



**SUBMISSION TO
AUCKLAND COUNCIL ANNUAL BUDGET
2022/2023**

23rd March 2022

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Submission to Auckland Council Annual Budget 2022/2023

Introduction

The Rosebank Business Association (RBA) representing the Rosebank Business Improvement District (BID) welcomes the opportunity to make this Submission to Auckland Council Annual Budget 2022 - 2023.

The RBA is a significant industrial Business Improvement District (BID), representing over 600 commercial property owners and businesses within the West Auckland area. Collectively they employ over 9,000 Auckland residents and ratepayers.

The organisation is located within the Whau Local Board area and is one of the leading commercial and industrial areas within Auckland.

The RBA represents and works with a wide range of businesses comprising of a mix of sole traders, Small Medium Enterprises (SME), through to multi-national organisations representing sectors such as ICT, business services, specialist manufacturing, light-medium warehousing, logistics, retail, and hospitality. In addition, we have key educational institutions bordering our boundary, including Rosebank School, Avondale Intermediate, and Avondale College.

There are currently 50 BIDs in Auckland, representing over 25,000 businesses with a combined capital value estimated at \$24 billion. Through the BID programme, Auckland's BIDs work with the Auckland Council to improve the local business environment and grow the regional economy.

This Submission and our feedback will cover:

- (1) Ongoing concerns regarding the impact of COVID-19
- (2) Climate Action Targeted Rate
- (3) Budget Pressures and Service Prioritisation
- (4) Waste Service Standardisation
- (5) Rating Policy Proposals
- (6) Regional Fuel Tax underspend
- (7) Vacant Land
- (8) Local Board Feedback

(1) Ongoing concerns regarding the impact of the COVID-19

We have serious concerns expressed from our local business members that COVID-19 is having a significant ongoing impact on their businesses.

The impacts include direct financial impacts on businesses (especially hospitality businesses), supply chain and market disruption as well as effects on production and human resourcing. More particularly, COVID-19 has had major impacts on exporters to China and those relying on international visitors and students. For hospitality and events organisers, the ongoing disruptions have been devastating. Small and medium-sized businesses have had their business models turned upside down. Businesses tied to travel, tourism, and hospitality have experienced losses that will not be recoverable. We still do not know how long this will continue. We have lost many businesses already, with the outlook for some businesses now dire. We have also noticed a decline in the security of our town centres, likely due in part to COVID-19 measures by the central government to address homelessness and reallocate police resources.

With very little direction from the government, the vast majority of landlords have decided to share in some of their tenant's financial stress with proportional rent relief throughout the duration of the pandemic, but particularly during lockdowns and the most recent Omicron outbreak. However, there has been no support from banking institutions and little from Auckland Council or Government to support these measures.

While we do acknowledge there have been initiatives from Auckland Council, such as the dropping of fees on outdoor dining licences and the offer of rates postponements, we ask for more focus in the Annual Budget 2022/2023 on measures Council can take to assist businesses. This might include, for example, extending the rates postponement policy and extending 'no fees' on outdoor dining licences to other hospitality-related licences (such as food safety licences). We also ask for an overall review of the 'cost recovery' model used to fund many Council services in light of the ongoing impacts from the pandemic.

(2) Climate Action Targeted Rate

We are opposed, in principle, to the Council's proposal to introduce a substantial new targeted rate of 2.3% through an Annual Plan. This was not signalled through the Long Term Plan 2021/2031 and represents an unfair and destabilising approach to rates, especially at a time when businesses are facing tremendous uncertainty from the ongoing pandemic, world events, and inflation.

While we agree with the need to take climate action, in our view this must involve decisions by the Council to reduce, stop or reprioritise services, not simply add more.

If further funding is absolutely necessary, we ask that funding mechanisms be employed that incentivise climate action and more appropriately spread the cost (eg such as a UAGC).

Turning to the proposal for the Climate Action Targeted Rate (CATR), we do not accept that a business differential (even at 25.8%) should be applied to this targeted rate if introduced. We accept that business should contribute its share for climate action, but not through a differentiated targeted rate.

Further, with an existing and increasing number of sustainably designed and constructed commercial buildings, we disagree there is always a relationship between high property values and higher generation of greenhouse emissions. As a consequence, and also as a means of incentivising the action in *Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan* to accelerate the uptake and sustainable design and construction of buildings, we ask that Council provide for remissions of any climate action funding requirements for these kinds of buildings.

Finally, as the majority of businesses across the Auckland Region are small to medium-sized, we welcome initiatives that support business to take climate action. Business education concerning sustainability and climate action is particularly important to raise awareness and drive change.

(3) Budget Pressures and Service Prioritisation

Our overall feedback is that while we support the general direction taken in the Long Term Plan 2021/2031 for an investment of \$31.8 billion over the next 10 years, we ask that this investment be further prioritised and any non-priority investments or services be deferred or cancelled.

We remain concerned about the compounding effect on businesses of an increase of 3.5% in general rates, an increase of 7% in Watercare's wastewater tariffs, and the proposed additional Climate Action Targeted Rate of 2.3%.

