

**BEFORE THE OTAGO REGIONAL
COUNCIL**

IN THE MATTER of the Resource Management Act
1991

AND

IN THE MATTER of an application for resource
consents for Project Next
Generation

BY **PORT OTAGO LIMITED**
Applicant

**STATEMENT OF EVIDENCE OF HERBERT GEORGE HARRIS
ON BEHALF OF OTAGO CHAMBER OF COMMERCE**
Date

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INTRODUCTION

1. My name is Herbert George Harris; I am a Consultant and Chairman of The Logistics Committee, Otago Chamber of Commerce. The evidence I am about to give has the approval of its Board of Directors.
2. I hold a Degree as Dr of Transport (International Transport Academy St Petersburg), Professor Faculty International Law (Civil Aviation Transport Academy), Member Russian Law Society Moscow), Academician International Transport Academy. Professor Academy of Legal Sciences Russia. Fellow Institute of Transport & Logistics. Certificate of Proficiency Air & Space Law 25.24. University of Auckland.
3. Present with me, may I introduce Mr. Mark Willis Director of DCB International Limited since 1999. A Customs Broker and Freight Forwarder. Chair of the Otago Chamber of Commerce International Traders committee. 20 years experience in the Domestic and International Transport Industry. Mr. Willis will be pleased to answer any question you may have in accordance with his expertise.
4. Mr. Chairman and members of the Commission, this submission wishes to emphasise the effect on not only major exporters and importers, but focus on all users of the Port of Otago, the majority of which are members of the Otago Chamber of Commerce. The Economic Efficiency & Economic impacts of a deepwater port at Port Chalmers have been well stated by other submitters and we do not seek to duplicate such facts before the Commission. We fully support such evidence and the Port of Otago, in their efforts to achieve maximum benefit for the users of the Port, both larger Cargo and increasing Passenger vessel calls.
5. The International Trade Committee of the Chamber was a result of the merger of the Otago Chamber of Commerce and the Export Institute of Otago in 1993.

6. The role of the International Trade Committee is to look at issues that affect the International Trade of Chamber members. The committee runs courses for new businesses seeking to export product and has a panel of experienced traders able to advise Otago businesses on how to get their products to/from world markets. The committee also has a lobbying and networking role and where it considers that issues need to be addressed in the interest of the export sector of Otago's economy.
7. The Dunedin City Council has a representative on that committee through its Economic Development Unit, and it is co-chaired currently by the Deputy Mayor.
8. The Otago Chamber of Commerce represents approximately 1400 Otago businesses, of which approximately 1100 are based in Dunedin and a further 300 in Waitaki, Clutha and Central Otago districts. These businesses are representative of a broad cross-section of business demographics with regard to size and industry sector. Furthermore, these businesses are representative of the wealth generators of the region providing employment as well as being owned, managed and staffed by core residents. As such, the Otago Chamber members are large stakeholders in the economic, social and environmental future of Otago and are affected by issues both as business people and as residents.
9. Dunedin was the commercial capital of New Zealand from the late 1860's. The massive land catchment that feeds Dunedin and Port Chalmers provided a nationally prominent export base for Otago. In recent decades the pattern of exporting in Otago has changed, though Otago is still a major exporter of primary produce. Traditional products such as meat and dairy products are growing exporters in large volumes though more recent products such as forestry and fruit have also gained prominence.

10. The present export climate is extremely unpredictable. This is especially so for new or small scale exporters. Due in the most part to the economic crisis, and other natural events such as earthquakes, tsunamis and increased oil prices. Perhaps one positive effect of these events is that exporters have focused their attention on the growth of emerging markets. This bodes well for export growth, especially into countries that NZ is signing Free trade Agreements with.
11. It is therefore my view that export activity in Otago has substantial potential for growth. However, that growth is heavily dependent on well developed local infrastructure including a world class export/import port being able to service exporter's needs.
12. Part of the Chamber's role is to work with organizations such as the Dunedin City Council to both retain existing Otago business and to attract business to Dunedin and Otago. Our background work in the role has identified a number of key factors that will influence the decision of business people to locate to Dunedin. Those factors include:
 - a. The cost and availability of land and office accommodation;
 - b. Cost and efficiency of transportation infrastructure including well developed port facilities;
 - c. High workforce productivity arising from stability, a high level of education and training, and high satisfaction levels;
 - d. Educational opportunities;
 - e. Availability of a developed service sector.

The goal of this submission is to represent our members as well as 25,000 employees and our local community. Our members employ almost 50% of the 50,300 FTE's employed in Dunedin and our estimate is that our members contribute significantly more than half of Dunedin city's \$4.30 billion GDP.

13. The Chamber of Commerce supports that application by Port Otago for the lodging of consent for 'Project Next Generation'. Specifically, we support the granting of the required resource consents in the application of Otago Regional Council due to the importance Port Otago has on the economic well being of Dunedin and the hinterland of Otago and Southland.
14. One important criterion for export producers is the cost of getting products to their market place. Because of Dunedin's location at the southern end of the South Island of a nation in the South Pacific, there is a perception that Dunedin may struggle to meet that criterion. However, Dunedin has in fact performed extremely well in terms of the time it takes to get products to markets. The location of a full facility export port on Dunedin's doorstep is an essential part of the infrastructure that makes that happen.
15. My assessment is that it would be much more difficult to attract businesses to Dunedin, and keep our existing businesses, if full or adequate port facilities were not offered at Port Chalmers. But the port is not just important for the big export players, such as Fonterra, there are hundreds of small exporters that may produce as little as one container per month of export product. However, these small exporters collectively add up to a significant amount of business for both Dunedin and Port Otago limited. These small businesses are the most mobile and can very quickly pack up and move to other areas in response to changing business conditions.
16. 75% of the Chamber's members have less than 10 employees. These businesses seldom feature in the media individually, but they make up a vital part of Otago's export sector and indeed the economy generally.

17. Judging by the Otago chamber's membership, it would not be exaggerating to say that the Otago economy survives on the success of its small businesses. These businesses are totally dependent on good infrastructure. Individually, they have no significant leverage to negotiate their own terms of provide for their own services if none are available. If businesses such as these cannot get what they need from their local community then they relocate.
18. Dunedin presently has an extremely good transport infrastructure for a city of its size. The infrastructure supports a good deal of Otago's economic activity, and the Port is a key player in that infrastructure.
19. The Chamber unreservedly supports the Port of Otago and what is has been trying to achieve over the years and more importantly the steps it is now taking and the investment for the future growth. The management of the Port has been very supportive and responsive to the needs of Otago's business community which in turn supports the wider community generally. The Port is a unique resource lying at the heart of Otago's export sector growth in the future.

Gentlemen, thank you for your consideration.

Herbert G. Harris