

Advice and Feedback on Draft Mayoral Proposal for the Annual Plan 2025/2026

File No.:

Te take mō te pūrongo Purpose of the report

1. To provide the background and context for endorsing the panels advice and feedback on the draft Mayoral Proposal for the Annual Plan 2025/2026.

Whakarāpopototanga matua Executive summary

2. The City Centre Advisory Panel was invited to provide advice and feedback on the Mayor's priorities for the 2025/2026 Annual Plan and Budget.
3. To ensure a comprehensive response, the Panel convened a workshop on 21 November to discuss the draft Mayoral Proposal. Key feedback points were agreed upon during the workshop and further refined through rounds of feedback from panel members. The finalised advice was approved by the Chair and submitted to the Mayor's Office and Councillors on 27 November 2024.
4. Formal endorsement of the final advice will be sought from the full panel at its meeting on 16 December 2024.

Horopaki Context

5. The Mayor and Councillors invited Auckland Council's advisory panels to provide advice and feedback on the 2025/2026 Annual Plan, which represents Year 2 of the Long-Term Plan 2024-2034. The feedback will inform the Mayor's final proposal, which is scheduled to guide decision-making in December 2024.
6. The Panel was first introduced to the 'Mayor and Councillor direction to the council group' for the 2025/2026 Annual Plan at its meeting on 21 October 2024. Initial discussions and feedback were captured at this time.
7. The draft Mayoral Proposal and supporting staff advice for the 2025/2026 Annual Plan were released on 19 November 2024. This information was shared with the Panel to provide context for their review and response.
8. To support the development of the Panel's advice, a working group was formed. The working group convened on 21 November for a workshop to review the proposal, carry forward key points raised at the October meeting, and agree on the Panel's feedback and advice.
9. A draft advice document was shared with all Panel members on 22 November for additional feedback and refinement. Suggestions from the wider panel were incorporated, and the Chair approved the final advice on 27 November. The advice was submitted to the Mayor's Office and Councillors on the same day.
10. Formal endorsement of the final advice will be sought from the full Panel at its 16 December 2024 meeting.

Ngā koringa ā-muri Next steps

11. The panel formally endorses its advice and feedback on the draft Mayoral Proposal for the Annual Plan 2025/2026.

Ngā tūtohunga Recommendation/s

That the City Centre Advisory Panel:

- a) endorse the Panels advice and feedback on the draft Mayoral Proposal for the Annual Plan 2025/2026

Ngā tāpirihanga Attachments

12. Attachment 1: Panels advice and feedback on the draft Mayoral Proposal for the Annual Plan 2025/2026

Ngā kaihaina Signatories

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Date: 27 November 2024

His Worship Mayor Brown and Councillors
Auckland Council
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Your Worship and Councillors

Draft Mayoral Proposal: Annual Plan 2025-2026

Thank you for the opportunity to provide feedback on the Mayoral priorities for the 2025-26 annual plan and budget.

The City Centre Advisory Panel is made up of members who represent the business, retail, residents, local board, universities, design, climate, arts and culture, tourism (domestic and international), social sectors and tangata whenua of central Tāmaki Makaurau. We have interests throughout the Auckland region and New Zealand, we bring industry expertise as well as lived city centre experience.

We are committed to the success of Auckland. We are very clear that a successful city and region needs a strong, beating heart. Because of this, it is our view that the city centre must be a key priority for the council group and therefore receive a greater focus in the direction document.

This is the nation's largest employment, education, transport, and tourism hub, as well as a place of deep cultural and historic significance, and we urge the council group to continue to play a leadership role in advocating for the city centre. We all want the city centre to be a place of pride, a destination of choice, and a place to bring visitors, family, and friends.

We believe that the success of our city centre is critical to the whole region and nation and would encourage the Mayor and Councillors to recognise this more visibly in this direction for the next ten years.

Auckland (New Zealand) is competing on a global scale and therefore a safe, resilient, desirable, and welcoming city centre is critical for Auckland to be competitive now and into the future. The City Centre Masterplan is a key guiding document, and we want to reiterate our collective support for its vision and outcomes and encourage the Council to more strongly reflect this.

