Business North Harbour

Submission: Draft Auckland Council 10-year Budget 2018 - 2028

Date of submission: 28 March 2018

Please note: We wish to make an oral presentation to this submission

Business North Harbour Incorporated

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Signature:

Individual member feedback is available upon request.

Introduction

Business North Harbour is a significant commercial/industrial Business Improvement District (BID), representing over 4,500 commercial property owners and businesses within the North Harbour area. Collectively they employ over 35,000 Auckland residents and ratepayers.

Our businesses comprise of a mix of sole traders, Small Medium Enterprises (SME), through to, multinational organisations representing sectors such as ICT, business services, specialist manufacturing and light – medium warehousing. In addition, we have key educational institutions within or on our boundary, including Massey University Albany and a variety of primary and secondary schools all within an industrial estate which is on average less than 20 years old.

Upper Harbour Local Board area is expected to be the fastest growing area in the country over the next ten years, in both absolute and percentage population terms[1], which brings both challenges and opportunities to the North Harbour Business district.

Our primary interests are decisions within the Draft Auckland Council 10-year Budget 2018-2028 which:

- Impact on the cost of business – across a short to medium timeframe
- Impact on economic development and the ability to leverage value from location
- Support or restrict business growth opportunities
- Impact on access to both regional and localised transport hubs
- Impact on R&D and investment – sector development and capability
- Provide the scope to leverage natural assets for economic development across leisure and tourism sectors – enhancing Auckland's reputation

The 10-year Budget sets out Council's priorities and how Council proposes to fund these. You are seeking feedback across several key proposals. Our response is set out below and will focus on:

(1) Proposed Regional Fuel Tax;
(2) Rate modelling;
(3) Council Cost Savings and Operational Efficiencies;
(4) Proposed Online Accommodation Provider Targeted Rate (APTR);
(5) Upper Harbour Local Board Long Term Plan 2018-2028.

The Auckland Plan 2050 and the Draft Auckland Waste Management and Minimisation Plan 2018 will be covered through separate submissions.

[1] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 6: Local Board Information, 6.17 UHLB

(1) Proposed Regional Fuel Tax context

Improvements to transport infrastructure is one of – if not, **the** key issue for our 4,500 North Harbour business and commercial property owners. The ability to move efficiently within the North Shore and across greater Auckland is not a luxury – it is a requirement for business growth, business investment, attraction, staff and client retention. Over 84%[2] want reduced congestion and improved reliability across the transport network, 48%[3] need improved infrastructure, and 47%[4] request more transport services and options.

Since 2010, Business North Harbour has employed a dedicated transport project representative, to educate and influence commuters as to the diverse transport solutions for employees, students and visitors to the North Harbour BID area. The impact of this investment across our transport programme, ($700,000) has been restricted through the lack of an appropriate and efficient public transport network, to link commuters with the central hubs – Constellation Drive Park and Ride, and Albany Park and Ride, and the provision of adequate feeder routes from these hubs. We support the implementation of the new **Public Transport Review Network North** timetable coming into effect 1 October 2018. However, we do so with reservation as based on our research as reported within previous submissions[5], key issues raised remain outstanding. Without evidence to the contrary, we do not believe the proposed feeder routes will meet the potential demands for East Coast Bay's commuters, or those travelling from West Auckland.[6] This is a significant restricting factor in realising the efficiencies forecasted, and we request further consultation between Auckland Transport and Business North Harbour's management and executive board.

The context of our commentary concerning the Public Transport Review North is to highlight issues raised by members concerning the proposed Regional Fuel Tax.

