



Auckland Council Governing Body and  
Waitematā Local Board  
Auckland Council  
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## SUBMISSION TO THE DRAFT ANNUAL BUDGET 2017/18

The Parnell Business Association welcomes the opportunity to make this submission to the Auckland Council draft Annual Budget 2017/18.

### **Background**

Business Improvement Districts (or 'BIDs') are areas within Auckland where local businesses have agreed to work together, with support from Auckland Council, to improve their business environment and attract new businesses and customers.

The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted for and agreed to pay to fund BID projects and activities. Many BIDs also supplement the targeted rates with other self-generated revenue, such as advertising and sponsorship.

As incorporated societies, BIDs are independent of Auckland Council and accountable to their members. BID's play an important role in local and regional decision-making processes as the voice of local business.

### **Feedback**

Your Consultation Document, *Tahua ā-Tau – Annual Budget 2017/2018*, seeks feedback on five main issues: (1) rates increases; (2) rating stability; (3) paying for tourism promotion; (4) paying for housing infrastructure; and (5) paying Council staff a living wage. In addition to giving feedback on these matters, we also wish to provide feedback in support of the BID targeted rates.



## **(1) RATES INCREASES**

*Your Consultation Document notes that Council had previously projected an average rates increase of 3.5 per cent for 2017/2018. However, additional savings (primarily related to inflation, interest costs and the timing of capital projects) will allow delivery of the same activities for about \$15 million less. This could be used to reduce the rates increase from 3.5 per cent to 2.5 per cent. There is also an option of only a 2.0 per cent rates increase. With regard to the Uniform Annual General Charge (UAGC), Council proposes this remain at a proportion of 13.4% of the general rate (and rise to \$408, \$404 or \$402 if rates rise to 3.5%, 2.5% or 2.0%).<sup>1</sup>*

**Our feedback is that the rates increase should be limited to 2.0 per cent and that the UAGC should be a slightly higher proportion than 13.4%.**

- We believe there are more savings available to the Council than \$15M (especially in light of ongoing media reports of profligate expenditure by CCOs, such as ATEED).<sup>2</sup> As Council acknowledges, inflation rates are forecast to remain low. In addition, the cost index for local authorities has also been forecast to remain low.<sup>3</sup>
- There is no justification for a rates increase beyond 2.0%, if this is combined with an slight increase in the UAGC.
- We believe that the UAGC should be set as a slightly higher proportion of general rates, but also recognise that increases beyond that would place too great a burden on small businesses.

## **(2) RATING STABILITY**

*Your Consultation Document says that the Council considers that businesses should pay a greater share of rates than residential properties, but that the present share is too high and should be reduced gradually over time. Council's current policy is to achieve this by applying a higher than average rates increase to residential ratepayers each year, and a lower than average increase to business ratepayers. However, Council's preferred option for this Annual Budget, to keep rates stable, is to pause the policy of gradually lowering business rates for one year. The Council also says that the reasons for the business differential are that businesses make more use of, or place more demands on, council services like transport and stormwater, and are better able to afford rates as they can claim back GST and rates can be claimed as an expense against income.*

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<sup>1</sup> Auckland Council Annual Budget 2017/2018 Supporting Information, page 6.

<sup>2</sup> [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=11809359](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11809359)

<sup>3</sup> Reserve Bank of New Zealand and BERL, *Forecasts of Price Level Change Adjustors – 2015 Update: Note to Society of Local Government Managers* (September 2015), page 15.



**Our feedback is that the business rates reduction should continue. We strongly oppose a pause in the rates differential.**

- We do not accept the reasons given by Auckland Council that require businesses to pay significantly more rates, particularly small businesses who make up most businesses in Auckland. Businesses do not make more use of, or place more demands on, council services like transport and stormwater when compared to residents. Being able to claim back the GST on rates, or claim rates as an expense, does not justify the extent of the business differential. The Shand Report on *Funding Local Government* recommended against rating differentials.
- We also do not accept Council's views that the variations in rates increases in recent years or the variations likely from future property revaluations will create instability such that the share of rates paid by businesses should not continue to be reduced. As Auckland Council itself accepts, the present share of rates paid by businesses is too high and must be reduced over time.
- Auckland businesses pay 2.73 times more rates than other ratepayers, or around \$150 million more. By comparison, Tauranga City Council has no business rates differential at all.

