to support a significant investment decision, for the purchase of the site and changing the future plans for the Tamaki and Epsom sites. Meanwhile the Council needed to ensure there were no conflicts of interest,

that it did not restrict or undermine its regulatory role, or leave itself open to suggestions of favouritism.

The Agreement was arrived at through intensive discussion that sought to identify and resolve potential issues which might arise through the relocation and establishment of activities on the Newmarket site, supported by very high levels of commitment. The University's early requirement for resource consents to replace planned development at Tamaki contributed to the complexity.

The Agreement focuses on how the Council and University will work together, the processes and timeframes they will follow, rather than the outcomes to be achieved. In detailing the protocols and processes, the parties were able to provide the University with the certainty it required, while ensuring that the Council was able to fulfil its statutory duties and wider obligations, both to the local community and to Auckland.

Challenges: continuity of personnel and consistency of approach across several large and complex organisations.

In essence, the Council and University were able to maintain an effective relationship operating at a very high level. For the council's part it was able to deliver continuity of personnel, consistency of approach and near seamlessness in its relationship with the University. Although perceived as one organisation, the Auckland Council is a large, complex organisation. Aspects of the same project are often dealt with by separately managed parts of the organisation and critical infrastructural services are provided by independently
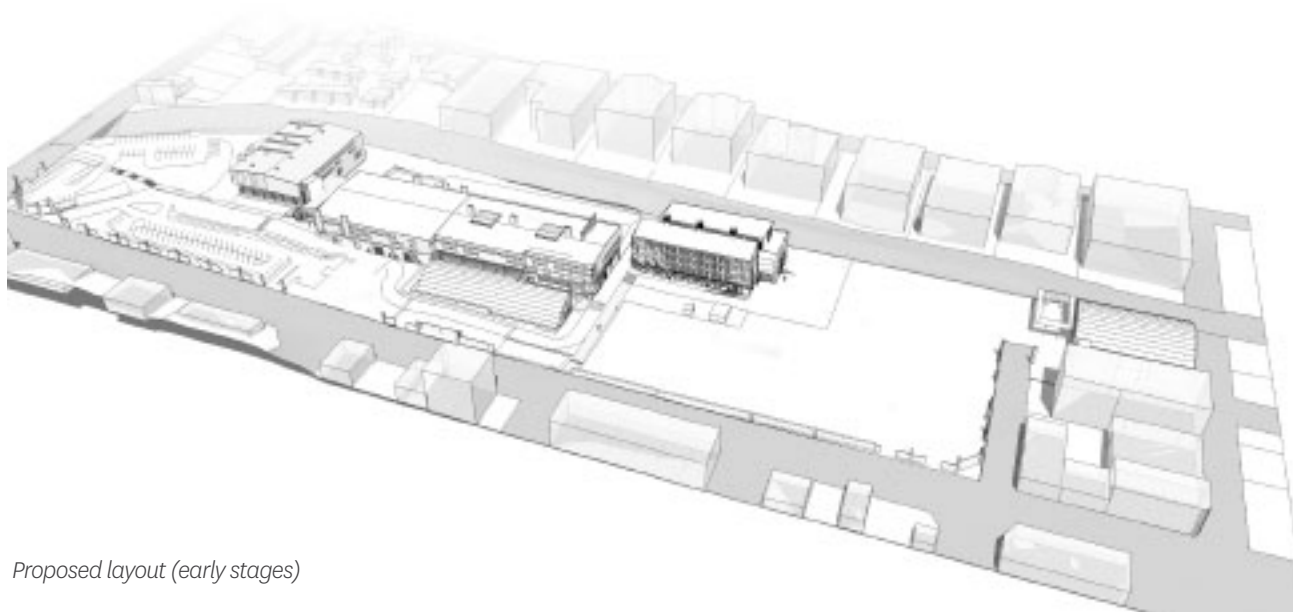
Proposed layout (early stages)

governed organisations, within the Council group. In ordinary circumstances, issues can arise that add complexity to relatively ordinary transactions. In the University's relocation towards the centre, there was no room for error.

A small group of people were involved in negotiating the agreement. A key account manager approach was applied where a small team under the leadership of a senior figure worked with the University, co-ordinating the council processing of the regulatory consents (building consents and resources consents) and approvals required. Significant discussion and co-ordination occurred within the Council group, to ensure inputs and information was received as

required, process timelines were adhered to, and the parties' representatives were able to maintain their relationship, operate effectively and drive progress. Independent commissioners heard the resource consent/s and made the ultimate decision.

Consents and approvals were obtained for the first development stage of the Newmarket site. The purchase was settled and preparatory site works have now commenced. The relationship between the Council and University has been strengthened, providing a working relationship for the long-term development of the Newmarket Campus.

5.3 Quality regulation

Case study seven:
Customer focus model delivers excellent service to business in Hamilton

Situation: downtime in the building consent process costing the construction market.

Years before central government pushed to make housing more affordable and accessible to New Zealanders by slashing through red tape, Hamilton City Council's Building Control Unit had plans underway to speed up the delivery

of new homes.

In 2009, the Building Control Unit sought the input of construction industry players throughout the city. The resulting group, Industry Response Team (IRT), comprises a range of local construction businesses – including Hawkins Constructions, GJ Gardner Homes and Aecom – all heavyweights in the local construction sector.
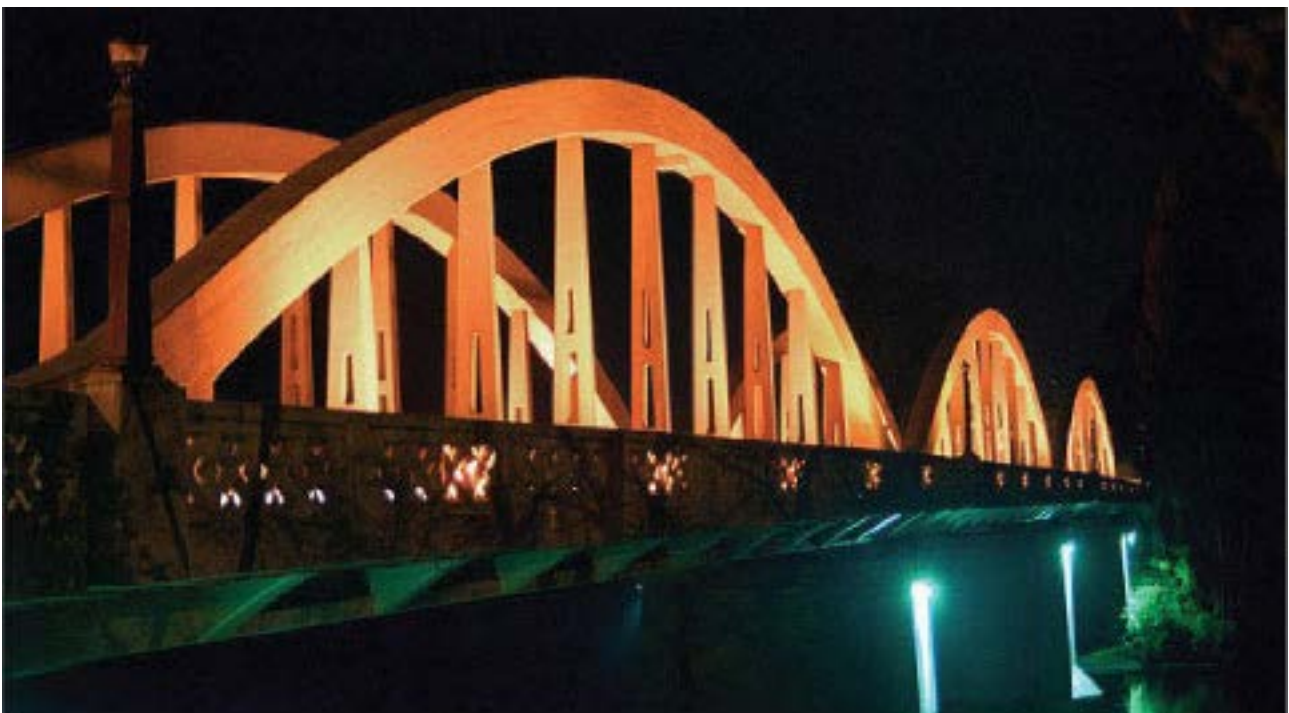
The IRT identified the "downtime" in the building consent process as one of the major challenges faced by the industry.

