

New Zealand Chambers of Commerce and Industry
Thought-Leadership Narrative
- catalysing informed conversations ahead of the 2017 General Election -

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A. Executive Summary

1. This report represents a thought-leadership narrative for the NZCCI leading up to the 2017 general election. It provides insights on matters raised by members and NZCCI leaders, augmented with desk research.
2. This is about helping members to connect to the pre-election conversation so that they feel that they can get involved in the debate in ways other than just on Election Day. This is not just about changing policy or regulation per se, but about how to get effective policy and regulation introduced for best business growth outcomes. How can members influence change on the things that matter to them? What conversation starters would be useful to help them? What can members say or do to help policy makers to understand what is needed to help their businesses grow?
3. Surveying members, desk research and one-on-one discussions have raised a plethora of issues impacting NZCCI members: there are many and various issues across the country. Attempting to roll them up into a collective national story risks losing the specificity sought in this report. Where the biggest concerns lie depends specifically on the growth drivers for each region and where the largest bottlenecks are currently manifesting themselves. However, it is possible to see some ideas and themes that are consistent across the country. NZCCI hub leaders are most concerned about the obvious consequences of unmanaged growth at a sector (e.g. tourism), city (e.g. Auckland) and resource (e.g. water) level and a lack of coherent conversations between central and local government at both a national and a regional level to develop better ways to address the problems. They are also concerned that the toolbox of interventions to solve the problems is not full. Certain frameworks are missing, like regional infrastructure investment prioritisation plans and related coherent financing strategies. At a more specific level, one-on-one feedback supports the survey results that one of the key issues needing addressed is the burden of compliance for small and medium sized businesses, especially around health and safety and also around resource management.
4. To identify what NZCCI may want to say before the election on these matters, it has been necessary to try to drill into the problems that seem to be causing the noise of the immediate issues. By addressing some of the underlying problems, many of the issues may resolve themselves. Taking this problem-focussed as well as issue-focussed approach should give members the confidence that NZCCI is focussing on the right starting point for a conversation. The main problems causing these issues may be described as:
 - a. Collaborative institutional governance (between central and local government and between local councils) is weak;
 - b. The bureaucracy across central and local government does not work well together to be 'customer centric', making it difficult to collaborate to address issues such as the specific skills shortages in certain sectors or regions;
 - c. Planning and investment systems are fragmented and unclear, making it harder to do business and making business innovation risky;
 - d. We think in sectors and subsectors, making it hard to develop system and cross-system solutions to keep our regions and cities functioning well for us;
 - e. There is a lack of acknowledgement that the regions are different, with different business constraints, different growth aspirations and opportunities, and different ways of doing things;
 - f. Data is often poor or unclear making it difficult to develop insightful solutions to problems or to catalyse new opportunities.

5. From the discussions and research undertaken on addressing these problems, it seems that NZCCI members require:
- Central government agencies that work well together to design and implement cost-effective solutions to problems;
 - Collaboration between central and local government that gives us confidence that collective solutions are being developed and implemented to address local and regional economic growth constraints and to catalyse new growth opportunities;
 - Adaptable policy settings to meet fast changing business needs, such as guaranteeing labour skills' availability when it is needed;
 - A fundamental reform of the planning environment to make it less burdensome
 - Cost and time effective business compliance for small and medium sized businesses, especially Health and Safety legislation;
 - Pathways and incentives to scale up and transfer local or regional "good ideas";
 - Ways to create focus on regional priorities (as part of a national system) based on good evidence and insight, to get the right services and infrastructure in the right place ahead of time (including housing) to enable managed and manageable regional growth;
 - Better sustainable management of the negative impacts of urban and rural growth.
6. In order to give NZCCI the confidence that the best minds are working on developing the right solutions to create an enabling business environment, the proposed key message is:
- We expect a government that works constructively with businesses and local government to define the direction and set the policies and priorities that will support economic growth across New Zealand.***
- This will require a central and local government bureaucracy that has the willingness, capacity and capability to drive a game plan that will achieve common objectives.***
7. It is recommended that NZCCI state their assumptions (beliefs) on which it makes any recommendations, to remove any chance of misunderstandings. These are suggested as:
- a. Sustainable, productive, economic growth is the aim, incorporating social and environmental baselines;
 - b. A well-educated, adaptive, workforce is a prerequisite to sustainable, productive growth;
 - c. The planning framework should be clear in order to make doing business easier;
 - d. Policy change should be based on informed evidence;
 - e. One-size does not fit all: regional business needs and opportunities are different.
8. The key recommendations for the next government from NZCCI are to:
- a. Collaborate across portfolios and budgets to design and implement holistic, cost-effective, solutions to problems and to unlock new opportunities;
 - b. Elevate the Local Government portfolio to a senior Cabinet role;
 - c. Bring focus and strength to regional development;
 - d. Review and address the burden the Health and Safety legislation is having on small and medium sized businesses relative to its value;