Auckland Council's consultation documentation[7] states that the proposed Regional Fuel Tax is likely to cost $140 per year for the average household. We draw your attention to this being based on an **average residential consumption – not commercial.**

Fifty five percent of our business owners chose North Harbour as the location due to proximity to their home, 15% value access to skilled and educated local workforce.[8]

Despite taking into consideration the impact of business location choices, our research disputes Council's $140 per year for the average household assessment. Based on the AA's average petrol consumption[9], the impact of the proposed Regional Fuel Tax is detailed below:

- **Estimated cost per user (not household) for** a 1500-2000cc vehicle would be $190.57 plus GST (25,000 km/pa) per year

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[2] Source: Business North Harbour's Membership Survey 2017
[3] Source: Business North Harbour's Membership Survey 2017
[4] Source: Business North Harbour's Membership Survey 2017
[5] Business North Harbour (previously NHBA) Submission: PT Network Review North 2014, and PT Network Re-Review 2017 and subsequent reports – available on request.
[6] As an aside to this submission on the Draft Long-Term Plan 2018-28, we request a formal review by AT Metro, April 2019 to report on the uptake and deliverables against their success modelling for PT Network Review North as referenced above.

[7] Consultation Document – The 10-year Budget and Auckland Plan 2050 (page 19)
[8] Source: Business North Harbour's Membership Survey 2017
[9] AA Petrol and Diesel Running Cost Report 2017

- **Estimated cost per user (not household) for** a 2001-3500cc vehicle would be $236.51 plus GST (25,000 km/pa) per year
- **Estimated cost per user (not household) for** a 3501cc+ vehicle would be $291.64 plus GST (25,000 km/pa) per year

Unlike other areas across Auckland, North Harbour commuters, or commercial property rate payers, cannot benefit directly from Council's investment in rail and comprehensive public transport networks to provide our commuters with modal choice. Our commuters: employees, students and trade visitors, do not have the same options to mitigate the commercial and personal cost of the proposed Regional Fuel Tax with alternative modes of travel.

Finally, we draw your attention to the Assessment Criteria against statutory criteria[10], [11] in which Council outlines their decision-making process. We quote '...*the assessment of benefits from transport activities will vary depending on how much weighting is given to businesses providing them access to customers and a workforce, in comparison to the weighting given to individuals who have access to goods and can gain meaningful employment.'*

If business is to offset the surety of the Interim Transport Levy: a fixed value per property versus the uncertainty of calculating the true costs per user of the proposed Regional Fuel Tax, then higher weighting needs to be given to businesses to ensure economic hubs such as North Harbour remain viable for the future generations.

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[10] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 7: Additional supporting information, 7.3 Attachment B: Assessment against statutory criteria

[11] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 7: Additional supporting information, 7.3 Attachment B: Distribution of benefits between the community as a whole; any identifiable part of the community; and individuals

Proposed Regional Fuel Tax Feedback

We **support** the need for additional investment to improve the current transport system.

We acknowledge central and local government's investment of $700 million for the delivery of the Northern Corridor Improvement Project (2018-21). We appreciate that this project was brought forward through central government's intervention, May 2014, and their provision of an interest free loan of $375 million (to be repaid 2026/27) (Accelerate Auckland Transport Projects).

Our members **agree** that the impact of population growth, the resulting congestion and, environmental consequences must be mitigated to enable the efficient movement of freight and people, if the city is to continue to function. We agree that building more roads is not the only answer, and better demand management of the existing network is critical if we are to provide the priority for freight and commercial trade movements our members seek.

It is acknowledged that Council is facing debt ratios which need to be managed. However, we do accept the need to raise more funding for transport projects and services.

I refer you to Business North Harbour's submission Long-term Plan (2012-22) in which we recorded our members' preference for road user charges, congestion charge modelling, public/private partnerships, as mechanisms to fund transport infrastructure projects – projects which address the limitations to economic growth, the loss of productivity, faced by businesses based in North Harbour, and indeed the North Shore.

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 to effect sustainable behavioural change.