"For them, time is money," says Hamilton City Council, Building Control Manager, Phil Saunders. "What they were looking for was a way of getting their consents dealt with as quickly as possible, and in a manner that would ensure the quality control expected by all parties."

Actions: a model template system for submissions and "The Partnership –Programme" to enable greater alignment between council regulations and construction company goals.

Mr Saunders met with IRT members to discuss how this could be achieved, and how quickly it could be put in place. Exploring ideas considered by HCC and at other councils, he and his team devised a system whereby the large construction companies could submit a model plan or template on which their construction would be based. The model plans would incorporate all construction methods and materials the companies would be using in any particular building project.

"Regardless of outcomes of systems, our focus remained firmly on compliance with the Building Code – no matter how fast we dealt with applications, all the legislative boxes had to be ticked," says Mr Saunders.

Model plans would be assessed by Mr Saunder's staff to ensure all requirements were met and no shortcuts taken.

Crucial to the success of the idea – soon dubbed The Partnership Programme – was the need for both council and construction firms to be able to deliver on the quality aspects of their commitment. For Council, that meant establishing relationships with the building companies by assigning specific staff to meet their needs. For the construction firms, it meant analysis of their processes and operations to align with what Mr Saunders' team required to ensure a win-win situation – compliance with the Building Code, and a quick turn-around of building consents.

Challenges: dedicating Council staff to work on relationship management and reluctance to commit by construction companies.

"This was a critical part of the arrangement," says Mr Saunders. "Both parties had to take a long hard look at our businesses – and in some situations make significant changes to our processes – to ensure we could deliver."

For Hamilton City Council's Building Control Unit, that would require dedicated staff working on "relationship management" and ensuring they were able to dealing with any problems or issues as soon as they emerged, and without delaying the consent process.

"Relationship management was absolutely critical," says Mr Saunders. "The whole project hinges talking to each other and keeping those communication channels open."

Council would require construction firms partnering in the programme to sign a Memorandum of Understanding to

ensure the expectations and obligations of all parties were clear in black and white.

Once the structure of the programme was agreed, a pilot project was developed using GJ Gardner Homes as what Mr Saunders' jovially describes as "crash test dummies."

"We tested the programme by having only GJ Gardner initially involved, and gradually refined the process. We added in some new aspects such as identifying various solutions for different companies, depending on their size and the project they worked on," says Mr Saunders.

The result was a three-level process:

Bronze card (level one) – Applicant firm has approval for consenting purposes only. Their building consents will be processed ideally within 48 hours of acceptance.

Silver card (level two) – Applicant has approval for Level One plus they have an agreed number of inspections reduced from the standard inspection process. Added value was a quick turnaround of code compliance certificate applications.

Gold card (level three) – Applicant firm has approval for Level One and Two, a quick turnaround of code of compliance certificate applications and has recognised sustainability options available to customers.

The pilot programme took more than 18 months to perfect, but Mr Saunders stresses it was due to the complexities of developing the Memorandum of Understanding (MoU) and ensuring the process would be both robust and transparent – and the MoU, although not legally binding, carried some weight similar to a contract.

With both council and GJ Gardner satisfied with how the programme would work, Mr Saunders summoned other suitable candidate companies, offering them the chance to apply to become part of the programme.

"Not surprisingly, given the complexities getting aboard, a lot of the companies were reluctant to commit – that was one of the challenges we faced," says Mr Saunders. "We had to get them to understand the programme required them to make an initial substantial commitment of time and resources to get it off the ground. But the long-term gains were immense, and we worked hard to make that clear to them."

Outcomes: cost savings and commercial advantage for companies in the Partnership Programme. Enhanced Council reputation.

Mr Saunders says his team was always aware only a handful of Hamilton companies would meet the criteria for the programme: "But they built a substantial percentage of the new houses in what is a rapidly expanding city."

"For me, it was about servicing our major players and providing them with the world-class and exceptional service our organisation is striving to provide to the city and its residents," says Mr Saunders.

Three major companies joined the programme in 2012 – including tester firm GJ Gardner Homes – a fourth joined in 2013, and a fifth firm is currently working through the process.

"Feedback from the companies has been very positive," says Mr Saunders. "They've said the cost-savings they were after have quickly come to fruition, and more significantly, they believe the programme gives them a distinct commercial advantage in a busy and competitive market."

Being on the programme has become a selling point and a point of difference for the companies involved as they market their products.

"It's done wonders for the reputation of our Council and the Building Control Unit," says Mr Saunders. "We've had praise from Minister of Building and Construction Maurice Williamson, who visited the city to check out our programme and was very impressed by what he saw. The Ministry has identified the programme as a potential solution for other Building Consent Authorities (BCA) who are facing some serious challenges delivering to their customers."

During HCC's recent re-accreditation as a BCA, International Accreditation of New Zealand reviewed the Partnership Programme to ensure it met BCA regulations and the programme passed with flying colours.

"It's been a long journey, with some challenges along the way, but above all we know we're delivering quality built products meeting the needs identified by central government and our stakeholders," says Mr Saunders.

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Case study eight:
Tauranga City Centre parking: City plan variation six

Situation: Tauranga's CBD businesses challenging Council's minimum parking requirement.

This Case Study covers an off-street parking issue in the Tauranga City centre.

The issue of whether there needed to be minimum off street parking requirements applied through the District Plan in the Tauranga city centre was discussed through the Tauranga Integrated Transport Strategy process.

The Proposed Tauranga City Plan review "rolled over" off-street parking requirements for all new, expanded or significant change of use development in the city centre from the operative district plan. If no physical parking was provided, a cash-in-lieu type approach was implemented. Therefore, these earlier planning processes did not result in the Council changing its parking policy relating to minimum off-street parking requirements.

In response to on-going discussion about revitalisation of the city centre of Tauranga and taking in to account changing economic conditions, some developer and business interests requested the Council reconsider the regulatory need for parking minimums in the city plan. As the proposed city plan had been notified and submissions heard, the Council reconsidered the issue as a possible variation to the proposed city plan.

The key stakeholders were several developers with interests in re-developing land within the city centre; the City Centre Action Group (a multi- sector group that assists in implementation of the Tauranga City Centre Strategy,) Council planning and transportation staff and councillors. The economic information presented by the developer interests was persuasive in initiating the Council's policy response.

The review of the parking minimum policy combined business knowledge and experience, strategic objectives for the city centre and considered the possible transport implications of a policy shift by Council planning and transportation staff. The impact assessment also drew on the experience of several other provincial cities in New Zealand (eg Rotorua) and international experiences provided by a consultant.

Actions: establishing a shared framework for assessment and change.

This policy review, in response to points raised by members of the local business community, illustrates that with good information and a willingness to listen to the views of business stakeholders, public policy can be reviewed and adjusted to meet communities' changing needs.

The Council was receptive to testing an alternative way of managing transport and parking demands in the city centre.

The options had to be assessed alongside the long-term strategic aim of revitalising the city centre: an established policy, driven by an agreed strategic document (the City Centre Strategy.)

A number of technical meetings and policy discussion forums between Council representatives and external, city centre interest groups established both the broad policy framework for change and shared the information resulting from analysis of the possible policy implications. This meant all participating parties had access to the same information and understood the consequences.

The Council formally notified a Variation to its proposed city plan after several months of discussion and research. This effectively removed the minimum off-street parking requirements for new, expanded or significant change of use development in the Tauranga City Centre. This was subject to the RMA submission, reporting, hearing and decision-making process. The final decision of Council to remove the city plan parking rules (as they apply in the city centre) was not appealed to the Environment Court. The reviewed policy approach for parking minimums is now effective.

The formal RMA process took approximately 10 months.

Challenges: weighing established planning practice against the desire for economic revitalisation.

A barrier to adopting a reviewed parking policy was the long established transportation view that development should be required by the city plan to supply off street parking to meet the perceived parking demands of customers and/or tenants. Most district plans in New Zealand contain minimum parking standards applied to land use activities and this approach is part of managing the effects of use and development on transportation networks.

The challenge in this case was to weigh up established planning practice against an economic revitalisation and business support objective to see whether an economic benefit could be achieved from a change of parking policy, without significant adverse effects being created in the local streets and the city centre public parking supply. The Council gave greater weight to the economic and business objective. In doing this, the council was also cognisant of its ability to manage public parking assets (both on-street and in off street parking lots and buildings) in a way that could address possible consequences of not requiring parking within developments.

It is recognised that private developers in the city centre are also likely, for property feasibility reasons, to incorporate a marketable level of parking within new developments.

