



Greater East Tamaki
Business Association Inc.

The Auckland Plan Discussion Document: a response from the Greater East Tamaki Business Association Inc. (GETBA)

The Greater East Tamaki Business Association Inc (GETBA) appreciates the opportunity to make a submission on the Auckland Plan. With over 1700 property owners and a similar number of businesses, we are the largest industrial and commercial Business Improvement District in New Zealand.

The area generates:

- \$3 billion to the New Zealand economy each year,
- \$19 million in rates, and
- 30,000 jobs with projected jobs of 45,000 on completion of Highbrook Business Park.

East Tamaki is also a growth area with:

- an average annual employment growth rate of 4.6% over the last 10 years compared with 1.7% across the Auckland region.
- numbers of businesses having grown at an average annual growth rate of 5.3% compared to 2.5% across the Auckland region.

Full consultation with our members has taken place and 37 businesses have asked that their names be appended to this submission indicating the importance they attach to the decisions to be made by Council at this time. (see Appendix 1).

New Zealand is an urban country. Eighty-seven per cent of us live in cities so if our urban economy is not working then we are a failing economy.

Auckland has taken the bold step of finally re-amalgamating the myriad administrative units into which it divided itself over decades. The parochialism that has plagued our development and vision has to be rapidly and firmly foregone in favour of a bold vision and a collaborative plan for the future: New Zealand needs that of us.

The basis of that plan, however, needs to be a concentration on getting the basics right. The old saw that Councils' concerns should be with Rates, Roads and Rubbish is a good starting point.

- If the **funding** of the new city is not adequate, fair and sustainable then we have a problem.
- If the **infrastructure** of the region is not fit for purpose we might as well shut up shop.
- If we do not deal properly with the **waste products** of our city we are in real trouble.

But Auckland has a couple of bigger picture issues that confront us:

- We are the sixth most immigrant-intensive major city in the world. This brings huge opportunities and vitality but also major issues in terms of education and health costs, housing and pressure on urban limits.
- We suffer from a central government model which is predicated against delivering at a national level the degree of support that the country's major city and economic centre should receive. It is in part the geography of a long, thin, shaky country that predicates against Auckland. It is in part the rampant parochialism that cannot see that success in Auckland is success for all.

And underpinning any consideration of the plan, we must for each proposition, ask the question: ***Is this Council's role?***

The purpose of Local Government, as set out in section 10 of the Local Government Act 2002, is to

- enable democratic local decision making and action by, and on behalf of, communities
- promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

An equitable (and robust) rating and financial policy, an infrastructure that is fit-for-purpose and addresses forward needs, an authoritative and passionate voice for the region in national and international forums and a stewardship that preserves and enhances the unique natural and built resources of this glorious place are where council's energies should be placed.

In terms of a response to *The Auckland Plan* itself, we have largely restricted ourselves to addressing the three major areas of economic and infrastructure development and funding.

ECONOMIC DEVELOPMENT

GETBA agrees with the aspirational goals on pages 79-80 of the document: an annual increase of regional exports of 6.8% to 7.5%; annual real GDP increase of 5.1% to 6.2%; raising Auckland's contribution to national GDP from 34% to between 39% and 44% by 2031.

Providing a business-friendly and well-functioning city: this involves efficient and responsive Council planning and regulatory processes and ensuring the conditions for manufacturing and export industries to continue to grow through world-class infrastructure (including the Ports of Auckland and the Auckland International Airport) and broadband.

Innovation and research and development: We agree that innovation and research and development are central to economic growth but consider that the role of local government is to ensure that policy settings are appropriate: it is not your role to be involved in the provision or even identification of innovation centres. Central government needs to be encouraged to improve its policy on R&D.

Business Land: The availability of suitable business land is critical to economic development. There are robust forecasts of the requirements over the next twenty years indicating that suitable business land is seriously limited and that some expansion of the Metropolitan Urban Limits at least for business purposes will be necessary.

In East Tamaki/Botany there has been encroachment of residential pockets within business zones: this has been a mistake and care should be taken to prevent further such mixed use.

In terms of business land designations, rather than continuing only to expand on the southern fringes (the only topographically and economically sound direction which unfortunately doubles as the region's best horticultural and agricultural land) it may be time as well to think creatively of upgrading developments from the sixties along the lines of the Tamaki Transformation project. East Tamaki-Otara was opened up for low density state housing

in the early sixties in response to major immigration. That housing is now far from sound in terms of insulation, size appropriate to families and density of land use. What an opportunity to create an extended manufacturing hub in East Tamaki adjacent to a rejuvenated, modern housing community built to meet the cultural, social, health, educational and employment needs of a significant population base.

