
Governing Body

OPEN MINUTES

Minutes of a meeting of the Governing Body held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 1 June 2017 at 4.28pm.

PRESENT

Mayor	Hon Phil Goff, CNZM, JP
Deputy Mayor	Cr Bill Cashmore
Councillors	Cr Dr Cathy Casey
	Cr Ross Clow
	Cr Fa'anana Efeso Collins
	Cr Linda Cooper, JP
	Cr Chris Darby
	Cr Alf Filipaina
	Cr Hon Christine Fletcher, QSO
	Cr Richard Hills
	Cr Penny Hulse
	Cr Denise Lee
	Cr Mike Lee
	Cr Daniel Newman, JP
	Cr Dick Quax
	Cr Greg Sayers
	Cr Desley Simpson, JP
	Cr Wayne Walker
	Cr John Watson

ABSENT

Cr Sharon Stewart, QSM
Cr Sir John Walker, KNZM, CBE

1 Affirmation

There was no affirmation.

2 Apologies

Resolution number GB/2017/56

MOVED by Mayor P Goff, seconded by Cr G Sayers:

That the Governing Body:

a) accept the apologies from Cr S Stewart and Cr J Walker for absence.

CARRIED

3 Declaration of Interest

Cr L Cooper and Cr P Hulse declared an interest in Item 10 - Final Annual Budget 2017/2018 – Mayoral Proposal, clause c).

4 Confirmation of Minutes

There was no confirmation of minutes

5 Petitions

There were no petitions.

6 Public Input

There was no public input.

7 Local Board Input

There was no local board input.

8 Extraordinary Business

There was no extraordinary business.

9 Notices of Motion

There were no notices of motion.

10 **Adoption of the 1 June 2017 Finance and Performance Committee's Annual Budget 2017/2018 recommendations**

Resolution number GB/2017/57

MOVED by Mayor P Goff, seconded by Cr D Simpson:

Annual Budget 2017/2018 – Local Board budget update

That the Governing Body:

- a) release reserve funds of \$389,085 held from legacy councils.
- b) note that Great Barrier Local Board and Waiheke Local Board have the option to negotiate their Locally Driven Initiatives funding annually with the Governing Body as part of the Local Board Funding Policy.
- c) approve a Locally Driven Initiatives increase of \$57,230 for Great Barrier Local Board and \$12,671 for Waiheke Local Board.
- d) approve the deferral of the operating budget amount of \$3,086,025 (as detailed in Attachment A to the agenda report) from 2016/2017 to 2017/2018.

CARRIED UNANIMOUSLY

MOVED by Mayor P Goff, seconded by Cr R Clow:

Final Annual Budget 2017/2018 – Mayoral Proposal

That the Governing Body:

- a) agree to an average increase to both the fixed and variable portions of the general rate for existing ratepayers of 2.5 per cent for the final Annual Budget 2017/18.
- b) agree to amend the council's Revenue and Financing Policy to pause the Long-Term Differential Strategy for the 2017/18 year and extend the time to reach the target proportion of 25.8 per cent of rates from the business sector until 2037/38.
- c) as part of the final Annual Budget 2017/18, agree to a targeted rate on commercial accommodation providers to fund a proportion of the visitor attraction and major events expenditure of Auckland Tourism, Events and Economic Development (ATEED) as follows:
 - i) the amount of the targeted rate is set at 50 per cent of Auckland Tourism, Events and Economic Development's budgeted expenditure on visitor attraction and major events, being \$13.45 million
 - ii) in consideration of the distribution of benefits and affordability for commercial accommodation providers, they be categorised by type into three tiers:
 - Tier 1 comprising hotels and serviced apartments
 - Tier 2 comprising motels, lodges and motel-like accommodation in campgrounds
 - Tier 3 comprising other accommodation providers such as backpackers, campgrounds and hostels
 - iii) in further consideration of the distribution of benefits for commercial accommodation providers, they be categorised by location into three zones:
 - Zone A comprising the local board areas of Albert-Eden, Devonport-Takapuna, Mangere-Otahuhu, Maungakiekie-Tamaki, Orakei, Waitemata
 - Zone B comprising the local board areas of Henderson-Massey,

Hibiscus and Bays, Howick, Kaipataki, Manurewa, Otara-Papatoetoe, Puketapapa, Upper Harbour, Waiheke, Whau

- Zone C comprising the local board areas of Franklin, Great Barrier, Papakura, Rodney and Waitakere Ranges

iv) the targeted rate is applied on a differential basis based on the type and location as set out in the following table:

Differential ratios		Provider type		
		Hotels and serviced apartments	Motels and Lodges (including motel-like accommodation at campgrounds)	Other (Backpackers, campgrounds, hostels)
Location	Zone A	1.0	0.6	0.0
	Zone B	0.5	0.3	0.0
	Zone C	0.0	0.0	0.0

Note: The change from the original proposal is set out in paragraph 21.

