



Greater East Tamaki
Business Association Inc.

Auckland Council Governing Body and
Howick and Otara Papatoetoe Local Boards
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15 March 2019

SUBMISSION TO THE DRAFT ANNUAL BUDGET 2019/2020

Introduction

The Greater East Tamaki Business Association ('Association') welcomes the opportunity to make this submission to the Auckland Council draft Annual Budget 2019/2020.

East Tāmaki is situated in a key strategic location with links to the airport, port, CBD and other business areas within the region. The precinct has developed from greenfield origins and the availability and relative cost of land has, in the past, made the precinct attractive to businesses. As such, the area has a number of nationally and internationally significant companies, some of which are involved in developing innovative technologies. It is a dynamic and highly successful production and export zone, contributing \$3 billion to the New Zealand economy and 19 million in rates each year. It is predominantly a manufacturing and distribution hub and includes the world class Highbrook Business Park.

GETBA is the Business Improvement District business association for the area. GETBA advocates for business and property owners in the economic development of East Tamaki; provides a conduit to business support, education, resources and networking; enhances the safety and security of East Tamaki; and promotes the area as a great place to do business and to work.

Feedback

The Annual Budget 2019/2020 sets out the Council's priorities and how you will pay for them and seeks feedback on Changes to Rates and Fees; Other Issues, and Local Board Priorities.

Please note that our feedback below also relates to amendments to the Rates Remission and Postponement Policy and Revenue and Financing Policy.

(1) Changes to Rates and Fees

With regard to charging rates on some parts of the land owned by religious organisations, we understand that you will be applying business rates to land used for commercial purposes (including car parks, gyms, cafes, and op shops). We support charging rates on land owned by religious organisations, but which is used for commercial

purposes as outlined in the consultation document. We note that this will also result in this land also attracting business improvement district (BID) targeted rates. It may also be the case that these religious organisations will also then be eligible to become BID members and wish to become BID members.

(2) Other Issues

Your Consultation Document asks for feedback on other issues related to the Annual Budget.

General rates increase and business differential

What businesses need most from Council is a reasonable, transparent and stable approach to rates. We support the Council being clear about how general rates increases will be made over time and recognise the funding gap for major infrastructure.

While we appreciate that the business differential is being reduced in line with that proposed in the Long Term Plan 2018/28, fundamentally, we do not accept a business differential should apply to rates.

Cleaning up our harbours, beaches and streams

We agree that Auckland must improve infrastructure to save our harbours, beaches and streams from being polluted by overflows from ageing sewerage and stormwater systems. While we are supportive of transparently 'ring fencing' spending on this kind of infrastructure, we do not accept that a business differential (even at 25.8%) should be applied to this targeted rate. We accept that business should pay a share, but not a differential.

We also have concerns that Council is embarking on a new strategy for water, 'Our Water Future' without being clear about how that will impact on rates or especially the current water quality targeted rate.

Protecting our Endangered Species

We agree overall that Auckland must reverse the decline of biodiversity in the region, stop kauri dieback and address the spread of pests, weeds and diseases.

However, we note that these matters are not 'core services' under the Local Government Act 2002, but more properly the responsibility of central Government or taxpayers.

While we support transparently 'ring fencing' spending on this kind of infrastructure, we do not accept that a business differential (even at 25.8%) should be applied to this targeted rate. We accept that business should pay a share, but not a differential.

Savings and efficiencies

We believe there are more savings available to the Council by reducing silos and improving efficiencies across the Council and CCOs. We welcome the s17A Reviews being undertaken by the Mayor as a means of establishing 'value for money'.

We would appreciate being told of the progress being made towards achieving these savings and the reduction in budgets as initiatives are delivered.

Rating accommodation providers

We still do not support this intervention and our preference is for the Government to introduce a levy on international visitors to fund tourism projects.

For some accommodation providers, the current accommodation providers targeted rate has resulted in a rates increase of 250 per cent or more and for many, a doubling of already significant rates. Some providers have benefited from exemptions while others have not. This contradicts the Council's view that there should be rates stability.

Accommodation providers have also advised us that it is unfair to shift the rates burden to them when only around 10% of the total visitor spend is on commercial accommodation.

Regional Fuel Tax

The RFT is only a small step towards addressing the funding gap the Auckland Transport Alignment Project (ATAP) identified at \$5.9 billion and is apparently bringing in less revenue than expected partly through exemptions and through the purchase of fuel outside Auckland. We request Auckland Council and the Government commit to urgently delivering fair and equitable solutions to fund this gap. Our preference is to introduce initiatives that both manage demand and raise funding equitably as soon as possible, balanced with investment into affordable and more frequent public transport in order to effect sustainable behavioural change. Demand management of our existing network must be a key solution, especially creating priority for freight and delivery movements.

We want to avoid the regional fuel tax, which is the equivalent of a significant rates increase (especially for transport operators), being used as a 'top up' for overall transport budgets.

LOCAL BOARD KEY PRIORITIES

Howick Local Board

GETBA supports the Howick Local Board's focus on improvements to waterways and the environment, including advocating to the Council to better address illegal dumping and ensuring local projects get benefit from funds generated by the water quality targeted rate. We encourage the Local Board to introduce initiatives such as Neat Streets (which have been effective in the neighbouring Otara-Papatoetoe Local Board area) to targeted locations.

We value the Local Board's development of cycleways – especially the introduction of those which have a work commute purpose not just recreation. Congestion in our business precinct is an impediment to businesses' ability to attract and retain staff and to the efficient movement of people and freight.

It was disappointing to see no mention of the proposed Airport to Botany Rapid Transit in the priorities identified by the Local Board, although there is mention of ensuring local projects get benefit from funds generated by the regional fuel tax. We would expect the Local Board to be a vocal advocate for this transport initiative which will have connectivity benefits for the East Tamaki employment and freight hub.

We are concerned at the delay to the development of the Greenmount Landfill to a Park but accept that the source of the delay is outside the Local Board's control. We do however encourage the Local Board to ensure that key stakeholders are kept informed of progress in the way that EnviroWaste used to do with quarterly update meetings.

GETBA appreciates the Local Board's support for the East Tamaki business precinct including funding an ANPR camera on one of the key entry arterial roads which is a prime route for criminals to enter the Howick Ward and which borders the East Tamaki business precinct.

Otara-Papatoetoe Local Board

We support the Otara-Papatoetoe Local Board's focus on community development programmes that target young people, older residents, diverse communities, town centres and the natural environment.

We are particularly supportive of the Local Board's advocacy to Auckland Transport for rapid transit between Auckland Airport, Manukau and Botany. The section from Manukau to Botany is important for improving employment opportunities by enabling better access to East Tamaki's significant employment hub.

We commend the Local Board on their leadership in getting the Otara Waterways and Lake Trust established and ongoing support of the Trust's various clean-up initiatives such as Neat Streets and Adopt A Spot. We also support the Local Board's efforts to reduce rubbish dumping in the Local Board area and involvement in initiatives to promote sustainable business practices to businesses in their town centres.

We are supportive of the proposed redevelopment of the Otara Town Centre and the ongoing redevelopment of Old Papatoetoe and Manukau.

Yours sincerely

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