The change of policy also removes a perceived barrier to attracting office tenants back into the city centre to rent smaller, above ground office space, the occupancy of which has been affected by the global financial crisis. The Council was also confident that the feasibility of several larger projects under consideration: a major hotel and a tertiary education campus, has been assisted by the change in parking policy.

Outcomes: yet to be assessed.

This shift in parking policy occurred in the last year, and with the current economic climate it is too early to assess whether there are any adverse consequences. In a policy shift of this nature, the implications are only likely to play out over the medium to long term.

Quotes.

"The removal of car parking minimums enables the development community to respond to the needs of the market without over encumbering the proposed building with too many car parks or punitive financial contributions. This can only be seen as a strong signal to the commercial community that Council is investment friendly and strategically focused. This type of policy has been used to good effect in other city centres to stimulate investment."

Dwayne Roper, Zariba Holdings, Tauranga

5.4 Services

Case study nine:
One-stop shop response – Christchurch City Council addresses the resource efficiency needs of business

Situation: a one-stop shop needed for resource efficiency advice.

Christchurch businesses needed a one-stop shop for resource efficiency advice.

The Christchurch City Council developed the tools and consultancy service to deliver resource efficiency advice to businesses in Christchurch.

Actions: establishing Target Sustainability services providing free support and advice on resource efficiency for commercial building projects.

The Christchurch City Council's Target Sustainability services provide free resource efficiency consultancy to Christchurch businesses to assist them to reduce waste and to be energy and water efficient.

Businesses that use the Target Sustainability services are provided with free support to help them become sustainable through reducing waste and being energy and water efficient. The range of support to businesses includes self-help guides, an online recycling directory and tailored consultancy services. Target Sustainability has developed business guides on waste reduction, energy and water efficiency plus related tools as well as a guide on how to implement a resource efficiency system into a business – all of which are freely accessible at www.targetsustainability.co.nz for any business to use.

Where there is a business sector cluster and an opportunity to work with a number of similar business types, both together and individually on resource efficiency, a Target Sustainability Sector Project is set up.

Sector projects include:

- target Sustainability Accommodation Project: included 23 hotel business members;
- target Sustainability Supermarket Project: included 14 supermarket business members; and
- target Sustainability House Builders Project: included eight house building business members.

Since the Christchurch earthquakes, a new service has been implemented that includes free resource efficiency advice for commercial building designs. Target Sustainability works closely with the Energy Efficiency Conservation Authority (EECA) in offering a range of packages. Christchurch City Council offers commercial building development support on waste reduction during design and construction and supports water efficiency design. Council offers selected new commercial buildings tenants a free consultancy package to reduce waste and become more energy and water efficient during the fit-out and operation of their business. The package of free resource efficiency services can be applied for from building concept design through to tenant operation. To date, Target Sustainability has signed up 40 building projects.

Through the service, Christchurch City Council has delivered the new on-line service www.freematerials.co.nz. where free, reusable materials are exchanged between organisations.

With funding from the Canterbury Waste Joint Committee, the Christchurch City Council has worked with Canterbury councils to roll out Target Sustainability services in other districts.

Typically, Target Sustainability aims to work with business members for 18 months.

Challenges: business ability to commit staff to the project/implementing KPIs/differing payback period requirements.

There are many challenges in recruiting business members to a resource efficiency project. They include businesses having other priorities and lack of staff time within the business to commit to such a project.

Riccarton PAK'nSAVE

There are challenges in getting some businesses to implement Key Performance Indicators and a measure to manage system to monitor resource efficiency to reduce waste and improve energy and water efficiency.

Implementation of resource efficiency capital improvements with good payback periods can be hindered by very short payback company requirements.

Outcomes: reduced waste and energy consumption and increased recycling.

The Target Sustainability Services have actively worked with more than 200 Canterbury business sites. There are a number of business case studies at www.targetsustainability.co.nz. These demonstrate what the businesses achieved through implementing resource efficiency initiatives and how they implemented the initiatives so other businesses can learn from this. Below is a snapshot of the key achievements and quotes from a selection of case studies.

Key achievements:

- reduced waste sent to landfill by 10.4 per cent (16.5 tonnes) per year;

- increased the amount of produce and bakery waste recycling by 254 per cent (15.6 tonnes) per year;

- increased the amount of co-mingled recycling by 134 per cent (900 kg) per year;

- reduced total energy consumption by 5.5 per cent per year; and

- reduced lighting energy consumption by 35 per cent per year.

"The Target Sustainability Programme team assisted us by conducting a waste audit which identified waste that could be diverted from landfill. These changes were implemented immediately. The team also conducted an energy assessment which assisted us with our energy efficiency projects including the installation of 54W T-5 tubular fluorescent bulbs within the retail area and implementing a half lighting policy. These and other energy efficiency initiatives combined to significantly reduce our energy consumption."

Ken Adams, Operations Manager

The George

Key achievements:

Over the past three years The George has:

- reduced waste sent to landfill by 67 per cent per year;

- increased mixed recycling quantities (bottles/cans/plastics) by 24 per cent on a per guest night basis;

- reduced gas use by 18 per cent overall and over 16 per cent on a per guest night basis saving $10,920 per year; and

- reduced electricity use by 6 per cent overall and 5 per cent on a per guest night basis, saving $6,980 per year.

"Here at The George we found being part of the Target Sustainability project highly beneficial. It helped focus our thinking on areas that we may not have considered otherwise and we've made considerable savings, particularly in areas of waste disposal, which are good for our bottom line and the environment as well. The energy assessment also identified a number of areas where we could make savings and we are phasing in these initiatives over time. Our initial concerns that any environmental initiatives may impact on the guest experience have been unfounded and we have been able to maintain our five star level of service and facilities. In fact most of our guests appreciate our EnviroGold rating and this is a selling tool for us as well."

Bruce Garrett, General Manager

Schneider Electric NZ Ltd

Key achievements:

- reduced total waste sent to landfill by 32 per cent based on production KPIs. In total a six tonne reduction per year;

- reduced recycled material by 25 per cent based on production KPIs. In total a 19 tonne reduction per year;

- reduced electricity use by 12 per cent. In total a saving of approximately 38,000 kWh ($10,000) over six months;

- saved $18,100 in production and waste disposal costs per year; and

- reduced water use by 35 per cent (1527 m3) per year.

"Target Sustainability helped us to achieve our Schneider corporate objectives of being a world leader in energy management and environmental protection."

Brian Wright, Plant General Manager

Case study ten:

Emergency management – Christchurch City Council responds to businesses in need in a major crisis

Situation: owners shut out of their businesses in the "red zone" post Christchurch earthquake.

After the 2011 Christchurch earthquake, the entire CBD became a "red zone:" deemed too dangerous to enter. As a result, 6,000 businesses were shut out of their premises, unable to recover stock and vital records and 50,000 people who had lived or worked in the central city were dislocated.

The red zone gradually reduced over the ensuing months, but two years later, large parts were still cordoned off and some business owners were still shut out of their premises.

In an economy dominated by small and medium-sized enterprises (SMEs), many operating on a shoestring and with little in the way of contingency resourcing, it immediately became clear that an agency was needed specifically to help businesses.

Recover Canterbury was rapidly established in March 2011, formed by CDC and Canterbury Employers Chamber of Commerce (CECC) and supported by Government agencies (MBIE, NZTE, IRS, MSD and ACC) to help SMEs in the city and wider region survive, revive and then thrive following the earthquakes. MBIE and NZTE provided the funding for this new initiative. The diagram below illustrates the parties involved and the various roles they played.

The goals for Recover Canterbury were to:

- help Canterbury business to survive, revive and thrive post-earthquake;
- accelerate business recovery and enhance business capability for future growth;
- provide a mechanism to effectively connect Government support to businesses; and
- maintain economic activity in the region.

Recover Canterbury established itself as a "safe pair of hands" for the Canterbury business community. By the time it stopped operating at the end of April 2013, Recover Canterbury had contacted over 7,000 earthquake-affected businesses, offering varying levels of support to more than 4,000. Via the Canterbury Business Recovery Trust, it raised $6 million in philanthropic funding, which has been distributed to local businesses as grants and loans.

