

**A Business
View FOR THE
2020 Election**



Manifesto

FOR

Business

A Business View FOR THE 2020 Election

The BusinessNZ network is New Zealand's leading business advocate, representing EMA, Business Central, Canterbury Employers' Chamber of Commerce, Otago Southland Employers' Association, and thousands of businesses throughout New Zealand. During June 2020 BusinessNZ surveyed over a thousand businesses on the Government's handling of the Covid-19 crisis, and on the policies business would like to see enacted after the 2020 Election.¹

What does business want? Businesses say they want a better environment for enterprise, with seven straightforward policies:

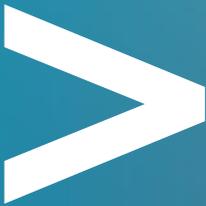
- 1. Focus on the economy** – restoring economic performance should be the Government's main priority, with the consequent benefits that flow to businesses, workers and communities
- 2. Plan for reopening, safely** – including the border
- 3. Build and maintain required infrastructure** – to provide jobs and create structures for the future
- 4. Manage resources better** - upgrade the rules for managing and developing resources
- 5. Cut regulation** - reduce the load of regulations on businesses
- 6. Build skills** - provide more training in the applied skills needed by business
- 7. Stay ambitious for sustainability** - because customers and business prospects depend on it

¹ The Deloitte-Chapman Tripp-BusinessNZ Election Survey received 1193 responses from businesses in all sectors and regions of New Zealand during June 2020



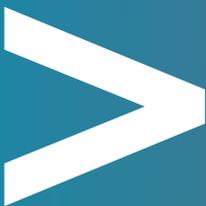
Election 2020 unprecedented

This election year is like no other in recent history as a result of the Covid-19 pandemic and its economic effects. New Zealand has been less affected by coronavirus than other countries because of our isolation and strict border controls, but the economic effects of the pandemic have heavily impacted commercial life and the life of communities. Some businesses have been forced to make decisions impacting employees because of the lack of certainty about future trading conditions. Many businesses have been severely affected by the impact of Covid restrictions on trading and demand and will continue to be for some time, given ongoing uncertainty and current border restrictions.



Government has delivered, in the initial response phase of Covid

The initial Covid lockdown period and its aftermath were managed reasonably effectively by the Government. Thousands of businesses obtained tax refunds and short-term interest-free loans and more than 1.5 million workers received wage subsidies. Businesses appreciated the assistance they and their employees received during the Covid-19 emergency. Businesses surveyed in the Deloitte-Chapman Tripp-BusinessNZ Election Survey said they approved of the Government's actions during the Covid-19 emergency, with 71% rating the Government's effectiveness as good or excellent.



A plan for the future

As Government assistance in its present form comes to an end, businesses will be considering what the new Government that takes office after the election should do.

- **Pandemic management:** Businesses want more clarity and transparency around border access and control, testing and tracing, and a risk-based approach to controlling community spread of Covid-19, given that a return to level 4 lockdown comes at a very high cost.
- **Economic management:** Businesses say economic recovery should be led by business; they don't want increased taxes and want to grow the economic recovery in New Zealand instead

The full costs of Covid stimulus and support measures will become apparent in the near future, and the Government that takes office after the election will be responsible for charting the course towards economic recovery through transformation. Businesses are conscious of the potential for unmanageable debt and are concerned that a prolonged period of financial support could mean significantly higher taxes in future. Businesses want political parties to spell out their policies for paying for Covid policies, including any policies for raising taxes in future. Businesses believe economic recovery or transformation is best led by business.

Seven policies are recommended by business for the 2020 Election:

1

Focus on the economy

Any Government must look after constituencies that have different priorities and needs at different times. The New Zealand Government officially focuses on four well-beings - cultural, economic, environmental and social – while attempting to provide for the general well-being of New Zealanders overall. Given the current Covid-19 emergency, the Election Survey asked which of the four well-beings should receive priority over the coming period. 86% of businesses said Government's highest priority should be economic well-being. Businesses believe economic well-being is essential for supporting the other well-beings, and say it is best delivered by way of business and economic growth, rather than by a reliance on taxation - 91% of businesses said they wouldn't support higher personal tax and 88% said no to higher corporate tax.