We note that Central government introduced **The Land Transport Management (Regional Fuel Tax) Amendment Bill**, 22 March 2018,[12] which will enable Auckland Council to seek funding for specific transport-related projects. We note that it is the intention of central government to pass the law in June 2018, ready for potential implementation 1 July, thereby removing the need for an extension of the Interim Transport Levy beyond 30 June 2018. If legislation is not in place before 1 July 2018, and the Interim Transport Levy must remain in place for another year, we support it remaining set as $113.85 for residential and farm/lifestyle ratepayers and $182.85 for business ratepayers.

Extract from The Land Transport Management (Regional Fuel Tax) Amendment Bill:

This Bill proposes to introduce a mechanism under which regional fuel taxes can be established to provide a way for regions to fund transport infrastructure programmes that would otherwise be delayed or not funded. The revenue from a regional fuel tax is to go to the regional council (or unitary council) (the council) responsible for the region where the taxed fuel is delivered for sale or consumption.

The Bill will insert a new subpart 3 into Part 2 of the Land Transport Management Act 2003 that provides a process for establishing a regional fuel tax. The process includes—

- *a council making a proposal that sets out the proposed tax rate, the duration of the tax, the transport programme and projects that the tax will fund, and how the proposal contributes to the relevant regional transport plan, the relevant Government Policy Statement on land transport, and any other relevant document specified by the Minister of Finance and the Minister of Transport (the joint Ministers) that sets out transport priorities for the region:*
- *a council consulting the community before finalising a proposal:*
- *a council submitting its proposal to the joint Ministers:*

[12] https://www.beehive.govt.nz/release/regional-fuel-tax-auckland-step-closer

• the joint Ministers accepting or rejecting the proposal and, if accepting it, recommending the making of an Order in Council to implement a regional fuel tax in that region.

The Bill implements the following policy decisions relating to the introduction of a regional fuel tax:

The regional fuel tax is to—
• apply to petrol and diesel (fuel) but not to compressed natural gas and liquefied petroleum gas:
• be collected at the distribution level (meaning the point where fuel is supplied by a distributor to service stations and commercial storage facilities, such as those on farms):
• be used toward the funding of capital expenditure, associated debt repayment, and operational expenditure when it is associated with the delivery of a package or programme of projects:
• have a maximum rate of 10 cents per litre of fuel:
• have a maximum initial duration of 10 years:
• be reviewed by a council before its expiry if the council wishes to replace or extend it beyond 10 years:
• be available initially only to the Auckland region and to the other regions from 1 January 2021:
• have similar exclusions to those in the local authority's fuel tax provisions in Part 11 of the Local Government Act 1974:
• allow for rebates consistent with those available for fuel excise duty for off-road use of fuel:
• be subject to goods and services tax:
The joint Ministers may—
• accept or reject a proposal from a council under a broad discretion:
• review the regional fuel tax at any time:
The New Zealand Transport Agency has—
• administrative, monitoring and enforcement functions, including collecting the tax and processing refunds:
• the power to charge ongoing costs of administering the regional fuel tax scheme against the tax revenue from it.

Auckland Council proposes to raise $150 million per year, ($1.5 billion over the 2018-28 Budget), through the introduction of a Regional Fuel Tax of $0.10c per litre plus GST. Administration and set up costs for the RFT are estimated at $35.5 million (2018-28).[13]

We ask that as the legislation is drafted, you advocate for the GST portion to also be hypothecated to Auckland's transport projects/services and that non-road fuel not be subject to the tax.

To ensure transparency, we also ask that the projects and services being funded by the tax be distributed following a clear rationale and identified clearly in future Council Budgets. We also ask that central government's contribution to Auckland transport funding be included transparently in such budgets, so we are clear about its ongoing contribution.

We request adequate consultation on the forthcoming Regional Land Transport Plan (RLTP) and Auckland Transport Alignment Project (ATAP) plans of four to six weeks. We ask that both plans clearly identify this source of funding and the specific transport projects and services it will be spent on. Across all feedback, our members – business and commercial property owners, raised the significant regional disparity concerning the source of specific revenue streams versus regional investment. Direct benefits back to the source of funding need to be identified and comprehensively reported so business understand exactly how and where the benefit is derived and to mitigate the inflationary impact of this proposed Regional Fuel Tax across goods and services.