### **(3) PAYING FOR TOURISM PROMOTION**

*Your Consultation Document says that the council currently spends around \$30 million of general rates each year on tourism promotion and major events, which you say provides significant benefits to accommodation providers such as hotels and motels. To continue to support Auckland's rapid tourism growth while keeping rates fair and affordable, Council is proposing to fund tourism promotion costs from a targeted rate on accommodation providers. If this new approach is approved, Council would create a new group including industry representatives to provide direction on how the money is spent.*

**Our feedback is that the visitor levy should not be introduced.**

- Accommodation providers (both locally and regionally) have advised us that they do not accept that they should fund ATEED's tourism promotion and event costs from a targeted rate.
- For some accommodation providers this will result in a rates increase of 250 per cent or more and for many, a doubling of already significant rates. This contradicts the Council's view that there should be rates stability.



- Accommodation providers have also advised us that it is unfair shift the rates burden to them when only around 10% of the total visitor spend is on commercial accommodation.
- We also believe the Annual Budget year is not the right time to hold a discussion on a significant new policy and rating instrument, when several providers have locked inventory 3-4 years in advance. This is more properly a discussion left for the Long Term Plan.
- We believe that a bed tax, introduced at government level is an appropriate option.
- Finally, we also question the return on investment of ATEED's activities and employee headcount, and ask that its spending be better scrutinised.

#### **(4) PAYING FOR HOUSING INFRASTRUCTURE**

*Your Consultation Document says that Council needs new ways to pay for all the costs involved in unlocking additional land for houses, such as roads, drains, water supply and sewerage, without the need for large increases in general rates. At this stage, the proposal is to amend Council's Revenue and Financing policy to allow Council to introduce a specific targeted rate in partnership with key landowners as part of a comprehensive development agreement.*

**Our feedback is that this proposal is not suitable for an Annual Budget, but should properly be a discussion left for the Long Term Plan.**

- We have concerns from the information provided that this proposal has not been well developed nor properly explained to the community. While the Consultation Document frames the proposal in one way, the Supporting Information seems to frame it differently.
  - We understand that the proposal is to add this targeted rate to the existing development contributions and Watercare infrastructure growth charges (currently \$30,000 per dwelling). We have concerns that these extra costs will prove a disincentive to building new houses.
- Again, we believe the Annual Budget is not the right time in the planning cycle to hold a discussion on a significant new policy and rating instrument. This is more properly a discussion left for the Long Term Plan.



## **(5) PAYING COUNCIL STAFF A LIVING WAGE**

*Your Consultation Document says that a living wage is the income necessary to provide workers and their families with the basic necessities of life. It is currently \$19.80 per hour and may increase to around \$20.20 per hour in 2017/2018. At present around 2,200 staff employed by the council and its substantive council-controlled organisations (CCOs) earn less than \$20.20 per hour. The proposal is to introduce a living wage for Council staff without the need for higher rate increases.*

**Our feedback is that the Living Wage is an issue for central government to address and not Auckland Council. We do not support this proposal.**

- We understand that at the core of the Council's concern is that employees should be paid fair or equitable compensation for their labour. However, this is an issue for central government to address and not Auckland Council.
- Further, we do strongly believe that the overall employee headcount and use of contractors at Council needs scrutiny and reduction. We also believe there are significant efficiency gains that can be made thus ensuring that Council management is delivering services in the most efficient and cost-effective way
- We believe that Council paying a living wage will increase the rate burden as well as artificially raise the level of wages above market levels, further raising costs to business.