- e. Using robust data - set meaningful national and regional intentions, baselines and measurements;
 - f. Act on the recommendations of:
 - i. The Productivity Commission to advance a fundamental reform of New Zealand's planning and resource management systems;
 - ii. The New Zealand Institute to pay special attention to education; incentivise councils for economic development outcomes and encourage greater business flexibility and innovation.
9. The reasons for recommending these actions are described more fully in the main report.
10. A summary of key insights and recommendations is attached as Appendix Two to this report, which may be useful as a starting point for communications.
11. Seeing the outcome of the recommended changes and reviews will take time. It would mean that there has been both a fundamental change in the way that the public service (central and local government) works and a change to key pieces of legislation (e.g. Health and Safety and Resource Management legislation). Neither of these will be easy or fast. However, there is still a clear pathway for NZCCI and its members to contribute to the conversation and to undertake actions in the short term.

B. Context

12. In November 2016, NZCCI agreed to develop an NZCCI "one voice" 2017 General Election thought-leadership narrative describing what the NZCCI business community needs from central government in order to grow and thrive. The process to capture the inputs for the report has included a member survey, one-on-one discussions with NZCCI hub leaders and comprehensive desk research. This report represents a bottom-up as well as top-down narrative. NZCCI as a collective, individual Chambers, their members and those seeking election are the primary audiences. It is intended that it will make it easier for members to articulate what they will be looking for from central government after the election.
13. It is intended that the narrative will be used as the basis for a range of communication products that will be developed by NZCCI. This will ensure a united voice and consistent approach when advocating for change. It is intended that this information can be used in a variety of ways such as leading discussions with Chamber members and as media content.
14. Running in parallel, Business New Zealand is expected to release a business election manifesto later this year, in advance of the general election. The key audience is politicians. It is intended to signal the business community's views across a whole range of government policy issues, from superannuation to student loans. In addition, the New Zealand Initiative have released their own Election Manifesto 2017. It is the intention that these documents will work well as a package to give clarity on shared problems and issues, seen through different lenses.

C. Critical issues impacting business growth decisions: What is concerning people

15. A member survey, face-to-face meetings with NZCCI champions, and desk research have been undertaken to understand what is of most concern to businesses represented by NZCCI. This has allowed for a bottom-up as well as top-down

approach to deepen understanding of key concerns. A summary of the findings is given below.

a. Survey results

16. NZCCI surveyed its members in April 2017, with 992 responses, to enable them to have a say in the development of the pre-election narrative. The Survey results highlight:

Survey results: Perceived constraints to maintaining and growing business:

- 55.6% said that having access to the right resources (e.g. staff, capital, and materials) was having the biggest impact on their ability to maintain and grow the business. 74.1% registered access to staff as the biggest issue. Access to capital did come up but access to materials is not an issue.
- Business compliance issues were also a significant concern at 22.8%. Health and Safety compliance recorded 62.3% of compliance concerns.
- Economic infrastructure constraints registered at 8.2%. Roading and Transport registered 67.5%; Tourism Amenities at 27.4% and Communication Technology registered 23.4%. Social infrastructure registered only 7.5%; of that 50.7% was Housing, Education and Health around 25% each.

17. Access to staff and the impact of business compliance appear to be the main concerns, followed by the need for improved infrastructure.

18. Responder numbers are too few to get clear indications of regional differences that we can depend on. More information has been documented through interviews with Chamber leads and desk research.

Survey results: What can the government do to help?

19. When asked what the government can do to help, responders indicated:

- | | |
|---|-------|
| • Simplify business compliance | 29.6% |
| • Help provide greater access to skilled labour | 21.4% |
| • Provide more infrastructure investment | 18.5% |
| • Improve the business environment | 18.4% |
| • Improve social infrastructure investment | 12.1% |

Business compliance:

With respect to business compliance, Health and Safety (62.1%) and Employment Law (40.1%) featured as the major headache, followed by RMA issues (27%).

