
Seven priorities for the
new Government in 2017

A Manifesto **FOR** Business

Business View FOR THE 2017 Election

BusinessNZ's Manifesto for Business reflects business opinion throughout New Zealand.

BusinessNZ represents exporting, manufacturing, digital, services and other businesses, large and small, in all parts of New Zealand.

A recent survey* of business indicate the kinds of policies business would like to see enacted after the 2017 General Election.

Foremost are policies that would improve the environment for enterprise, recognising that business creates jobs and prosperity in local communities all over New Zealand.

These are BusinessNZ's seven priorities for the next Government to address:

1. **Keep taxes under control**
2. **Fix skills gaps**
3. **Support trade**
4. **Help business innovate**
5. **Build infrastructure**
6. **Improve planning and local government**
7. **Grow the regions**

1

Keep taxes under control

Business pays corporate tax at 28 percent and many small business owners pay tax at a personal rate of 33 percent. Businesses also pay ACC levies, fuel tax, fringe benefit tax, and employer superannuation contribution tax. High taxes take away funds that could be used to invest and grow businesses. Businesses would like to see the Government keep taxes under control, and don't want higher tax rates or new taxes. Business would like a tax cut for all categories of taxpayers as a priority early in the first term of the new Government.

Keep taxes down – 75% say no to higher tax

Business voters say: make tax cuts early in the first term of the new Government

2

Fix skills gaps

In many places vacancies are going unfilled - business can't fill jobs in key areas like building, construction, IT, technology and hospitality. Education and skills are critical for business, but many young people are coming out of the education system without the skills business needs. Businesses say they would vote for politicians promising an improved education system that delivered better skills for employment.

Not enough skills – 61% are unhappy with the skills of young people coming out of the education system

This shortage of skills is a key reason for high levels of immigration. Many businesses now rely on migrant labour and would find it hard to fill vacancies if migrant levels were drastically cut.

Business voters say: fix skills gaps – with education and migration

3

Support trade

Trade is essential for maintaining our high living standards - export companies earn vital revenue keeping the NZ economy afloat. NZ exports are often primary-sector based and unfortunately attract heavy tariffs in overseas markets. Free trade agreements are needed to reduce those tariffs and get better terms of trade between NZ and other countries. Business appreciates the Government negotiating free trade agreements in key markets, and would like this work to continue.

Keep fighting tariffs – 72% want trade agreements with the US, UK, EU and TPP

Business voters say: fight tariffs with free trade agreements

4

Help business innovate

Innovation is now the way many businesses compete - satisfying consumers' desires for new products, services and experiences. Many operate IT-based businesses with the same focus on innovation. Sustainability is important to business because customers expect environmentally-friendly business practice. These changes all require innovation. Business wants better connections between science and business for technical advancement, and practical help to innovate.

Innovation: R&D should give practical assistance – 52% want practical help to innovate

Business voters say: ensure the R&D system gives practical assistance to innovate

5

Build infrastructure

Infrastructure supports the everyday needs of business - roads, bridges, footpaths, water storage, utilities, intelligent transport systems, communications infrastructure and more. Ongoing investment in modern infrastructure is needed for business to flourish. Business would like to see greater investment in new infrastructure and more use of public-private partnerships to build modern infrastructure that supports growth.

Spend more on infrastructure – 60% say more should be spent on infrastructure

Business would like to see new approaches to funding by central and local government:

- more use of loan finance to spread repayment over time
- more user-pays infrastructure (eg toll roads) to reduce government's funding burden

Business voters say: build infrastructure

6

Improve planning and local government

Planning and council constraints bring difficulties for business. The Resource Management Act (RMA) doesn't give adequate guidance to councils on District Plans, and many Plans restrict property rights, business development and regional growth. Restrictive planning in Auckland and elsewhere has brought housing shortages and high house prices. The RMA was meant to enable development but instead limits it, and business says it should go.

Fix it or flick it – 95% say the RMA should be changed or replaced

In some areas councils encroach on business, setting up cafes, gyms, cinemas, event hire businesses, farms, golf courses and other trading enterprises in competition with local firms. Councils can use ratepayer money to subsidise the operation of such businesses, potentially creating an unfair competitive environment against local firms. The Local Government Act sets very broad rules, letting councils get involved in a wide range of activities. Business would like to see the Act changed to require councils to stick to core functions, like providing infrastructure.

Stick to infrastructure – 65% want local government to stick to core functions

Business voters say: fix the RMA and help councils stick to core functions

7

Grow the regions

Business would like to see more focus on regional development. Regional businesses - including tourism and export businesses - earn a great deal of revenue and wealth for NZ. Infrastructure servicing regional tourism is needed – roads, parks, parking, utilities, sanitation, public toilets and so on. Businesses say an economic development strategy for regional NZ is needed, as some regions lag far behind NZ overall in business and job growth.

Regional planning needed – 77% want a regional economic development plan

Business voters say: don't forget the regions