

28 March 2024

By email [akhaveyoursay@aucklandcouncil.govt.nz](mailto:akhaveyoursay@aucklandcouncil.govt.nz)

## **Heart of the City**

### **Submission to Auckland Council Long Term Plan (LTP) 2024/2034 (10-Year Budget)**

Heart of the City (HOTC) is the business association for Auckland's city centre, and we represent the interests of businesses and property owners. Our purpose is to champion a successful city centre, working for the economic benefit of city centre business.

The focus of our submission is on areas of the draft LTP that will support a thriving, connected and successful city centre, along with a rating policy that is fair and equitable for business. In this case, we strongly oppose the proposal to discontinue the Long-Term Differential Strategy (LTDS).

## **BACKGROUND**

Our submission covers the following topics:

- Overall direction for Long Term Plan
- Port Land
- Changes to other rates and fees and charges, specifically:
  - Long Term Differential Strategy (LTDS)
  - Outdoor Dining Fees
- Local Board Priorities (Waitematā Local Board)

Please note that we have numbered our submission to be in line with Council's submission form.

---

## **OVERALL DIRECTION FOR LONG TERM PLAN**

### **1b. What would you like Auckland Council to do more or less of?**

#### Transport Plan

**Improving transport in Auckland, and specifically making it easier overall to access the city centre is a significant priority for HOTC.** We would like to see improved, equitable access for

all Aucklanders; a more resilient transport system; the efficient movement of people and goods around our city; faster and more frequent bus services and upgraded rail networks.

We support maximising the use of our existing road and public transport networks, targeting investments to the most significant challenges and the reduction of carbon emissions from the transport sector. We also believe that investment should be prioritised where it will make the biggest impact.

**HOTC is broadly supportive of the “Central Proposal”. Specifically, as identified:**

- Support for City Rail Link (CRL) and improving some of the level crossings.
- Making public transport faster, more reliable, and easier to use through investing in a rapid transit network, and improvements to the bus network in the city centre.
- Introducing capped weekly public transport fares to improve affordability.
- Network optimisation such as dynamic lanes.
- Reducing the cost of and disruption of temporary traffic management
- Development of ‘time of use’ scheme to help manage traffic congestion (noting the importance of ensuring updated assessments on possible impacts to places like the city centre through the next stages of the project).

**What would we like to see more of? To further improve Public Transport in Auckland, HOTC would also like to see investment into programmes identified within the “Do More” scenarios, specifically:**

- An accelerated programme of electric ferries to support improved accessibility and air quality.
- Increasing levels of public transport services that support greater access to public transport.

City and Local Development

The continued public investment into the city centre recognises the important role that the city centre plays regionally (and nationally) as well as the opportunity to continue to attract private investment.

HOTC supports the ongoing investment into the city centre, as outlined in the Central Proposal, including the City Centre Targeted Rate programme. However, our support for this ongoing investment is conditional on the **operational needs of a growing city centre being met, that planning is integrated and holistic, and that business impacts are mitigated.**

In addition, we would also like to ensure **master planning and staged implementation for waterfront areas** including Wynyard Point’s Te Ara TukuTuku and Queen’s Wharf; as well as Captain Cook Wharf and Marsden Wharf (and Bledisloe Terminal) – should these be released back into Auckland Council ownership.

## Economic and Cultural Development

We must ensure we maintain a vibrant event offering, attract investment, and continue to market Auckland to New Zealand, and the rest of the world. Whilst HOTA recognises and is supportive of securing sustainable, alternative funding mechanisms to support visitor attraction and economic development activities, investment into this activity should not only occur once alternative funding is secured. We are concerned that the Central Proposal would mean that investment into economic development and major events would be at reduced levels compared with pre-COVID 19 funding levels (and only if the \$5M gap for investment is secured will further investment into economic and visitor attractions be made).