The organisation consisted of a small management team and a large group of business experienced "Recovery Co-ordinators," whose task was to get out among the business community and
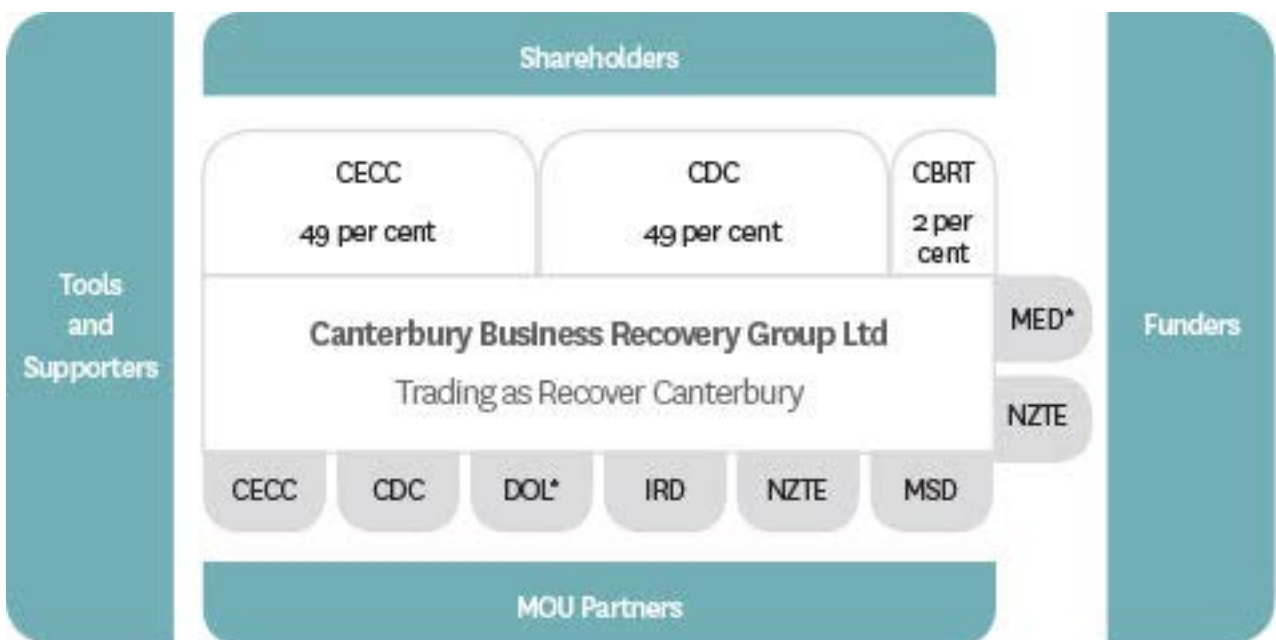
* Now part of MBIE

try to help in whatever way they could. Recover Canterbury was a true partnership, between business, local government and national ministries. Driven by the CDC and CECC with vital input and funding from the ministries it was able to operate as a cross-mandate organisation with no agenda other than helping business get back on its feet.

Actions: formed 'Recover Canterbury;' a partnership of agencies to help SMEs "survive, revive and thrive."

On the most conservative assumptions – where we kept two per cent of the businesses we worked with in business – Recover Canterbury directly saved 617 jobs and kept $39 million in the economy. On the most liberal assumptions of 10 per cent of client businesses saved, in 26 months (between March 2011 to May 2013.) Recover Canterbury saved 6,918 jobs directly or indirectly and kept $484 million within the economy.

Challenges: "war zone" conditions – no water, power or access to properties, stock or equipment.

In the immediate aftermath of the earthquake the city was a war zone, quite literally, with a military cordon in place and roads blocked off. The recovery co-ordinators in the early days travelled around in camper vans, reaching out to businesses that were in many cases cut off, with no water, power or access.

With the CBD closed, a large proportion of the business community could not access stock, equipment, computers,

etc. Recover Canterbury worked with the army and recovery authorities to get businesses inside the cordon to access vital items.

Outcomes: renewed hope and motivation.

"You are a star! You have given me so much hope in this short time. I feel like it's all worth getting up and going for again rather than just alone and hopeless. That is how I had started to feel, how lucky to receive that phone call and have you stroll in the door. Timing is everything and your timing was perfect. It was nice meeting you. It gives business (especially small ones) a big morale boost knowing that you can ask for help even if it's just to get contacts and be pointed in the right directions."

"I saw the Recover Canterbury ad in The Press today, encouraging us all to get out and get into the great variety of hospitality venues emerging, and re-emerging in Christchurch and thought, 'Yep, and get ready to make room for another player with a few fresh ideas to add to the mix'. I would like you, and those in the Recover Canterbury team who weighed up the information before you, then decided to give a vote of confidence in our vision, to know that you have just pumped us full of jet fuel. That chance encounter with you followed by the subsequent meetings, then this result you have achieved for us is truthfully, one of the loveliest things that has happened to me in a quarter century of being in business. What a fantastic adventure lies ahead for us all. Many thanks for being instrumental in bringing about this seriously useful funding, and no less wonderful lift to our spirit and our project."

Case study eleven:
Travel to work – Auckland

Situation: congestion in peak hours estimated to cost Auckland businesses more than $1.2 billion per year.

As New Zealand's largest city, Auckland regularly hits the headlines with congestion woes, especially during peak hours. Congestion is estimated to cost Auckland businesses over $1.2 billion per year.

The Mayor's vision for Auckland is to become the world's most liveable city with reduced congestion, increased travel choices and a world-class transport system.

A travel programme is designed to address the various travel requirements of a business and can increase travel choices. It looks at how employees commute to and from work. For a business or organisation, travel planning can help achieve environmental and sustainability targets, improve corporate image and improve employee fitness and productivity. It can also reduce the need for parking near a business; this could lead to reduced costs due to less demand for parking and fleet vehicles. Travel planning could also improve accessibility for town centres and business areas.

In 2011, Auckland Transport began the process of redeveloping the programme with business needs in mind. Businesses involved in the old travel planning programme noted that a simpler, less time and resource intensive, more tailored approach would better meet their needs.

Actions: commute programme launched to develop an innovative travel planning package.

The Auckland Transport (AT) Commute programme was launched in November 2012 with a more business friendly approach, while still working towards AT's targets around reducing congestion.

AT looked at international best practice, drew from the skills and knowledge of Australian counterparts in travel demand management and held discussions with Transport for London (TfL) to develop an innovative travel planning package approach.

Enhancing the customer experience, making better use of technology and maximising resources were at the heart of the transformation of AT's workplace travel planning programme to create AT Commute.

Results from a recent customer satisfaction survey of participating businesses showed the new approach was well received by businesses. As of June 2013, the programme had 68 organisations registered, including businesses, tertiary institutions, business associations and District Health Boards, with a reach of more than 300,000 people.

AT Commute is a package-based approach to travel planning. Packages can be delivered on an individual basis to respond to the specific needs of the organisation, or as a combination. Where a business has multiple needs or considerations, a full travel plan can still be offered. Core Commute packages include:

Public transport: Information, advice and incentives, including "Give it a Go" trial with eligible participants receiving a two-week travel pass to trial public transport for journeys to and from work. In 2012/13, approximately 2,000 Discovery passes were provided as part of the package. A post trial evaluation of 772 respondent's showed that 72 per cent (463) said they would use public transport again in the future.

Carpooling: Dedicated business resources, information and advice are available on the national Let's Carpool website. Launched in June 2012, the site is a collaboration between seven local authorities across New Zealand and offers the

option to sign up as an individual or as an organisation. Key Features are:

· There were 3,865 Aucklanders registered on the Let's Carpool site as of June 2013.

· The site allows users to register their route and get links to other matches.

· Kiwi Carpool Week in June 2013 was a national campaign promoting carpooling.

Walking: Encouraging walking and activity as part of people's commutes and daily lives.

Cycling: Information and training sessions including cycle maintenance, basic safety training and guided bike rides. Two trials are available for businesses:

· Commuters trial a bike for one month to experience cycling to and from work.

· Businesses receive a fleet bike to trial for short journeys during working hours as an alternative to the use of a car.

A total of 245 people participated in the original commute bike trial pilot scheme. Results showed an increase of 68 cycle trips per week resulting in 389 cycle kilometres weekly.

Teleworking: Helps businesses to introduce a policy to allow employees to work away from their base and avoid the most congested travel periods.

During the 2012/13 financial year, the AT Commute programme was estimated to have removed 3,684 daily car trips from Auckland roads during the morning peak. This equates to an estimated reduction of 11.21 million vehicle kilometres per year, saving around 3,632 tonnes of CO_2 emissions.

Businesses typically approach AT Commute directly in response to their business needs, such as limited or high parking costs, corporate responsibility, commitment to employee well-being and environmental targets.

