



Celebrating 160 Years

For the last 18 months the Board of the Otago Chamber of Commerce has been considering, negotiating and activating a merger with the Otago Southland Employers' Association. Not the first time this has been attempted but definitely the first time it has been successful. We are now Business South Inc.

To say that the process was complicated would be an understatement. So much so that celebrating the 160th anniversary on 10th August 2021 didn't so much slip off the radar as it was put aside. Given the history of the Otago Chamber of Commerce and the contribution it has made to the province of Otago and to Dunedin in particular, acknowledging and celebrating its 160 years is important which is why we are now doing it.

During the merger process a serious amount of time was spent trying to create a vision of what the new organization would look like. The pillars identified were networking and events, advocacy, training & development, business support, employment relations and workforce development. No surprises.

The old adage of 'always look in the rearview mirror when going forward' confirms that we are on the right track. But understanding where we came from helps us understand where we need to go.

In his excellent 2010 'Tartan Mafia' Clive Copeman weaves the story of the so-called Dunedin tartan mafia. By the end of the book it is pretty clear that many extraordinary people did extraordinary things in the province of Otago. Not everyone engaged with the Chamber of Commerce and the Chamber of Commerce can't claim responsibility for all of the successes – and not many of the failures!

It is certainly worth looking back at the history of the Chamber of Commerce.

Tania Dickie and John Guthrie

Board members of the last Otago Chamber of Commerce Board

A Summary of Some Historical Points in the Chamber History

The Otago Chamber of Commerce commenced on 23 August 1861 with its first General Meeting on 13 September 1861. It has had a long history in business and advocacy in the region and New Zealand with many past and current businesses - with well-known names and distinguished brands commencing business in Dunedin/Otago and having strong ties to the Chamber.

The Chamber was formed to advance the welfare of the growing settlement and in the 1860s and 1870s threw itself into the tasks of seeking improvements for the community including upgrading the jetty and deep water facilities at Port Chambers. It took central government to task over customs tariffs and agitated for the mail from England to come directly to Dunedin and advised central government on bankruptcy laws. This period was a period of boom times when Dunedin was the country's business and industrial capital and when many of Otago's well known businesses were established.

Some events and names that are noted/been part of or crossed paths in the early history of the Chamber I will touch on to share the depth of the history of our well-loved organisation. The first fifty years had many similarities to today including loans being hard to get and more expensive, putting pressure on business and creating the long depression.

On 16 September 1865 the Chamber encouraged immigration of Chinese into the province and encouraged protection of miners. Our relationship with China began and we continue this day with COIC Shanghai to help Otago businesses do business there. In 1873 the Chamber and local mayors formed a committee to manage and develop the Otago Harbour Board. In 1880 the Chamber was incremental in frozen meat export and by 1890 frozen meat was worth \$1m a year to the region and chamber members had to contribute 90 pound to be included.

In 1882 the Trustees Executors Building on the corner of Crawford/Liverpool and Bond Streets was built by the Chamber as a meeting space, hub, reading room and provided telephone and telegraph services to members. At this time it cut members fees by 1/3 to encourage joining but numbers fell off and by 1886 the Chamber was \$500,000 in debt and passed the hat around member to fix the problem. In 1886 the Chamber ceased to operate even when Dunedin was the business and industrial capital of NZ. The Depression made it easy for subs to be cut from budgets and there was apathy. People did want benefits of membership but were reluctant to attend meetings and contribute. However, by May 1887 the Chamber was reformed and by November had a membership of 62.

In 1888 and again in 1925 Dunedin hosted the NZ and South Seas Exhibitions and the Chamber had huge involvement in these – gaining the right to hold and organising the Exhibitions. These were major coups and large scale events of their time, to promote business, the region and NZ. The 1925 event saw 3 million attendees when the population of NZ was only 1.25m.

By the early years of the 20th century the business climate was again good and the Chamber was in a self-congratulatory mood noting it had succeeded in persuading the Harbour Board to extend the Dunedin wharves and rail sidings so London Steamers could come right up the harbour and it also opposed moving the University School of Mines to Auckland and won.

In 1907 the Chamber was critical of delays in irrigation in Central Otago as progress in Dunedin was dependent on greater productivity in the rural areas it served. To promote action the Chamber organised tours for MPs and members of local government to show them the potential and this continued through the 20th century.

