Submission: Auckland Council Annual Plan 2025 / 2026

26th March 2025

Business North Harbour Incorporated

Kevin O'Leary – General Manager
PO Box 303 126
North Harbour 0751
Phone 09 968 2222 or 0274 799 563

Email: kevin@businessnh.org.nz

Local Board Representation: Upper Harbour Local Board

26th March 2025

Annual Plan
Auckland Council
Freepost Authority 182382
Private Bag 92300
Auckland 1142

akhaveyoursay@aucklandcouncil.govt.nz

Submission to Auckland Council Annual Plan 2025/2026

Auckland Council is seeking feedback on the Auckland Council Annual Plan 2025/2026.

Introduction

Business North Harbour (BNH) representing the North Harbour Business Improvement District welcomes the opportunity to make this submission on the Auckland Council Annual Plan 2025-2026 (Annual Budget).

BNH is a significant commercial and industrial Business Improvement District (BID), representing over 4,500 commercial property owners and businesses within the North Harbour area. Collectively they employ over 37,000 Auckland residents and ratepayers. The organisation is located within the Upper Harbour Local Board area, which remains one of the fastest growing areas in the country, in both absolute and percentage population terms, which brings both challenges and opportunities to the North Harbour business district.

BNH 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 within or on our boundary, including Massey University Albany and AUT Millennium, along with a variety of primary and secondary schools including Rangitoto College, the largest secondary school in New Zealand.

Our primary interests are decisions within the Draft Auckland Council Annual Plan 2025-2026 (Annual Budget) which:

- Impact on the cost of business
- 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 the leisure and tourism sectors – enhancing Auckland's reputation

There are currently 51 BIDs in Auckland, representing over 25,000 businesses with a combined capital value estimated at $72.7 billion.[1]

Our role in the Auckland economy is to improve the business environment of our areas, promote innovation, prosperity and employment as well as attract new businesses, customers and visitors.

We share this common goal with the Auckland Council group to promote Auckland's economic prosperity. The Council group plays a pivotal role in providing efficient and effective core services for the city. Auckland must continually strive to attract more visitors, and bid competitively to host major events, as well as support economic development activities.

Turning to the key themes identified in your Consultation Document, the 2025/2026 Annual Plan sets out what Council is working on, what Council aims to deliver in each of the seven

[1] https://bid.aucklandcouncil.govt.nz/

areas of Council activities or investment and Council's budget projections. You are seeking feedback on some key proposals, to which our response is set out below and covers:

(1) Our Overall Plan
(2) Destination Management And Major Events
(3) Changes To Other Rates and Fees and Charges
(4) Upper Harbour Local Board Priorities 2025/2026
(5) Other Feedback

(1) Our Overall Plan:

Our proposed Annual Plan 2025/2026 builds on our Long-term Plan 2024-2034 (LTP).
The annual plan focuses on getting on with strengthening the financial and physical resilience of Auckland, while investing where it is needed most to manage growth. In 2025/2026, that includes prioritising investment in:

- *transport*
- *water*
- *and fairer funding for local communities.*

It sets out the proposed way to pay for services and investments, including the 5.8 per cent rates increase for the average value residential property which is in line with the LTP, and additional debt to fund $4 billion of capital expenditure.

What is your opinion on our proposed annual plan?

Overall, BNH supports the proposed Annual Plan and would offer the following comments:

a) BNH acknowledges that Auckland Council continues to face significant budget challenges and we support Auckland Council to continue to hold robust talks with the Government to achieve additional government funding for the city, particularly for key infrastructure projects such as the CRL.
b) In terms of the need for efficiencies and savings, we support Council's continued efforts to save money and encourage Council to maintain and if possible, achieve greater savings moving forwards by the successful introduction of shared services and the ongoing review of Council's CCOs, which is aimed at improving efficiency whilst at the same time reducing costs. We believe that there should be a sharp focus on finding savings from the management of contractors and consultants by the Auckland Council group. We still experience evidence of wastage, a high-profile example being the cost of traffic management across a wide range of services, which is excessive.
   Additionally, Council and the CCOs incur considerable expense through the engagement of consultants. Whilst BNH appreciates that this is sometimes necessary, we would ask that Council and the CCOs thoroughly examine their internal capability before making a decision on the need to engage consultants.
c) BNH would again ask Council and its CCOs to adopt a 'do it once and do it right approach'. On too many occasions projects are undertaken and completed, only to be re-visited and changed a short time later at significant additional cost.

