I hereby give notice that an ordinary meeting of the Finance and Performance Committee will be held on:

**Date:** Tuesday, 19 February 2019  
**Time:** 9.30am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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**Komiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee**

**OPEN AGENDA**

### MEMBERSHIP

- **Chairperson**
  - Cr Ross Clow
  - Cr Desley Simpson, JP

- **Deputy Chairperson**
  - Cr Josephine Bartley
  - Cr Dr Cathy Casey

- **Members**
  - Deputy Mayor Cr Bill Cashmore
  - Cr Fa’anana Efeso Collins
  - Cr Linda Cooper, JP
  - Cr Chris Darby
  - Cr Alf Filipaina
  - Cr Hon Christine Fletcher, QSO
  - Mayor Hon Phil Goff, CNZM, JP
  - Cr Richard Hills
  - IMSB Chair David Taipari
  - IMSB Member Terrence Hohneck

(Quorum 11 members)

---

**Sandra Gordon**  
Senior Governance Advisor

**13 February 2019**

Contact Telephone: (09) 890 8150  
Email: sandra.gordon@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

The purpose of the Committee is to:

(a) control and review expenditure across the Auckland Council Group to improve value for money
(b) monitor the overall financial management and performance of the council parent organisation and Auckland Council Group
(c) make financial decisions required outside of the annual budgeting processes

Key responsibilities include:

- Advising and supporting the mayor on the development of the Long Term Plan (LTP) and Annual Plan (AP) for consideration by the Governing Body including:
  - Local Board agreements
  - Financial policy related to the LTP and AP
  - Setting of rates
  - Preparation of the consultation documentation and supporting information, and the consultation process, for the LTP and AP
- Monitoring the operational and capital expenditure of the council parent organisation and Auckland Council Group, and inquiring into any material discrepancies from planned expenditure
- Monitoring the financial and non-financial performance targets, key performance indicators, and other measures of the council parent organisation and each Council Controlled Organisation (CCO) to inform the Committee’s judgement about the performance of each organisation
- Advising the mayor on the content of the annual Letters of Expectations (LoE) to CCOs
- Exercising relevant powers under Schedule 8 of the Local Government Act 2002, which relate to the Statements of Intent of CCOs
- Exercising Auckland Council’s powers as a shareholder or given under a trust deed, including but not limited to modification of constitutions and/or trust deeds, granting shareholder approval of major transactions where required, exempting CCOs, and approving policies relating to CCO and CO governance
- Approving the financial policy of the Council parent organisation
- Overseeing and making decisions relating to an ongoing programme of service delivery reviews, as required under section17A of the Local Government Act 2002
- Establishing and managing a structured approach to the approval of non-budgeted expenditure (including grants, loans or guarantees) that reinforces value for money and an expectation of tight expenditure control
- Write-offs
- Acquisition and disposal of property, in accordance with the long term plan
- Recommending the Annual Report to the Governing Body
- Te Toa Takatini
Powers

(a) All powers necessary to perform the committee’s responsibilities, including:
   a. approval of a submission to an external body
   b. establishment of working parties or steering groups.
(b) The committee has the powers to perform the responsibilities of another committee, where it is necessary to make a decision prior to the next meeting of that other committee.
(c) The committee does not have:
   a. the power to establish subcommittees
   b. powers that the Governing Body cannot delegate or has retained to itself (section 2).
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
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<td>C1</td>
<td>CONFIDENTIAL: Land acquisition for a culvert replacement in Avondale</td>
<td>59</td>
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</table>
1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Finance and Performance Committee:

a) confirm the ordinary minutes of its meeting held on Tuesday, 11 December 2018, including the confidential section; the extraordinary minutes of its meetings held on Wednesday, 12 December 2018 and Wednesday, 13 February 2019, as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than one (1) clear working day prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of thirty (30) minutes is allocated to the period for public input with five (5) minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to five (5) minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give one (1) day’s notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.
7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,-

   (i) The reason why the item is not on the agenda; and

   (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting."

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

   (i) That item is a minor matter relating to the general business of the local authority; and

   (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."
Te take mō te pūrongo

Purpose of the report

1. To approve the proposed scope and timeframe for the statement of intent review.

Whakarāpopototanga matua

Executive summary

2. The statements of intent (SOI) are the primary basis for accountability between our substantive council-controlled organisations (CCOs) and the council as shareholder. It is therefore important that the SOIs reflect the principles and priorities consistent with those of council.

3. In August 2018, the Finance and Performance Committee requested that staff undertake a review of the statement of intent process for substantive CCOs. This report describes the proposed scope and timeframe for undertaking a SOI review.

4. It is proposed to take an issue-based approach to the review, based on concerns raised by elected members and the CCOs. The review will focus on clarifying the purpose and content of the SOI, and improving the process for developing SOIs, the engagement between the governing body and the boards of CCOs, the key performance measures and the process for modifying a CCO’s statement of intent.

5. The proposed review will not be completed in time to be applied to the 2019-2022 SOIs. It is proposed that the review is concluded by November 2019 to allow for the outcomes to be included in the 2020-2023 SOI process.

Ngā tūtohunga

Recommendation/s

That the Finance and Performance Committee:

a) approve the scope for the statement of intent review, namely to:
   i) establish the outcomes expected from the statement of intent process
   ii) outline the issues, opportunities and challenges to achieve those outcomes
   iii) identify options for improving the statement of intent process

Horopaki

Context


7. The SOI is an essential part of the accountability regime for CCOs. Under the Local Government Act 2002 all CCOs are required to prepare a draft SOI by 1 March each year, and to consider shareholder comments before adopting a final SOI by 30 June.

8. Under legislation, each CCO is required in its SOI to:
   a) outline its intentions and activities for the forthcoming year
   b) provide an opportunity for shareholders to influence the direction of the CCO
   c) provide a basis of accountability for the directors of the CCO to its shareholders.
9. The SOI is more than a compliance document. It can be a useful tool for planning, management, and reporting publicly on CCO’s accountability.

10. Section 91 of the Local Government (Auckland Council) Act (LGACA) provides for the council to impose additional accountability requirements on substantive CCOs. This includes requiring in the SOI a narrative on how the organisation will contribute to the council’s and, where appropriate, the Government’s objectives and priorities for Auckland.

11. LGACA also requires Auckland Council CCOs to hold two public meetings a year – one to consider shareholder comments on their SOIs and the second to consider performance against their SOI targets.

12. The last review of the SOI process was in 2014 and included an assessment of the letter of expectation (LOE) process. This review identified the key areas for improvement as achieving:

- greater alignment to the budget and priority decision making through the long-term plan and annual plan processes. This resulted in the then budget committee being delegated to ensure performance measures, priorities and funding decisions were aligned with the long-term plan.
- consistency in documentation. This resulted in the content of the SOI shifting to a more strategic focus, to align with council strategies and key priorities
- greater understanding of the CCO governance documents. This resulted in the development of the CCO Governance Manual to replace the Shareholder Expectation Guide and the Board Appointments Policy.

Tātaritanga me ngā tohutohu
Analysis and advice

13. In October 2018, a workshop with the Finance and Performance Committee was held to identify issues to be addressed in the review. Feedback was also sought from our substantive CCOs on the issues they felt should be considered in the review. The common issues identified relate to the mixed understanding and expectations around the content and nature of SOIs, the level of engagement between CCOs and the governing body, conflicting timeframes and the lengthy process for developing SOIs. All parties agreed that there is significant scope to improve the current process.

14. Figure 1 summarises council’s current process for approving SOIs. This summary does not include the CCOs boards’ approval processes.

Figure 1: Statement of Intent – Auckland Council’s existing process and timeframes
Scope of the SOI review

SOI review objectives
15. The proposed objectives of the review are to evaluate the current practice for developing and approving the SOIs and to identify opportunities to improve:
   a) the outcomes expected from the SOI process
   b) the efficiency of processes relating to the development of the SOIs

Proposed scope of review
16. The proposed scope of the review is to work with CCOs to address the issues and actions summarised in Table 1.

Table 1: Issues and actions to be addressed by SOI review

<table>
<thead>
<tr>
<th>Issue</th>
<th>Review activity</th>
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<tbody>
<tr>
<td>Differing views on the content and function of SOI between CCOs, boards and elected members, resulting in inconsistencies in approach to SOI content</td>
<td>The review should:</td>
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<td>• clarify what level of operational or project-based content is appropriate in the SOI or whether another reporting and monitoring mechanism is more appropriate</td>
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<td>• identify whether any of the five substantive CCOs may require specific treatment (for example, are there any legislative provisions or operating challenges that justify specific treatment for any of the CCOs in terms of the SOI)</td>
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<td>• identify whether there are other accountability mechanisms or vehicles to address content or specific issues often raised during SOI conversations.</td>
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<tr>
<td>Complex and prolonged process for developing and engaging on the SOIs</td>
<td>The review should:</td>
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<td>• identify current issues with the process</td>
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<td>• develop options for how staff or elected members should engage with CCOs during the development and approval of SOIs</td>
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<td>• determine the benefits of the LOE and whether any changes are necessary</td>
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<td>• determine whether there are changes needed to align the statement of intent with any other council plans or strategies e.g. the long-term plan (crown entities must prepare a statement of intent every three years).</td>
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### Item 8

<table>
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<tr>
<th>Issue</th>
<th>Review activity</th>
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| Inconsistencies across CCOs in their approach to SOI performance measures and measures/targets do not always reflect the priorities and interests of council. | The review should:  
  - review SOI measures  
  - identify priority measures within a CCO’s suite of performance measures and targets  
  - develop with CCOs new or refine existing measures and targets  
  - consider consistency across CCOs of performance measures (e.g. should all CCOs have customer performance measures)  
  - consider council processes, role clarification and/or resourcing as needed. |
| No clear process for modifying a CCO’s SOI if shareholder feedback is not considered | The review should:  
  - identify the circumstances when modification of a SOI is necessary  
  - develop criteria to evaluate the SOI when these circumstances occur  
  - develop an agreed process for modifying a CCO’s SOI. |

17. The following are excluded from the scope of the review:  
- non-substantive/legacy CCOs  
- long-term plan 2018-2028 performance measures.