Education and Skills: this is an area of prime importance but is again an area where the solutions will be in the hands of the educators and central government funders. TLAs can waste vast sums trying to set up schemes only to have central government change policy at the stroke of a pen. Business is quite capable of working with the providers to encourage the desired outcomes for educated and trained staff. Council's role may well be to demand government policy address the serious deficits in some areas of Auckland throughout the education system from pre-school through to successful graduation and the up-skilling required for the modern workplace.

High value, internationally competitive sectors and products: we cannot emphasise enough the weakness of this section of the discussion document. It starts by indicating that the role of Council is to *"create the conditions in which the majority of firms can flourish and succeed without any further intervention"* then proceeds to try to pick winners not only in terms of industries but also in the specifics of where each of these should be encouraged to grow. Map 4 "Auckland's significant economic directions" and the map on "Big Picture Possibilities" in the summary document resemble the results of a brainstorming session over drinks at the end of a marketing conference. Nine tenths of the industrial heartland of Auckland (and NZ) is ignored in this overview plan. Manufacturing and industrial activities already account for 38.4% of regional GDP and produce 58.1% of Auckland's total exports. These activities are spread throughout existing industrial and commercial areas including the major Industrial South which borders both sides of the Tamaki Estuary across the isthmus. The vision outlined both in text and especially in the maps is too small and too circumscribed: Council's role is clearly stated as **to "create the conditions in which the majority of firms can flourish and succeed without any further intervention"**.

INFRASTRUCTURE

The Auckland Business Forum and its constituent members have submitted overarching proposals for infrastructure development which we endorse. GETBA will concentrate in this paper on the immediate desperate needs of East Tamaki industry.

The South-East is the most congested roading network in the region. It contains the major manufacturing and logistics region and employment hub that is East Tamaki plus major residential expansion in Botany and Flat Bush.

Various investigations from the 1960's have reconfirmed the need for the SH1-20 East- West corridor link, the latest showing that if not completed by 2020, traffic in the area will be reduced to a crawl throughout most working days. Freight traffic volumes on local roads along the route are higher than on most state highways across New Zealand.

Multi-billion dollar economic benefits have been shown for the Eastern Corridor or AMETI project. Currently the project is being built in small stages that stretch its completion out to the 2030's. This approach is totally unacceptable given current high congestion levels and the continuing fast growing business and residential suburbs in this area of Auckland.

Auckland Transport with NZTA (and Auckland Council and Government support) should form a Special Project Group to design, finance and build the South Eastern Corridor by 2015-20.

This requires design and build of a high quality strategic transport link between SH1 Mt Wellington/ East Tamaki and SH20 Onehunga/ Gloucester Park I/C and a reconfigured Eastern Corridor (AMETI) project.

Action is required immediately to complete by 2015/16 a group of small and medium-sized projects on the motorway network where a lot of Auckland's daily gridlock occurs, some of which have been on NZTA's plans for many years but there is currently no confirmed construction scheduled. They are:

The south-bound Highbrook off-ramp on the Southern Motorway is a serious and growing pinch-point. The off-ramp is at capacity and exceeding it at peak times. In addition, the 25kph tight left turn of the lane to access Highbrook and East Tamaki is so tight that larger trucks need to take more than one manoeuvre to negotiate it, causing tailbacks to (and beyond) the Otahuhu on-ramp. Accidents are already happening at peak times.

SH1 Mt Wellington over bridge near Sylvia Park where the southern motorway narrows from 3 to 2 lanes in each direction: This part of the southern motorway is gridlocked for large periods of the working day - widening the bridge to at least three lanes in each direction is arguably as urgent as current projects to widen SH1 at the Newmarket and Victoria Park viaducts.

SH20A George Bolt Drive intersection with Kirkbride Rd on the main route to Auckland Airport: Around 80,000 vehicles use the intersection every day. The project involves eliminating the intersection with an over bridge and/or short tunnel.

SH 16 Grafton Gully (Stage 3) where it meets Stanley Street and The Strand: 3000 freight vehicles heading to-from the Ports of Auckland each day converge with commuter traffic travelling between inner and eastern suburbs heading to the CBD. A long-planned project exists to separate port freight and other traffic.

In summary, freight corridors to the Port of Auckland and Auckland Airport need to be urgently enhanced. The Port of Auckland is by far the highest value port in New Zealand and for the sake of the country needs to remain so. In the year ending June 2009 the export tonnage of the Ports of Auckland totalled 2,796,110 with a value (FOB) of NZ\$9,828,315. This was significantly higher in value than any other port while the fact that it is only fourth in tonnage indicates the high value of the goods. Of imports through the Ports, 90% is destined for an area within a 35km radius of the Ports. Auckland Airport is similarly New Zealand's largest and busiest airport for cargo as well as for passengers.