(2) Destination Management And Major Events:

Attracting visitors and securing, promoting and delivering major events are vital to Auckland being a dynamic and exciting city. In our Long-term Plan 2024-2034, we said we would continue to fund cultural festivals and other significant community events. However, without a bed night visitor levy, there will be a $7 million budget shortfall for funding of major events that are expected to attract visitor expenditure, such as the ASB Classic, Auckland Marathon and Auckland Writers Festival, from the 2025/2026 financial year. We continue to advocate to central government to introduce this levy. A bed night visitor levy of 2.5 per cent to 3 per cent paid by those in short-stay accommodation, would raise around $27 million each year to fund even more destination management, marketing and major events activities in Auckland.

A bed night visitor levy requires central government legislative change and they have yet to agree to introduce this legislation. We continue to work with central government on this and your views will help inform this work.

Do you support a bed night visitor levy paid by those in short-stay commercial accommodation, to fund destination management, marketing and major events activities?

BNH supports the introduction of a bed night visitor levy to fund destination management, marketing and major events activities. We agree that attracting visitors and securing, promoting and delivering major festivals and events, is vital to developing Auckland's economy. We agree that Auckland needs a sustainable long-term solution for the funding of major events, destination marketing and visitor attraction. BNH agrees that a bed night visitor levy is an appropriate funding tool as it is well recognised in cities worldwide.

BNH is however concerned about the time that it will take for government to implement such a plan and that for the upcoming year there will be a shortfall in income for major events. In a competitive global tourism landscape, fuelled by a constant fight for attention in the minds of potential visitors, the absence of highlighting and profiling the attributes of our city, could make Auckland instantly forgettable. This situation has to be avoided as it will be almost impossible to change peoples' opinions once their minds are made up – remember, you only get one chance to make a first impression.

We ask that Council continues to advocate to central government to introduce this levy as soon as possible in order that a full pipeline of events can be planned by Tātaki Auckland Unlimited. Ultimately, Auckland Council is in the driver's seat to champion 'Brand Auckland.'

(3) Changes To Other Rates And Fees And Charges:

3B. Would you like to comment on this or the other rates, fees and charges proposals?

Last year BNH opposed pausing the long-term business differential strategy. The intention of the long-term business differential strategy was for the share of general rates paid by business properties to be made fairer, gradually reducing over a period of time to 25.8 per cent.

BNH does not accept that a business differential should be applied to rates especially for Council's reasons that "businesses place more demand on and impose more costs on Council's transport and stormwater services", or that "rates are more affordable for businesses" or because "businesses can also claim back GST on rates and expense rates against tax." These reasons do not justify the business differential, particularly for small businesses who make up most businesses in Auckland and indeed New Zealand.

Having now fixed the business differential at 31 per cent, meaning that business rates are already set at a higher level, BNH opposes the proposed increase of 6.8 per cent in business rates to enable Council to meet that 31 per cent contribution target. According to page 30 of the Consultation Document, this has been proposed because the value of business properties hasn't increased by as much as was expected, meaning that through no fault of their own, businesses are being asked to pay more than the 5.8 per cent rate increase being proposed for residential properties.

Additionally, BNH is opposed to your proposal 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 per cent (originally set at the same level of the end target of the LTDS) to 31 per cent.

(4) Upper Harbour Local Board (UHLB) Priorities 2025/2026:

What do you think of our proposals for your local board area in 2025/2026?