**Review outputs and timing**  
18. Staff propose that the review is undertaken by staff, working with CCOs. Due to the timings of the existing SOI process and the local government election this year, the review will not be able to be completed in time to be implemented for the 2019-2022 SOIs. The intention is to report it to the new council in November to be implemented for the 2020-2023 SOI period.

19. Staff recommend ongoing reporting of the review to the Finance and Performance Committee.

**Figure 2: Timeframe and actions to complete SOI review**

- April 2019: Review existing challenges, processes and KPIs
- June 2019: Development of options
- September 2019: Engagement on benefits and disadvantages of options and identification of preferred option
- November 2019: Report to committee on review outcomes and recommendations
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
20. Feedback from CCOs on the issues they would like to be considered in the review were collected late in 2018. Throughout the proposed review process input will be sought from across the council family, including ongoing work with the CCOs.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
21. The views of local boards have not been sought in relation to determining the scope of the proposed review as the responsibility for the governance of CCOs has been delegated to the Finance and Performance Committee.

Tauākī whakaaweawe Māori
Māori impact statement
22. The SOIs contain each CCO’s contribution to Māori outcomes. Staff will consult with Te Waka Anga Mua ki Uta (the Māori Strategy and Relationships department) and the Independent Māori Statutory Board on the issues and opportunities as they are addressed in the review.

Ngā ritenga ā-pūtea
Financial implications
23. The proposed review will be undertaken within existing budget provisions.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
24. The risks of not undertaking the proposed review are:
   • a continued level of dissatisfaction with the current process by councillors and CCO boards
   • that the review does not led to improvements that meet political, CCO or public expectations. This can be mitigated by reporting throughout the year to the Finance and Performance Committee.
   • that competing work priorities may impact on the ability to complete the review in the timeframes provided. This risk has been mitigated by programming the work to align with current work priorities and ensuring regular reporting on the review.
25. The review will not address the legislative timing issues, which may be a major source of frustration for all parties and an area where the biggest benefits could be achieved.

Ngā koringa ā-muri
Next steps
26. On approval of the scope of the review, staff will commence the review work, working with CCOs on the various issues.

Ngā tāpirihanga
Attachments
There are no attachments for this report.
### Ngā kaihaina

**Signatories**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
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<tbody>
<tr>
<td>Author</td>
<td>Claire Gomas - Principal Advisor</td>
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<tr>
<td>Authorisers</td>
<td>Alastair Cameron - Manager - CCO Governance &amp; External Partnerships</td>
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<tr>
<td></td>
<td>Phil Wilson - Governance Director</td>
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<tr>
<td></td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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</tbody>
</table>
Submission to Productivity Commission on Local Government funding and financing

File No.: CP2019/00486

Te take mō te pūrongo

Purpose of the report


Whakarāpopototanga matua

Executive summary

2. Central Government has asked the Productivity Commission (the Commission) to conduct an inquiry into local government funding and financing. The Commission has released an issues paper as the first stage in a process towards a final report in November 2019. A further opportunity for submissions is scheduled for the third quarter of 2019 following release of the Commission’s draft report in June 2019. The council has sought and been provided an extension to the date for lodging its submission until 26 February.

3. The council’s views on the issues Auckland faces and the potential solutions presented are primarily drawn from the positions presented in the 10-year Budget 2018-2028 and associated documents. The draft submission, attached, focuses on the key themes rather than individually answering the 49 questions set out in the issues paper.

4. The primary issues identified for Auckland Council are financing investment in infrastructure to respond to the demands of growth and restrictions on our funding sources including the community’s strong preference for low rates increases. The draft submission proposes further partnering with the Crown and the private sector to make additional finance available and legislative change to facilitate these arrangements. In addition, changes are also sought to improve the flexibility and effectiveness of our key funding sources; rates, development contributions and New Zealand Transport Authority (NZTA) grants.

5. Council staff have engaged with officers from Auckland Transport and the Independent Māori Statutory Board and have considered their views in developing the draft submission.

Ngā tūtohunga

Recommendation/s

That the Finance and Performance Committee:

a) approve the submission on the New Zealand Productivity Commission Local government funding and financing inquiry Issues paper (Attachment A of the agenda report)

b) delegate to the Chair of the Finance and Performance Committee and Group Chief Financial Officer to authorise any minor amendments and corrections to the submission.

Horopaki

Context

6. Central Government has asked the Commission to conduct an inquiry into local government funding and financing and, where shortcomings in the current system are identified, examine options and approaches for improving the system. The last comprehensive review of local government funding and financing was the Report of the Local Government Rates Inquiry (the Shand Report), published in 2007.
7. Mechanisms for rating Māori freehold land and Crown land, the valuation system and practices and substantial privatisation are excluded from the inquiry. The terms of reference do not call for an assessment of, or changes to, the current scope and responsibilities of local government.

8. The inquiry’s terms of reference were released on 24 July 2018. The issues paper released in November is the first stage of the Commission’s process:

- issues paper release November 2018
- council’s submission on issues paper 26 February 2019
- draft report June 2019
- submissions on draft report third quarter 2019

Tātaritanga me ngā tohutohu
Analysis and advice

9. The issues paper focuses on the cost of services provided by local government and how they are paid for. It takes a holistic look at the funding and financing system across the range of local government functions, as opposed to a specific aspect such as funding and financing infrastructure to support housing supply, or on specific classes of infrastructure (such as the three waters). The issues paper examines the adequacy and efficiency of the existing local government funding and financing framework. While the issues paper is primarily about cost drivers and the funding and financing framework, an overarching consideration is affordability, particularly the affordability of rates.

10. The issues paper includes six key discussion topics and 49 questions, see table below.

<table>
<thead>
<tr>
<th>Key topic</th>
<th>Number of questions per topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local government in New Zealand</td>
<td>1</td>
</tr>
<tr>
<td>How funding and financing currently works</td>
<td>0</td>
</tr>
<tr>
<td>Key funding and financing trends</td>
<td>1</td>
</tr>
<tr>
<td>Pressure points (for example, population growth, tourism industry, expansion of local government responsibilities, climate change and other hazards, and rising prices)</td>
<td>12</td>
</tr>
<tr>
<td>Managing cost pressures (for example, efficiency gains and allocation of costs across local communities)</td>
<td>15</td>
</tr>
<tr>
<td>Future funding and financing (for example, new funding tools and increased Crown investment in infrastructure)</td>
<td>20</td>
</tr>
</tbody>
</table>

11. Officers have developed a submission that draws on the Auckland Plan 2050, the 10-year Budget 2018-2028, the 30-year Infrastructure Strategy. The draft submission focuses on a number of key themes and does not seek to answer the 49 questions individually.

12. The Auckland region continues to experience strong population and economic growth. At the same time the council is operating at the limit of its capacity to borrow and the community has expressed a preference for lower rates increases in line with inflation. This growth is placing pressure on the council’s ability to provide the infrastructure required to:

- open up more land for housing development
- facilitate economic growth
- maintain service levels in the face of rising demand e.g. traffic congestion.
The council has had to prioritise its investment meaning that some infrastructure challenges are still to be addressed.

13. In response to these challenges the draft submission:

- records the council’s support for partnering arrangements with the Crown and the private sector to provide new sources of finance to support growth and legislative change to make this easier and more attractive. (For example, the agreement between the council, Fulton Hogan and Crown Infrastructure Partners (CIP) in Milldale)

- seeks reconsideration of the relationship between the government and the council in terms of our relative responsibilities for funding economic development activities, like the America's Cup, and how our taxation systems interact. In addition the draft submission seeks the ability to set some industry-specific charges like bed taxes as in these circumstances they are superior to our targeted rates mechanisms for recovering some of these costs

- proposes changes to the rules that place limitations on our funding sources; rates, development contributions and New Zealand Transport Authority (NZTA) grants


Ngā whakaawaewe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

15. All local board members were advised of the submission process in a memorandum on 30 January. The memorandum invited local boards to provide formal or informal comments by 15 February for consideration by the committee. Officers will present local boards views at the meeting. Local board views received subsequent to the publication date for this report will be tabled at the meeting.

Tauākī whakaawaewe Māori
Māori impact statement

16. Council staff have engaged with officers from the Independent Māori Statutory Board and have considered their views in developing the draft submission.

Ngā ritenga ā-pūtea
Financial implications

17. There are no financial implications in deciding to make a submission.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

18. There are no risks in deciding to make a submission.

Ngā koringa ā-muri
Next steps

19. The commission’s draft report to government is expected in June 2019. There will be further opportunity to provide Auckland Council’s input when the draft report is released.
### Ngā tāpirihanga

**Attachments**

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<tr>
<th>No.</th>
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<tr>
<td>A</td>
<td>Draft Auckland Council submission to the New Zealand Productivity Commission Local government funding and financing: Issues Paper</td>
<td>21</td>
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### Ngā kaihaina

**Signatories**

| Authors                      | Andrew Duncan - Manager Financial Policy  
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Beth Sullivan - Principal Advisor Policy</td>
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| Authorisers                  | Ross Tucker - General Manager, Financial Strategy and Planning  
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<tr>
<td>Matthew Walker - Group Chief Financial Officer</td>
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New Zealand Productivity Commission Local government funding and financing: Issues Paper

26 February 2019
Auckland Council’s submission on the Productivity Commission’s issues paper on its local government funding and financing inquiry

1. Auckland Council welcomes the opportunity to make a submission on the Productivity Commission’s (the Commission’s) issues paper. The council looks forward to the opportunity to make further submissions in response to the Commission’s draft report on the local government funding and financing inquiry due to be released in June 2019.

2. This submission has been approved by the council’s Finance and Performance Committee. The address for service is Auckland Council, Private Bag 92300, Victoria Street West, Auckland 1142.

3. Please direct any enquiries to Matthew Walker, Group Chief Financial Officer, at matthew.walker@aucklandcouncil.govt.nz and/or on 021-229-4094.
Introduction

1. This submission sets out the council’s views on the key financing and funding challenges as identified in our 10-year Budget 2018-2028, Auckland Plan 2050 and our 30-year Infrastructure Strategy. Commentary is also provided on some of other issues that are not covered by those documents.

Executive summary

2. Auckland is going through a period of economic and population growth that is placing demands on our ability to sustain services levels and to provide the new infrastructure to support this expansion. At the same time our communities’ service level expectations are rising and our costs are increasing faster than the CPI. The council cannot access all the capital to meet these investment demands without facing substantially higher interest costs and its primary funding source is constrained by the community’s strong preference for low rates increases.