Proposals for a cruise ship terminal and enhanced use of the waterfront for tourism need to be critiqued in the light of facts:

1. Cruise ships come to New Zealand predominantly during a five month window (November to March) so a terminal needs to be primarily available for that period.
2. Tourism is a low return, low-wage business and is highly susceptible to disruption from external events (plague, earthquakes, volcanic eruptions and terrorism are recent examples). It would be irresponsible to build an economic strategy with that at its centre.

FUNDING

We consider that Aucklanders are aware that the aim of the TLA amalgamation was primarily to get the region working and then, through economies of scale, to reduce costs in time. The aim of low/zero rates increases are a foolish straightjacket to impose on the project. Infrastructural deficits need to be paid for.

We recognise the endemic aversion of politicians at both levels of NZ government to take the unpalatable course of fronting the electorate with the genuine cost of running a country or local body. The best example is the 2007 *Local Government Rates Inquiry* which was instigated by the fact that urgent infrastructural work throughout the country would engender rates increases of around 10% per annum for a significant number of years to fund. Central government quietly shelved the report and it remains like a sword of Damocles over the heads of all including Auckland.

What is required is a funding formula which is fair and achievable. Rates alone are a blunt and unsustainable instrument. User pays should be accepted as a principle whether it is water/waste water rates, the waste stream or roading projects: and it should be applied to spread the cost over the long term. Applied to motorway access this principle could provide significant funding for required projects. (We endorse the EMA submission on the detail of this.) Additionally, there is scope for debt-funding for long-life assets and reducing the extent to which depreciation is funded.

Removal of differential rating for business properties needs to be addressed urgently as part of the harmonisation of the former rating systems. Business is prepared to pay its fair share of the costs of achieving a world-class city. It is not prepared to be a cash-cow to prop up residential ratepayer votes. We need to get the city working and it is commercial/industrial business that drives this.

In conclusion, the Greater East Tamaki Business Association Inc. thanks the Council for outlining its initial thinking in this discussion document and encourages the Mayor and Councillors to be bolder in their support of the industrial and commercial drivers of our economy. It is support that will be well-rewarded by enhanced prosperity for all.

Elsbeth Mount
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Appendix 1.

These companies have requested that we add their support to the GETBA response document.

Name	Title	Company
Phil Clarke	Managing Director	A Touch of Italy
Leonie Steedman	Account Manager	Aon John Baker Insurance
Allan Horner	Managing Director	Austco Communications (NZ) Ltd
Geoff Dixon	Managing Director	BG Marketing
Kevin Glover	Director	BJ Tyres
Owen Fergusson	Managing Director	Bullet Freight
Brenda Kirk-Jones	Manager	Cascade Hire
Maurice Hinton	Managing Director	Compass Building Consultants
Brian Lawrence	Managing Director	Conbrio-it
Lindsay Oliff	Owner	Connect 2 Control Ltd
John Matthews	NZ Sales Manager	Cospak
John Barwell	Managing Director	Cube Storage
Jane Dowdeswell	Director	Edis Technologies Ltd
Blair Sargison	Owner	Endraulic Ltd
Peter Burch	Director	Executive Electrical
Dave Wylie	Director	Experience on Tap
Malcolm and Jo Maria	Managing Director	Fergusson Welding
Jaap Groenewegen	Director	Foodwise Ltd
Paul McCarthy	Owner	Fyfe Kitchens
Arnie Leeder	Director	Gen-x Global Ltd
Lindsay Farr	Director	Hammerking Group Ltd
Kim Luxton	General Manager	Hydestor Manufacturing Ltd
Sharon Dawson	Managing Director	ICOM New Zealand
Jon Brewerton	Managing Director	Icon Business
Mau Levi	Managing Director	Levi Chartered Accountant Ltd
Don Cassidy	Managing Director	Mirotone
Maureen Coxhead	Property Owner	Ra Ora Drive
Clare Hewison	Pharmacy Manager	Radius Pharmacy Ti Rakau
Christine Gillies	Office Manager	Ramsay McDonald NZ
Andre Conradie	Director	RPC Land Surveyors
Peter Gabites	Managing Director	SEW-Eurodrive (NZ) Ltd
Neville Smith	Director	Smith Timber ITM
Arthur Warner	Managing Director	Solid Rock Media Group
John Keesing	Consulting Associate	talentnow!
Philippa Whalley	Office Manager	Vitec Nutrition
Emily Smith	Site Manager	Waste Management
Steve Warne	General Manager	Wavelength Water Services