## **(6) BID TARGETED RATES**

*BIDs are directly accountable and responsible to their members for the amount of their BID targeted rate and how it is expended.*

**Our feedback is that we support the levels of BID targeted rate set out in the Annual Budget.**

We support the BID targeted rates identified in the Annual Budget. The BIDs will use these funds to improve their local business environments and attract new businesses and customers in a way that is directly accountable to their members.



## **MASS TRANSIT NETWORK**

*Your Consultation Document says that Auckland continues to face serious transport access issues involving the city centre, the inner suburbs, the Airport and the South. As the population and demand for public transport increases, the number of buses and cars from those areas, which are not served by rail, will cause significant congestion and affect economic growth. Auckland Transport (AT) continues its work to determine an effective public transport solution to this issue. In 2017/2018, \$40 million is budgeted for AT to progress this work. This includes: • A budget of \$10 million to progress investigations and design of mass transit options for Auckland's important gateway corridors; • A further \$30 million to advance opportunities for route protection and early acquisition of strategically important land.*

**Our feedback is that we would like further information on this proposal.**

Our feedback is that there is insufficient information on what is being proposed to provide an adequate response and we would like further information. We would also like to engage with the Council and Auckland Transport on the solutions being considered under these budgets, especially any solutions affecting transport within Parnell

## **FEEDBACK WAITEMATĀ LOCAL BOARD**

*Auckland Council has asked the following question re the Waitematā Local Board:  
In your opinion, have we got our priorities right for this local board area in 2016/2017?*

- While the Association is generally supportive of the Waitematā Local Board's proposals, it would appreciate the Local Board placing more of a priority on issues affecting the economic development in the Parnell precinct.
- The goal of the Parnell Business Association is for Parnell to become the most sought after Auckland City fringe precinct in which to do business - and we would really appreciate the assistance of the Waitematā Local Board to realise this goal.
- In our opinion, there has been insignificant support by Auckland Council and associated CCO's for Parnell compared to other adjoining suburbs. The Parnell Station is the first significant spend in several years. Further work is going to be necessary to fulfil the opportunity created by the station.
- Bearing in mind that this is an interim year and leading up to the next round of the Long Term Plan in 2018, we feel it is imperative that we advocate for some of these projects to be brought to the table so they may find their way into the Long Term Plan and set the tone of advocacy for the years to come.



## **Parnell Station**

*You have stated the following in your advocacy initiatives*

*To ensure Parnell Train Station is open and operational to full services at the earliest opportunity. This station has the potential to be the fourth busiest station on the network and will be an essential connection for the University of Auckland, Parnell Town Centre, the Domain, Stanley Street and Beach Rd.*

*and to*

*Provide accessible pedestrian and cycling connections to Parnell Station.*

- We are aware the WLB has co-funded the Carlaw Park walkway and request that the implementation is pushed as fast as possible so that the students can have a safe and accessible pathway from the station.
- Accessible pedestrian links up to Parnell Town Centre are an urgent need and we request the WLB advocate for Auckland Transport to fast track the creation of decent footpaths in the short term.
- We also request that the WLB, together with the PBA, research and then advocate for an innovative, useful and attractive long-term solution to 'transport' pedestrians up the hill from the station.

In addition

- Parnell Station needs to have a 'destination' appeal, a sense of arrival that will be attractive not only to regular commuters, but to visitors and tourists on their way to The Domain & Auckland Museum as well Parnell Town Centre. To this end we need the support of the WLB to have a small section of the renovated station building allocated for 'community' use – serving as a 'place of information' for stakeholders Auckland Museum, Parnell Heritage, Parnell Trust and Parnell Business Association.

The Parnell Station could become not only the 4<sup>th</sup> busiest on the network, but the centre point for pathways of discovery right throughout Parnell, from the museum to the sea – an action point in the PBA long-term plan.



## **Local Area Plan**

*You have stated that the WLB will advocate to the Governing Body for budget to be allocated to the development of local area plans.*

In reporting back on our Strategic Framework, following our Reinvigorate project and revised brand positioning we have highlighted that Parnell is really in need of a local area plan, that is Council led with tangible outcomes in place. Over the past decade, Parnell has developed in an ad hoc fashion and while community led initiatives such as Tomorrow Parnell have been tabled, nothing has been formally adopted.