Skilled labour:

With respect to government support for improving access to skilled labour, 61.5% of responders think it is an education opportunity, with specific comments referring to 'job readiness' and 'education linkages across the stages of learning.' 42% think it is an immigration opportunity.

Infrastructure:

By far the largest recommendation for focus in infrastructure investment was Roothing/Transport (68.9%), with Housing, Communication Technologies and Tourism Amenities following.

20. Simplifying business compliance, specifically Health and Safety requirements, is the top “issue resolution” request. This is followed by addressing skilled labour shortages (21.4%). If we merge economic and social infrastructure investment indications (30.6%), it makes infrastructure investment the top recommended government action.

b. Discussions with NZCCI leaders

21. During April, discussions were held with John Milford, Michael Barnett, Dougal McGowan and Peter Townsend, to get a holistic “feel” of the issues and how government could help. This has been useful to gain an understanding of the bigger problems as well as regional differences. Detailed feedback is provided in Appendix One to this paper.
22. In summary, there are many and various issues across the country. Attempting to roll them up into a collective national story risks losing the specificity sought in this report. Where the biggest concerns lie depends on the growth drivers for each region and where the largest bottlenecks are currently manifesting themselves. However, it is possible to see some ideas and themes that are consistent across the country. NZCCI hub leaders are most concerned about the consequences of unmanaged growth at a sector (e.g. tourism), city (e.g. Auckland) and resource (e.g. water) level. There is also concern caused by a lack of coherent conversations between central and local government. The toolbox of interventions to solve the problems is not full; certain frameworks, like regional infrastructure investment prioritisation plans, are missing.
23. At a more specific level, feedback supports the survey results that one of the key issues needing addressed is the burden of compliance for small and medium sized businesses, especially around the Health and Safety Act and also the Resource Management Act.

c. Desk Research

24. Significant desk research has been undertaken, reviewing key government documents, regional and local plans and reports, recent surveys and insights available through internet data-mining. Several reports expound on issues that have been raised by NZCCI members and their leaders. They are:
 - a. New Zealand Productivity Commission (2017) Better Urban Planning
 - b. NZ Initiative, Manifesto 2017: What the next New Zealand government should do
 - c. The Thirty Year New Zealand National Infrastructure Plan 2015
 - d. Business Growth Agenda, Towards 2025
 - e. Tourism Industry Aotearoa, Addressing New Zealand’s most pressing local tourism infrastructure needs, November 2016
25. These have been used to drill into what others are thinking about the issues that NZCCI members and leaders have raised and what solutions that they are currently recommending. This has then been used to help develop some of the insights and

recommendations provided below. Some “point specific” commentary is provided in sections below to show the views of others.

D. Insights: What appear to be the main problems causing these issues?

26. Section C above described a range of issues and themes that are currently front of mind for those involved in NZCCI (leaders and members) which are impacting business growth decisions.
27. What can be done by NZCCI and its members to catalyse the debate before the general election to address some of the issues? At a business or even a Chamber level, it is hard to see how the business community alone can drive new, system wide solutions to resolve all of these issues as much of the toolbox to make change is held by central and local government.
28. What may be the underlying causes of the numerable issues raised above.

a. **Collaborative institutional governance (between central and local government, and between local councils) is weak.**

This is:

- i. making it difficult to set a collective direction to meet growth aspirations across New Zealand, recognising regional differences;
- ii. causing uncertainty and fragmentation of perceived responsibilities and accountabilities;
- iii. causing new policy and actions to be focussed on up-front issues and not on addressing systemic problems;
- iv. making it difficult to optimise all sources of institutional funding, and to attract new funding, to meet investment priorities;
- v. Limiting visibility of what the public sector (central and local) could collectively do to influence best outcomes for all.

b. **The bureaucracy across central and local government does not work well together to be ‘customer centric’, making it difficult to collaborate to address issues.**

This results in:

- i. Silo-ed decisions and work programmes between central government and local government, between different central government agencies and between different councils;
- ii. Two-tier processes getting in the way of sustainable progress and optimal use of constrained financial resources;
- iii. Significant energy and investment is used up on compliance, process and busy-ness, not productivity;
- iv. Private sector investment uncertainty.

c. **Planning and infrastructure investment frameworks are fragmented and unclear, making it harder to do business and making business innovation risky.**

The planning framework is no longer working for us. It is creating problems

across all sorts of systems that depend on land-use such as housing and transport. Planning must take account of the Resource Management Act (RMA), the Local Government Act (LGA) and the Land Transport Management Act (LTMA). They have different legal purposes, timeframes, processes and criteria.