3. In 2018 the council partnered with Fulton Hogan and Crown Infrastructure Partners (CIP) for CIP to finance the additional infrastructure needed to progress the Milnade development. The council is continuing to work on new ways to partner with others to fund and finance infrastructure within the current legislative environment building on the success of Milnade. Done successfully this will enable more development areas to be supported earlier. We will continue to work with central government on the Urban Growth Agenda and changes to legislation that would support these kinds of arrangements.

4. The government benefits from increased income tax and GST revenues arising from council investment in economic development, e.g. the Americas Cup and visitor attraction whereas the financial returns to the council are low. Despite the benefits to the region most ratepayers gain little and are unwilling to fund it. Accordingly, there is a strong case for the council to have access to some of the tax gains from this investment and/or the government funding a greater share of the required investment. In addition the council would like the ability to set some industry specific charges like bed taxes as in these circumstances they are superior to our targeted rates mechanisms for recovering some of these costs.

5. The council also considers there is scope for the government to make changes to enhance existing funding tools; rates, development contributions and New Zealand Transport Agency (NZTA) subsidies. Useful changes could include:

- allowing the regional fuel tax and development contributions to be set based on broad future funding intentions rather than specific identified projects that limit the council’s ability to respond to the development market and changing transport priorities
- amending NZTA subsidy level rules to reflect the agreement on the share of local and central government funding in the Auckland Transport Alignment Project (ATAP)
- provide the council with greater information gathering powers to establish how properties are being used so rates can be set fairly. At present ratepayers aren’t required to advise the council on how they are using their land.
Financing and funding challenges

Infrastructure and investment demand

6. Auckland continues to experience strong population and economic growth. It is estimated that the Auckland region has a current shortfall of around 35,000 dwellings to meet demand for housing. A further 313,000 dwellings and work places to support over 250,000 jobs will be required by 2050 to meet expected growth.

7. To support this development the council’s 10-year Budget, covering the period 2018-2028, has a capital programme of over $26 billion. This investment is not, however, sufficient to enable all the future urban areas to be developed or all of the intensification projects to proceed immediately. The council has had to necessarily prioritise and sequence its investment meaning that some infrastructure challenges are still to be addressed.

8. The cost of infrastructure is rising as the cost of land and construction costs increase beyond the CPI. In addition, the cost of providing for consequential operating expenditure is increasing as our investment in infrastructure expands. At the same time the community’s level of service expectations are growing.

9. In particular the cost of transport investment is rising as construction is conducted with greater attention to management of environmental issues and worker and public safety. Councils experiencing higher growth also face proportionally higher road maintenance costs than more stable regions arising from the heavy vehicle movements associated with construction activity.

10. As New Zealand’s premiere city the council is taking responsibility for hosting key events like the America’s Cup and major sporting contests. These and other economic development initiatives require the council to make substantial investment and expenditure commitments. The benefits of this expenditure extend beyond the Auckland region, have little impact on our rates revenue and aren’t felt directly by most ratepayers, particularly those on fixed incomes. However, the primary source of financing and funding remains general ratepayers.

11. Beyond the infrastructure demands required to support growth the council also has to deal with the pressure growth is placing on existing services and systems, in particular transport and the environment.

12. In transport, almost 25 per cent of Auckland’s arterial road network is now congested in the morning peak compared to 18 per cent less than four years ago. Congestion outside peak times and on weekends is also becoming more frequent with over 10 per cent of the network now experiencing inter-peak congestion. Auckland has also seen a near-doubling in road deaths and serious injuries over the past five years.

13. Auckland’s growth is placing increasing pressure on the environment. Marine and freshwater sites have been polluted by sediments and contaminants arising from development, building and industrial activities. Continued investment is required to manage the development of 15,000 hectares of future urban land identified in the Unitary Plan and intensification in the existing urban area.

14. Climate change will also place pressure on our transport and three waters assets. We are already seeing increasing problems with coastal assets, such as sea walls, being severely damaged during storms and roads such as Tamaki Drive are experiencing inundation on a more regular basis. The SOLGM submission identifies the direct costs to council’s at between “… $1-$3 billion for roads and three waters.” SOLGM notes that “… while these are significant on their own these may be dwarfed when the process of managed retreat begins."
Financing

15. The council’s lack of debt headroom is the primary constraint on our ability to provide the infrastructure to meet the demands identified above. The council has a credit rating of Aa2 and AA from Moody’s and Standard & Poor’s, respectively. Borrowing beyond our debt ceiling – which the council is very close to – would risk a downgrade to the credit rating, meaning a higher interest costs across all our borrowing and a reduced ability to access capital markets. A downgrade in Auckland Council’s credit rating could also impact on the credit rating of the Local Government Funding Agency (LGFA) thus also impacting the borrowing costs of all other councils that raise funds through the LGFA.

Funding

16. Even if we could raise the debt to finance all the required investment the council is likely to face constraints in generating the on-going funding to support additional borrowing. Rates (including targeted rates) are a highly visible form of tax that account for 46 per cent of funding for Auckland Council. Control of its own source of taxation gives local government in New Zealand a larger degree of autonomy than is the case in many other systems of local government, but this comes with a greater degree of accountability to local communities.

17. The community has expressed a strong preference for lower rates increases. The 10-year Budget has set rates limits of 2.5 per cent for 2018/2019 and 2019/2020 and 3.5 per cent for the remainder of the period. It is not certain that the community, and future councils, will support 3.5 per cent increases when incomes are not rising at this level.

18. As part of the 10-year Budget the council consulted on targeted rates¹ set, on capital value, to fund additional investment in improving the quality of Auckland’s waterways, harbours, beaches and environment. This provided for a more informed discussion with the community about increasing the rates take to meet these investment needs. The community supported these changes and they were adopted as part of the 10-year Budget.

Solutions

19. The Auckland region and the council need access to new financing arrangements and a broader range of funding tools to enable the investment required to maintain service levels for the existing population and provide the infrastructure needed to support future growth. Legislative change and a continuation of the government’s involvement in infrastructure financing and funding are required to enable provision of the capital to unlock the region’s potential.

New sources of financing

20. Limits on the council’s ability to borrow mean that new sources of financing are required to support the investment required to accelerate Auckland’s growth and speed up housing development. An example of this is the partnership the council, Fulton Hogan and Crown Infrastructure Partners (CIP) entered into for the Māngere development. The arrangement used capital from CIP along with debt obtained by CIP in the private market to fund the additional investment required for the project to proceed. Fulton Hogan and subsequently new house buyers will pay this back over time via an infrastructure payment to be collected by the council and recorded on their rates invoices.

21. The council is continuing to work on new ways to partner with others to build and finance infrastructure within the current legislative environment. Done successfully this will enable more development areas to be

¹ Water quality targeted rate and Natural environment targeted rate.
supported earlier. We will continue to work with central government on the Urban Growth Agenda and changes to legislation that would support these kinds of arrangements.

Regional fuel tax and NZTA transport funding

22. To manage the demands for greater investment noted above within these revenue constraints the council replaced the Interim Transport Levy, a targeted rate set per separately used or inhabited part of the rating unit, with a regional fuel tax developed in conjunction with central government. The regional fuel tax provides a stronger connection between those paying and road users. Raising the cost of driving also serves to provide incentives to reduce pollution and congestion. However, there are concerns that the higher cost of fuel most impacts on those on lower incomes for whom fuel makes up a greater proportion of expenditure and who are likely to live in areas further from main centres and in areas with less transport options.

23. In conjunction with the introduction of additional funding from the regional fuel tax the council and government agreed on a package of transport investments through the Auckland Transport Alignment Project (ATAP). The joint ATAP announcement identified the funding sources for the package of projects. This funding package was identified, however, at a high level and how individual projects would be funded was not specified. The current settings of both co-funding levels and qualifying activities in the Government Policy Statement on Land Transport are not sufficient to support the funding set through ATAP. Additionally the timeframe for business case approval means that the council cannot plan in advance for NZTA funding with any certainty.

24. Consideration should be given to amending NZTA transport funding decision making rules to reflect the funding commitments that the government and council have agreed in ATAP. Without these changes some agreed priority projects may not proceed and committed funding could go unspent.

Funding economic growth

25. The council would have better incentives to invest in economic development activities like the America’s Cup, major events, stadiums, cruise ship infrastructure and innovation if it had access to some of the resultant tax take gains. These investments increase economic activity and raise the tax take. Central government should consider taking a greater role in funding this kind of development and considering whether the council should have access to a wider range of funding tools better linked to economic activity like a bed tax as discussed below.

National approach to managing impacts of climate change

26. Councils will likely require government support to make infrastructure networks resilient to climate change. It is more certain that some councils and communities absorbing the impact of managed retreat will be beyond their capability. The council supports the Society of Local Government Managers submission which suggests the government develop a national framework for addressing the impact of climate change and determining how the impacts on affected communities will be managed.

Amendments to development contributions legislation

27. Current growth funding tools like development contributions are limited in their scope. Development contributions can only require developers to pay a share of costs of infrastructure investments required to service growth. Many of these projects would not proceed without the demands of growth but the cost of funding the wider benefits from these investments fall to ratepayers. Legislation requires development

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2 A separately used or inhabited part of a rating unit includes both the main house and granny flat and treats each shop in a shopping mall separately.
contributions charges to be supported by detailed planning at a project level over a 10-year horizon. However, Auckland has a wide range of potential development areas and effective prioritisation of scarce capital has to be responsive to the market.

28. The council supports the proposed amendments to development contributions legislation in the Local Government (Community Well-being) Amendment Bill. This amendment would restore the Council’s ability to collect development contributions to fund a broader range of community infrastructure (including, for example, public swimming pools and libraries). These facilities are demanded by new communities and include a growth component. They add value to land and developments. Restoring the ability to fund these activities with development contributions would reduce pressure on other funding sources.

29. The council also seeks the ability to levy development contributions for the provision of public infrastructure not owned by the council for which we have funding liability or provided on land we don’t own. This would allow for developments in partnership with community groups and private providers for infrastructure beyond the traditional council owned and operated model. New ownership and operation models may bring better community outcomes, provide another vehicle for introducing outside capital and offer the potential for operating efficiencies.