AT Commute also targets areas and organisations that employ large numbers of people, such as business associations and areas of growth. To promote and increase engagement in AT Commute, a small targeted marketing campaign was undertaken, which included direct mail to larger employers across Auckland and promotion through business networks.

Businesses are often required to undertake a travel plan as part of the resource consents process and AT Commute can also become involved at this point. The programme also works with businesses as part of our work in travel demand management. This is particularly useful for construction projects as it helps to limit the impact of works on businesses and improves journey time.

Challenges: evaluation and reporting methodology needed amending.

As this approach is innovative for travel planning internationally; research and new ways of thinking and delivering to Auckland's businesses were required. The move to AT Commute and a different delivery approach meant that evaluation and reporting methodology had to be amended.

A risk with introducing a package approach was that this could focus on the quick wins and not address more complex travel planning patterns or the need for facilities to be provided, eg cycle parking, locker facilities. To address these risks, where a business may have complex issues or multiple needs, AT Commute still offers a full travel plan service.

The Commute brand has to remain consistent with wider Auckland Transport branding guidelines and is contained within the Auckland Transport website, rather than a stand-alone site which was originally envisioned where:

· consistent 'AT Commute' imagery and messaging has been useful in creating awareness within businesses;

· the use of new technology has enabled implementation of online booking forms where businesses can sign up online for more information and to request a package for their business; and

· the Auckland Transport website has enabled links with other transport information and updates.

The key to the success of this approach is that businesses are aware of the Commute programme and the benefits that can be achieved. To enable this, a small targeted marketing campaign to promote Commute has been delivered along with regular promotion through business networks. Innovation, continued development, maintenance and evolution are still required to provide the best outcomes for Auckland businesses.

Outcomes: time and money savings and reduced carbon emissions.

"Carpooling is great as you get to use the express T2 lane and save up to 15 minutes queuing up to join the motorway, besides saving money and wear and tear of my car."

Rosemary, Victoria Park Market

"We are one of the largest employers in South Auckland and are committed to reducing our carbon emissions. Transport to and from our hospital and community sites generates pollution. Working with Auckland Transport has allowed us to develop a substantial travel plan which includes offering carpooling, encouraging the use of public transport and alternative modes of travel to and from work. We believe as a result of this we are reducing our carbon emissions and trying to meet the needs of the population we serve."

Debbie, Project Manager – Environmental Sustainability, Counties Manukau Health

5.5 Business and industry development

Case study twelve:
Industry response – Wellington City Council lays out the red carpet for the film industry

Situation: the opportunity to realise the importance of the film sector to the Wellington region.

Wellington is home to world-class excellence in post production, digital and visual effects facilities and creative services and includes Stone Street Studios, Park Road Post Production, Weta Workshop and Weta Digital.

Associated with the sector is significant business activity to support and service the filming activity.

By the numbers (in 2012):

- Wellington's film industry generated $828 million, from $495 million in 2011, an increase of 67 per cent;

- total revenue from digital was $482 million; and

- 60 per cent of the country's post-production businesses are based in Wellington. (New Zealand Statistics).

The city took its place on the world film stage, hosting the Australasian premieres of The Lord of the Rings trilogy – The Fellowship of the Ring and The Two Towers. Significant investment in the refurbished heritage Embassy theatre helped secure the event. In 2003, Wellington threw a large street party as part of hosting the world premiere and final film of the trilogy, The Return of the King. This was a turning point in the partnership between the film sector, the city and Wellington City Council (WCC) and its partners Grow Wellington[4] and PWT[5]. Such continued investment, financially and in the partnership, led to the hosting of The Hobbit – An Unexpected Journey world premiere in 2012.

In recognition of the value of the sector to the Miramar community, where it is principally based, the Council invested in a significant upgrade of the Miramar town centre. Reflecting the strength of the partnership, this was complemented by significant investment by key identities in the sector, who refurbished a local movie theatre. The Roxy Cinema is now

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4   Film Wellington: One-stop-shop for attracting overseas films and screen work, and is an arm of Wellington Region's Economic Development Agency - Grow Wellington.

5   PWT – Positively Wellington Tourism, marketing and positioning.

an iconic destination, with a glamorous 1930s interior, largely created by Weta Workshop.

An increased volume of film production traffic needed to cross a busy arterial through Miramar, the home of the film sector. Following a request, the Council quickly responded by installing a roundabout at the relevant intersection. While all regulatory responsibilities were met, the process was hastened as much as possible. The result – increased safety and decreased traffic congestion.

The local electricity network provider issued a notice of works to The Hobbit production company for important upgrade/maintenance work to a local substation, the timing of which threatened continuous supply of power to an important stage of filming. A project team of all parties was quickly assembled and with the advocacy of WCC and Film Wellington, the parties negotiated an appropriate work plan to minimise potential risk.

Film Wellington recruited the filming of a high-profile US telco advertisement requiring multiple night-time CBD locations, road closures and depowering the overhead trolley bus network. A project team was quickly established that worked through the complexities of the logistical and regulatory challenges to ensure delivery to a very tight time schedule.

As Raewyn Bleakley, Chief Executive, Wellington Employers Chamber of Commerce, said of the sector: "They help form the image internationally of a vibrant and forward-thinking 21st century city, and that in itself is a great marketing tool that we must strive to maintain."

Actions: a partnership between Council, its partners and important creative industry sectors.

The Council and its partners have built a true partnership with an important sector, supporting Wellington's international profile in film making, attracting a huge global audience and providing a home to key celebrities.

It has contributed to export opportunities and related economic benefit which attracts international businesses with film being a key tourism attraction further creating employment opportunities for the city.

Challenges: boom and bust film production cycles.

With the value of the film industry firmly anchored in the minds of Wellingtonians, there is little barrier to marshalling support. The challenge lies in meeting the timeframes and understanding the commercial imperatives of the boom and bust cycles of film production and the need for the city to respond rapidly with a solution focus.

"Whilst shooting at the locations and studios within the Wellington region, the sheer scale and nature of the production required constant engagement with many local and regional agencies, and without the advice, support and guidance of Film Wellington, our efficiency and results would have been less than required for a project operating at the highest international standards."

Jared L.E. Connon, Supervising Location Manager

Case study thirteen:

Partnerships for growth – Christchurch City Council's international membership enhances business growth for Canterbury Tourism

Situation: the opportunity to promote Canterbury Tourism with international wine industry connections.

The Great Wine Capitals is an alliance of 10 cities located in internationally renowned wine-producing areas throughout the world. The member cities are:

- Bordeaux (France);
- Bilbao | Rioja (Spain);
- Cape Town | Cape Winelands (South Africa);
- Christchurch | South Island (New Zealand)
- Florence (Italy);
- Mainz | Rehinhessen (Germany);
- Mendoza (Argentina);
- Porto (Portugal);
- San Francisco | Napa Valley (USA); and
- Valparaiso | Casablanca Valley (Chile).

Network Cities, individually and as a group, are important international wine tourism destinations. The cities also work together on education and research, including academic exchanges, business development and investment, and wine tourism development. The Network was established in 1999 and has a permanent secretariat located in Bordeaux. Each city has a Network Co-ordinator, whose task is to liaise with the other cities and to be the point of contact in each city for media enquiries, business development opportunities, etc. Network members meet once a year at a General Assembly that is hosted by each member city in turn.

In 2009 the Christchurch City Council identified an opportunity to support the promotion of South Island wine, and New Zealand wine more widely, as a premium international brand through applying to join the Great Wine Capitals network.

Network membership provides us with direct connections to the business networks and tourism promotions organisations of the other nine Great Wine Capitals. It provides a platform for promoting Christchurch and wider South Island education facilities and expertise. Network membership supports a stronger international profile for the South Island's wine regions, which is particularly valuable for the smaller, developing regions of Waipara and Canterbury. Recognition

of Christchurch/South Island as a Great Wine Capital also reinforces the marketing of New Zealand wine as a premium international brand, which is valuable even for the higher-profile wine regions of Marlborough and Central Otago. The Network focuses in particular on wine tourism, which is developing in the South Island wine regions. Government research released in 2009 found that wine tourists spend more than other international visitors ($3,543 per trip compared to $2,710), but that just eight per cent of international visitors and one per cent of domestic tourists visit wineries, therefore this is a tourist market which is ripe for development.