- v) the council will consider applications for remission under its existing rate remission scheme (Remission of rates for miscellaneous purposes), for example where the owner/ratepayer are separate from the accommodation operator and the nature of the relationship between the parties means the targeted rate is unable to be passed on to the accommodation operator
- vi) staff report back on the development of a more targeted remission scheme as part of the Long-term Plan 2018-2028
- vii) staff report back on a proposal for 2018/19 for the inclusion of informal accommodation providers currently being rated as residential properties
- viii) staff report back on a proposal for the introduction of alternative governance arrangements of Auckland Tourism, Events and Economic Development, including greater participation for commercial accommodation providers appropriate to their level of funding of Auckland Tourism, Events and Economic Development's activities
- ix) the council's Revenue and Financing Policy be amended to provide for targeted rates to be used to fund visitor and external relations, destination and marketing and major events in the Economic Growth and Visitor Economic activity
- x) the \$13.45 million of general ratepayer funding no longer required to fund Auckland Tourism, Events and Economic Development be used to fund transport infrastructure projects, specifically mass transit to the airport and other airport access improvement projects
- xi) note that Auckland Tourism, Events and Economic Development's future role and activities will be considered as part of the Long-term Plan 2018-2028
- xii) note that the Mayor is open to discussing with the industry any proposals it wishes to put forward for an industry-led and funded regional tourism organisation as a partial or complete alternative to using a targeted rate to fund Auckland Tourism, Events and Economic Development's tourism promotion activities.
- d) agree to amend the council's Revenue and Financing Policy to facilitate future proposals to the Governing Body on the use of targeted rates to fund growth infrastructure.
- e) agree that the Auckland Council group implements a living wage policy over the council term to October 2019 as follows:
- i) the rate will initially be based on the reference living wage published by the

- Living Wage Movement Aotearoa New Zealand for 2017 being \$20.20, and thereafter will be calculated based on council wage inflation
- ii) the living wage applies to Auckland Council and its substantive council-controlled organisations and excludes contractors and volunteers
 - iii) a phased implementation approach be employed to ensure the greatest benefit is received by people earning lower than a living wage in priority to addressing relativity issues
 - iv) a complementary Trainee, Cadet, Intern and Apprenticeship rate is developed
 - v) the operating budget for the final Annual Budget 2017/18 include costs of \$1.9 million for living wage policy implementation and that this be offset by savings.
- f) agree to the operating and capital budgets incorporating the above rating and other changes and the following other key changes to rates policy and capital and operating budgets for the final Annual Budget 2017/18 as below:
- i) \$500,000 operating budget to fund collaborations on homelessness
 - ii) \$10 million of Auckland Transport operating budget to fund mass transit network investigations
 - iii) updated capital budgets for City Rail Link which reflect an increase of \$240 million in council's share of net capital investment by 2024/25 (revised total council investment of \$1.7 billion)
 - iv) an additional \$161 million capital budget to accelerate transport investment (including \$30 million for mass transit land acquisition)
 - v) \$7.2 million of additional capital budget for works on either side of the Skypath construction
 - vi) \$10 million of capital budget for cruise ship infrastructure (inner dolphin)
 - vii) \$20 million of stormwater capital budget brought forward from future years to address weather event resilience
 - viii) additional capital budget of \$10.2 million for Regional Facilities Auckland to construct a shared plant facility for services to the Town Hall and Aotea Centre
 - ix) waste management services and charges be standardised in accordance with staff recommendations
 - x) Manukau, Uptown and Wiri business improvement districts be expanded in accordance with staff recommendations.

The motion was taken in parts.