Amending rating legislation to support use of targeted rates to fund growth infrastructure

30. Targeted rates may allow the council to broaden the funding base for infrastructure investment without having to call on general ratepayers. Targeted rates can provide an incentive to develop land, depending on the timing, and deliver greater revenue certainty for the council than alternatives such as development contributions. However, these advantages come from the element of compulsion inherent in rates. Broader implementation of targeted rates within the current rating legislation may provide a broader based revenue stream but is likely to be resisted by some land owners.

31. To support the development of third-party financing of infrastructure investment noted above and the council’s wider use of targeted rates to fund growth infrastructure we are seeking amendments to rating legislation. However, the current rating legislation is designed for the application of general rates. The changes the council is seeking are intended to provide more flexibility in the design of rating schemes to fund infrastructure.

32. The changes sought for targeted rates to fund growth infrastructure (not to apply more widely) are:
   - ability for set a rate for more than one year - providing future funding certainty
   - ability to set a rate at any time during the year rather than only in June as part of an annual or long-term plan – as agreements with developers/financiers would not necessarily follow the Council’s planning cycle
   - allowing rates liability to be based on valuations reflecting the council’s future commitment to infrastructure investment as opposed to the use that land can be put to currently – current rating valuation rules require land to be valued on its best current use. Until such time as infrastructure is available some land in development areas may not be valued in accordance with the benefit it has received from commitments to invest in infrastructure. This change would ensure that if land value was used to apportion the cost of future infrastructure it was shared fairly between land owners
   - provision for rates liability to be incurred by subsequent purchasers at purchase rather than existing owner occupiers – providing the council with a means of managing the potential immediate impact on benefiting land owners who are not able or willing to realise the benefits of infrastructure investment
   - provision for the liability for future rates to be recorded on a land titles – to ensure purchasers are aware of the additional liability.

33. More detail on the council’s position on infrastructure financing and funding is set out in the Additional Supporting Information, Section 7.2 Financing growth infrastructure, that was part of the consultation material for the draft 10-year Budget 2018-2028, see Attachment One.
Other funding commentary

Taxation relationship with government
34. The Local Government New Zealand (LGNZ) and SOLGM submissions raise the issue of the application of GST to rates and the Crown’s exemption from rates and development contributions. The council has also previously noted those issues.

35. Central and local government both play key roles in the provision of public and social goods for the residents of Auckland and New Zealand. The primary funding sources for these services are income taxes, GST and rates. However, rates, while a key source of tax funding for the provision of public goods, are subject to GST like other private goods and services. Businesses are able to claim back GST, and expense rates, yet private residents, including those on fixed incomes must pay an additional 15 per cent.

36. Many Crown properties, activities and investments place costs on the council but are exempt from rates and GST. If council rates are subject to GST like private goods and services there is a case for government properties to pay rates and development contributions to cover a share of the costs they impose on the city. Like the capital, labour and other goods and services these activities consume properly pricing the benefits the council delivers these activities ensures their decision making takes account of all the costs they impose. Additional funding would allow council to increase its spending and investment on the challenges we’ve identified above. However, we recognize this would raise government’s costs and present them with decisions on expenditure priorities, raising taxes or expanding the tax base.

Rates and funding fairness and affordability
37. The issues paper discusses the issue of fairness in levying rates and other charges. Fairness is a subjective issue to which there is no single answer. Assessing fairness requires consideration of:

- setting rates or charges at similar levels for those for whom similar levels of service are provided or available
- balancing the relative ability to pay of differing groups
- the degree of change in rates that any alteration to funding would lead to.

38. Weighing the issues identified above is subjective and requires the exercise of political judgement. Section 101(3) of the Local Government Act 2002 provides a good framework to ensure that councils consider the factors above when making funding decisions. This is reinforced by the matters the council has set out in its Revenue and Financing Policy.

39. The Council considers affordability in determining the rates limits in the 10-year Budget and weight is given to considering this increase compared to the CPI. The Revenue and Financing Policy provides for council fees to increase annually at the council rate of inflation (i.e. the rate of increase in our costs) and to maintain cost recovery levels. Any more significant changes generally require consultation.

40. When reviewing its rating policy, the council considers the relationship between household income and property value and the level of home ownership. The council also considers the proportion of income rates represented for those on fixed incomes e.g. superannuation.

41. When considering the level of cost recovery when setting fees, the council assesses the financial implications for those who will be paying. Examples in this context are the provision of free pool entry for under 16s, no library fines for overdue children’s books and subsidised public transport fares.

42. Issues of fairness and affordability were extensively canvassed when the council set the level of the UAGC and the business differential in the LTP 2012-2022 and when reviewing these for the LTP 2015-2025. For the business differential consideration was given to the relative demand that businesses placed on council services and their ability to pay. The council decided to gradually lower the business differential over time to a level roughly equivalent to the tax advantage businesses have over owner occupied residential properties.
The LTP 2015-2025 review decided to extend the time to reach this target level from 10 to 20 years to reduce annual change in residential rates from 1 per cent above the general rates increase to 0.5 per cent.

43. The move to a single rating system based on capital value when Auckland Council was established in 2010 led to substantial changes in rating levels for many individual Aucklanders over multiple years, therefore, while not directly identified in s101(3), the extent of change in rating policy was a key element of the debate around the UAGC and business differential. Minimising change is one of the factors the Revenue and Financing Policy commits the council to considering. This has also featured directly and indirectly in subsequent rating policy considerations.

44. The commission also asks about the rating of commercial property. Is rates, as a proxy for a wealth tax, an appropriate basis for assessing how much businesses should contribute towards the provision of local public goods and services? With changes in technology the degree of economic activity undertaken by a business is not readily proxied by its holding of land assets and improvements. This raises the question of whether there are grounds for using different instruments than rates for the local taxation of businesses. Different taxation instruments for businesses may make a stronger link between the council’s revenue and its investments in economic development activity discussed above.

Rates rebates
45. The council is pleased that the government’s recent amendments to the Rates Rebate Act provide for residents of licence to occupy retirement villages to gain access to the scheme. However, the council notes that further changes are required to ensure the Act recognises other ownership structures that have developed since the act was passed in 1973, like papakainga housing. In addition, changes are needed to ensure that eligible residents in cities like Auckland whose water charges are levied by a Council Controlled Organisation (CCO) rather than being included in rates bills aren’t disadvantaged and can have these charges included as part of their assessment.

Expansion of local government responsibilities
46. Delegation by central government of social and environmental regulatory responsibilities to local government is often the most effective means of delivering these services. The services can be delivered locally building on expertise and systems held by local government.

47. It is common for Treaty of Waitangi settlements to include some form of co-governance over significant natural resources and reserve lands with local authorities. Council’s ongoing costs often exceed any Crown contributions.

48. Given the pressures on ratepayers noted earlier additional obligations must be accompanied by the appropriate funding from central government. If any future costs are to be funded from fees and charges these should not be fettered by regulations restricting full cost recovery.

Local income and sales taxes
49. The council does not have a position on the local income or sales taxes. Local income and expenditure taxes would connect council revenue to the economic activity stimulated by our investments to support growth. However, the revenue would follow the economic cycle whereas the core expenses associated with infrastructure investment are steadier and more predictable. This would require the council to move away from a balanced budget approach and plan its expenditure on a cyclical basis accumulating reserves in periods of growth to manage lower revenue during downturns. These instruments are also likely to have high implementation and compliance costs. Rates provide a more certain income stream better matched to this expenditure.

50. The council promoted the introduction of the regional fuel tax allowing for additional investment in transport infrastructure and to replace the ITI. A regional fuel tax has a better correlation between who pays and who benefits but has a greater impact on low income groups. The next step for the council in terms of revenue
raising and demand management is congestion charging. The council supports acceleration of the introduction of new types of charging for roads and in particular congestion charging.

51. We would also support the ability for councils to apply local bed taxes to fund regional tourism organisations and tourism infrastructure. The council has recently introduced an Accommodation Provider Targeted Rate (APTR) to provide funding for half of its major events and visitor attraction expenditure. The APTR allocates these costs to those who most directly benefit. However, a bed tax would better share this burden between accommodation providers. A bed tax would distribute the costs between operators based on their revenue and hence benefit from increases in visitor numbers. The APTR distributes the costs based on capital value which is related to revenue but not as directly as a bed tax. In addition, the ownership structure of accommodation providers varies and the liability for rates does not fall evenly between the parties involved in the sector. For some properties the rates may fall on land owners and for others on the operator depending on the contract structure.

52. Changes in technology are changing the way in which business is conducted and properties are used. Current rating legislation was designed for a time when it was very clear how properties were being used. At present ratepayers have no obligation to advise the council of how they are using their properties and face no penalty if a use other than that which we have recorded is subsequently discovered. Changes to rating legislation to require ratepayers to advise the council how their property is used would help ensure rates are applied fairly. Legislation should also oblige third parties to share information they hold on a property’s use with the council.

Tax increment financing

53. The council notes that tax increment financing (TIF) is often promoted as a means to fund investment in infrastructure to support redevelopment. Investment in infrastructure raises property values. Higher property values under the TIF model lead to higher rates. A TIF takes the increase in value and uses that to pay back the capital investment in infrastructure.

54. TIFs are not well suited to the New Zealand environment. Auckland Council includes forecast growth in the rating base into its long-term revenue projections. This revenue provides funding for the consequential operating costs (operations, maintenance and depreciation) of additional infrastructure investment to serve growth. Removing this revenue stream would create additional financial pressure.

55. However, TIFs may have value in circumstances where there is confidence the investments they fund are adding development potential beyond current forecasts. This may arise where new financing arrangements allow material acceleration of the planned infrastructure investment required to release development. Careful design of the instruments to implement TIF would be required to manage the measurement issues associated with separating the impact of infrastructure investment on land values and other market movements.

Local property tax

56. The issues paper also considers a local property tax set at a fixed percentage of a property’s value. Revenue from a tax in this form would rise or fall with the property market. This would expose the council to wide fluctuations in revenue over time unrelated to the costs of running the city. While the council may be able to forecast and budget over the property cycle this would be much more difficult for individual ratepayers who over the last ten years would have seen their rates more than double.
Attachment One

7.2 Financing growth infrastructure

Purpose
1. To outline the options and implications of proposed changes to the council’s financial strategy in relation to financing infrastructure necessary to support new housing and business developments.