We are aware that the WLB is planning to spend \$91,000 in Local Planning and Development, including initiatives to deliver the City Fringe Economic Development Action Plan. We are also aware that Council staff are currently reviewing all existing area plans and identifying priorities for new plans. We request that Parnell is prioritised in this process.

We have highlighted our needs arising from our lack of connectivity as follows:-

- We are surrounded by major Auckland attractions such as Vector Arena, The Rose Gardens, Auckland Museum, The Domain and ASB Tennis Arena, but we are largely disconnected from all of them and none of them feed the retail strip.
- We have beautiful parkland interspersed in and around the area, which if properly connected with interesting storytelling and wayfinding could become a major tourist attraction.
- We have huge challenges with East /West connections from Gladstone down to St Georges Bay Rd, up to the Town Centre, down to the Parnell Station, up to the museum – exacerbated by topography and pockets of development.
- We are bordered by The Ports of Auckland and a dysfunctional motorway owned by NZTA, creating access issues to Carlaw Park and physiologically cutting us off from the city.

Assistance in correcting these challenges would be very helpful to realise the full potential for Parnell, especially in becoming a tourist destination

## **St Georges Bay Road upgrade**

*The local board has approximately \$500,000 allocated per annum for local transport projects and you have asked us what projects should be prioritised for this fund?*

- Over the past 3-4 years (including current developments taking place), the landowners in St Georges Bay Road will have invested over \$100 million into that street.
- By early 2018, then will be an additional 800-1,000 people working in the area.



- Several landowners have joined in meetings co-ordinated by the PBA to discuss the potential of an upgrade to St Georges Bay Rd as well as the Kenwyn/Watt/ Faraday link.
- Auckland Transport appointed a project team and has already presented to the group of landowners a preliminary site analysis and a like-for-like estimate of renewal and maintenance work ball parked at around \$2 million – noting that should the preference for a higher spec be desired, the shortfall will need to be funded. Several owners are open to a JV discussion.
- Auckland Transport are going to approach the WLB for approximate \$125K funding to cover the cost of project management and preparation of an Urban Design Framework/Concept Design for SGB Road.
- The WLB have noted that Auckland Transport are to provide opportunities for greenery in every streetscape improvement and renewal and Auckland Council to meet the consequential operational expenditure for maintenance, and we would like this policy incorporated ion the design.
- We would request that the WLB allocate part of the \$500,00 for this purpose.

\*Note on urgent timing

Mansons estimate that their major development will be completed in the first quarter of 2018, at which time they will need to reinstate the footpaths. A Design Framework needs to be completed and agreed upon by this date, in order for the agreed concept to be followed.

The project presents a fantastic opportunity to leverage renewal and maintenance budgets for a superior outcome, but timing is key.

**Heritage Foreshore Trail interpretative signage**

*You have noted that you are working to digitise the Heritage Foreshore Trail interpretative signage to make it available online. It will include very valuable information through a series of 25 interpretation panels in 25 locations, along a route tracing the 1840 Mean High Water Mark of the Waitematā foreshore between Point Erin Park and Parnell Baths.*

- As noted earlier in this submission, and identified in our Strategic Framework, we have beautiful parkland interspersed in and around the area, which if properly connected with interesting storytelling and wayfinding could become a major tourist attraction.
- We would request that Parnell is prioritised to be the first fringe suburb to continue this project from the Parnell Baths up into and around Parnell and including The Museum and The Domain.
- We see the connection of all the green spaces in and around Parnell, telling the stories of both our Maori and Pakeha histories, combined with a possible sculpture route as a major milestone in achieving connectivity in the precinct.



