
Budget Committee

OPEN MINUTES

Minutes of a meeting of the Budget Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 21 November 2013 at 9.41 am.

PRESENT

Chairperson	Mayor Len Brown, JP	
Deputy Chairperson	Cr Penny Webster	
Members	Cr Anae Arthur Anae	
	Cr Cameron Brewer	
	Cr Dr Cathy Casey	
	Cr Bill Cashmore	
	Cr Ross Clow	
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Cr Alf Filipaina	
	Cr Hon Chris Fletcher, QSO	From 1.44 pm, Item 8.1
	Cr Penny Hulse	From 9.44 am, Item 9
	Cr Denise Krum	
	Cr Calum Penrose	
	Cr Sharon Stewart, QSM	
	Member David Taipari	From 9.58 am, Item 9 until 1.21 pm, Item 12
	Member John Tamihere	
	Cr Sir John Walker, KNZM, CBE	
	Cr Wayne Walker	
	Cr John Watson	
	Cr George Wood, CNZM	

APOLOGIES

Cr Mike Lee	For absence on Council business
Cr Dick Quax	For absence

1 Apologies

Resolution number BUD/2013/1

MOVED by Chairperson LCM Brown, seconded by Cr CM Casey:

That the Budget Committee:

- a) **accept the apologies from Crs D Quax for absence and M Lee for absence on Council business and from Cr C Fletcher and Member D Taipari for lateness.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

There were no minutes to confirm.

4 Petitions

There were no petitions.

5 Public Input

There was no public input.

6 Local Board Input

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

Secretarial note: The meeting agreed to defer this item until Cr Fletcher was present.

9 Annual Plan 2014/2015 - Overview and performance measures and targets - Replacement Report

Officers were in attendance to address the Budget Committee regarding this item.

A copy of the presentation has been placed on the official copy of these minutes and is available on the Auckland Council website.

*Cr Hulse entered the meeting at 9.44 am.
Member DE Taipari entered the meeting at 9.58 am.
Cr PA Hulse left the meeting at 10.22 am.
Cr PA Hulse returned to the meeting at 10.31 am.
Cr AJ Anae left the meeting at 10.36 am.
Cr AJ Anae returned to the meeting at 10.45 am.*

Resolution number BUD/2013/2

MOVED by Chairperson LCM Brown, seconded by Cr WB Cashmore:

That the Budget Committee receive the report.

CARRIED

That the Budget Committee:

- a) agree the proposed changes to performance measures set out in Attachment B to the agenda report.
- b) agree the proposed targets for regional and CCO performance measures (as set out in Attachments C and D to the agenda report).
- c) note that officer advice has been provided to local boards on performance targets for 2014/2015 and that local boards are considering this advice as part of developing their draft local board agreements.

Cr Casey moved by way of an amendment, seconded by Cr Clow:

That the Budget Committee agree that Aotea Square be removed from the two targets in Attachment D (agenda page 20).

LOST

Secretarial note: The Chairperson incorporated recommendations d) and e) into the substantive motion.

The Chairperson moved the substantive motion:

Resolution number BUD/2013/3

MOVED by Chairperson LCM Brown, seconded by Cr WB Cashmore:

That the Budget Committee:

- a) **agree the proposed changes to performance measures set out in Attachment B to the agenda report.**
- b) **agree the proposed targets for regional and CCO performance measures (as set out in Attachments C and D to the agenda report).**
- c) **note that officer advice has been provided to local boards on performance targets for 2014/2015 and that local boards are considering this advice as part of developing their draft local board agreements.**
- d) **include consultation with the Independent Maori Statutory Board on the review of the performance management framework for the Long Term Plan 2015-2025.**
- e) **agree that Councillors may subsequently advise officers of other performance measures that they wish to include in the list.**

CARRIED

Attachments

A Performance measures and targets

11.00 am The meeting adjourned.

11.12 am The meeting reconvened.

10 Update on Māori priority project areas

Cr WD Walker left the meeting at 11.12 am.
Cr AM Filipaina left the meeting at 11.12 am.

Resolution number BUD/2013/4

MOVED by Member DE Taipari, seconded by Member J Tamihere:

That the Budget Committee:

- a) **agree that the regular progress and planning updates on the Māori project priority areas be included in future quarterly updates on Māori Outcomes to the Finance and Performance Committee, noting that the Independent Māori Statutory Board would prefer this reporting to go to the Budget Committee.**
- b) **agree that officers report to the Budget Committee by 27 March 2014 on the milestones and funding to progress the 2013/2014 Maori priority projects in 2014/2015.**

CARRIED

11 Draft Annual Plan 2014/2015 - Mayoral proposal

A copy of "Attachment 2 – Proposed changes to building control and property information fees for 2014/2015" replacing pages 88 and 89 in the agenda was tabled and has been placed on the official copy of the minutes and is available on the Auckland Council website.

Cr AM Filipaina returned to the meeting at 11.19 am.
Cr WD Walker returned to the meeting at 11.24 am.
Cr J Watson left the meeting at 11.30 am.
Cr WD Walker left the meeting at 11.30 am.
Cr WD Walker returned to the meeting at 11.37 am.
Cr J Watson returned to the meeting at 11.37 am.