“The weaknesses of the planning system lie in unclear legislative purposes and environmental limits, too little direction and guidance from central government, difficulties in weighing benefits and costs, and in various barriers that prevent timely and flexible responses to the demand for development capacity.”¹

In addition, there appears to be no infrastructure investment prioritisation framework (and no clear investment criteria and overarching economic, social and environmental outcomes defined) to best support wise cross-system and cross-region investment decisions.

d. There is a lack of acknowledgement that the regions are different with different business constraints and different growth aspirations and opportunities, and different ways of doing things.

This results in:

- i. Inability for central and local government to join forces and combine resources to address local and regional priorities;
- ii. A mismatch between the one-size-fits-all planning and investment approach from central government and what is actually best for regions;
- iii. Disparate planning and actions in different areas which may not be complementary.

e. We think in sectors and subsectors, making it hard to develop system and cross-system solutions to keep our regions and cities functioning well for us.

This often results in:

- i. Silo-ed, ad-hoc policy interventions that lose sight of the interconnectedness and effect of interventions across whole systems, regions and cities;
- ii. Constant review and amendment of policy and law in incremental stages across sectors within a system (such as New Zealand’s planning and resource management systems, or the education system) eventually creating systemic failure. This dilemma is currently manifesting itself in issues such as the housing crisis and with matching workforce needs with education and learning offerings.

f. Data is often poor or unclear making it difficult to develop insightful solutions to problems or to catalyse new opportunities

¹ New Zealand Productivity Commission (2017) Better urban planning: Final report

This results in:

- i. Policy and investment decisions being made when the evidence base is uncertain²;
- ii. Lag investment to minimise economic or social blockages, rather than insightful lead investment to avoid blockages and to optimise long-term investments;
- iii. Slow policy shift rather than decisive new action when it is needed;
- iv. Shock from contemporary trends, such as technology impacts on business needs or climate change impacts on land use.

E. Insights: In summary- the collective picture of main issues and problems through the NZCCI lens

29. Taking a holistic view of the issues and problems described, the top of mind issues can be described as follows:

NZCCI wants:

- *Central government agencies that work well together to design and implement cost effective solutions to problems*
- *Collaboration between central and local government that gives us confidence that collective solutions are being developed and implemented to address local and regional economic growth constraints and to catalyse new growth opportunities*
- *Adaptable policy settings to meet fast changing business needs, such as guaranteeing labour skills' availability when it is needed*
- *A fundamental reform of the planning environment to make it less burdensome*
- *Cost and time effective business compliance especially for small and medium sized businesses, especially Health and Safety legislation*
- *Pathways and incentives to scale up and transfer local or regional "good ideas"*
- *Ways to create focus on regional priorities (as part of a national system) based on good evidence and insight, to get the right services and infrastructure in the right place ahead of time...including housing....to enable managed and manageable regional growth*
- *Better sustainable management of the negative impacts of urban and rural growth*

² An example became apparent in the research for this report, when reviewing facts and figures on FDI. FDI issues are merged into various conversations at present such as the housing crisis in Auckland and land –use conversations in rural New Zealand and are creating a sense of concern about ownership and opportunity. KPMG published a report on FDI in 2015. The NZ Initiative Manifesto 2017 discusses FDI numbers. Both reports don't appear to tally and neither appear to account for housing stock.

F. Insights: Testing current assumptions and beliefs that underpin much of the debate

30. Recommendations for change and resultant decisions are based not only on facts and figures, but on assumptions and beliefs. It is recommended that NZCCI state assumptions on which they are making their recommendations. These are:
- a. Sustainable, productive, economic growth is the aim, incorporating social and environmental baselines
 - b. A well-educated, adaptive, workforce is a prerequisite to sustainable, productive, growth³
 - c. The planning framework should be clear in order to make doing business easier;
 - d. Policy change should be based on informed evidence
 - e. One-size does not fit all: regional business needs and opportunities are different

G. Conversation starters: What NZCCI wants

a. Key message

31. Based on the feedback received, creating changes to make business easier is expected to remain arduous. Dialogue continues to focus on issues, which vary from region to region and from sector to sector, rather than addressing underlying problems. A step change of attitude and approach is required to break the “issues” cycle and to progress more effectively. It is recommended that NZCCI start the ball rolling for a change of conversation. Acknowledging the raft of sector issues described above while not focussing on them per se - asking first that debate focus on working out a new approach to fixing the issues.