Summary
2. The Auckland Unitary Plan has provided sufficient zoning capacity to support substantial amounts of new housing development. However, the capacity of infrastructure needed to support these new houses is a constraint.

3. The infrastructure required to support growth includes arterial roads, public transport works, stormwater drains, sewer mains, pump stations, reservoirs, water mains, parks and community facilities.

4. Auckland Council’s current financial strategy is to primarily finance this kind of housing-related infrastructure through borrowings which are repaid over time from development contributions or Watercare’s infrastructure growth charges which are paid by developers as and when they develop their land.

5. While this general approach will continue, there are several reasons why we need to consider making some adjustments:

   a) the infrastructure costs per dwelling in some areas are considerably higher than our current charges and so some pricing increases will be necessary

   b) the council faces borrowing constraints

   c) many growth infrastructure projects also provide benefits to existing dwellings, and it is not appropriate to recover all of the infrastructure costs through development contributions which are charged on new developments. These infrastructure projects can only proceed if another funding source is available to cover the gap in funding.

   d) charging large one-off payments when developers choose to develop their land may incentivise land banking rather than early release of land supply to market.

6. To complement and enhance our existing approach, we are proposing to:

   a) review development contribution pricing in key growth areas

   b) be ready to introduce new growth infrastructure targeted rates in key growth areas

   c) work with central government on the establishment of new legal entities to take a lead role in financing this infrastructure in a way that doesn’t rely on significant increases in council debt.

Background

The growth challenge

7. Auckland faces significant challenges in funding its critical infrastructure, including its transport and wastewater network. Auckland’s population has grown by over 45,000 per year for the past two years, and is some four to five years ahead of official population growth projections.

8. Given these pressures, Auckland Council is firmly committed to increasing the supply of land for housing, as evidenced by the significant lift in zoning capacity enabled by the Auckland Unitary Plan. However, the council’s lack of debt headroom is constraining our ability to provide the necessary infrastructure to service this land.
Current financial strategy and funding policy

9. The current financial strategy provides that the costs of growth will be met by those who are benefiting from that growth. When the council invest in infrastructure to support growth the beneficiaries are:
   a) land owners whose properties rise in value as they can now be developed
   b) developers who undertake construction
   c) future buyers of the homes constructed.

10. The council presently uses development contribution and Watercare’s infrastructure growth charges as its primary tools to fund growth infrastructure, but can also use targeted rates.

Development contributions

11. Development contributions are only payable on development. If no development occurs then no payment is required. Developers can adjust the timing of development and their liability for development contributions to match the market and their cash position. However, this means that the council sometimes has to make major investments in infrastructure with no certainty of when costs will be recovered.

12. Development contributions are currently widely used and the current contribution policy aims to fund $2.2 billion of growth infrastructure assets over 10 years. While this will provide substantial infrastructure capacity to support new development across the Auckland region, it is not sufficient to keep pace with infrastructure demand in all areas, particularly in the greenfield areas where current infrastructure capacity is very low.

13. The average development contribution charge is currently $19,990 plus GST per household unit.

Infrastructure growth charges

14. Infrastructure growth charges are very similar to development contributions except that they are charged directly by Watercare Services Limited on connection to the water and wastewater networks.

15. Infrastructure growth charges are expected to be able to fund around $1 billion of growth infrastructure assets over ten years. Again, while this will provide substantial additional capacity across the Auckland region, it is not sufficient to enable accelerated development in every location where land owners want to commence development.

16. The infrastructure growth charge for the metropolitan area is currently $11,340 plus GST per household unit.

Growth infrastructure targeted rates

17. Targeted rates can be struck before development occurs and even before infrastructure is built. They are then collected whether development proceeds or not. Targeted rates provide the council with a certain revenue stream.

18. Targeted rates discourage land banking because they raise the costs of holding undeveloped land. However, implicit in higher holding costs is an element of compulsion. Targeted rates push land owners to develop within a timeframe that may not be their preference.

19. There are some practical implications that will need to be considered as part of any proposal to implement targeted rates. These include:
   
   - Ensuring appropriate timing and duration of any targeted rate e.g. balancing the timing of councils need to fund infrastructure with the developer’s ability to commence development
   - Finding the fairest way to distribute the costs of development between landowners where there may be quite disparate values and benefits because of existing development, geography etc
   - Managing the impact on existing residents who may be within a development area but not have the ability and/or desire to develop their own property
   - Ensuring that future purchasers are aware of the additional rating obligations.
A fuller discussion of these issues is attached as an Appendix.

20. While the Council’s Revenue and Financing policy has recently been amended to provide for the use of targeted rates to fund growth infrastructure, no such rates have yet been implemented. As proposals for individual areas are developed, appropriate tools for managing the issues outlined above will be recommended.

**Infrastructure demand in key growth areas**

21. Auckland Council’s strategic growth planning envisages that 60 per cent of Auckland’s future growth will occur in existing urban areas. A key focus is currently Housing New Zealand’s intended large-scale redevelopment activity in areas such as Mt Roskill, Mangere, Favona and Northcote where they have a high concentration of housing stock. Auckland Council is currently working with Housing New Zealand and its subsidiary Homes. Land. Community (HLC, formerly Hobsonville Land Company) to determine the additional growth infrastructure requirements to support these redevelopment plans.

22. The remainder of Auckland’s growth is expected to occur in rural and coastal areas (15 per cent) and on around 15,000 hectares of land identified in the Auckland Unitary Plan (AUP) as areas for future urban growth (25 per cent). These future urban areas are located primarily in:

- Kumeu, Whenuapai and Redhills in the Northwest
- Silverdale, Dairy Flat, Wainui and Warkworth in the North
- Pupekohe, Drury, Pauata and Takanini in the South.

23. Auckland Council is currently working with central government on a business case for $300 million of growth infrastructure over the next 10 years to support an estimated 10,500 additional houses in Whenuapai and Redhills. The government has agreed in principle to provide some support with financing this infrastructure through its Housing Infrastructure Fund. While this financing support will enable this infrastructure to be provided earlier, it does not remove the need for Aucklanders to ultimately bear the cost.

24. Auckland Council has also been working closely with central government on finding a way to enable investment in $600 million of growth infrastructure to support 5,500 additional houses in Wainui in Auckland’s North and 17,800 houses in the South.

**Investment partnership model**

25. Work on the infrastructure investment for the North and the South has focused on a new investment partnership model, with this work now being led by Crown Infrastructure Partners.

26. Significantly, work on this model has focused on ways in which the accelerated investment can proceed without significant impacts on Auckland Council’s balance sheet.

27. It has also focused on ways in which significant third-party private sector capital can eventually be used to finance this infrastructure rather than Crown capital. All parties involved see significant opportunity to apply this model to finance a wide range of housing enabling infrastructure in other greenfield and brownfield intensification areas.

28. As with the Housing Infrastructure Fund approach, this new financing approach would not remove the need for Aucklanders to ultimately bear the cost of the infrastructure.

29. A specific example of a large scale infrastructure project that this model could be applied to is Watercare’s $1.1 billion Central Interceptor wastewater project. This project will facilitate the substantial intensification of large parts of the Auckland isthmus. It will also reduce the significant wastewater overflows into our harbours.

30. Financing the Central Interceptor project through an investment partnership model would free up council debt headroom, and this headroom could then be utilised to progress transport and housing outcomes for Auckland.
Options

31. The main options are:

**Option One:** Do nothing – growth infrastructure investment is not built at the pace needed to keep up with demand. This is likely to exacerbate existing housing issues.

**Option Two:** Adopt a strategy of using higher development contributions and infrastructure growth charges in the key growth areas to help pay for the additional infrastructure.

**Option Three:** Adopt a strategy of being ready to implement new infrastructure targeted rates alongside existing development contributions and infrastructure growth charges in the key growth areas to help pay for the additional infrastructure.

**Option four:** In conjunction with options (ii) and/or (iii) implement an investment partnership model to finance growth infrastructure.

32. Attachment A sets out the key implications of these options.

33. The council is proposing to proceed with a combination of options (ii), (iii) and (iv) to maximise our ability to provide the critical infrastructure needed to address Auckland’s urgent housing issues.

34. A combined approach allows the mix of targeted rates and development contributions to be customised for each growth area based on its own unique set of circumstances.

35. While we acknowledge that implementing higher growth charges may create affordability issues for some, we consider that it is fair that those landowners who benefit from large increases in land values make an appropriate contribution to the cost of infrastructure that has enabled those large increases. We also consider that there are sufficient tools available to the council to deal with any specific cases of genuine financial hardship.

Attachments

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<td>A</td>
<td>Options table</td>
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<td>Issues for consideration – targeted rates for growth infrastructure</td>
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### Attachment A: Options Table

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<tr>
<th>Options</th>
<th>Description</th>
<th>Rationale</th>
<th>Impact on developers/land owners</th>
<th>Wider policy implications</th>
</tr>
</thead>
</table>
| **Option One:** | **Do nothing – growth infrastructure investment is not built at the pace needed to keep up with demand.** | • Does not impose any additional council charges on anyone  
• Leaves it to private landowners to work together to build and finance critical infrastructure to support their developments | • No additional charges, would only pay current development contributions and infrastructure growth charges if they are able to develop  
• Many land owners will be unable to develop due to lack of infrastructure capacity | • Auckland’s housing issues highly likely to be further exacerbated |
| **Option Two:** | **Adopt a strategy of using higher development contributions (DC) and infrastructure growth charges (IGC) in the key growth areas to help pay for the additional infrastructure.** | • Developers should make a fair contribution to the cost of the infrastructure that enables their development  
• Consistent with well-established approach to paying for growth infrastructure | • Developers would pay higher combined (DC plus IGC) charges as follows:  
  - Area: North West  
    - Current: $30k  
    - Proposed: $40-50k  
  - Area: North  
    - Current: $25k  
    - Proposed: $40-65k  
  - Area: South  
    - Current: $28k  
    - Proposed: $40-55k  
  - Area: HINZ areas  
    - Current: $30k  
    - Proposed: $35-45k  
• Land owners would be able to develop, but would not have to contribute anything towards the cost of the infrastructure until they choose to develop | • May enable faster housing development  
• The use of this strategy may be limited by the availability of council debt headroom  
• Potentially creates a greater incentive to land bank rather than release land early for development  
• This policy tool does not provide a mechanism to recover any proportion of infrastructure costs that primarily benefit existing housing units |