MOVED by Chairperson LCM Brown, seconded by Cr PA Hulse:

That the Budget Committee:

- a) approve the updated baseline budget including efficiency savings and additional costs and representing a 2.3% rate increase.
- b) include \$1.6 million of operating expenses in the budget for the Tamaki Redevelopment Company subject to further discussions with the company and the Crown.
- c) include, for consultation with the community, \$1.25 million of operating expenses in the budget for a staged implementation of the Living Wage Policy.
- d) approve an ongoing review of the capital expenditure programme of the CCOs to identify cost reductions and deferrals.
- e) approve the "licence to occupy" remission scheme continue in the current form.
- f) defer changes to the remission and postponement schemes for community sporting and other organisations providing community services including support related to built and natural heritage until after the review of Local Board Funding Policy is complete, and included in the consultation of the Long-term Plan 2015-2025.
- g) note that:
 - i) the estimated rates decrease cap is 3.0% based on an overall rates increase of 2.5% and that this will be updated at the time of adoption of the final Annual Plan.

- ii) the discount for early payment of rates is estimated to be 1.1% and that this will be updated at the time of adoption of the final Annual Plan.
- h) include the proposed health protection licence fees as set out in the Mayor's proposal in the draft Annual Plan 2014/2015.
- i) note that the health protection licence fees have been removed for fitness centres, swimming pools and other premises no longer covered by the health and hygiene by-law.
- j) agree that work commence on reviewing the disparate charges and levels of service in council's social housing, in consultation with tenants and the seniors panel as part of the development of the Long-term Plan 2015-2025 and that a 5% increase in rental charges in this Annual Plan is included within this consultation.
- k) include the proposed building control and property information fees in the draft Annual Plan 2014/2015.
- l) include within the Draft Annual Plan and consultation process, consultation on the regional stadia plan.

Secretarial note: Amendments to recommendations c) and j) were incorporated during the debate.

Cr Casey moved by way of amendment to c), seconded by Cr Watson:
That the Budget Committee:

- c) include \$3.75m for implementation of the Living Wage Policy.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr CM Casey	Cr AJ Anae	
Cr AM Filipaina	Cr CE Brewer	
Member DE Taipari	Chairperson LCM Brown	
Member J Tamihere	Cr WB Cashmore	
Cr WD Walker	Cr RI Clow	
Cr J Watson	Cr LA Cooper	
	Cr C Darby	
	Cr PA Hulse	
	Cr DA Krum	
	Cr CM Penrose	
	Cr SL Stewart	
	Cr JG Walker	
	Cr MP Webster	
	Cr GS Wood	

The amendment was declared LOST by 6 votes to 14.

The Chairperson put recommendation c):

That the Budget Committee:

- c) include, for consultation with the community, \$1.25 million of operating expenses in the budget for a staged implementation of the Living Wage Policy.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr AJ Anae	Cr CE Brewer	
Chairperson LCM Brown	Cr WB Cashmore	
Cr CM Casey	Cr LA Cooper	
Cr RI Clow	Cr DA Krum	
Cr C Darby	Cr CM Penrose	
Cr AM Filipaina	Cr SL Stewart	
Cr PA Hulse	Cr JG Walker	
Member DE Taipari	Cr MP Webster	
Member J Tamihere	Cr GS Wood	
Cr WD Walker		
Cr J Watson		

The motion was declared CARRIED by 11 votes to 9.

The Chairperson put the remaining recommendations:

Resolution number BUD/2013/5

MOVED by Chairperson LCM Brown, seconded by Cr PA Hulse:

That the Budget Committee:

- a) approve the updated baseline budget including efficiency savings and additional costs and representing a 2.3% rate increase.
- b) include \$1.6 million of operating expenses in the budget for the Tamaki Redevelopment Company subject to further discussions with the company and the Crown.
- d) approve an ongoing review of the capital expenditure programme of the CCOs to identify cost reductions and deferrals.
- e) approve the “licence to occupy” remission scheme continue in the current form.
- f) defer changes to the remission and postponement schemes for community sporting and other organisations providing community services including support related to built and natural heritage until after the review of Local Board Funding Policy is complete, and included in the consultation of the Long-term Plan 2015-2025.
- g) note that:
 - i) the estimated rates decrease cap is 3.0% based on an overall rates increase of 2.5% and that this will be updated at the time of adoption of the final Annual Plan.
 - ii) the discount for early payment of rates is estimated to be 1.1% and that this will be updated at the time of adoption of the final Annual Plan.
- h) include the proposed health protection licence fees as set out in the Mayor’s proposal in the draft Annual Plan 2014/2015.
- i) note that the health protection licence fees have been removed for fitness centres, swimming pools and other premises no longer covered by the health and hygiene by-law.