At the end of the War in 1945 the Chamber recognised and pursued local and central government to assist fighting men with their rehabilitation back into the workforce and reported on opportunities in forestry, education and irrigation. The Chamber also noted that there were big issues to address locally including the need for a new airport, railways, and a growing need for traffic control, water supplies, trolley buses and the development of local tourism. At this time less than adequate supplies of raw material, new machinery and labour presented challenges to businesses. Sound familiar!

Many famous names were part of the Chamber in early years – Julius Vogel was noted as doing more for business in Otago and NZ than any other individual. Sam Neill's great grandfather, P.C. Neill, an importer was President in 1873 as was William Larnach in 1881 who presided over establishing the frozen meat trade.

Westpac – then Bank of NSW started in the same year in Otago as the Chamber and by 1862 was busier than all other branches in NZ. Many trustee and insurance companies including National Insurance – now Tower Insurance can be traced back to the region. In the 1860s to 1880s Otago saw businesses in manufacturing and retailing commence and thrive. Names like Fisher and Paykel, Whitcoulls, Arthur Barnett, Cadbury, Speights, Harraway's, Greggs, Briscoe's and Hallenstein's were all birthed in Dunedin. Support industries for mining and agriculture such as Farra Engineering and PGG Wrightson, also had their roots firmly in Dunedin at this time.

The ODT was established in 1861 by Julius Vogel and was considered one of the most influential and respected newspapers in the country. He was considered to do more for business in Otago and NZ than any other individual.

Dunedin's Scottish settlers placed a high value on education and the Otago University was established in 1868 followed a year later by the Otago School of Art. The Chamber was pivotal in the establishment of the Dunedin Technical School in 1889 to provide lessons so workers could attend evening lessons and these organisations were the basis of the Otago Polytechnic.

In 1877 PACT Group – Patients Aids Charitable Trust was established to provide religious services, missionary visitation to the hospital, the gaol and the lunatic asylum, its role grew to offer much more in the way of material support over time.

In the early 20th Century the Tiger Tea building was built and tea production commenced in 1924 – now Bell Tea. Hillside workshops were established in the late 19th century and in 1905 were the largest engineering plant in NZ and by the 1940s employed 1,200. Another largest employer of the time in NZ was NZ Express - now Freightways.

The early years of the 20th century were again good for business and the Chamber was in a self-congratulatory mood noting it had succeeded in persuading the Harbour Board to extend the wharves and rail sidings and was pleased with the civic infrastructure. The councils move into commercial enterprise also drew Chamber approval.

Other businesses known to us today were also birthed in Dunedin in these times and through the first part 50 years of the 20th century include Mosgiel Woollen Mills, Union Steam Ship Company, Wilson Neill, Wises Guides, JW Smeaton, Milburn Cement, Forsyth Barr, Craig's, Barr Burgess Stewart (Peter Barr was considered to be the father of NZ accounting), Fulton Hogan, Bing Harris, Wickcliffe Press, Beggs, AJ Grant, Ravensdown and Sew Hoy to name a few.

In the 20th century Dunedin continued to be known for manufacturing but as times changed many businesses moved operation north, merged or closed down. New business opportunities including TV production, fashion industry and more recently digital and technology businesses have made a name in Dunedin in the late 20th and 21st century.

When you look at the history of the Chamber of Commerce there are many common threads or layers in the fabric/tapestry that is Otago and the home of the so-called Tartan Mafia. Perhaps by understanding these threads you can start to see a roadmap for the new Business South.

The first thread in the tapestry is the entrepreneurial spirit and leadership. 1861 was a watershed year in the formation of the tartan mafia. People such as Johnny Jones, James MacAndrew, William Cargill and his son E.B. Cargill, James Douglas, John Roberts, James Rattray, Julius Vogel, Gabriel Read, P.C. Neill, Robert Wilson, William Larnach and Walter Guthrie and others laid an extraordinary foundation for the province of Otago. The companies that they formed represent the 'who's who' of many of New Zealand's leading companies. Most of these people were active across a range of companies including woolen mills, shipping companies as operators and directors. Many of them were involved in local and national governance and in the education sector. You could say that the catalyst was Gabriel Read and the short, sharp Gold Rush. From this event emerged companies such as Donald Reid that became Reid Farmers that became PGG. W. Gregg, Harraways, Farras, Briscoes, Wilson Neil, Hallensteins, Guthrie Bowron, Shacklock's, Speights all started in Dunedin. Many morphed into other entities as they moved north. Sadly, many succumbed to the Brierley grab and strip. Strange how that has ended up! Many of these entrepreneurs also did time as President of the Otago Chamber of Commerce, keeping the operation of the Chamber close to the business entrepreneurs. Cultivating entrepreneurs and an entrepreneurial spirit is crucial for the future of the region.