---

1 The cost per house for the infrastructure to support the development of all the land provided for in the Future Urban Land Supply Strategy (FULSS) is in the range of $80k to $110k. The costs per house noted in the table have been assessed on a marginal approach based on the infrastructure to support the developments in these areas even though they may benefit from some of the wider investments in the FULSS.
## Attachment A

### Item 9

#### Section 7: Additional supporting information

**7.2 Financing growth infrastructure**

<table>
<thead>
<tr>
<th>Options</th>
<th>Description</th>
<th>Rationale</th>
<th>Impact on developers/land owners</th>
<th>Wider policy implications</th>
</tr>
</thead>
</table>
| **Option Three:** | Adopt a strategy of being ready to implement new infrastructure targeted rates alongside existing development contributions and infrastructure growth charges in the key growth areas to help pay for the additional infrastructure | • Land owners should make a fair contribution to the cost of the infrastructure that enables their land to be developed | • Land owners would pay new targeted rates in addition to current DCs and ICs as follows:  
<table>
<thead>
<tr>
<th>Area</th>
<th>Proposed new rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>$906-$1,800</td>
</tr>
<tr>
<td>North</td>
<td>$1,300-$3,500</td>
</tr>
<tr>
<td>South</td>
<td>$1,100-$2,400</td>
</tr>
<tr>
<td>HNZ areas</td>
<td>$500-$1,100</td>
</tr>
</tbody>
</table>
• Rates would apply for a 20 year period from when land is development ready  
• Land owners would be able to develop and would be required to pay regardless of whether they choose to develop now or wait.  
• Where land is held in large blocks, the annual targeted rate will also be charged (e.g. a block large enough for 100 houses with a $2,000 targeted rate would pay $200,000 per annum) | • Likely to enable and incentivise faster housing development  
• The use of this strategy may be limited by the availability of council debt headroom  
• Targeted rate may unintentionally impact on some smaller landowners in the area that will never develop their land.  
• However, there are a range of rates policy tools available to the council to address those issues | • Able to also charge a fair share of costs to existing housing units that also benefit from the infrastructure. |

*As note 1 above.*
### Options

<table>
<thead>
<tr>
<th>Options</th>
<th>Description</th>
<th>Rationale</th>
<th>Impact on developers/land owners</th>
<th>Wider policy implications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expertise to take a lead role in negotiating infrastructure financing arrangements with developers</td>
<td>• Where private contracts are involved, land owners may need to accept a charge on the land title recognising the obligation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Charges may be slightly higher under an investment partnership model as investors (whether public or private sector) will require a rate of return on their investment that fairly reflects the risks they are taking around the timing of when they will be repaid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Taken up over longer timeframes than anticipated.
- The Auckland Council group will still lead the construction of the infrastructure and will be the long-term asset owner and operator.
- Implementation of the investment partnership model could involve the establishment of a new council-controlled organisation.
Attachment B: Issues for consideration – targeted rates for growth infrastructure

Targeted rates provide flexibility to design funding arrangements that can accommodate a wide range of circumstances. A targeted rate can be applied in conjunction with other funding sources to:

- provide revenue security for financing infrastructure
- deliver incentives for land owners to develop
- while recognising the need to accommodate the:
  - cash flows constraints developers work within
  - interests of different land owners
  - interests of future house buyers.

This section addresses some of the key issues the council will need to consider when deciding how to apply targeted rates. Consideration of these matters also highlights areas where changes to legislation would provide the council more flexibility to set targeted rates that address both the council’s goals and the particular needs of all interested land owners.

1. Timing

The commencement date and duration of a targeted rate will influence its impact on current land owners and future house buyers.

Commencement

A targeted rate can be levied at any time from when a decision is made to invest in infrastructure. Once a targeted rate is in place land owners will face an immediate increase in their holding costs and will have to find the cash to meet this additional demand. However, land owners may not be able to develop their land until the plans for infrastructure are finalised and consented or until construction is completed. Depending on circumstances the council has the following options for when it starts to levy a targeted rate. A rate can be applied from when:

- decisions are made to invest in infrastructure in a particular area – allowing funds to accumulate before expenditure is incurred
- infrastructure plans are finalised and consented – allowing developers to secure planning permission and to begin their own investments in readying land for construction
- developers are able to begin making their own investments – which may be triggered by a range of factors
- infrastructure is completed – providing complete certainty that development can proceed.

To start collecting a targeted rate the council will want to consider whether developers face any practical or regulatory barriers that would prevent them from commencing development. The timing of when land becomes “development ready” may differ depending upon the particular circumstances in different parts of the region.

Lifespan

The assets that a targeted rate will fund have long lives, for example roads. Accordingly a rate should run over a long time period. There isn’t a definitive basis on which to set a repayment period. The council will need to consider this on a case by case basis. The recovery period will generally be over 10 years and more likely 20 years or more given the life of the assets. The choice of lifespan is a balance between faster repayment of debt and higher annual costs for ratepayers.

Many home owners like to pay off their mortgages early and may also wish to discharge the targeted rate liability early. In setting any targeted rates, provision will be made for early payment.
2. Sharing the infrastructure costs between land owners

A targeted rate to share the costs of infrastructure between the land owners who will benefit should aim to spread the costs as fairly as is possible. Infrastructure investments to support development provide benefits to current and future land owners:

- by allowing them to realise the uplift in land value from rezoning
- directly in terms of improved services to support a growing community.

The general rates requirement is shared between property owners based on the capital value of their properties. Capital value is the value of the land and buildings. The council can also use land value and land area. Each of these methods is discussed below.

**Capital value**

Capital value is the value of land and improvements (e.g. a house). Capital value does not share the costs of infrastructure required for development based on the benefits in terms of potential land value uplift. A growth infrastructure targeted rate set on capital value will be higher for a more developed property. While more developed properties are better able to take advantage of service improvements they don’t gain as much from increased development potential. Less developed properties benefit more from infrastructure investment that allows them to develop.

All of the areas where additional infrastructure investment is being considered are underdeveloped. As a result land within these areas has widely varying degrees of development. The majority of investment being considered is to support growth and allow for development. Applying a targeted rate based on capital value would impose an unfair burden on land that was more developed at any point in time.

**Land value**

Some development areas, both greenfields and brownfields, may not require immediate infrastructure investment to proceed. However, they may still require substantial investment over time. For these areas the land value will reflect the development potential for all properties. Where this is the case, land value will be the best means to allocate the share of infrastructure costs.

Land value is a good, but not perfect, measure of a property’s ability to benefit from infrastructure investment. Land value changes over time as property is subdivided ready for development shifting more of the burden to early developers. In addition, current rating valuation rules require land to be valued on current use potential. Some land cannot be developed until infrastructure is constructed whereas other land in the area may already be zoned and valued as residential. This is primarily an issue for greenfields development. Using land value rating would place a disproportionate share of the infrastructure cost burden on the properties presently valued as residential in the early years of any rate. This impact could be mitigated by applying the rates differentially, i.e. at a lower rate, to different land uses.

**Land area**

Land area better captures development potential. A larger property with space to build more houses will pay higher rates than a smaller property with less development potential.

However, land area does not differentiate between more and less desirable geography. A hectare of land in a gully will pay the same rates as land on a hill slope with a view. Land closer to a transport hub will pay the same
as land more distant. Where these locational differences are material and impact on several properties they can be managed by the use of existing tools such as:

- differentials, where some land uses or locations pay more or less rates
- remissions.

Conclusion

Both land area and land value may be appropriate depending on the circumstances of individual development areas. The current mechanisms could be improved by allowing the use of land value based on development potential for the purpose of applying a growth infrastructure targeted rate. This would require a change to legislation. The current rules are appropriate for general rates purposes but not designed to fairly share infrastructure costs associated with development.

3. Managing the impact on different land owners

Rezoning land for more intensive development and investing in infrastructure to support growth, whether in greenfields or brownfields areas, requires major capital investments. Both large and small land owners will benefit from increases in land value and improved services.

While all land owners will benefit from rezoning and investment in infrastructure some are better able to realise these gains. Developers holding land in these areas will be able to realise the potential uplift in land value. Holders of smaller developable blocks of land may not be ready to realise the gains or have a different time frame for development. Many owners of existing houses may not:

- be able to realise any gain until they sell their property
- benefit from infrastructure that allows more intense development if there is limited development potential on their site
- want the additional service benefits that development will bring.

For existing home owners there may not be appeal in paying for infrastructure to support development. On the other hand the benefits may be substantial and it is more appropriate that the future beneficiaries pay rather than the cost falling on existing ratepayers. The council has a range of options to balance these concerns in how it sets any targeted rates.

The options are:

1. don’t charge existing houses for the costs of infrastructure required to allow more intense development for example trunk water and wastewater works by:
   i) funding these with infrastructure growth charges and/or development contributions as these are only charged for new properties
   ii) remitting these costs for existing houses where targeted rates are used.

2. provide for postponement for the share of the cost of other infrastructure that benefits existing houses. The existing property owner would have no requirement to pay until they sold the property or were no longer resident.

The council would prefer that the recovery of costs in these circumstances is from the buyer of the property. The new buyer would be making a conscious choice to incur these costs in exchange for the benefits. The buyer would take this additional charge into account in their purchasing decision. The existing owner would not be required to contribute to these costs but the price at eventual sale would be impacted. This would require
legislative change to provide for an entirely new type of charge to be available to the council. Rates are incident on current land owns and designed accordingly. Substantial changes would be required to provide for a new type of charge incident on buyers, akin to stamp duty but location specific, or for rates to be incident on buyers in particular circumstances.

4. Informed buyers

Houses developed where infrastructure is partly funded by targeted rates will have rates obligations higher than other properties where infrastructure has been funded from other sources. We have a number of ways to ensure new home buyers are aware of their future obligations:

- include information about targeted rates on the Land Information Memorandum.
- include provision in development agreements requiring sales materials to make the future targeted rates obligations clear to prospective purchasers
- support professional bodies for advisers involved in property purchases (lawyers, real estate agents and financiers) to inform their members
- present information on the council’s website
- allow vendors and buyers to discharge future targeted rates obligation as part of a property purchase.