The Network is also a platform for promoting New Zealand expertise and innovation. It has a business and investment programme and an education programme. Under its education programme, it offers annual international student grants for outstanding research in the field of wine science and wine tourism. Under its business and investment programme, the Network is building links with innovative, high-tech industries around the world which support the business of wine. Through these programmes, Network members can showcase the capability and innovation of their own industry players, support collaboration with other leading companies in other Network cities and attract investment for their own industries.

Actions: join the international Great Wine Capital Network.

Legacy objectives of Christchurch South Island Great Wine Capitals Network

· support for the promotion of South Island wine, and New Zealand wine more widely, as a premium international brand;

· increased wine/food/lifestyle tourism for Christchurch and the whole South Island, as well as New Zealand more widely;

· better visitor numbers, length-of-stay and average spend data;

· support for sustainable regional economic development across the South Island;

· strengthened capability to undertake "South Island Inc" projects; and

· via public/private partnerships and collaboration between local and central government.

Regional partnership

Principally the partnership is made up of the regions: Nelson/Tasman; Marlborough; Waipara; Canterbury and Central Otago. The sectors include: local government; the wine industry; tourism sectors; private enterprise and educational institutions. Locally, Canterbury Development Corporation; Christchurch and Canterbury Tourism; Chamber of Commerce; Lincoln University and Christchurch City Council are the key drivers.

Business development sector

Canterbury Development Corporation and the Canterbury Employers Chamber of Commerce took the lead role in the business development sector. The focus of their work was:

· increased wine sector and wine tourism capability building;

· increased regional and global connectedness; and

· wine sector investment.

Lincoln University Viticulture and Oenology Department worked to bring together South Island wine science and wine tourism lecturers from University of Canterbury, University of Otago and Marlborough polytechnic- School of Wine Science. Lincoln has a representative on the Great Wine Capitals International Committee for Research and Education. Discussions regarding potential university to university collaboration in course content and exchanges of lecturers have been undertaken.

The Network offers an annual International Research Grant. The International Research Grant aims to promote excellence and innovation in wine research. The Network awards two grants of 4,500 euros per year for projects related to economic, environmental and social equity sustainability or wine tourism and marketing in a region belonging to the Network. Eligible candidates are students and young researchers who have been nominated by a city in the Network. In addition to the grant, the authors of the two winning projects are eligible to receive an additional 500 euro stipend to help meet travel and accommodation expenses for presenting their projects to the next annual general meeting of the Network. New Zealand students have twice won this grant.

Great Wine Capitals AGM/conference

The mayor confirmed at the time of joining that Christchurch would host the Network's 2010 annual conference, including an international conference which includes high-profile events enabling the hosting capital to showcase its wine, wine region(s) and tourism opportunities more fully.

The South Island's five wine regions were closely integrated into the event, through technical tours that took delegates into the regions to experience first-hand the dramatic landscapes, the hospitality of the people and the world leading wines and cuisine. In addition, the conference presented a whole-of-New Zealand programme, integrating the North Island wine regions in spectacular pre- and post-conference tours that showcased top-end experiences.

The purpose of the conference was:

· to bring significant international delegations from the other eight Great Wine Capitals, plus international wine and tourism writers, opinion leaders and industry stakeholders from around New Zealand to the city;

· to showcase the city's event facilities and tourism opportunities, as well as South Island wine and the business sectors which support it;

· to provide a platform to showcase Christchurch and South Island wine tourism, and market the city as an entry point for international tourists;

· to strengthen Christchurch and South Island events and tourism infrastructure one year out from the 2011 Rugby World Cup; and

· to promote achievement and innovation in the Christchurch and South Island industries which support the wine industry.

Best of Wine Tourism Awards

The Great Wine Capitals Best of Wine Tourism Awards celebrate innovation and excellence in wine tourism throughout each member wine region. The Best of Program provides an opportunity for wineries and other visitor-serving businesses in each region to gain exposure and recognition for their commitment to presenting leading wine tourism options, while giving visitors a one-stop list of the best places to visit. This international competition is designed to reward businesses in each member region that have distinguished themselves in terms of the excellence of their facilities and delivering quality experiences to visitors in various categories. Since their inception, over 465 properties have received an award from 3,001 nominees.

Awards are given in the following seven categories:

· accommodation;

· wine tourism restaurants;

· sustainable wine tourism practices;

· architecture and landscape;

Councillors Sue Wells (Christchurch) and Malcolm Lyall (Selwyn) with a Best of Wine Tourism Award winner from 2013.

- art and culture; innovative wine tourism experiences; and
- wine tourism services.

In the longer term, membership seeks to jointly market South Island-wide wine tourism, offering visitors integrated information on getting to each of the five South Island wine regions and contributing to a stronger South Island brand.

Quote: international recognition of the region as an innovative wine tourism experience.

"Creating an innovative experience is what we have been working towards from the start. Winning shows that acknowledge what we have set out to do achieved fabulous results for us. Being recognised like this shows we are doing something a little different and helping put Central Otago on the map."

Jan Pinckney, Northburn Station, Central Otago

Winner Innovative Wine Tourism Experiences 2013

Yealands Estate won a Best of Wine Tourism award for the third year in a row. Yealands Estate founder, Peter Yealands, says the international recognition reflects the passion the Yealands team has for sharing their sustainability story.

"We are passionate about our sustainability practices and enjoy the opportunity to share what makes us different with the visitors who come to our winery. At our cellar door, we aim to create a unique experience, which showcases our dedication to making quality wine in an innovative way."

Peter Yealands, Yealands Estate

The South Island's regional Best of Wine Tourism Award winners include Melton Estate, in West Melton near Christchurch, who won the wine tourism restaurant category.

"Our total focus is offering the very best wine hospitality for locals and guests to Christchurch. Our aim is to be the premier event destination for international visitors, corporate clients, and locals seeking a winery experience close to the city."

Tracy Caunter, Melton Estate

5.6 Social and community

Case study fourteen: *Safe environments are good for business – Wellington City Council provides an innovative support service through the Local Hosts programme*

Situation: need to deter crime and anti-social behaviour to make inner city Wellington safer and more accessible for social and cultural activity.

The Wellington central business district is the point at which commerce and economic activity is centred in the city. It is the stage from which the city's cultural and events activities are launched. The Council's Economic Development Strategy has at its focus increased economic growth, recognising the importance of the role of the CBD. Add that to a captivating natural environment immediately surrounding the city, its walkability and diversity, and you have an asset which is important to protect.

Launched in 2001 the City Safety Officer Programme (Walkwise) was a service contracted to ADT/Armourguard by Wellington City Council. It consisted of uniformed personnel carrying out patrols primarily in the Wellington CBD. They were engaged to act as eyes and ears in and around the CBD and report their observations.

The two main purposes of the programme were to:

· prevent and deter crime and anti-social behaviour; and

· act as ambassadors for the Wellington City Council by being an approachable and friendly source of contact and information for people in the inner city.

Over time a shift between what the service was offering and what stakeholders were expecting resulted in a review commencing in early 2012. This also aligned with the existing contract for service coming up for renewal.

Important stakeholders contributing to the review included the Mayor and councillors, the city's business sector and police, and social and health service providers. Views were sought on what an ideal service would contribute to Wellington.

Several mandates that made the City Safety Officer Programme important for the city, included:

- being a key part of the Council's comprehensive safety package; and
- commitments published in the Council's Draft Long-Term Plan, Annual Report, Toward 2040, and the Social and Recreation Strategy; together with commitments for International Safe Community re-accreditation.

Alternative service delivery options were explored:

- predominantly outsourced;
- in-house management;
- outsourced personnel; and
- fully in-house; an advanced in-house model with establishing a supporting Volunteer Programme in year two of operation.

It was envisaged the new service would have a strong emphasis on recruitment; and draw upon volunteer resources and like agencies to boost numbers to provide credible, highly visible, directed services in accordance with a demand model. It would also work with crime prevention networks and resources in the suburbs and would involve a lot more observation and engagement, and a lot less walking.

Having developed a clear set of goals based on the information provided by stakeholders, the Council made the decision to make an investment and bring the service fully in-house with the option of adding the Volunteer Programme in time. The Local Hosts team commenced operations in November 2012.

A new role for the City Hosts would see them:

- actively promoting Wellington, engaging and assisting visitors and members of the general public;
- helping to deter crime by being an additional skilled set of eyes and ears on the street to advise the police as required;
- reporting safety hazards and defective infrastructure or Council assets;
- having an overarching duty to always act as an ethical bystander and assist those in need; and
- Collectively, these role attributes coupled with new branding would convey a clear identity and attachment to the city as ambassadors, contributing to an overall environment that is conducive to business in Wellington.