Overall, BNH supports the priorities for the UHLB area for 2025/2026 and offers the following comments:

a) BNH supports the introduction of the 'fairer funding' approach for Local Boards based upon the three criteria outlined on page 17 of the Consultation Document and we look forward to an increase in funding for UHLB as a result of this approach. BNH would ask Council to ensure as far as is practicable that funding to UHLB is maintained at its optimum level to enable UHLB to deliver on its identified priorities for the benefit of the wider UHLB community. It is imperative that UHLB is able to maintain an adequate level of service to the community particularly in areas that support peoples' health and wellbeing, both mental and physical, such as the library and indoor/outdoor recreation facilities.
b) BNH fully supports the proposal by UHLB to contribute funding for the development of a vision and plan for the future of North Harbour Stadium and Domain Precinct. We would also ask that Council and/or Tātaki Auckland Unlimited also contribute towards the development of a detailed business case for the facility as was previously agreed.
c) Within their priorities for 2025/2026 UHLB do not make any specific reference to economic development, however their commitment to creating a connected community and vibrant destination where people want to live, visit, shop, work and connect confirms their intention to support local economic development. Following regular discussions with UHLB regarding the importance the Board places on the enhanced economic performance of the local economy, BNH will continue to work with UHLB whenever opportunities arise to further support the growth of the local economy.
d) Upper Harbour is a diverse and vibrant area, continuing to be one of the fastest growing areas in the country in both absolute and percentage population terms, a trend that is expected to continue. This brings both challenges and opportunity for BNH and as the Local Board's only formal Business Improvement District, we look forward to continuing to work collaboratively with UHLB, leveraging from the ongoing growth of the region.
e) Maintaining the current level of growth will prove difficult if the infrastructure business needs is not made available. The business community aspires to achieve improved productivity whilst also improving sustainability and reducing any harm to the environment, all of which is critical for the sustainable growth of the region.
f) Access to, through and around the business district remains of great importance to BNH members and is critical for the 37,000 employees across the North Harbour BID. BNH requests greater support for local transport infrastructure projects which support business and economic development, over and above community or politically led initiatives. We support the increased use of cycleways, walkways and footpaths and making these modes of access more user-friendly, hopefully encouraging some commuters out of their vehicles.
g) BNH supports any focus that UHLB places on the infrastructure challenges for the growing population and any advocacy for improved public transport and roading networks. We would however ask that the provision for rapid transport does not remove or compromise infrastructure assets and facilities depended upon by commercial trade and employee commuters, in the absence of alternative modal options.
h) BNH continues to 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. We also collectively rely on the board's ability to influence government decisions 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.
i) BNH would like to acknowledge the collaborations with and the support received from UHLB over the past twelve months. The Team look forward to continuing to work with UHLB in the coming twelve months and beyond, to achieve the best outcomes for our members and the area as a whole. BNH will continue to support UHLB's strategic priorities and outcomes whenever possible.

j) Finally, BNH would like to emphasise that in addition to any economic development initiatives, we would ask UHLB to maintain the services that support peoples' health and wellbeing, sustainability outcomes and connected and engaged communities.

Business Improvement District (BID) Targeted Rates:

The 51 Business Improvement Districts across Auckland are directly accountable and responsible to their members for their BID targeted rate level and how it is expended. The Business North Harbour BID targeted rate of $846,747 for the 2025/2026 period has been approved by our members through the Annual General Meeting process and we fully support its approval by UHLB.

(5) Other Feedback:

Do you have any other comments on the Annual Plan 2025/2026?

BNH offers the following comments on topics not specifically noted as points for feedback:

a) BNH would like to register its opposition to the proposed increase in water rates, estimated by Watercare to be around 7.2 per cent. We would ask that this figure be reviewed and if possible reduced to ease the financial burden already being proposed to be borne by businesses as outlined previously in this submission.
b) BNH supports the ongoing review of Council CCOs in an effort to improve efficiency and find cost savings.

Conclusions:

As we enter another year where the resilience of small and medium sized businesses will be tested, we ask the Council to consider carefully the needs of these ratepayer businesses as it makes decisions about the priorities and proposed savings in the Annual Plan 2025/2026. We ask that there be a focus on providing core infrastructure services which grow the economy and support local businesses, especially in our industrial/commercial areas and town centres.

We fundamentally believe further savings can be made with a culture of efficiency being instilled across the council group. Now is the time for Council and its significant number of employees, to adopt a rate-payer mindset, whilst also ensuring that Council doesn't lose sight of the need for Auckland's ongoing economic prosperity.

Should there be any questions or other matters arising from this Submission, we would be pleased to respond to these.

Yours sincerely,

K. O'Leary.

Kevin O'Leary
General Manager