Further assurance could be provided that buyers, and their advisers, are familiar with the obligations by allowing the obligation to be recorded on a property’s title. To provide for this legislative change will be required to allow the council to record this charge on land title.
Te take mō te pūrongo

Purpose of the report
1. To receive a summary and provide a public record of memos or briefing papers for the Committee’s information and any other information that may have been distributed to committee members since 11 December 2018.

Whakarāpopototanga matua

Executive summary
2. This is a regular information-only report which aims to provide greater visibility of information circulated to committee members via memo or other means, where no decisions are required.
3. The following information-only report is attached:
   - Finance and Performance Committee Work Programme to 30 June 2019 (Attachment A)
   - The updated work programme contains two additions of note being specific items relating to:
     - the Eden Park loan guarantee
     - updates on financial matters relating to City Rail Link Limited.
4. The following presentations/memos/reports were presented/circulated as follows:
   - 5 December 2018 – Confidential joint Workshop between the Finance and Performance Committee and the Planning Committee (Stadia) (no attachment)
   - 10 December 2018 - Council Controlled Organisation - Letters of Expectation - Auckland Transport (Attachment B)
     - Auckland Tourism, Events and Economic Development Limited (Attachment C)
     - Panuku Development Limited (Attachment D)
     - Regional Facilities Auckland (Attachment E)
     - Watercare Services Limited (Attachment F)
   - 31 January 2019 – workshop on options relating to the potential land transfer (LTP amendment) (Attachment G/H)
   - 7 February 2019 – confidential workshop on Annual Budget consultation materials (no attachment)
   - 11 February 2019 – Submission on ARAFA funding proposal (Attachment I)
   - 13 February 2019 – confidential workshop on the future of Eden Park, including the loan guarantee (no attachment)
5. The workshop papers and any previous documents can be found on the Auckland Council website at the following link: http://infocouncil.aucklandcouncil.govt.nz/
   - at the top of the page, select meeting “Finance and Performance Committee” from the drop-down tab and click ‘View’
   - under ‘Attachments’, select either HTML or PDF version of the document entitled ‘Extra Attachments’.
6. Note that, unlike an agenda decision report, staff will not be present to answer questions about these items referred to in this summary. Committee members should direct any questions to the authors.

Ngā tūtohunga

Recommendation/s

That the Finance and Performance Committee:

a) receive the information report – 19 February 2019.

Ngā tāpirihanga

Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Finance and Performance Committee Work Programme to 30 June 2019</td>
<td>45</td>
</tr>
<tr>
<td>B</td>
<td>10 December 2018 – Letter of Expectation – Auckland Transport (Under Separate Cover)</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>10 December 2018 – Letter of Expectation – Regional Facilities Auckland (Under Separate Cover)</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>10 December 2018 – Letter of Expectation – Watercare Services Limited (Under Separate Cover)</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>31 January 2019 – options relating to the potential land transfer (LTP amendment) - minutes (Under Separate Cover)</td>
<td></td>
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<tr>
<td>H</td>
<td>31 January 2019 – options relating to the potential land transfer (LTP amendment) - presentation (Under Separate Cover)</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>11 February 2019 – Submission on ARAFA funding proposal (Under Separate Cover)</td>
<td></td>
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</table>

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Sandra Gordon - Senior Governance Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Matthew Walker - Group Chief Financial Officer</td>
</tr>
</tbody>
</table>
Komiti ā Pūtea, ā Mahi Hoki
Finance and Performance Committee
FORWARD WORK PROGRAMME TO 30 JUNE 2019

The purpose of the Committee is to control and review expenditure across the Group to improve value for money; to monitor the overall financial management and performance of Auckland Council parent and Auckland Council Group; to make financial decisions required outside the annual budgeting processes and to perform the responsibilities of another committee, where it is necessary.

Detailed decisions are reported at the end of this document.

Priorities for 2018/19 will be on initiatives which:
1. Planning and Funding
2. Reporting and Performance
3. Value for money
4. Operational

The work of the committee will:
1. approve the Annual Plan 2019/2020 including financial policy, the consultation document and supporting information for recommendation to the Governing Body
2. monitor achievement of financial and other measures of performance and services levels and recommend the Annual Report to the Governing Body
3. approve acquisition and disposal of property related to the Committee’s responsibilities.
4. review and approve financial policy and non-budgeted expenditure.

Lead | Area of work | Reason for work | Finance and Performance Committee role - decision or direction | Expected timeframes
--- | --- | --- | --- | ---
| | | | 2018 | 2019 |

### Planning and Funding

| Lead | Area of work | Reason for work | Decision to agree to the Consultation items (including Possible LTP amendment on transfer of legal ownership of properties within the council group) | Decision to agree recommended budget changes outside of AP/LTP budgeting cycle |
| | | | Hear feedback and deliberate budget scenarios | Feb 19 Mar |
| | | | Decisions made for Annual Budget | Apr May Jun |
| GM Financial Strategy & Planning | Budget Update (as required). This includes significant unbudgeted one-off expenditure. | Financial management | Adopt final Annual Budget | |

### Detailed Decisions

- **Q1 (Jul-Sep)**
  - 24 Jul 21 Aug 18 Sept
  - 20 Nov 11 Dec
  - 17 Oct 23 Oct 14 Nov 20 Nov 11 Dec

- **Q2 (Oct-Dec)**
  - 17 Oct 23 Oct 14 Nov 20 Nov 11 Dec
  - 13 Feb 19 Feb 19 Mar 18 Jun 19 June

- **Q3 (Jan-Mar)**
  - 13 Feb 19 Feb 19 Mar 18 Jun 19 June

- **Q4 (Apr-Jun)**
  - 16 Apr 21 May 21 May 18 Jun 19 June
<table>
<thead>
<tr>
<th>Item</th>
<th>Lead</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Expected timeframes</th>
</tr>
</thead>
</table>
| 10   | GM Financial Strategy & Planning | Development contributions policy | Statutory requirement to have a DC policy  
- Align capex figures from LTP | Note that the Governing Body has **Agreed** to consult on the proposed DC policy (18 October 2018). The GB will **Consult** on draft Development Contribution policy (19 October 2018 – 15 November 2018). The GB has **Adopted** the Development Contribution policy (13 December 2018) | Q1 2018: 24 Jul  
21 Aug  
18 Sept  
Q2 2018: 17 Oct  
23 Oct  
14 Nov  
20 Nov  
11 Dec  
Q3 2019: 13 Feb  
19 Feb  
19 Mar  
20 Mar  
Q4 2019: 16 Apr  
21 May  
18 Jun  
19 June |
|     | GM Financial Strategy & Planning | Rating Policy and process | Rating | **Workshop** on approach to rating religious properties  
Refer to this matter considered as part of the Annual Budget 2019/2020 | Sep  
23 Oct  
20 Nov  
13 Feb  
May |
|     | GM Financial Strategy & Planning | Infrastructure funding and financing work with Treasury | Financial Management | **Discuss** ongoing work with central government on Crown Infrastructure Partners and Special Purpose Vehicles for major infrastructure projects – timing for committee as required |  
20 Nov  
Feb  
May |
|     | GM Financial Strategy & Planning and Treasurer and GM Financial Transactions | Treasury and debt management |  | **Briefing** on council debt |  
21 Nov  
Feb  
Apr |
|     | GM Corporate Finance and Property | Weathertightness issues and provision | To provide an update on changes implemented to reduce the future risk of weathertightness claims as well as a summary of how the liability is calculated for accounting purposes | **Review** information |  
11 Dec  
Feb  
Apr |
|     | Auckland Investment Office | Colin Dale Park | Report on progress of the investigation and negotiations for Speedway (run by Springs Promotions Ltd) to move from Western Springs to Colin Dale Park. | **Endorse** the Heads of Agreement and **Approve** to development costs.  
Note – Venue Development Strategy is being considered at the Planning Committee.  
Refer also to aspects of this matter being considered as part of the Annual Budget 2019/2020 |  
20 Nov  
May |
|     | Chief Financial Officer | Eden Park | Report on progress regarding the loan guarantee | **Review** information and make decisions on the loan guarantee |  
13 Feb  
Mar  
Apr  
May |
|     | Chief Financial Officer | City Rail Link Limited | Update on financial matters relating to City Rail Link Limited | **Review** information and make decisions, as required |  
Feb  
Apr  
May |
<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Expected timeframes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Te Waka Anga Mua ki Uta</td>
<td>Māori Transformational Activity and Expenditure Report</td>
<td>To monitor progress on expenditure and delivery of Māori transformational activity (includes Te Toa Takitini) and on projects to deliver Māori outcomes. This reporting will be carried out bi-annually. To monitor progress in responding to 3 yearly Te Tiriti O Waitangi audit</td>
<td>Receive generally no decisions</td>
<td>2018: 24 Jul – 18 Sept 2019: 24 Jul – 18 Sept 2019: 17 Oct – 21 May 2019: 21 May – 18 June</td>
</tr>
</tbody>
</table>

**Reporting and Performance**

<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Expected timeframes</th>
</tr>
</thead>
</table>
| GM Corporate Finance and Property | Annual Report | • Statutory requirement  
• NZX Announcement and release  
• Draft annual report and Summary on Performance - Sept  
• Interim audit report – Feb | Receive Annual report  
Recommend to Governing Body for adoption  
Note:  
• NZX announcements are presented to the Audit and Risk Committee  
• There is a delegation from the Committee to Chair and Deputy Chair of Finance and Performance to recommend to the Mayor and CE to release the preliminary results to the NZ Stock Exchange so that Council can meet NZX reporting deadlines.  
• Formal adoption of annual report is by the Governing Body | Aug 2019: 30 Sep 2019: 30 Sep 2019: 30 Sep 2019: 30 Sep |
| GM Corporate Finance and Property | Half-yearly report | • NZX listing requirement | Receive Half-yearly report  
Approve for release  
Note:  
• NZX announcements are presented to the Audit and Risk Committee  
• There is a delegation from the Committee to Chair and Deputy Chair of Finance and Performance to recommend to the Mayor and CE to release the preliminary results to the NZ Stock Exchange so that Council can meet NZX reporting deadlines.  
• Document will be sent to committee members once it has been reported to the NZX on 28 February 2019 | Feb 2019: 30 Sep 2019: 30 Sep 2019: 30 Sep 2019: 30 Sep |
<table>
<thead>
<tr>
<th>Item 10</th>
<th>Lead</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Expected timeframes</th>
</tr>
</thead>
</table>