86% of businesses say economic well-being should be the highest priority of the Government right now

2

Plan for reopening, safely

Businesses want to see a plan for reopening the economy, and the border, safely. Business groups have called for efficient controls so borders can be opened safely as soon as possible to allow the movement of people and goods between Covid-free and low-risk countries. The need is acute for New Zealand, as much of our economy depends on connections with the rest of the world and access to skilled labour from overseas for long- and short-term assignments. Businesses requiring highly skilled executives and workers, tourism and hospitality businesses that look after 4 million overseas visitors every year, institutions hosting 65,000 overseas students, hundreds of NZ exporters requiring access to overseas markets - all need to hear political parties' plans for how New Zealand can reconnect with the outside world safely and soon.

Businesses want a plan for opening NZ's borders safely and soon, recognising the border is a strategic asset

3

Build and maintain required infrastructure

Infrastructure matters to business and the wider community: roads, rail, utilities, communications networks and other physical structures support business' everyday needs. Ongoing investment in modern infrastructure is required to maintain business competitiveness. Investing in infrastructure and its maintenance is also good for providing jobs and shoring up the economy during periods of emergency. The Election Survey asked whether infrastructure spending is a useful mechanism for helping the economy recover from economic shock from Covid-19. 80% said yes.

80% of businesses want to see spending on infrastructure for economic recovery

4

Manage resources better

Resource consents, building consents and other council requirements are a fact of life for business. Developing land, building premises, connecting services, using resources and many other activities require consents to be obtained. Businesses have long been concerned at the regulation and cost involved getting resource and building consents, and have called for local government to be an enabler of business growth rather than putting up barriers to growth. Businesses want the Resource Management Act to be improved or replaced. Recently the RMA was changed to allow the Government (but not business) to be exempted from some requirements for new developments - businesses were asked if this latest change shows the need for a full overhaul of the Resource Management Act: 80% said yes. Meanwhile, both Labour and National have indicated they will introduce significant change to the RMA if voted into Government at this election.

80% of businesses say the Resource Management Act needs a full overhaul

5

Cut regulation

Regulations and laws affecting business continue to increase, with tax, employment, health & safety and many other regulations creating a large compliance burden for business. Meanwhile, regulatory safeguards that would help prevent unnecessary regulation, such as Regulatory Impact Statements, have been discontinued during the Covid emergency. Too much regulation hurts productivity and stops businesses from getting ahead. Covid-19 has highlighted the heavy burden of compliance on business: the Election Survey asked businesses if the Government needs to do more to reduce the regulatory burden on business as part of the Covid-19 recovery. 79% said yes.

79% of businesses say cut regulations

6

Build skills

For a long time businesses have been finding it hard to get skilled staff. The lack of relevance of vocational training to industry and a poor skills pipeline in key industries have contributed to a significant skills mismatch in the labour market and persistent skill shortages in some industries, so businesses have often turned to overseas workers with the right skills. Border closure because of Covid-19 means it's not possible to bring in talent from overseas for now and has highlighted the importance of training more New Zealanders in the skills most needed by business. The Election Survey asked businesses which skills should get priority. The top answers were concerned with trades and applied training:

- Incentivise business to take on more apprentices and do more training
- Focus on applied STEM skills: - science, technology, engineering and maths

Businesses say apprenticeships and applied skills are the highest priority for training



Stay ambitious for sustainability

The Election Survey asked whether sustainability is important for business, and why. Businesses say sustainability is important because customers want it (65%), reputation demands it (60%), and it's needed to future-proof business (53%). This finding points to the importance of continued, ambitious Government action on sustainability issues, as well as sustainable practices by business, and a general environment where sustainability is valued.

A clear majority of businesses say sustainability is important for business success



Election 2020

Business says:

1. Focus on the economy
2. Plan for reopening, safely
3. Build and maintain required infrastructure
4. Manage resources better
5. Cut regulation
6. Build skills
7. Stay ambitious for sustainability