## **Auckland Transport Mini Explorer Signage**

*Auckland Transport have detailed in communication that they have planned 2 x information plinths for Parnell, one in Nicholls Lane and 1 in Parnell Road. They have indicated that we would need to approach the WLB for funding for additional plinths.*

- As we have noted above, we have topographical challenges and lack of connectivity. A person at the bottom of Parnell Rise or St Georges Bay Rd would not know what awaits at the top of the hill.
- We would request that seven Mini Explorer plinths are funded for Parnell, one for Nicholls Lane, one for St Georges Bay Rd, one for Gladstone/St Stephens and 3-4 for Parnell Road (between The Strand and the Jubilee building).

## **Greenways Prioritised Cycling Routes**

*The WLB have noted that you will work to secure a regional budget to enable the implementation of Greenways across Auckland. In particular to encourage Auckland Transport to work with Auckland Council to deliver the Waitemata Local Board Greenways prioritized routes, one of which being the Greenways route from the Strand, running alongside the Parnell rail line, through the acquired Summerset Group Holdings Ltd land then through the old Parnell tunnel.*

- We agree that Greenways routes provide safe, high amenity walking and cycling connections along with improved ecological and storm water outcomes, including expanded habitats, movement corridors and food sources for native fauna. They also provide the ability to increase recreational opportunities and open space facilities.
- We feel this is a far superior route for both recreational and commuter cyclists and should be prioritised above routes slicing through Parnell and removing large parking allocations, the loss of which will be unable to be withstood by local businesses.
- We need the WLB to support, both the PCC, PBA and affected stakeholders in working with Auckland Transport to find a acceptable replacement for the current Gladstone/St Stephens cycleway proposal.
- We support the opening of the tunnel to facilitate this route.



## **Parnell Parking Management Plan**

*The WLB have stated they plan to advocate with Auckland Transport to implement residential parking schemes to manage commuter parking in central Auckland suburbs following consultation with residents.*

- We need to WLB to advocate for the co-ordinated and integrated implementation of both the Residents Parking as well as Business Parking Management plan as soon as possible.
- Both PCC and PBA are in agreement that a co-ordinated effort is essential so as not to 'bleed' the problem into adjacent areas, increasing congestion and frustration and will work with Auckland Transport to facilitate feedback from both communities.

## **High quality parks and open spaces**

*The WLB is aware that the community desire high quality parks and open spaces. You note that in order to achieve this aspiration, you will continue to look for opportunities to leverage renewal programmes. In addition you will encourage Auckland Transport to provide opportunities for greenery in every streetscape improvement and renewal and Auckland Council to meet the consequential operational expenditure for maintenance.*

- Parnell is in dire need of some well maintained floral displays. In comparison with several of our neighbour BID's as well as some exceptional examples on the North Shore, Parnell Road does not have a single flower display and efforts to get parks to maintain 4 small beds has been fraught with frustration over the past year. We really need the WLB to intervene and support this effort.
- Heard Park needs to become the 'heart and soul' of Parnell and we need the advocacy and support of the WLB in this regard.
  - It is a difficult space to activate with a lack of event possibility
  - It is a hard unattractive space for communities to host events
  - The building in which The Plunket Room is housed is undesirable and needs an alternative (upgrade or move)
  - We support the desire of Woodpecker Hill to expend onto the park as this will start to add some life into the space.
  - The toilets are largely used by Taxi divers and the relocation of these needs to be considered.



## **Event Support**

*The WLB note that in the year ahead the board you will continue to support environmental restoration projects, assist community groups to run their activities and events and champion community-led initiatives and placemaking.*

- We appreciate that the WLB support the Parnell Festival of Roses. It is unfortunate that this event does not benefit the retail strip in any way.
- We request that funding for a combined community event in Parnell will be considered in the future.

## **Localised wastewater and stormwater solutions**

*We have noted your intention to develop and deliver localised solutions for all four catchments (Meola Reef, Grey Lynn, City Centre and Parnell/Newmarket) prior to the completion of the Central Interceptor and the Waterfront Interceptor to minimise the issue of wastewater overflows and to advocate for solutions to reduce stormwater ingress and removal from wastewater network in the Waitematā Local Board area.*

- We are in support of this initiative.

The Association wishes to be heard at any hearings of the Waitematā Waitematā Local Board.

Yours sincerely,  
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