Perhaps the second thread is the environment. By environment I mean not just the physical environment but also the social, economic and political environments. Understanding, shaping and taking advantage of the environment was crucial to the building of a successful platform in Otago. As people arrived for the gold rush it was obvious that more infrastructure was needed. More roads (the beginning of Fulton Hogan!), more housing, more drainage, a functioning harbour. Sounds familiar doesn't it. The Chamber of Commerce played a major role in developing the environment – as it should today.

I'm not sure what role the early Chamber of Commerce played in upskilling and training businesses but it certainly is a by-product of understanding the changing environment. The third thread is Advocacy, Partnerships, and Networking. You could argue that these all mean the same thing, but for various reasons they don't. The Chamber has always understood the importance of this thread, not just for the region but also for the survival of the Chamber.

The Chamber of Commerce played a key role in the successful lobbying/advocacy for a number of important projects. Included in this are the development of the Central Otago railway network, the commercialization of Otago Harbour, driving the frozen meat export industry led by a committee chaired by Larnach, central Otago irrigation and Dunedin Airport. It showed a good understanding of the environment when it played a big part in facilitating the arrival of Chinese immigrants, who played an important role in the development of Otago. The Chamber has been active in advocating for the railways, traffic control, water supplies, trolley buses, sports facilities such as Forsyth Barr Stadium, and local tourism.

Partnerships have been an important part of the Chamber's operation. In 1936 it joined the Federation of Chambers of Commerce. It has been associated with the Otago Manufacturers Association and is a member of the New Zealand Chambers of Commerce. Partnerships with local authorities have been less formal, however, over the years many members, Board members and Presidents of the Chamber have also served as mayors and city councilors. It's a relationship that is important for both organisations.

The Chamber represents many of the businesses in the region and must be positioned as the primary source of credible business information when local authorities and governments are making decisions that affect businesses. The recent membership of Business New Zealand, while retaining membership of the NZ Chambers of Commerce, provides the Chamber with outstanding national and international connections. Future links with Otago's tertiary institutions will be important for the new Business South.

Networking is arguably the most important component of this thread. Networking between members is the difference between success and failure of a membership organization such as the Chamber. When the Chamber has failed, as it did in 1886 and almost did in 1988-90, member apathy, possibly driven by bad communications and a perceived lack of value were the root cause. Good communications with members and giving them value are as important as keeping up with the changes in the environment. A successful Chamber has multiple stakeholders and the strength and quality of the relationships with those stakeholders determines the success or failure of the Chamber.

The fourth thread in the tapestry is celebration. Being able to celebrate success is important for all sorts of reasons. The Chamber has always been good at this. It hosted the 1890 Chambers of Congress Exhibition and played an important part in the South Seas Exhibition in 1925 and 1926. In recent years the Chamber has hosted the Westpac Otago Business Awards, highlighting the outstanding business activity in the Otago region. Latterly the Chamber has been involved with the Youth Enterprise Scheme that encourages and celebrates young people getting into business. Of course being the home of Speight's (since 1887) and Emerson's (since 1992) has helped fine tune our ability to celebrate.

As there were in the 1870's, in the 2020's there are many successful business people in Otago. Many of them have made their fortunes as landlords of commercial property. But does that make them 'mafia'? Many of the ancestors of our founding entrepreneurs still call Otago home, but does that make them 'mafia'? The success of the region, and indeed the success of a business organization such as Business South, is dependent on two way relationships between members and multiple stakeholders, and giving back. Mafia implies one way and power imbalance. Throughout this essay I have referred on many occasions to 'threads'. Together these threads form the rich tapestry of Dunedin and Otago. I say raise a glass of Speight's or Emerson's to TARTAN TAPESTRY – the story of 160 years of the Otago Chamber of Commerce, and to Business South – the future. While looking in the rearview mirror is important, Dunedin doesn't need the t shirt 'the older we get the better we were'. Let's raise another glass to Business South and to all who sail in her - the future, the key to business success in Otago.