Finally, we note that a regional fuel tax of $0.10 cents per litre plus GST, (whilst set at the highest levy proposed under The Land Transport Management (Regional Fuel Tax) Amendment Bill) is only a small step towards addressing the funding gap the Auckland Transport Alignment Project (ATAP) identified at $5.9 billion. We note that this shortfall still **contains assumptions of $4.8 billion central government contribution.** [14] If central government investment is not delivered to the assumed levels, even with the Regional Fuel Tax in place, the transport capital investment programme could be less than $11-12 billion.

To mitigate this high level of uncertainty, we request Auckland Council and the Government commit to urgently delivering fair and equitable solutions to fund this gap not only to ensure that Auckland's transport system does not grind to a halt, but to enable the continued growth and vitality of New Zealand's largest city.

Based on the above, and in the absence of a more fair and equitable solution, in the interim, we support a regional fuel tax of $0.10 cents per litre plus GST. However, it is essential that this tax is hypothecated to spending on specific transport projects and services and is reported on with complete transparency, further that these specific transport projects are evenly distributed across Auckland.

[13] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 7: Additional supporting information, 7.1 Transport funding.

[14] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 2: Financing Information; 2.2 Prospective financial statements

(2) Rate Modelling Context

As outlined in Council's consultation documentation[15] in determining its funding sources for an activity the Council must consider the criteria in the Local Government Act 2002 below.

1. When deciding from what sources to meet its funding needs, Council must consider the matters set out in section 101(3) of the Local Government Act 2002.

2. For the proposed options to fund additional transport investments, council must consider, in relation to this activity:
   a. the community outcomes to which the activity primarily contributes
   b. the distribution of benefits between the community as a whole; any identifiable part of the community; and individuals
   c. the period over which the benefits are expected to occur
   d. the extent to which individuals or a group contribute to the need to undertake the activity
   e. the costs and benefits (including consequences for transparency and accountability) of funding the activity distinctly from other activities.

3. Having considered these matters, Council must stand back and consider the overall impact of any allocation of liability for revenue needs on the community. This involves elected members exercising their political judgement and considering the proposal in the context of Council's funding decisions.

It is the period and extent that business contributes to the need to undertake the activity that forms the basis our questioning of the current policy – as outlined below.

Rate Approach Feedback:

General rates

Your consultation document says Council needs to continue funding other projects - including funding major infrastructure projects - and services for our growing city, and that requires an increase to general rates.

Overall, our feedback is that what businesses need most from Council is a reasonable, transparent and stable approach to rates. In that regard, we require from Council clarity as to how general rates increases will be made over the short to medium timeframe of this 10-year Budget.

Our members feedback is that your proposal of an average general rates increases of 2.5% for two years, 3.5% for years three to ten for residential is disparate, some claim politically driven, when compared to the proposed rate increase for business.

Commercial rate payers, and business operators, through OPEX, are still paying a disproportionately high level of rates. We question how an **overall average urban business increase of 6%** (without the accommodation providers targeted rate and fuel tax impact) is justified. Using the Council on-line rates calculator[16], we found considerable variations within business areas and across the region, with some significantly higher than the average.

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[15] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 7: Additional supporting information, 7.3 Attachment B: Assessment against statutory criteria – general rates

[16] https://www.aucklandcouncil.govt.nz/have-your-say/topics-you-can-have-your-say-on/ak-have-your-say/Pages/find-out-your-rates.aspx

Increases in the **UAGC and base waste water charges**, place a greater burden on small businesses. If these are to increase, we support these being tied to the increases in general rates.