- j) agree that work commence on reviewing the disparate charges and levels of service in council's social housing, in consultation with tenants and the seniors panel as part of the development of the Long-term Plan 2015-2025 and that a 5% increase in rental charges in this Annual Plan is included within this consultation.
- k) include the proposed building control and property information fees in the draft Annual Plan 2014/2015.
- l) include within the Draft Annual Plan and consultation process, consultation on the regional stadia plan.

CARRIED

For clarity, the resolutions are as follows:

That the Budget Committee:

- a) **approve the updated baseline budget including efficiency savings and additional costs and representing a 2.3% rate increase.**
- b) **include \$1.6 million of operating expenses in the budget for the Tamaki Redevelopment Company subject to further discussions with the company and the Crown.**
- c) **include, for consultation with the community, \$1.25 million of operating expenses in the budget for a staged implementation of the Living Wage Policy.**
- d) **approve an ongoing review of the capital expenditure programme of the CCOs to identify cost reductions and deferrals.**
- e) **approve the "licence to occupy" remission scheme continue in the current form.**
- f) **defer changes to the remission and postponement schemes for community sporting and other organisations providing community services including support related to built and natural heritage until after the review of Local Board Funding Policy is complete, and included in the consultation of the Long-term Plan 2015-2025.**
- g) **note that:**
 - i) **the estimated rates decrease cap is 3.0% based on an overall rates increase of 2.5% and that this will be updated at the time of adoption of the final Annual Plan.**
 - ii) **the discount for early payment of rates is estimated to be 1.1% and that this will be updated at the time of adoption of the final Annual Plan.**
- h) **include the proposed health protection licence fees as set out in the Mayor's proposal in the draft Annual Plan 2014/2015.**
- i) **note that the health protection licence fees have been removed for fitness centres, swimming pools and other premises no longer covered by the health and hygiene by-law.**
- j) **agree that work commence on reviewing the disparate charges and levels of service in council's social housing, in consultation with tenants and the seniors panel as part of the development of the Long-term Plan 2015-2025 and that a 5% increase in rental charges in this Annual Plan is included within this consultation.**
- k) **include the proposed building control and property information fees in the draft Annual Plan 2014/2015.**
- l) **include within the Draft Annual Plan and consultation process, consultation on the regional stadia plan.**

Attachments

A Proposed changes to building control and property information fees for 2014/2015

12.40 pm The meeting was adjourned.

1.12 pm The meeting reconvened.

12 Auckland Arts Festival Annualisation - Annual Plan Consultation

Member DE Taipari retired from the meeting at 1.21 pm.

Resolution number BUD/2013/6

MOVED by Chairperson LCM Brown, seconded by Cr LA Cooper:

That the Budget Committee:

- a) **note that work is underway to assess the business case for increased council funding to assist the Auckland Arts Festival become an annual event from 2016, and will be reported in May 2014.**
- b) **agree to consult in the draft 2014/2015 Annual Plan, to help assess the level of public support for the provision of additional council funding for annualisation of the Auckland Arts Festival.**

CARRIED

13 Selection of members to the local board funding policy review political working party

Resolution number BUD/2013/7

MOVED by Chairperson LCM Brown, seconded by Cr WB Cashmore:

That the Budget Committee:

- a) **confirm the continuation of the political working party for the review of the local board funding policy.**
- b) **confirm that the local board representation is maintained at eight members.**
- c) **appoint the following representatives:**
 - i) **Councillors Brewer, Cashmore, Clow, Darby, Hulse, Watson and Webster as representatives of the Governing Body in addition to the Mayor as chair of the working party.**
 - ii) **Glenn Wilcox as a representative from the Independent Maori Statutory Board.**
- d) **note that the next meeting of the political working party is scheduled to be held on 17 December 2013.**

CARRIED

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

8. Notices of Motion

8.1 Notice of Motion - Cr Fletcher - Local Boards optional targeted rate for berm maintenance

Secretarial note: Cr Fletcher authorised Cr Krum to move this item under Standing Order 3.11.3.

Cr CE Fletcher entered the meeting at 1.44 pm before the division was called.

Cr Krum moved the Notice of Motion, seconded by Cr Brewer:

That the Budget Committee:

- a) request officers to initiate discussions with Local Boards on the possibility of applying an optional targeted rate for berm maintenance in their respective Local Board area, particularly in those areas where this service has not been undertaken with resultant health and safety issues.
- b) agree to forward this resolution to the Local Boards for their information.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr AJ Anae	Chairperson LCM Brown	
Cr CE Brewer	Cr CM Casey	
Cr CE Fletcher	Cr WB Cashmore	
Cr DA Krum	Cr RI Clow	
Cr SL Stewart	Cr LA Cooper	
Cr J Watson	Cr C Darby	
	Cr AM Filipaina	
	Cr PA Hulse	
	Cr CM Penrose	
	Member J Tamihere	
	Cr JG Walker	
	Cr WD Walker	
	Cr MP Webster	
	Cr GS Wood	

The notice of motion was declared LOST by 6 votes to 14.

1.47 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE BUDGET COMMITTEE
HELD ON

DATE:.....

CHAIRPERSON:.....