KEY MESSAGE

We expect a government that works constructively with businesses and local government to define the direction and set the policies and priorities that will support economic growth across New Zealand.

This will require a central and local government bureaucracy that has the willingness, capacity and capability to drive a game plan that will achieve common objectives.

b. Recommendations for government action

32. In order to address the key message, it is proposed that NZCCI put forward six specific recommendations:

³ This assumption has been developed from the same concept raised in the New Zealand Initiative Manifesto 2017

NZCCI recommends that, to improve the business environment, the next New Zealand government should:

1 Collaborate across portfolios and budgets to design and implement holistic, cost-effective, solutions to problems and to unlock new opportunities to

- Ensure that tax payer resources are pooled and used most wisely
- Have a clear “one-voice” approach from central government

2 Elevate the Local Government portfolio to a senior Cabinet role to:

- Acknowledge the importance of local government as a significant player in driving economic growth
- Catalyse meaningful debate, focussing on driving effective solutions to problems
- Recognise that central government can’t affect best outcomes on its own
- Acknowledge that business needs to see a new way public sector collaborative intention.
- Hold local government to account for its collective action and spending against agreed baselines

3 Bring focus and strength to regional development by:

- Creating new tools and incentives for businesses and communities to drive regional and local economic development outcomes
- Pursuing central and local government and business partnerships
- Understanding regional differences (assumptions; data; trends) to help get the facts straight
- Creating ways to address specific investment and financing needs for economic growth opportunities
- Highlighting and activating regional and local “good ideas”

4 Review and address the burden the Health and Safety legislation is having on small and medium sized businesses relative to its value.

5 Set meaningful intentions and baselines and measurements, using robust data, so that we can collectively:

- understand what it is everyone is trying to achieve
- develop evidence and therefore evidence-based insights to underpin new investment decisions
- track and debate what is happening and the effectiveness of interventions, based on data-driven evidence
- understand why and when further policy or regulatory interventions are needed

6 Act on the recommendations of:

- The Productivity Commission: to advance a fundamental reform of New Zealand’s planning and resource management systems (Better Urban Planning inquiry)
- The NZ Institute (Manifesto 2017 What the next New Zealand Government should do):
 - Pay special attention to education
 - Incentivise councils for economic development outcomes
 - Encourage greater business flexibility and innovation

c. What would success look like for NZCCI if these recommendations were accepted?

33. If the recommendations were acted on, NZCCI should have confidence that:

- a. Changes in policy and regulation acknowledge and address the planning and compliance burdens (relative to the value) on small and medium sized businesses;
- b. There is a regional focus to drive the collective growth story;
- c. Central and local governments are working collaboratively:
 - i. to create an enabling business environment through shared action
 - ii. to design adaptive, system (and city) based solutions to problems;
- d. Responsibilities and accountabilities across the public sector are clear;
- e. Data and information is robust enough to trust the facts so that decisions are being made on the facts, assumptions can be tested, progress can be monitored and measured, and the right policy and regulation adjustments can be made so that progress stays on track.

d. Food for thought

New solutions: What NZCCI could do to help

34. The report has focussed on what the government can do to meet business needs. NZCCI can consider a few new Chamber functions where there is currently a gap:

- a. Lead the charge for promoting the creation of regional public/private think tanks. These groups will focus on supporting the development of data-driven evidence on issues and solutions, giving central government the opportunity to see where the most effort and investment can make the most difference in the various regions.
- b. Support the development of two way conversations with central government to help central agencies to understand and respond to regional differences in social and economic infrastructure investment focus.
- c. Help to change members' rhetoric from "what the government can do for you?" to "what can the government help us with?"
- d. Help businesses to locate and test information and facts, to inform their decisions (regional data commons?).

Questions to ponder on:

35. There are some missing bits of the policy puzzle that make it hard to hold the government to account. We don't have the answers to the following questions:
- What does a "right" population size for New Zealand look like and why?
 - What are our social outcome baselines and acceptable liveability standards?
 - What are our environmental baselines? Business at what cost?
 - What skills baseline does a well-educated and adaptive workforce need in this rapidly changing business environment?
 - What are the measurements of success for effective government investment?
 - How do we keep ahead of the game and move from a reactive framework to a proactive one?