Resolution number GB/2017/58

MOVED by Mayor P Goff, seconded by Cr R Clow:

Final Annual Budget 2017/2018 – Mayoral Proposal

That the Governing Body:

- a) **agree to an average increase to both the fixed and variable portions of the general rate for existing ratepayers of 2.5 per cent for the final Annual Budget 2017/18.**
- b) **agree to amend the council's Revenue and Financing Policy to pause the Long-Term Differential Strategy for the 2017/18 year and extend the time to reach the target proportion of 25.8 per cent of rates from the business sector until 2037/38.**

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Casey	Cr C Fletcher	
Deputy Mayor B Cashmore	Cr D Quax	
Cr R Clow	Cr G Sayers	
Cr E Collins		
Cr L Cooper		
Cr C Darby		
Cr A Filipaina		
Mayor P Goff		
Cr R Hills		
Cr P Hulse		
Cr D Lee		
Cr M Lee		
Cr D Newman		
Cr D Simpson		
Cr W Walker		
Cr J Watson		

The motion was declared CARRIED by 16 votes to 3.

CARRIED

Note: Pursuant to Standing Order 1.8.6, the following councillors requested that their dissenting votes be recorded:

- Cr L Cooper against clause b)
- Cr M Lee against clause a).

Resolution number GB/2017/59

MOVED by Mayor P Goff, seconded by Cr R Clow:

That the Governing Body:

- d) agree to amend the council's Revenue and Financing Policy to facilitate future proposals to the Governing Body on the use of targeted rates to fund growth infrastructure.**

CARRIED UNANIMOUSLY

Resolution number GB/2017/60

MOVED by Mayor P Goff, seconded by Cr R Clow:

That the Governing Body:

- e) agree that the Auckland Council group implements a living wage policy over the council term to October 2019 as follows:**
- the rate will initially be based on the reference living wage published by the Living Wage Movement Aotearoa New Zealand for 2017 being \$20.20, and thereafter will be calculated based on council wage inflation**
 - the living wage applies to Auckland Council and its substantive council-controlled organisations and excludes contractors and volunteers**
 - a phased implementation approach be employed to ensure the greatest benefit is received by people earning lower than a living wage in priority to addressing relativity issues**
 - a complementary Trainee, Cadet, Intern and Apprenticeship rate is developed**
 - the operating budget for the final Annual Budget 2017/18 include costs of \$1.9 million for living wage policy implementation and that this be offset by savings.**

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Casey	Cr L Cooper	Cr D Simpson
Deputy Mayor B Cashmore	Cr D Lee	
Cr R Clow	Cr D Quax	
Cr E Collins	Cr G Sayers	
Cr C Darby		
Cr A Filipaina		
Cr C Fletcher		
Mayor P Goff		
Cr R Hills		
Cr P Hulse		
Cr M Lee		
Cr D Newman		
Cr W Walker		
Cr J Watson		

The motion was declared CARRIED by 14 votes to 4.

CARRIED

Resolution number GB/2017/61

MOVED by Mayor P Goff, seconded by Cr R Clow:

That the Governing Body:

- f) **agree to the operating and capital budgets incorporating the above rating and other changes and the following other key changes to rates policy and capital and operating budgets for the final Annual Budget 2017/18 as below:**
- i) **\$500,000 operating budget to fund collaborations on homelessness**
 - ii) **\$10 million of Auckland Transport operating budget to fund mass transit network investigations**
 - iii) **updated capital budgets for City Rail Link which reflect an increase of \$240 million in council's share of net capital investment by 2024/25 (revised total council investment of \$1.7 billion)**
 - iv) **an additional \$161 million capital budget to accelerate transport investment (including \$30 million for mass transit land acquisition)**
 - v) **\$7.2 million of additional capital budget for works on either side of the Skypath construction**
 - vi) **\$10 million of capital budget for cruise ship infrastructure (inner dolphin)**
 - vii) **\$20 million of stormwater capital budget brought forward from future years to address weather event resilience**
 - viii) **additional capital budget of \$10.2 million for Regional Facilities Auckland to construct a shared plant facility for services to the Town Hall and Aotea Centre**
 - ix) **waste management services and charges be standardised in accordance with staff recommendations**
 - x) **Manukau, Uptown and Wiri business improvement districts be expanded in accordance with staff recommendations.**

CARRIED

Note: Pursuant to Standing Order 1.8.6, the following councillors requested that their dissenting votes be recorded:

- Cr D Quax against clauses i), ii) and v)
- Cr G Sayers against clauses i) and v).

