



Greater East Tamaki
Business Association Inc.

Friday 12th February 2010

Submission on Local Government (Auckland Law Reform) Bill 112-1 2009

To the Auckland Governance Legislation Select Committee

This submission is from:

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We wish to appear before the committee to speak to our submission.

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Our submission is as follows:

The Greater East Tamaki Business Association Inc. (GETBA) supports the intent of this Bill to create one Auckland with strong regional governance, integrated decision making, greater community involvement and improved value for money.

GETBA submits that an organised industrial area such as East Tamaki, the largest integrated industrial area in New Zealand, is a community of interest with importance at a local, regional and national level. The number of properties and businesses in the GETBA Business Improvement District (BID) at 4000+ is greater than the sum of such properties and businesses in all twelve of the other BIDs in the current Manukau City Council and is greater than any other single industrial BID in New Zealand.

The industrial areas of Auckland City need to be part of the regional plan directly responsible to the Auckland Council. The Economic Development, Tourism and Events CCO as proposed by the Auckland Transition Agency and agreed in principle in AGR Min (09) 12/1 should be confirmed as the agency which has primary responsibility for such industrial areas. The Spatial Plan for Auckland City will certainly need to incorporate planning for the development and support of the industrial drivers of the economy both regionally and nationally.

GETBA further submits that industrial ratepayers are, effectively, non-voters in either central or local government elections. Whilst a mechanism for enabling a vote to attach to such rateable properties exists and is addressed in the Bill, it is almost impossible to implement in a practical sense. Consequently, the voting power of such ratepayers is generally negligible in terms of the overall electorate. One result of this situation is that elected representatives rarely consider such areas as a community of interest (which they surely are) nor do they or their bureaucratic advisers always understand or give due weight to the effect of their political decisions on those communities of interest.

An Economic Development CCO would take an overview of the major industrial areas in the Auckland region and encourage the collaborative regional focus in this critical area that is at the heart of the Auckland City legislation overall. GETBA welcomes the development of such a focus as it builds upon the informal collaborative links already established among the business associations representing these areas.

This submission is prompted by the fact that there are already some disquieting actions and apparent intentions on the part of existing local body politicians (many of whom may be assumed to be seeking election to Local Boards) in regard to industrial areas such as East Tamaki. These need to be addressed and may be summarised as follows:

1. Public disagreements between adjacent existing Community Boards as to the “ownership” of all or part of the industrial zone and suggested “horse trading” of parts such zones in order to offset other boundary issues.
2. Stated perception on the part of existing Community Boards that a Business 5 or Business 6 zone is a “milk cow” to be prized for its ability to fund local projects via targeted rates within one or more Local Board areas.

GETBA has made a submission to the Local Government Commission which is considering the boundaries of Wards and Local Board areas. We are confident that the Commission will give due weight to our submission which centres on the fact that the GETBA Industrial Area should not be split between two Local Board areas and consequently between two Wards.

Under the current local government administration, any relationship with the Territorial Local Authority has been at Council (Manukau City Council) or Regional (Auckland Regional Council) level. The Ward boundaries have had no practical effect on the industrial area or its administration.

Potentially, under the Auckland Council structure this could change. The delegations to Local Boards are clearly still under negotiation but GETBA has serious concerns that the Bill should spell out the primacy and unity of the relationship of major industrial zones such as East Tamaki with Auckland City.

The potential for industrial areas such as ours to become embroiled in negotiations with not one but two Wards and two Local Boards is likely to be inefficient and non- productive. It would not be a useful work stream for either the membership or administration of a business association. The focus of Local Boards, as identified above, is on the community of interest representing residential ratepayers.

The historical charging of Business Differential Rates on properties zoned “Business” is an inequity perpetuated by the myth that “business can afford to pay higher rates”. It was recommended in the **Report of the Local Government Rates Inquiry (August 2007)** that such differential rates be phased out by 2012 and replaced by targeted rates levied on business properties to provide services for such business areas.

It would be quite iniquitous should a new entity such as Local Boards be established without a clear proscription on target rating business properties to fund residential projects.

In summary, GETBA agrees with the apparent aim of the legislation that:

1. Economic Development be a direct responsibility of the Auckland Council at the highest possible level and
2. That delegations to Local Boards be restricted to delivery of core services to business areas and that their responsibility for locally-funded projects be restricted to those with a residential ratepayer focus.

Elsbeth Mount