### **HOTA supports initiatives identified in the “Central proposal”, specifically as identified:**

- Working with central government on new funding tools, such as bed night visitor levy to enable more investment into visitor attraction and economic development activities.
- Continuing to provide the existing free and subsidised entry to programmes and events and the delivery of events including Diwali (and Lantern and Pasifika) recognising the significant social and economic value that these events have for our city centre (and region).

HOTA would like to see the following programmes of activity undertaken as outlined in the “**Get More Scenario**”, **Specifically:**

- Resuming activity to actively bid for major events and concerts and attract more overseas investment. A pipeline of major events must be secured for Auckland.
- Development of additional initiatives like the **Aotea Entertainment Precinct (Aotea Arts Quarter)**. There is significant need and opportunity to strengthen this part of the city centre, and to capitalise off the City Rail Link (CRL) and other private sector investment such as the Symphony Centre to consolidate and realise the full potential of the Aotea Arts Quarter, and the expected restoration of the St James Theatre. This investment should maximise opportunities for arts and culture in the area.

## Environmental Management and Regulation

**Effective Bylaw enforcement and investment into safety programmes** will help support a safer city centre. Concerns around safety is one of the barriers to visitation. Given the level of public investment into the city centre, and its regional importance, we would like to see Auckland Council’s continued investment in this area.

**Therefore, we are supportive of investment into the following, which we assume would support initiatives such as CityWatch, to manage compliance with the Public Safety and Nuisance bylaw:**

- Continue providing regulatory services which reduce risk and harm.
- Fund safety and initiatives which support a safer city centre.

## Parks and Community

We want to emphasise the importance of ensuring funding to support the arts and the creative industries, through mechanisms such as grants funding, and ensuring service levels are maintained for central city community assets such as opening hours for the central library and services offered by the Ellen Melville Centre in the city centre.

This would at minimum mean support for the Central Proposal.

---

## **PORT LAND**

### **5a. What option do you prefer for Captain Cook and Marsden Wharves?**

**Proceed** with the proposal to transfer Captain Cook and Marsden Wharves to Auckland Council with the timeframe outlined in the plan (2-5 years), so they can be used in a way that provides public benefit.

**Why?** This supports long term strategic aspirations of better public access to the Waterfront, and reuse of space to provide better amenity and greater benefit for the public. This also allows for the incremental expansion of public space. It is important that there is an agreed masterplan for the use of the Wharves (along with Queen's Wharf) and funding to support implementation and ensure that these spaces are used rather than languishing. The availability of funding will determine how much can be achieved, and when.

### **5b: What option do you prefer for Bledisloe Terminal**

#### **Don't Know**

- HOTC is supportive of developing a long-term view of what the Port Land could be used for and would like to see the work to develop an integrated Master Plan continue.
- We are supportive in principle of continuing to turn over as much waterfront land into Council (public) ownership over time to allow for improved public access and/or alternative (appropriate) commercial use. This is on the basis that the efficient and cost-effective delivery of goods is maintained through the operating model and location deemed most appropriate for the port as part of a wider upper north island supply chain strategy.
- Whilst there are benefits in giving certainty to the future ownership of Bledisloe Terminal Land, particularly in relation to integrated master planning, there is significant work and investigation required to determine how the land could be released within a 15-year timeframe, with significant cost and implication on the transport network.

---

## **CHANGES TO OTHER RATES AND FEES AND CHARGES**

### **6a. What do you think of these proposals?**

#### **Long Term Differential Strategy (LTDS)**

**HOTC does not support the proposal to discontinue the Long-Term Differential Strategy (LTDS), nor support the proposal to apply a business differential to increase the share that businesses pay of generally applied targeted rates (Water Quality, Natural Environment and Climate Action Transport Targeted Rates) from 25.8% to approximately 31%.**

This position is also shared by other key sector industry groups representing business and property owners, including other Auckland BIDs and the Property Council.

The Council's proposed U-turn on the LTDS and also applying the differential so businesses pay 30.98 per cent of the Water Quality, Natural Environment, and Climate Action Transport targeted rates, shows that the differential is essentially being treated as a general revenue raising tool, not based on any new, principle based assessment that shows it is justified based on benefits received by businesses or their ability to pay relative to residential ratepayers.