Actions: a City Safety Officer programme in Council's Long Term Plan with commitments up to 2040, published.

Achievements to date in just seven months of operation are:

- an immediate connection established with retailers;
- social service providers have been able to respond more quickly to issues of homelessness;
- a valuable contribution to city "intel" for emergency service providers – police and Accident and Emergency, supporting more effective response to incidence and allocation of resources;
- relationship established with the Inner City Association, supporting a closer connection between the council and residents and businesses of the CBD;
- an important point of contact for city visitors, providing assistance and information;
- using a new reporting app – "FixIt", there has been a marked increase in reports received of damaged or inoperable infrastructure items and city cleanliness issues; and
- on-the-ground observations provided to support an evidence-based approach to the draft Alcohol Management Strategy.

Challenges: none.

The environment was ready for change to the extent that there were no real challenges or pitfalls. Ready agreement was reached on what a revamped service should look like and what activities it would be engaged in. The proposal received unanimous support from councillors to make the investment in an in-house model.

Outcomes: positive feedback from stakeholders.

The feedback received on the new service embraces the mandates and expectations set on launch. Police, hospital and ambulance services have been full of praise for the real time information the service is providing.

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Glossary

Leadership – setting, supporting and driving a vision, strategy and plan for economic growth through strong leadership, effective partnerships and facilitation.

Spatial planning – identifying long or medium-term objectives and strategies for territories and co-ordinating sectoral policies such as transport, agriculture and environment. Spatial planning can help deliver economic, social and environmental benefits.

Regulation – regulating to protect high-quality productivity and economic growth. Local government is responsible for ensuring regulations deliver on objectives for least economic cost to contribute maximum net benefit to society.

Services – a major role of what local authorities do is providing the services that enable business activity to occur and allow people a standard of living. Services can be grouped into five main areas including:

· water supply and wastewater;

· solid waste;

· refuse;

· emergency management;

· building control;

· public transport; and

· active modes.

Business and industry development – Local government has an important role in promoting, facilitating and coordinating local and regional development activities. This is a proactive role to stimulate business and other economic activity. This generally involves the provision of business support and investment programmes to facilitate private sector investment, encourage industry and employment growth and implement measures that are conducive to business.

Social and community – Social and Community refers to the activity that affects the immediate quality of life of the community. It reflects investment in and the maintenance of amenities as well as activities or programmes aimed at improving the social well-being of the community.

Acronyms

ACC	Accident Compensation Corporation		**ICT**	Information and Communications Technology
ADSL	Asymmetric Digital Subscriber Line		**IRS**	Inland Revenue Service
AT	Auckland Transport		**IRT**	Industry Response Team
AUT	Auckland University of Technology		**KTP**	Key Touch Point
BCA	Building Consent Authority's		**LGNZ**	Local Government New Zealand
BERL	Business and Economic Research Ltd		**MB**	Mega Bite
BRANZ	Building Research Advisory Council of New Zealand		**MBIE**	Ministry of Business, Innovation and Employment
CBD	Central Business District		**MOU**	Memorandum of Understanding
CDC	Canterbury Development Corporation		**MSD**	Ministry of Social Development
CECC	Canterbury Employers Chamber of Commerce		**NZTA**	New Zealand Transport Agency
CEO	Chief Executive Officer		**NZTE**	New Zealand Trade and Enterprise
DCC	Dunedin City Council		**PT**	Public Transport
ECE	Early Childhood Education		**RMA**	Resource Management Act
EDA	Economic Development Agency		**RTO**	Regional Tourism Organisation
EDANZ	Economic Development Agencies of New Zealand		**SME**	Small and Medium Enterprise
EDS	Economic Development Strategy		**SME**	Small and Medium Enterprise
EECA	Energy Efficiency and Conservation Authority		**TfL**	Transport for London
EOI	Expression of Interest		**WCA**	Well Connected Alliance
HCC	Hamilton City Council			

Acknowledgements

Throughout the project, the passion and dedication of the project team and supporting entities has been apparent as has their significant skill.

Annex one: New Zealand Core Cities network

The New Zealand Core Cities Project was initiated in April 2011, by Local Government New Zealand and the Ministry of Business Innovation and Employment (MBIE), then Ministry of Economic Development.

It is the first of its kind in New Zealand and involves New Zealand's six largest cities including:

· Auckland;

· Tauranga;

· Hamilton;

· Christchurch;

· Wellington; and

· Dunedin.

The project's primary goal has been to:

· build a shared understanding of the economic contribution and core strengths of New Zealand's largest cities.

The New Zealand Core Cities Research Summary[6], with supporting reports for each of the six city councils, was released in April 2012. This comprehensive analysis applied an agreed research framework across the six cities.

Analysis of the research highlighted the areas of competitive advantage for each of the cities, as well as their economic strengths.

It also revealed four focus areas for collaboration:

· sharing best practice – for example, policies and processes that build;

· business-friendly councils;

· collaborating on future mayoral-led delegations in China and other export markets;

· continuing to jointly invest in the development of data about the city-regions; and using it to support economic strategy and planning;

· using the research on city-regions as a tool for helping to focus and guide; and

· councils' investments to support economic growth.

The first of these has been developed into a business case and represents the Business Friendly project. The project involves the development of a network that will share information on best practice. This set of national guidance represents a key output from the project.

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6   http://www.lgnz.co.nz/home/our-work/publications/nz-core-cities-research-summary

City competitiveness
Relative performance on:

- GDP per capita
- Quality of Life
- Destination for investment
- etc.

City outcomes

Productivity, incomes, employment

Firm/industry competitiveness

Relative profitability, productivity, export performance

Firm/industry competitive advantage
Drawing on city sources of advantage and city endowment

- Strategy and capability
- Industry inputs
- Demand conditions
- Related and supporting industries

City sources of advantage / areas of distinctiveness

Image & Identity	Knowledge resources	Connectedness	Amenities

Diversity with specialisation in key segments	Business environment	Built environment

**Foundations of a well functioning city
(city endowments)**

- Physical assets and infrastructure
- Labour and education base
- Institutions / governance
- Social / cultural capital

- Land and natural environment
- Entrepreneurial base
- Capital base

Annex two: Purpose of Local Government; LGA 2002 – amended in 2013

The Local Government Act 2002 was amended in 2013. The purpose of local government is set out in section 10 of the Local Government Act 2002.

1. The purpose of local government is –

   (a) to enable democratic local decision-making and action by, and on behalf of, communities; and

   (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

2. In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are –

   (a) efficient; and

   (b) effective; and

   (c) appropriate to present and anticipated future circumstances.

Annex three:
Core Cities – Latest Economic Development Strategies (EDS)

Putting the spotlight on Business Friendly policy is a key pillar of each Cities' EDS. Below is a summary of the policy focus across the six councils in the Core City network.

2.51 Auckland Council – Economic Development Strategy (2012)

Auckland's Economic Development Strategy provides a 10-year roadmap for how Auckland does business via five priorities – Grow a Business Friendly and Well-Functioning City; Develop an Innovation Hub of the Asia Pacific Rim; Become Internationally Connected and Export Driven; Enhance Investment in People to Grow Skills and A Local Workforce; Develop a Vibrant, Creative International City.

"Growing a business friendly and well functioning city" is Auckland's number one priority. In its pursuit, the Council is focusing on the services it delivers, the quality of its decision making (in planning, regulation, the development of the built environment and especially its infrastructure), and fostering a business-friendly "can-do" culture.

Underpinning this approach is recognition of the importance of simple, transparent and accessible plans to provide certainty, understanding the diversity of the business community and its needs and maintaining excellent customer relationships.

Three actions: 1) building a reputation for business friendly, 2) well-functioning economic infrastructure and 3) access to resources, are supported by a range of initiatives from across the Council, including:

- the provision for business activities and business zoned land in the Unitary Plan;
- the provision of a key account management service;
- the support for broadband;
- the protection of business land; and
- while encouraging and supporting partnerships, and innovation.

These actions and their respective initiatives are tracked and reported on annually or tri-annually.

2.52 Tauranga City Council – Smart Economy (2007)

Smart Economy is the economic development strategy for the Western Bay of Plenty, including Tauranga. Section 11 identifies a set of actions to be monitored. Section 11.3, 'Business Environment' includes the following actions/indicators, The Basics:

1. ensure stable power supply with sufficient capacity;

2. provide communication infrastructure;

3. improve rail infrastructure;

4. improve air services;

5. promote the efficient, sustainable use of resources and encourage sustainable business practices and design;

6. complete Smart Transport Corridors network; and

7. improve business-local government understanding.