In November 2023, the panel identified six key focus areas as part of our input into the Long-term Plan process. We believe these are still relevant and essential for the Mayor and Councillors to prioritise during deliberations on the Annual Plan 2025/26. These focus areas are critical to ensuring the continued success and resilience of the city centre and addressing its most pressing challenges:

1. **Community and Visitor Safety:** Continue improving community and visitor safety, building on the progress already made, and ensure public perceptions reflect the improved reality.
2. **Enhance Vibrancy and Experience:** Foster a vibrant and engaging city centre experience that attracts residents, workers, and visitors alike.
3. **Grow a Thriving Residential Population:** Support the growth of a thriving residential population by setting and working towards ambitious growth targets.
4. **Premier Learning and Innovation Hub:** Position the city centre as a world-leading hub for learning and innovation, unlocking its potential to drive growth and opportunity.

5. **Maximise Value of Integrated Transport Networks:** Improve access to and within the city centre through integrated transport networks, maximising the benefits of the City Rail Link while addressing the operational needs of the city.
6. **Increase Climate Resilience:** Strengthen climate resilience by advancing emissions reduction initiatives and implementing adaptation measures in line with Auckland's Climate Plan.

During our most recent panel workshop, the panel emphasised the importance of celebrating and acknowledging the cultural significance of tangata whenua within the city centre. This recognition is seen as integral to shaping the future development of the city centre in a way that honours its cultural heritage and strengthens its identity.

Specific feedback related to the headlines of the 2024 Mayoral proposal is outlined below:

1. Council finances

Funding destination marketing and major events

Concerns were raised about the structure and funding of destination marketing and major events. The panel stressed the importance of clarity and sustainable funding for these functions and provided the following feedback:

- The impending lack of major events funding beyond June 2025 is a significant concern, both in short term delivery as well as longer-term confidence in procurement of attractions.
- The panel considers funding for major events non-negotiable due to their proven economic, cultural, and social benefits, which play a key role in Auckland's vibrancy and appeal.
- Without adequate funding, Auckland will lose its competitive edge, especially as Australian cities continue to heavily invest in destination marketing and major events.
- The impacts of reduced investment in this area are being evidenced through a worrying drop in cruise visits to Auckland and an inability to compete against other large cities.
- The panel strongly urges the council and central government to fast-track the introduction of alternative funding solutions, such as a bed tax, to address the \$7 million budget shortfall and enable the resumption of major event funding from FY26 onwards.
- Reductions in funding for these activities are not cost savings but economic losses.
- Any scenario where the \$7 million shortfall is not addressed is unacceptable, as this equates to an economic loss of additional GDP of between \$21m and \$35m annually, with rolling procurement impact building in subsequent years.
- If a sustainable funding mechanism cannot be agreed upon, the panel strongly advocates for Council to provide bridging funding to ensure momentum is maintained and the events pipeline remains intact.
- The panel is aware of two potential options to bridge the \$7 million funding gap: an incremental increase in general rates and the International Visitor Levy (IVL). The panel urges swift decision-making to provide certainty and allow sufficient time to plan and build the event pipeline.

Implications for City Centre Targeted Rate

- The panel strongly believes that the City Centre Targeted Rate (CCTR) should not be treated as a fallback funding option to cover shortfalls in general rates, including for major events and destination marketing.
- The CCTR is already being utilised beyond its original purpose. During its current term, the panel requested an increase in CCTR investment to address funding gaps in activities such

as destination marketing, economic development, major events and safety and wellbeing outcomes. This was intended as a temporary measure to mitigate risks to the city centre's ability to attract visitors, stemming from Council budget shortfalls.

- The panel was clear that this additional funding should not extend beyond the current allocation and does not support further reliance on the CCTR for activities traditionally outside its intended scope.

2. Structural reform

The panel has taken an outcome-focused approach to the structural reforms proposed in the Draft Mayoral Proposal, prioritising the results it seeks rather than specifying where functions should be delivered.

- Panel members noted that the current horizontal structure, where similar functions are delivered across multiple agencies and teams, is seen to result in duplication of efforts and confusion in leadership of delivery of outcomes.
- The panel are clear that urban regeneration, economic and cultural development, and integrated transport are essential to the success of the city centre and require strong alignment.
- Regardless of where urban regeneration and economic and cultural development are positioned within the Council group, these functions must receive dedicated funding and resources.
- The panel stresses the importance of ensuring these functions are not overshadowed by broader Council operations and that their focus remains on delivering critical outcomes for the city centre and Auckland as a whole.
- The panel also noted the importance of stability and taking a multi-year, long term strategic approach when it comes to urban regeneration, economic and cultural development and the attraction of major events (including business events).
- The panel identified significant transition risks, particularly the potential loss of institutional knowledge within Council-Controlled Organisations (CCOs). The Council is urged to actively address these risks to maintain continuity and safeguard valuable expertise.