Cr L Cooper and P Hulse had previously declared an interest in clause c) and both left the meeting at 4.44pm prior to the vote.

Resolution number GB/2017/62

MOVED by Mayor P Goff, seconded by Cr R Clow:

That the Governing Body:

- c) as part of the final Annual Budget 2017/18, agree to a targeted rate on commercial accommodation providers to fund a proportion of the visitor attraction and major events expenditure of Auckland Tourism, Events and Economic Development (ATEED) as follows:
- the amount of the targeted rate is set at 50 per cent of Auckland Tourism, Events and Economic Development's budgeted expenditure on visitor attraction and major events, being \$13.45 million
 - in consideration of the distribution of benefits and affordability for commercial accommodation providers, they be categorised by type into three tiers:
 - Tier 1 comprising hotels and serviced apartments
 - Tier 2 comprising motels, lodges and motel-like accommodation in campgrounds
 - Tier 3 comprising other accommodation providers such as backpackers, campgrounds and hostels
 - in further consideration of the distribution of benefits for commercial accommodation providers, they be categorised by location into three zones:
 - Zone A comprising the local board areas of Albert-Eden, Devonport-Takapuna, Mangere-Otahuhu, Maungakiekie-Tamaki, Orakei, Waitemata
 - Zone B comprising the local board areas of Henderson-Massey, Hibiscus and Bays, Howick, Kaipataki, Manurewa, Otara-Papatoetoe, Puketapapa, Upper Harbour, Waiheke, Whau
 - Zone C comprising the local board areas of Franklin, Great Barrier, Papakura, Rodney and Waitakere Ranges
 - the targeted rate is applied on a differential basis based on the type and location as set out in the following table:

Differential ratios		Provider type		
		Hotels and serviced apartments	Motels and Lodges (including motel-like accommodation at campgrounds)	Other (Backpackers, campgrounds, hostels)
Location	Zone A	1.0	0.6	0.0
	Zone B	0.5	0.3	0.0
	Zone C	0.0	0.0	0.0

Note: The change from the original proposal is set out in paragraph 21.

- v) the council will consider applications for remission under its existing rate remission scheme (Remission of rates for miscellaneous purposes), for example where the owner/ratepayer are separate from the accommodation operator and the nature of the relationship between the parties means the targeted rate is unable to be passed on to the accommodation operator
- vi) staff report back on the development of a more targeted remission scheme as part of the Long-term Plan 2018-2028
- vii) staff report back on a proposal for 2018/19 for the inclusion of informal accommodation providers currently being rated as residential properties
- viii) staff report back on a proposal for the introduction of alternative governance arrangements of Auckland Tourism, Events and Economic Development, including greater participation for commercial accommodation providers appropriate to their level of funding of Auckland Tourism, Events and Economic Development's activities
- ix) the council's Revenue and Financing Policy be amended to provide for targeted rates to be used to fund visitor and external relations, destination and marketing and major events in the Economic Growth and Visitor Economic activity
- x) the \$13.45 million of general ratepayer funding no longer required to fund Auckland Tourism, Events and Economic Development be used to fund transport infrastructure projects, specifically mass transit to the airport and other airport access improvement projects
- xi) note that Auckland Tourism, Events and Economic Development's future role and activities will be considered as part of the Long-term Plan 2018-2028
- xii) note that the Mayor is open to discussing with the industry any proposals it wishes to put forward for an industry-led and funded regional tourism organisation as a partial or complete alternative to using a targeted rate to fund Auckland Tourism, Events and Economic Development's tourism promotion activities.

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Casey	Cr C Fletcher	
Deputy Mayor B Cashmore	Cr M Lee	
Cr R Clow	Cr D Newman	
Cr E Collins	Cr D Quax	
Cr C Darby	Cr G Sayers	
Cr A Filipaina	Cr W Walker	
Mayor P Goff	Cr J Watson	
Cr R Hills		
Cr D Lee		
Cr D Simpson		

The motion was declared CARRIED by 10 votes to 7.

CARRIED

11 Consideration of Extraordinary Items

There were no extraordinary items.

4.45 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 GOVERNING BODY HELD
ON

DATE:.....

CHAIRPERSON:.....