Based on 2018/19's Capital Value of $4,369,010,003, the targeted rate for the North Harbour Business Improvement District, as managed by Business North Harbour Incorporated, has **decreased** from that charged in 2017/18. The positive impact of this decrease will be felt across our 2485 commercial property owners, providing some relief for members against increasing operational costs regionally as the table below illustrates. It should be noted that as the decreased NHBID targeted rate is incorporated within the single line general rates calculation, in the online rates calculator, member feedback has been that the actual true cost of the general rate increase is not clearly identifiable.

Property value	**Fixed base fee** (This is applied to all commercial properties irrespective of value)	**Rate in the $$ 2017/18 x CV (0.00012638)**	**Rate in the $$ 2018/19 x CV** **(0.00009647)**	**Total NHBID Targeted Rate levy 2017/18**	**Total NHBID Targeted Rate levy 2018/19**
$500,000	$150	63.19	$48.37	$213.19	$198.37
$2,500,000	$150	315.95	241.22	$465.95	$391.22
$5,000,000	$150	631.90	482.35	$781.90	$632.35
$10,000,000	$150	1263.80	964.70	$1413.80	$1114.70

Business Differential

We **do not accept** the Council's view 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."[17] These reasons do not justify the business differential, particularly for small businesses which make up most businesses in Auckland. The Shand Report on *Funding Local Government* recommended against rating differentials.

Council's position is that business should pay 25.8% of general rates (UAGC and value-based general rate) which links back to their ability to expense rates.

Council outlined their Long-term differential strategy[18] during the Draft Long-Term Plan 2012-22 consultation process. This strategy detailed the application of a business differential ratio to general rates, and the lowering of this long-term differential ratio by 0.1 per annum from **year two of the Draft LTP 2012-22**. Council modelled the impact of moving $2.8 million (excluding GST) per year from business to residential ratepayers, to ensure the long-term differential strategy was carried out at an affordable rate. Business North Harbour consulted with members reluctantly accepted the strategy, having assessed the cost of the proposed business differential against the **stated timeframe**. Pausing of the reduction to the long-term business differential and the subsequent extension to these timelines during subsequent Council plans – which **we opposed**, have impacted our members significantly. The consistent demand by rate payers is for greater transparency and accountability. Auckland Council must adhere to plans once consulted upon and agreed.

Auckland **urban business pay 2.73 times[19]** more rates than residential ratepayers, or around $150 million more due to the business differential.

We acknowledge that the freeze imposed in 2017-18 has been lifted. However, the **proposed business differential rate of 32.4% for 2018/19 across general rates** exceeds what Council defines as fair and equitable to business.

We therefore request that the business differential should be reduced to Council's own assessment of **25.8% across general rates, with immediate effect**.

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[17] As set out in Section 7.4 'Natural environment initiatives and funding' of the Additional supporting information to the Long-Term Plan. For example, if income for a small business is relatively flat, but there is a significant rate increase, the extra rates expense will impact negatively on the profitability of the business and may even force the business to run at a loss.

[18] Auckland Council Draft Long-term plan 2012-22: Volume three, Financial information, policies and fees, chapter 6: Rating policy and transition management. (page 167)

[19] Auckland Council 10-year Budget 2018-28 Supporting Information, Section 4: Our policies and other information, 4.2 Prospective funding impact statement

Water Quality Targeted Rate (WQTR)

Your Consultation Document states that Council wants to improve infrastructure to save our harbours, beaches and streams from being polluted by overflows from ageing sewerage and storm-water systems, especially in the Western Isthmus. You are proposing a new targeted rate to increase funding of water infrastructure and speed up delivery of cleaner harbours, beaches and streams. This would equate to an average 2.1% rates rise for an urban business ratepayer.

We agree that Auckland must improve infrastructure to save our harbours, beaches and streams from being polluted by overflows from ageing sewerage and storm-water systems. Inaction will cause reputational damage to the city.

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.

Natural Environment Targeted Rate (NETR)

Your Consultation Document states that Auckland's rapid growth is putting pressure on the environment and you wish to invest more in environmental initiatives, funded through an additional targeted rate, to raise either an additional $136 million over 10 years, or $311 million over the same period.