Urban Regeneration

- Place-centred regeneration leadership for the city centre is vital. Success in this area will depend on a strong mandate, clear accountability and support across Council agencies and teams, with sufficient funding and resources to ensure successful implementation.
- The panel emphasises the need for clearer, more direct leadership from a single point of accountability, supported by a stronger mandate, dedicated funding, and targeted resources to deliver outcomes in these areas. A key outcome is to enable more efficient and effective engagement with stakeholders and partners.
- The panel supports the principles and intent outlined in points 71 and 72 of the Draft Mayoral Proposal and aligns with the high-level outcomes for structural reform.

Transport

- Integrated transport networks are another cornerstone of a thriving and well-functioning city centre. The panel recommends that transport planning and implementation be more strongly aligned with and accountable to place-based outcomes.

Economic and Cultural Development, Destination Marketing

- The panel believes that economic and cultural development, destination marketing and major events (including business events) require a dedicated budget and skilled and focused team to maintain a long-term, sustainable pipeline of activities and the marketing and promotion of Auckland as an attractive place to visit and live.
- Concerns were raised about the potential impact of the proposed changes on Auckland's destination marketing. Agility in this area is essential for success, and the panel encourages the Council to ensure this is preserved in any chosen delivery model.

3. Growth – planning and paying for it

- The panel acknowledges the Council's successful role in facilitating urban growth in key areas such as Wynyard Quarter and encourages the continuation of such efforts to support sustainable city centre development with a strong focus on residential living.
- The panel emphasises the importance and relevance of the City Centre Masterplan to Auckland's future and stresses the need for continued investment in its implementation to deliver long-term benefits.
- Aligned with the Future Development Strategy, the city centre is a critical hub for accommodating future population and economic growth, supporting the vision of a quality, compact city. Councils' investment needs to reflect this.
- The panel encourages the Council to work with central government to remove regulatory barriers that hinder affordable and flexible city centre growth. This includes addressing outdated rules, such as those that restrict office building conversions, and reviewing potential urban planning blockers, such as view shaft regulations, which could limit thoughtful and sustainable development.
- The panel suggests the Council incentivise development in areas where infrastructure is already in place to encourage efficient growth and optimise existing investments. In this sense, the panel supports introducing levers such as variable development contributions that reflect the availability of existing infrastructure, ensuring efficient use of resources while incentivising growth.
- The panel recommends creating policies to address development and activity deadzones within the city centre, ensuring these areas contribute to the city's vibrancy and functionality.

4. Safety and security

- The panel acknowledges that recent investments have significantly improved safety and security in the city centre, with additional police patrols playing a key role in these positive outcomes.
- Increased investment through the CCTR has successfully supported improved safety and wellbeing outcomes. Building on this success, the panel will review its funding settings to ensure the CCTR continues to deliver the greatest impact for the benefit of the city centre. This includes whether there should be greater focus on wellbeing and social outcomes.
- However, the panel highlights that funding safety initiatives was not the original intent of the CCTR and strongly encourages the Council to identify alternative funding sources through the Annual Plan process to sustain these initiatives over the long term.
- The panel underscores the importance of maintaining a strong pipeline of major events, cruise ship arrivals, and day-to-day activations, including local events. These activities not only attract more people to the city centre but also enhance safety and security outcomes by fostering a vibrant and well-utilised public realm.

5. Other considerations

- **Time-of-Use Charging** - The panel supports the Time-of-Use Charging initiative in principle and advocates for an evidence-driven approach to its implementation. It is noted that current timelines suggest this initiative will be introduced after the opening of the City Rail Link (CRL), which should inform its planning and rollout.
- **Premier Learning and Innovation Hub** - Establishing a premier learning and innovation hub is a top priority for the panel, and it believes this objective should be given greater prominence in the Council's Annual Plan and Long-term Plans. The panel sees significant opportunities in enhancing the experience for students in the city centre, positioning Tāmaki Makaurau and the city centre as a leading tertiary destination.

Yours sincerely



Scott Pritchard
Independent Chair
CITY CENTRE ADVISORY PANEL