

# Annual Budget 2017/2018

Rural Advisory Panel

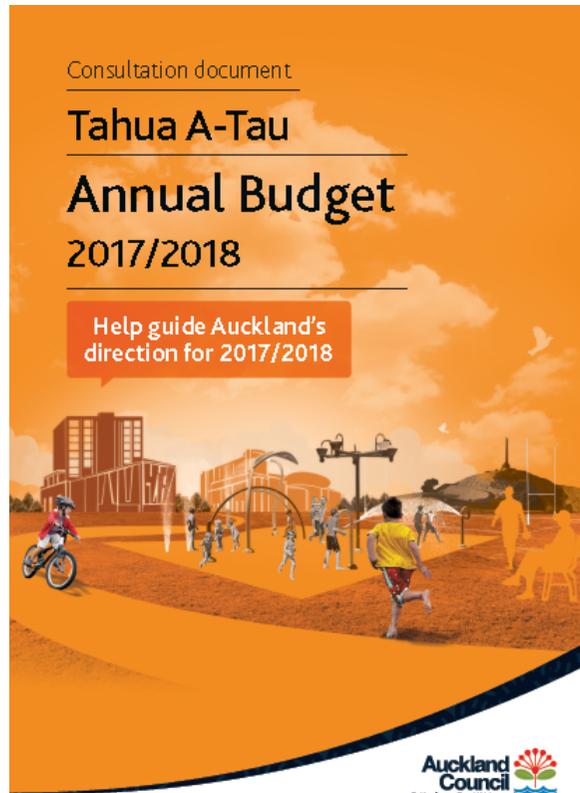
3 March 2017

Aaron Matich

# Agenda

1. Items for consultation
2. Key consultation issues
3. Consultation approach
4. Next steps
5. Questions?

# Items for consultation



## Main topics

- Issue 1: Rates increase
- Issue 2: Rating stability
- Issue 3: Paying for tourism promotion
- Issue 4: Paying for housing infrastructure
- Issue 5: Living Wage
- Changes to local initiatives

## Other topics, such as

- New Business Improvement Districts (BIDs) or changes to existing ones
- Tūpuna Maunga draft Operational Plan 2017/2018
- Homelessness
- Mass Transit

# Issue 1: Rates increase

Option A. 3.5% average rates increase	Option B. 2.5% average rates increase	Option C. 2% average rates increase
We could deliver everything we currently have planned and invest in more such as transport	We could deliver everything we currently have planned	We would be unable to deliver our currently planned investments and services – decisions would be needed about which investments or services will be reduced



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# Issue 2: Rates stability

<p><b>Option A.</b> Retain our current policy so residential ratepayers have a higher increase than business ratepayers</p>	<p><b>Option B.</b> Change our policy so business and residential ratepayers have the same increase in 2017/2018</p>
<ul style="list-style-type: none"> <li>- Residential rates would increase by more than business rates</li> <li>- Ensures a steady progress towards the end goal of a more even split between business and residential ratepayers</li> </ul>	<ul style="list-style-type: none"> <li>- A clear and simple policy</li> <li>- No reduction in the share of rates paid by businesses in 2017/2018</li> </ul>

**Our preferred option:**  
Option B



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# Issue 3: Paying for tourism promotion

<b>Option A.</b> Continue to fund with general rates	<b>Option B.</b> Fund with a targeted rate on accommodation providers
<ul style="list-style-type: none"> <li>- Costs will continue to be spread across all ratepayers</li> <li>- Does not release funds for other priorities within Auckland</li> <li>- The average residential ratepayer will contribute \$46 next year to this activity</li> </ul>	<ul style="list-style-type: none"> <li>- Accommodation providers will pay a rate that works out to be approx. 4% of their revenue</li> <li>- If passed onto visitors, it is likely to be \$6-\$10 per night on an average hotel room rate</li> <li>- Freed up general rates to invest \$250-\$300m more in transport infrastructure over the next 10 years.</li> </ul>



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**Our preferred option:**  
Option B

# Issue 4: Paying for housing infrastructure

<p><b>Option A.</b> Continue to only rely on existing growth charges</p>	<p><b>Option B.</b> Change our funding policy</p>	<p><b>Option C.</b> Rely on existing tools for now and request central government to provide new growth charges for growth infrastructure</p>
<p>- If the council uses general rates to fund new critical infrastructure for houses, then ratepayers across Auckland will pay higher rates to subsidise these new developments.</p>	<p>- Provides another tool to help fund infrastructure to enable more houses to be built sooner</p>	<ul style="list-style-type: none"> <li>- Legislation could be changed to allow a range of funding tools for housing infrastructure</li> <li>- Better alignment between who pays for infrastructure and who benefits</li> </ul>

**Our preferred option:**  
Option B



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# Issue 5: Paying council staff a living wage

<b>Option A.</b> Continue with current pay policies	<b>Option B.</b> Implement a living wage for staff of Auckland Council and its substantive CCOs
<ul style="list-style-type: none"> <li>- The council’s social equity policy provides a higher wage increase</li> <li>- While the above change help, they will not be sufficient to ensure all council staff receive a living wage</li> </ul>	<ul style="list-style-type: none"> <li>- The council would phase in a living wage over the council term ending October 2019</li> <li>- The additional cost is projected to up to \$2.5m in 2017/2018 and \$7m per year by the of the council term</li> <li>- These costs would be covered by savings without impacting on the services we deliver</li> </ul>



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**Our preferred option:**  
Option B

# Consultation approach

# Objectives

- Raise awareness and understanding of the Annual Budget and consultation topics & key trade-offs
- Make it easy for a wide range of Aucklanders to participate
- Provide Governing body members with useful insights into the views of Aucklanders to better inform decision-making
- Increase overall trust and confidence in council processes, decision-making and financial management

# Approach to engagement & communication

- **Council channels** - Shape Auckland, OurAuckland – digital and print, Social media, local boards networks, libraries & service centres
- **Face-to-face** – have your say events and presence at wide range of community events
- **Advertising** – community newspapers & Fairfax partnership

# Next steps

Monday 27 February	Public consultation opens
Monday 27 March	Public consultation closes
April	Elected members receive summarised public feedback
May	Workshops held to discuss budgets
1 June	Budget decisions made
29 June	Adoption of the final Annual Budget 2017/2018
July	Decisions and documentation made available online, libraries, services centres and local board offices

Any questions?