To reduce these impacts, we believe Council should first:

- keep rates and charges increases to a minimum (eg. not introduce the CATR); and
- make deeper cost savings and further prioritise services (including the services of CCOs); and then
- prioritise capital investment and defer or cancel non-priority investments;
- sell more surplus property; and
- make additional use of borrowings (within financial prudence policy settings)

On the proposal for a set of criteria for supporting decisions to reduce, stop or change some services, we agree with that proposal and ask it be applied urgently. In our view, any current services that don't align to key priorities, don't deliver value, or can be provided just as well by others should be cancelled or reduced in scope immediately. We also suggest criteria asking whether an activity needs to be done right now or can be deferred. If it does need to be done right now, then do it once and do it right.

(4) Waste Service Standardisation

We share concerns about the high rates of waste generated per person in Auckland and agree that the Council can play a role in influencing waste reduction. We also support the goals of the Auckland Waste Management and Minimisation Plan 2018, including minimising kerbside household waste.

We support the proposal to allow certain business properties to opt-out of the Council's waste management services and charges from 1 July 2023, because the council's kerbside service is more suitable for domestic waste than dealing with the wide range and nature of business waste. We agree that charging for a service that the council cannot deliver is inequitable and that the case for maximising the council's ability to influence waste behaviour is also irrelevant when the service required cannot be delivered by the council, such as to certain business properties.

(5) Rating Policy Proposals

Our overall feedback is that what businesses need most from Council is a fair, transparent, and stable approach to rates. As we said above, we are concerned about the un-signalled and compounding effect on businesses of increases in rates and charges.

Business differential

While we appreciate that the business differential is being reduced to 25.8% by 2037/2038, fundamentally, we do not accept that a business differential should be applied to rates, especially for

reasons that “businesses are better able to manage additional costs than residential properties” or because “businesses can claim back GST and expense rates against tax.” These reasons do not justify the business differential, particularly for small businesses that make up most businesses in Auckland.

Watercare’s increase in charges

To support an increase in capital investment, Watercare's board of directors resolved to increase water and wastewater tariffs by 7 percent. This follows an increase of 7% for the current financial year. We are concerned about these substantial increases in water charges from Watercare and question whether they are a priority or reasonable.

(6) Regional Fuel Tax underspend

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. We understand, for example, that technical work on the ‘Congestion Question’ project that has been examining the potential to apply congestion charging in Auckland is progressing.

In the interim, while we have previously supported a regional fuel tax, we are very concerned about the ongoing underspend of the Regional Fuel Tax and in light of recent world events, we ask that the Council advocate to the central government for the Regional Fuel Tax to be suspended.

[7]Local Board Feedback

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Te Poari ā-Rohe o Whau

6.21 Whau Local Board

He kōrero mai i te Heamana

Message from the Chair

As chair of the Whau Local Board, I am aware that this has been a challenging year for residents of our area. We have had ongoing Covid-related lockdowns, which have impacted many people’s incomes, relationships, mental health, and wellbeing. Businesses have struggled, events have been cancelled and we have not been able to work and socialise in the ways we usually do. Furthermore, the horrific terror event at Lynn mall created distress but also showed how cohesive and supportive the Whau community is.

Lockdowns have also challenged Auckland Council’s revenue and delivery of services. Covid-19 financial recovery planning by the council means the proposed Whau Aquatic Centre and Crown Lynn Park have been deferred for a few years.

Despite the challenges, we are continuing in the general direction we set in the Whau Local Board Plan 2020. In the 2022/2023 financial year, we will be working to progress Climate Action initiatives, the Avondale multi-purpose facility as well as Avondale streetscape improvements. We will be

continuing to seek ways to enhance Māori identity in the Whau. While we continue to deliver sections of Te Whau Coastal Walkway connection, we will also advocate for regional and national funding to complete this project. We will continue to invest and advocate for an improved tree canopy in the Whau, all the while ensuring that our treasured parks continue to meet the needs of our community.

I encourage you to take part and provide feedback on the council's Annual Budget– let us know if you think we are on the right track and help shape not only the Whau's, but Auckland's future.
Ngā mihi nui

Kay Thomas
Chairperson, Whau Local Board

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Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Climate Action – support council and national initiatives and aim to increase Whau's urban tree canopy by continued investment in ecological planting projects and progressing the Urban Ngahere project – knowing, growing and protecting.
- Avondale Town Centre - progress work on the Avondale multi-purpose facility and streetscape improvements.
- Māori identity – promote te reo and enhance visibility of Māori history in the Whau.
- Te Whau Coastal Walkway – develop the connection from Rizal Reserve towards Ken Maunder Park.
- Park improvements – focused on Green Bay, Kelston, Glen Avon, New Windsor, and Rosebank, including future-proof planning for Olympic Park and all amenities.

Conclusions

As we enter another very uncertain year, especially for small and medium-sized businesses, we ask the Council to carefully consider their needs in its approach to the Annual Budget 2022/2023 and provide more focus on growing the economy and supporting local businesses.

Yours sincerely,



Kim Watts
Executive Engagement Manager