Council's investment out of general rates for 2018/19 for environmental programmes is $90m.

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, abut more properly the responsibility of central government or taxpayers. Non-rates contributions of approximately $4m comes largely from central government. However, our members feedback is that this level is inadequate if they value environmental protection for New Zealand's largest city – the gateway into the country for the majority of our tourists.

MBIE's tourism forecasts show annual international visitor expenditure as increasing 52.1 per cent to $15.3 billion by 2023. [20] International visitor arrivals to New Zealand are forecast to reach 4.9 million visitors in 2023 (from 3.5 million in 2016, up 39 per cent). This equates to a growth rate of 4.8 per cent per year.

When looked at by purpose of visit, the overall growth of international visitors will be driven by holidaymakers. Holiday visitor arrivals are forecast to increase 48 per cent to 2,691,000 by 2023, while visiting friends and relations will increase 31 per cent to 1,342,000; and business visitors are forecast to reach 333,000, an increase of 15 per cent.

Feedback from our members gives a very clear message that business are not prepared to contribute **any level of funding** to the Natural Environment Targeted Rate due to the criteria

[20] http://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-research-data/international-tourism-forecasts/documents-image-library/forecasts-2017-report-final.pdf

outlined here - *'the extent to which individuals or a group contribute to the need to undertake the activity'*[21]

Our members position is that Auckland Council should seek increased funding from central Government – from the Ministry of Primary Industries, Department of Conservation and from Tourism New Zealand for the reasons outlined above. All New Zealand benefits from increased tourism and our international clean green branding. Auckland ratepayers should not be the first direct source of funding for projects which have a wider benefit than just the Auckland region.

Further, Auckland International Airport should look to introduce an environmental charge to incoming international travelers to fund environmental initiatives in the first instance, and before introducing the NETR. Auckland Council owns 56.83% of the Auckland Airport and are uniquely placed to control and influence this process. Further, the Airport receives annual international arrival numbers of 3,251,436 so the cost of this could be easily spread and should be explored. If any research on the proposed approach has been completed, we would wish to receive a copy to further our understanding.

[21] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 7: Additional supporting information, 7.3 Attachment B: Assessment against statutory criteria – general rates

(3) Council Cost Savings and Operational Efficiencies

We believe there are more savings available to the Council and believe these should reflect the level of rate increases as set across this 10-year Budget. As a commercial operation, these savings should be set at the average business rate increase.

We would like the Council to focus more on efficiencies, savings and less on introducing new revenue sources that will increase rates for business. We believe significant savings can be made 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'.

(4) Proposed Online Accommodation Provider Targeted Rate (APTR)

With regard to rating online accommodation providers (like Airbnb), we have been told by accommodation providers both locally and regionally that they do not accept that they should fund ATEED's tourism promotion and event costs from this targeted rate.

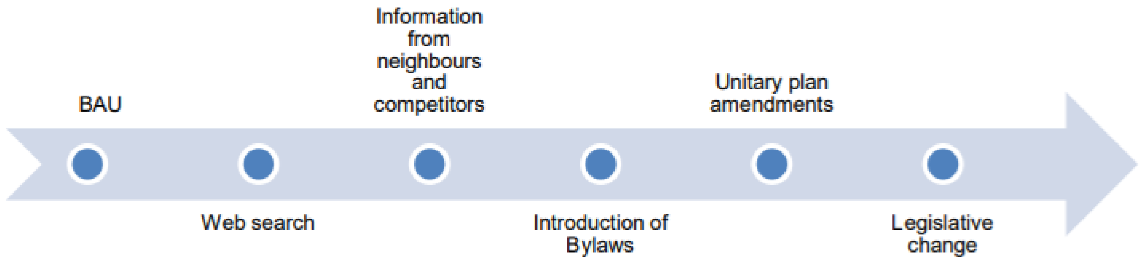
We still do not support this intervention and our preference is for the Government to introduce a levy on international visitors to fund tourism projects.