With the understanding that Auckland Council lacks information on the income of its ratepayers, we caution Council about making generalisations about business ratepayers compared to residential ratepayers. There are well-off and less well-off groups in both sectors (i.e. their ability to pay will overlap) but a high business differential treats all businesses as markedly different and better off than all residents. That is one reason why a business differential is flawed on equity grounds.

**The Council's former rationale for the LTDS should still stand - a high differential was accepted as unreasonable and hence the commitment to adjust it (albeit over a long period so as to assist the council with smoothing the impact on non-business ratepayers). HOTC accepted that strategy as both fair and practical.**

The previous rationale for phasing in a reduction of the business differential appears to now be being sacrificed due to the council's fiscal difficulties; but while a pause as instigated last year could perhaps be accepted again due to exceptional circumstances, **that shouldn't give cause to abandon the LTDS.**

A broader consideration of the Council's approach to its rates funding policy in this LTP should be brought to bear on how it treats the business differential over the next 10 years.

The Council is pursuing additional and alternative funding mechanisms. Advocacy to Government to make Crown land rateable will expand the rating base, while the return of GST paid on rates to the council would allow rates to be less than they would otherwise. We do not accept that the Council justifies the business differential in part because businesses can claim GST on rates back. We note that if the GST on all rates is returned to the Council, then that rationale for the business differential falls away.

The relative role and significance of general rates should decline over time as the council looks to set higher development contributions to fund the costs of growth and the government increases road user charges and implements a "time of use" charging scheme to fund transport - which is intended to happen during the term of this LTP.

A significant shift to non-rates funded transport revenue will also undermine the case for a business differential being justified on the basis of disproportionate transport benefits to businesses. Increased use of distance based, or time of use charging will mean high road users pay more, whether for personal or business purposes, but maintaining a high business rates differential on all businesses to fund transport at the same time would be patently unfair.

---

## **LOCAL BOARD PRIORITIES**

### **7a. Our feedback relates to the Waitematā Local Board (WLB).**

**7b.** We support the following, as outlined, to:

- Work with the community to investigate future options on improving library services across Waitemata.
- Advocate to ensure regional funding of city centre projects and initiatives focused on improving safety and perceptions of safety.
- Progress the next phase of the Waterfront Programme including the design of a new city centre park guided by the Te Ara Tukutuku Plan.

And specifically, within the WLB proposed budget for 2024/25:

- Develop programmes that improve perceptions of safety within the City Centre (and town centre)
- Opportunities to promote and celebrate heritage places in Waitemata making digital content and place-based stories more accessible.

We want to reiterate the importance of the role that Local Boards, including the WLB, has in supporting the arts and creative industries. HOTC maintains the importance of ongoing investment of this sector, through mechanisms such as local grants, to support the creative spirit and success of our city centre.

---

## **DO YOU HAVE ANY OTHER COMMENTS/OTHER MATTERS FOR FEEDBACK**

### **Rates/Fees and Charges: Outdoor Dining Fees:**

Businesses located in the city centre pay 65% more per sqm [\$1620 per annum, per sqm vs \$980 per annum, per sqm] for outdoor dining rentals compared with businesses located in other town centres, including Ponsonby, Parnell, Newmarket and Karangahape Road.

Outdoor dining contributes to overall vibrancy in town centres and should be encouraged and enabled. With the understanding that these costs are largely based on 'cost recovery' for council, and when taking into consideration rates for other equivalent areas, HOTC does not consider the current charging regime for city centre businesses to be fair or equitable.

We would like Council to review the current city centre outdoor dining rental costs, with a view to making them consistent with other equivalent areas.



-ENDS-

**Address for service:**

Tania Loveridge

Head of Advocacy and Engagement

Heart of the City

[Tania@hotcity.co.nz](mailto:Tania@hotcity.co.nz)