H. Summary Comment

36. In summary, surveying members, desk research and one-on-one discussions has raised a plethora of issues impacting NZCCI members. To identify what NZCCI wants to say before the election, it has been necessary to drill into the problems that are causing the issues. From there, insights have been developed about what the NZCCI may wish to debate on with those interested in the outcomes of the next general election. The results are summarised in Appendix Two to this report, to focus conversations.
37. Seeing the outcome of the recommended changes and reviews, if implemented, will take time. It would also mean that there has been both a fundamental change in the way that the public service (central and local government) works and a change to key pieces of legislation (the Health and Safety and Resource Management legislation). Neither of these will be easy or fast. However, there is still a clear pathway for NZCCI and its members to contribute to the conversation and to undertake actions in the short term.

Appendix One: NZCCI Hub Leaders Comments

A summary of discussions and findings is provided below.

Issues impacting immediate and long term business growth:

General direction

- a. We have no NZ Inc. strategic plan for driving managed and manageable growth. This is currently manifesting itself in areas of too rapid growth (e.g. Auckland) and areas of degeneration (e.g. West Coast).
- b. Central and local government conversations and decision-making are jumbled, resulting in slow progress.
- c. Lack of central government collaborative thinking at central agency level is reducing confidence in collaborative action.
- d. The planning framework is broken, it is complicated and seems to act on a principle of constraint rather than growth. It is creating problems across all sorts of systems that depend on land-use such as housing and transport.
- e. Capital is not being used most wisely to head off growth constraints or to optimise growth opportunities. We need a new financial model.
- f. Decisions are being made with fragmented data and poor evidence. Getting 'one source of truth' is extremely difficult. In addition, access to robust data on a regional basis is almost impossible.
- g. There are no well-articulated baseline measures for sustainable economic growth on which decisions can be made or on which people can be held to account. These measurements and baselines should be for all elements of economic growth, including social and environmental baselines. Sustainable economic growth cannot happen without taking account of social and environmental wellbeing.
- h. Measurements are also hard to find to shine the spot-light on problems and bottlenecks e.g. the discussion on housing affordability measurement. The gap between economic performance and living standards is likely to be measurable through housing affordability, but what else is a good measure?
- i. Uncertain how to retain "control" to our economic advantage under the current FDI rules.
- j. Asset optimisation for own long-term advantage seems to be sacrificed for short term gain (e.g. exporting jobs in the meat sector; foreign ownership of tourism assets).
- k. There is clear dissatisfaction with the evidence of impact on the environment of New Zealand's current economic policy and infrastructure investment e.g. water quality and the NZ clean green image. This may indicate a need for significant policy shift to reset intentions, baselines and measurements to meet citizen's expectations of healthy economic growth, and active discussions of the costs and benefits of intervention options.
- l. We divide accountabilities into sectors making it hard to resolve problems at a system level.

Specific Bottlenecks

- m. The pipeline for meeting workforce requirements is not clear. Accessing staff with the right skills, at the right time, in the right place, is often hard, as skills requirements often change swiftly. Teaching and learning systems appear not to be supporting business ready graduates. More effort must be put into finding the solutions as the current settings being used (style and type of education pathways and immigration settings) are not meeting demand.
- n. Councils are not held to account properly for not meeting targets. Missing targets creates maintenance and new capital spend bottlenecks.

Lost opportunities

- o. Good ideas in one region or sector are not picked up on to see if they are scalable and transferrable (e.g. viticulture/horticulture seasonal solutions in Central Otago could be useful in other jurisdictions and for other short term trades such as tourism, meat processing and dairy).
- p. It is hard to be innovative in business when compliance is difficult and incentives to try new things and new ways of doing things are low. Failure is expensive.
- q. Lessons from regions facing unexpected economic turbulence (e.g. massive tourism growth; economic degeneration; earthquake recovery; environmental degradation) are not learned nor new practices identified to create better long term economic resilience across New Zealand.

Regional specific issues, at a high level:

In all high growth areas:

- Housing supply is impacting business growth decisions
- Transport pressures are impacting the economy and business growth

Auckland city:

- Local/central government disconnection
- Housing and infrastructure constraints
- Incoherent bureaucracy, slowing progress
- Access to labour and skills

Auckland region:

- Impacted by Auckland growth constraints
- Northland still a low economic area

Wellington:

- local government disconnection
- urgent need for infrastructure to improve resilience and urban growth

Wellington region:

- access to labour

Canterbury region:

- Land use and growing water quality risk from both rural and urban growth
- Unclear bureaucratic roles, responsibilities and accountabilities

Otago region:

- Tourism infrastructure investment constraints
- Tourism labour and housing constraints
- Small taxpayer base with large investment requirements