For some accommodation providers, the current accommodation providers targeted rate has resulted in a rates increase of 250% or more and for many, a doubling of already significant rates. Some providers have benefitted 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. The impact of visitors vs. local transport infrastructure has not been detailed. We accept there will be some cross benefits, however resourcing for tourism must not impact on core business infrastructure – for example, efficient freight, business services, trade customers, employees access to business estates. A visitor tax is one potential source of income which we could consider.

However, if the Council decides to retain the accommodation providers targeted rate, then we **agree** that it should be extended to rating online accommodation providers (like Airbnb). Amongst our members, there are questions being asked as to how robust the proposed collection methodology shown below will be, and therefore the cost vs. benefit likely to be realised. [22]. Our members **agree** it is unacceptable for non-registered providers, such as Airbnb, to be given leave to be self-regulating. They believe regulation should become the responsibility of the host platform, ensuring the APTR is collected and paid to Council as part of the financial transaction facilitated by the platform and host at the time of booking.

39. The diagram below shows a list of potential options in relation to likely effectiveness:



Finally, on this topic, whilst we appreciate the value of tourism and events to the economy, we ask that Council spending be carefully scrutinised to ensure the returns justify the investment.

[22] Auckland Council 10-year Budget 2018-28, Supporting Information, Section 7: Additional supporting information, 7.3 Rating of online accommodation providers

(5) Upper Harbour Local Board Long Term Plan 2018-2028

We acknowledge that Upper Harbour is a diverse and vibrant area, expected to be the **fastest growing area in the country over the next ten years**, in both absolute and percentage population terms, which brings both challenges and opportunity for us. As the Local Board's only formal Business Improvement District, we look forward to working with the board in leveraging from the projected growth of the region.

We acknowledge the support received from Upper Harbour Local Board over the past twelve months and look forward to working with the board in the coming twelve months. We acknowledge the outgoing chair – Lisa Whyte and welcome the incoming chair – Margaret Miles into her new position.

Your stated priority is to secure funding for an indoor, multi-use, multi-sport facility to provide for the daily increasing demand and needs for facilities. The board's other priorities share strong community outcomes.

While we **support in principal** the need for the above, along with enduring library services, and the development of a marine recreation facility at Hobsonville Point, we suggest that prioritising better transport infrastructure would have a more immediate impact to the lives and livelihood of the board's constituents.

Access to diverse employment, improved productivity and reduced environmental damage through less congestion is critical for the **sustainable growth of the region.**

As highlighted in the latest Infometrics economic reports,[23] UHLB area is outperforming Auckland and New Zealand across key matrixes. Maintaining this level of output will prove difficult if the infrastructure business needs is not supplied.

Based on our research[24] access to the business district is important for 84% of the 35,000 employees across the North Harbour BID. We **request greater support** for local transport infrastructure projects which support business and economic development, over and above community or politically led initiatives. For example, priority for freight and business service traffic over a poorly supported cycle network.

We **support** the UHLB's focus on increased public transport, but not if the provision for rapid transport removes or compromises infrastructure assets and facilities depended upon by commercial trade and employee commuters in the absence of alternative modal options.

We **note the absence** of specific economic development and business development priorities listed in the 2018/19. We are confident that this is an omission due to space, rather than an indication of the importance the board places on enhanced economic performance of the local economy.

We rely on the UHLB's extensive local knowledge, and influence across the Auckland Council family to add value to their role of local board governance.

Our 4,500 members, and the Business North Harbour Executive Committee and executive, **collectively rely** on UHLB's local and central government relationships to deliver tangible

[23] https://ecoprofile.infometrics.co.nz/Upper%2bHarbour

[24] Business North Harbour's Membership Survey 2017

outcomes for business and property owners who have made significant investment into the North Harbour area.

We also collectively rely on the board's ability to influence government decision for the greater good of the region and the economic vitality of those who choose to create local employment opportunities within the North Harbour district.