A sub-indicator of The Basics includes "Business Aware Government" (ie local government understand business requirements and business understands local government operating and legislative environments.) Further, the sub-indicator 7: improve business-local government understanding, includes a policy for "Councils to put in place systems or have case management procedures/resources to undertake internal liaison to assist businesses meet the requirements of council processes and facilitate business working through the council/consent processes" and also that "Case management positions are established or appropriate systems put in place in all councils."

2.53 Hamilton City Council – Economic Development Agenda

An important priority in the Hamilton City Council Economic Development Agenda is to enhance the Council's services to the business community. This includes:

Leadership

- set policy that provides a platform for economic growth; and
- work with business and industry sectors to support economic opportunity.

Responsibility

- provide cost-efficient services to the business community;
- growth planning through land use and transport systems;
- enhance the regulatory environment and ensure quality standards are maintained; and
- provide access to up to date information about the local economy.

Strategic investment

- take a role in asset ownership where public investment can provide economic growth; and
- provide cost-effective and productive infrastructure to enable the city to function and prosper, such as water, wastewater, stormwater and transport services.

Relationships

- provide effective and timely responses to market opportunities; and
- manage relationships with the business community.

2.54 Christchurch City Council – Economic Development Strategy (2013)

The Christchurch Economic Development Strategy (CEDS) identifies a number of initiatives required to ensure that the city remains competitive with other comparable cities. Amongst these, a priority area is "making it easier to do business" by ensuring regular dialogue between the private and public sector to ensure the regulatory environment and process is as easy as possible to engage with.

The work to deliver on this priority includes three initiatives: Greater Christchurch councils developing planning and consenting processes that are easy to follow and business friendly, Christchurch City Council implementing an internal customer service project to improve consenting processes and business engagement, and the development of Business Friendly Guidelines by Local Government New Zealand (LGNZ) as part of the Core Cities initiative.

The first initiative is also included in the Economic Recovery Programme for Greater Christchurch December 2012 which notes indicators of success as:

- Businesses receive reliable, rapid and consistent advice on consent information requirements and processing times are transparent and reliable, with efficient decision-making processing.

- A "can-do" attitude and a business-friendly culture are adopted to resolve issues and find solutions in partnership with relevant parties.

The background paper to CEDS suggests that post-recovery factors which will influence the ease of doing business for Christchurch include the availability and cost of suitable properties, consent times and relationship with the Christchurch City Council, access to skilled and suitable workers, and reasonable commuting times around the city.

2.55 Dunedin City Council – Economic Development Strategy (2012)

The Dunedin City Council *Economic Development Strategy* identifies as one of its priority actions "Red Carpet, not Red Tape". The strategy notes that: "Businesses have told us that they want faster Dunedin City Council processes, including building and resource consenting, and continuous improvement of District Plan rules. They have also told us of several other barriers to doing business, such as parking, transport, the cost of heritage upgrading, earthquake strengthening and broadband. It is important that we have a proactive and business-friendly approach across the Dunedin City Council". The "Red Carpet, not

Red Tape" action "establishes a council/business relationship management model intended to instil a proactive and business-friendly approach across the Dunedin City Council. A business reference group will be established to contribute to and monitor this action and Dunedin City Council will refine its processes and communication to instil a proactive, "business friendly" approach across the organisation. This will include learning from approaches used by other councils. The key indicator is identified as "Business satisfaction with the Dunedin City Council and business environment."

2.56 Wellington City Council – Economic Development Strategy

A key principle of the Wellington City Council *Economic Development Strategy* is to take a business friendly approach, recognising that council activities directly affect business in a variety of ways.

A key strategic direction of the strategy is to "foster a business environment in the city where it is easy, efficient and affordable to invest and do business." Two of the high priority actions are

to: "engage with businesses to ensure that Council services, and the way that these services are delivered, are underpinned by a "can-do" attitude;" and to "engage with key corporate businesses in the city to understand their needs and how they can be retained in the city."

Annex four: Review of international business friendly policies and indicators

International business friendly policies and indicators – desktop review observations

We observed that business friendly policies and their respective indicators may be focused narrowly on the regulatory functions of local authorities (such as resource and building consent processing), but more typically were broader, encompassing policies and indicators across wider "business friendly objectives" as a subset of local economic development goals.

These "business friendly objectives" and their corresponding indicators generally were focused on: local government sensitivity to business; local government regulations; local government tax/rating burden; and the cost of local government services.

- Local government sensitivity to business: This objective was focused on local authorities being aware of and responsive to the needs and aspirations of business. The indicator was typically the percentage of respondents in a business survey who gave a "good" rating to their local government on "awareness and responsiveness to business".

- Local government regulations: This objective concerned the regulatory burden of local authorities. The indicators were typically set around consent processing and the percentage of business survey respondents who indicated local government regulatory burden as a concern for their business.

- Local government tax/rating burden: This objective was focused on the level of property tax/rates, including the ratio or differential between commercial and residential property rates. The indicator was typically the ratio of commercial property rates to the residential rates, based on sources from each local authority.

- Cost of local government services: This objective related to the fees and charges paid by businesses for local government services. The indicator was typically fees and charges set by local authorities, based on sources from each local authority.

Finally, in some instances, the goals were left undefined and instead processes established to instil proactive "business friendly" behaviour across the local authority with correspondingly broad indicators (such as "business satisfaction with the council and business environment.") In others, some emphasis was also given to infrastructure and governance.

While most of the case studies and literature focused on external drivers of change, as a means of driving internal attitude and cultural shift, the Mark of Good Services stood out as being different. Essentially, this process focused on internal change based on a dialogue between business and council. We also note that some of the case studies showed these types of business friendly indicators are used by the private sector to make comparisons between councils about

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their relative performance. Indeed, this type of league table approach was used by Business New Zealand in 2004.

From the literature we observed that there was significant value being placed on the business and economic information generated by indicator monitoring by both the private and public sector. The result of this analysis is genuinely being used to make assessments about where to locate businesses and how governments can improve their attractiveness.

Overall, our review indicates that the local government sector would be following international practice by identifying and adopting a set of business friendly indicators that encompassed a broad range of matters, including regulatory and non-regulatory issues. An appropriate starting point would be to consider the headings: local government sensitivity to business; local government regulations; local government tax/rating burden; and cost of local government services. Added to that might be infrastructure and governance.

Annex five: Feedback from business

Consultation with business organisations

The Guidelines document provides the opportunity to engage in a discussion with New Zealand business in a constructive way about the important issues of how we can improve our partnership to grow New Zealand's economy going forward.

Local Government New Zealand Chief Executive, Malcolm Alexander, wrote to 11 of New Zealand's leading business organisations to seek feedback on the Draft Business Friendly guidelines in October 2013:

· Chambers of Commerce – Auckland, Hamilton, Wellington, Christchurch and Dunedin;

· Business New Zealand;

· EMA Northern;

· NZ Council for Infrastructure Development;

· NZ Manufacturers and Exporters Association;

· Property Council of NZ; and

· NZ Retailers Association.

In addition to this, Tauranga's Economic Development agency Priority One arranged a workshop on the draft guidelines with eight businesses and two educational institutions participating.

Summary of feedback

We received feedback from a number of the business organisations and the Tauranga businesses.

All feedback was supportive and constructive, welcoming the engagement with local and central government on this issue. There is support for the Core Cities network approach. There were some suggested changes to the guidelines including;

· establishing a separate principle called "Culture;"
· that council procurement processes should be an additional priority area with a positive weighting for local business;
· that rating policies and the impact on business should be explicitly dealt with; and
· that clear, concise communication with business should be highlighted.

Other feedback included emphasis on understanding local business drivers and strong council engagement lead by the mayor, elected members and the chief executive. A balance between formal and informal engagement was requested.

It was suggested that councils' economic development work needs to be well joined up with planning stages, such as land use and infrastructure planning. Working with central government on support for sectors that have sustainable growth potential was considered important.

Having a long term vision for the city, and a consistent district plan and supporting processes were seen as vital. Taking a case management approach to consenting and understanding the implications of processing time on businesses was also emphasised.

The manufacturing sector specifically requested better understanding by councils of its sensitivity to supply chain disruption.

There is support for debt as an important tool for managing intergenerational investment in infrastructure. This provides certainty for business people looking to invest in a city-region.

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