



Greater East Tamaki
Business Association Inc.

Feedback on Auckland Council's Annual Budget 2016/2017

From: The Greater East Tamaki Business Association Inc. (GETBA)

Date: 22 March 2016

Fixed Rate Charges (Uniform Annual General Charge)

Question 1a. *What is your opinion on the fixed charge portion of rates, known as the Uniform Annual General Charge (UAGC)?*

We are comfortable with the current yearly charge of \$397, but we feel that there is room for some small upward movement only. It is important to recognise that a higher UAGC increases the burden on small business.

Question 1b: *If changed, what should the fixed charge be, within the range of \$350 to \$650?*

We would not like to see the UAGC go any higher than \$450, as a higher UAGC increases the burden on small business.

Interim Transport Levy

Question 2a. *What is your opinion on the Interim Transport Levy amount paid by businesses versus the amount paid by all other ratepayers?*

GETBA firmly believes that the Interim Transport Levy should remain at \$183 for businesses, and \$114 for all other ratepayers. It is of great concern to us that Council is considering increasing the share of the interim transport levy to be met from business from 14.7% to over 32% for the next two years.

This proposal to put more costs onto business is inconsistent with Council's overall trend to align the rates differential between residential and businesses (albeit very slowly), and the Council's objective of cultivating business investment.

Via the differential, Auckland businesses will pay around 2.6 times more than other ratepayers, or \$150 million more, than if there were no differential in the 2016/2017 year. The policy reasons for Auckland Council applying a business differential (ie more use of transport and storm-water, and greater ability to pay through claiming back GST, and rates can be claimed against income tax) are unsound especially when applied to small business.

The claim that businesses place more demand on the transport network than other property owners is disputed by the respected sector association National Road Carriers (NRC). They assert that 90% of traffic comprises private vehicles which generate the most wear and tear on Auckland's roads, especially suburban streets where

heavy trucks cannot operate; and that heavy trucks are mainly confined to NZTA's motorway network (where the ITL does not apply) or arterial roads.

Question 2b. *What is your opinion on the amount businesses pay for the Interim Transport Levy in relation to their property value?*

We acknowledge it is difficult to find a mechanism that targets those that use transport infrastructure more heavily but this capital value mechanism is not an automatic solution. It should be remembered that the freight sector already pays Road User Charges which is a specific levy to cover the cost of wear and tear on the roads. In addition, the Levy funds are to be used predominantly for the City Rail Link and related works, which have very little direct benefit to East Tamaki businesses.

We do not support the proposal to share the business interim transport levy amongst business ratepayers on the basis of capital value rather than a fixed charge. Our preference is for the current fixed charge to remain the same.

General Rates Increase

GETBA questions the proposed overall average rates increase of 3.5% given that the New Zealand inflation rate was recorded at 0.4% in the fourth quarter of 2015, and is forecast by the Reserve Bank to remain less than 0.25% for 2016. In addition, the BERL overall cost index for local authorities (LGCI) annual average percentage change for June 2015 was only 1% and is forecast to be only 1.038% to June 2017.

Local Board Information - Howick Local Board

We note in the December Howick Local Board Meeting Minutes a resolution to 'support the establishment of a hazardous waste and recycling facility for the Howick area at the south west corner of the Greenmount Landfill'.

GETBA vigorously opposes this location. We are not against the establishment of such a facility for the ward. GETBA has a waste minimisation work-stream educating and encouraging local businesses to reduce waste to landfill and to re-use and recycle. We would however, prefer to see the location somewhere more appropriate such as the current East Tamaki Refuse Transfer Station run by Waste Disposal Services (an unincorporated joint venture between Auckland Council and Transpacific Industries Group NZ Ltd) which is just a kilometre away on Neales Road, rather than in the closed landfill which is about to be developed into a public park.

We support the development of a master plan for the Greenmount Landfill, specifically the development of the landfill site into a useable and attractive recreational amenity for the East Tamaki business community and surrounding population. Our business community has long been forced to accept the negative effects of the landfill and urge the Local Board to do everything within its powers to put an end to the recurring delays. The development of this area into a park is very long overdue indeed.

We appreciate the Howick Local Board's advocacy support of transport projects including AMETI, East West connections and the continued development of the Pakuranga-Reeves Road flyover. However we would very much like to see the Howick Local Board bring pressure to bear on Auckland Transport to re-prioritise the widening of Smales and Allens Roads and related intersection improvement. This was a local roading priority that was dropped out of the Long Term Plan with the introduction of the City Rail Link. It makes good sense for this roading improvement work to be undertaken at the same time as the Greenmount Landfill park development is being undertaken.

Contact for submission:

Jane Tongatule, GETBA General Manager

Ph 273 6274

gm@getba.org.nz