**Value for Money**

| GM Financial Strategy & Planning | Consideration and adoption of Group policy relating to Business Cases | Decision on whether to adopt a new policy | 2018: 11-Dec<br>2019: Feb<br> |

**Operational**

<p>| Panuku Development Auckland | Recommended disposals or acquisitions. These reports are as required, but generally monthly. | Panuku is required through its SOI to identify and recommend to council properties that are surplus to requirements and can be considered for disposal. These include general disposals to fund LTP projects.&lt;br&gt;Panuku recommends properties for acquisition and disposal to the committee for approval where they are located within a priority development location. | Decision to proceed with recommended disposals or acquisitions. | 2018: Jul&lt;br&gt;2019: May&lt;br&gt; | 2019: Jul&lt;br&gt;2019: May&lt;br&gt; | 2019: May&lt;br&gt;2019: May&lt;br&gt; |</p>
<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Reason for work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Expected timeframes</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM Corporate Finance and Property</td>
<td>Property portfolio</td>
<td>To provide an update on progress of the Corporate Property Portfolio roll out and where required seek approval for any property transactions</td>
<td>Regular reporting</td>
<td>20 Nov 2019, 19 Mar 2019, 18 Jun 2019</td>
</tr>
<tr>
<td>Engineering &amp; Technical Services / Treasury &amp; Financial Transactions / Procurement</td>
<td>Consideration and adoption of Group policies for Performance Bonds</td>
<td>Mayoral Office request</td>
<td>Decide whether to amend current policy</td>
<td>Feb 2019</td>
</tr>
<tr>
<td>CCO/External Partnerships</td>
<td>Funding and Levies (including Auckland Regional Amenities, MOTAT and Auckland War Memorial Museum)</td>
<td>Statutory process • RFA respond to draft levy for MOTAT and AWMM (on behalf of council) • December F&amp;P - approve council submission to draft ARAFB Funding Plan • March F&amp;P – approve annual funding levies for ARAFB, MOTAT, AWMM • March F&amp;P (G Body) – approve ARAFB draft • May F&amp;P – approve annual IMSB funding. • May and June 2019 - nine amenities present to F&amp;P committee</td>
<td>Decision to approve submission on draft Funding Plan Decision to approve levies</td>
<td>11 Dec 2019, 20 Mar 2019, May 2019, 19 June 2019</td>
</tr>
<tr>
<td>Parks, Sports and Recreation</td>
<td>Loan restructuring (committee dates as required)</td>
<td>Responding to proposals and recommendations</td>
<td>Decision to approve proposed restructuring</td>
<td></td>
</tr>
</tbody>
</table>
### Detailed decisions - Komiti ā Pūtea, ā Mahi Hoki

**Finance and Performance Committee**

**FORWARD WORK PROGRAMME TO 30 JUNE 2019**

<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Detailed decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning and Funding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GM Financial Strategy &amp; Planning</td>
<td>Annual Budget</td>
<td>Decision to agree to the Consultation items &lt;br&gt; Adopt Consultation Document to consult with Public Consultation runs &lt;br&gt; Hear feedback and deliberate budget scenarios &lt;br&gt; Decisions made for Annual Budget &lt;br&gt; Adopt final Annual Budget</td>
<td>For information on the previous long-term/annual plan processes, please refer to the table at the end of this document.</td>
</tr>
<tr>
<td>GM Financial Strategy &amp; Planning</td>
<td>Budget Update (as required). This includes significant unbudgeted one-off expenditure.</td>
<td>Decision to agree recommended budget changes outside of AP/LTP budgeting cycle</td>
<td>For information on previous decisions, please refer to the table at the end of this document.</td>
</tr>
<tr>
<td>GM Financial Strategy &amp; Planning</td>
<td>Rating Policy and process</td>
<td>Workshop on approach to rating religious properties (Potentially move into Annual Plan process)</td>
<td>23/10/18 – Workshop on the rating of religious use premises Minutes &lt;br&gt; 20/11/18 – Rating of religious use properties FIN/2018/177</td>
</tr>
<tr>
<td>GM Financial Strategy &amp; Planning and Treasurer and GM Financial Transactions</td>
<td>Treasury and debt management</td>
<td>Briefing on council debt</td>
<td>21/11/18 – Workshop on Debt Management Strategy</td>
</tr>
<tr>
<td>Lead</td>
<td>Area of work</td>
<td>Finance and Performance Committee role - decision or direction</td>
<td>Detailed decisions</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>---------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>GM Corporate Finance and Property</td>
<td>Weathertightness issues and provision</td>
<td>Review information</td>
<td></td>
</tr>
<tr>
<td>Executive Director, Auckland Investment Office</td>
<td>Colin Dale Park</td>
<td>Endorse the Heads of Agreement and Approve to development costs.</td>
<td>20/11/18 – Update on Speedway Relocation FIN/2018/184 and FIN/2018/185</td>
</tr>
</tbody>
</table>

### Reporting and Performance

<table>
<thead>
<tr>
<th>GM Corporate Finance and Property</th>
<th>Annual Report</th>
<th>Receive Annual report Recommend to Governing Body for adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note:</td>
<td></td>
<td>NZX announcements are presented to the Audit and Risk Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>There is a delegation from the Committee to Chair and Deputy Chair of Finance and Performance to recommend to the Mayor and CE to release the preliminary results to the NZ Stock Exchange so that Council can meet NZX reporting deadlines.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formal adoption of annual report is by the Governing Body</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13/12/2016 - Delegation for approval of releasing interim and full year group results to New Zealand Stock Exchange FIN/2016/168</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18/9/18 – Approval of and recommendation for adoption of the 2017/2018 Annual Report for Auckland Council and Group (confidential)</td>
</tr>
<tr>
<td>Lead</td>
<td>Area of work</td>
<td>Finance and Performance Committee role - decision or direction</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>-------------------------------------------------</td>
</tr>
</tbody>
</table>
| GM Corporate Finance and Property | Half-yearly report | **Receive** Half-yearly report  
**Approve** for release  
Note:  
- NZX announcements are presented to the Audit and Risk Committee  
- There is a delegation from the Committee to Chair and Deputy Chair of Finance and Performance to recommend to the Mayor and CE to release the preliminary results to the NZ Stock Exchange so that Council can meet NZX reporting deadlines. | |
19/9/17 – Approval of Watercare Services Limited Statement of Intent 2017-20 FIN/2017/122  
20/3/18 – Letters of Expectation for 2018-2021  
17/4/18 – proposed shareholder comments on Draft Council-controlled organisation statements of intent FIN/2018/64  
21/8/18 – Council-controlled Organisations – Approval of 2018-2021 Statements of Intent FIN/2018/118  
21/8/18 – Ports of Auckland Limited – proposed shareholder feedback on the draft Statement of Corporate Intent FIN/2018/119  
23/10/18 – Shareholder approval of Ports of Auckland Limited’s final statement of Corporate Intent 2018-2021 FIN/2018/156  
23/10/18 – Workshop on Council Controlled Organisations letters of expectation, statements of intent and quarterly reporting,  
22/11/18 - 22/11/18 – Proposed priorities for the 2019 letters of expectation to substantive council-controlled organisations FIN/2018/173 |
| Manager Corporate & Local Board Performance | Performance Reporting quarterly - parent | **Receive** generally no decisions | 13/12/16 - Auckland Council organisation report for the period 1 July 2016 to 30 September 2016 FIN/2016/156  
21/2/17 - Auckland Council organisation performance report for the period 1 July 2016 to 31 December 2016 FIN/2017/9  
26/5/17 - Auckland Council organisation performance report for the period 1 July 2016 to 31 March 2017 FIN/2017/68  
21/09/17 - Organisation Performance 1 July 2016 – 30 June 2017 FIN/2017/133  
24/11/17 - 1 July 2017 – 30 September 2017 FIN/2017/177  
12/03/18 - 1 July 2017 – 31 December 2017 FIN/2018/34  
17/10/18 – Auckland Council parent performance report for the period 1 July 2017 to 30 June 2018  
14/11/18 – Auckland Council Group, the Council entity and CCO quarterly performance reports to 30 September 2018 FIN/2018/169 |
<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Detailed decisions</th>
</tr>
</thead>
</table>
11/4/17 – CCOs second quarter report for 31 December 2017  
26/5/17 – Council-controlled organisations third quarter report for 31 March 2017 FIN/2017/69  
21/09/17 - Fourth quarter report for 30 June 2017 (public excluded) FIN/2017/130  
24/11/17 - First quarter report for 30 September 2017 FIN/2017/176  
12/03/18 – Second quarter report ending 31 December 2017 FIN/2018/18  
31/5/18 – Approval of council-controlled organisations accountability policy FIN/2018/91  
17/10/18 – Council-controlled organisation fourth quarter report ending 30 June 2018  
23/10/18 – Workshop on Council Controlled Organisations letters of expectation, statements of intent and quarterly reporting.  
4/11/18 – Auckland Council Group, the Council entity and CCO quarterly performance reports to 30 September 2018 FIN/2018/163 |
| GM Financial Strategy & Planning | Performance Reporting quarterly - group | Receive generally no decisions                                | 13/12/16 - Auckland Council Group first quarter financial results to 30 September 2016 FIN/2016/161  
21/3/17 - Auckland Council Group quarterly financial report and financial results to 31 December 2016 FIN/2017/28  
26/5/17 - Auckland Council Group quarterly financial report and financial results to 31 March 2017 FIN/2017/70  
24/11/17 - Quarterly financial report and financial results to 30 September 2017 FIN/2017/176  
12/03/2018 - Six monthly financial results to 31 December 2017 FIN/2018/32  
6/6/18 – Auckland Council Group quarterly financial report and financial reports to 31 March 2018 FIN/2018/95  
17/10/18 – Auckland Council and group financial performance for the year ended 30 June 2018 |

**Value for Money**

<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Detailed decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM Financial Strategy &amp; Planning</td>
<td>Consideration and adoption of Group policy relating to Business Cases</td>
<td>Decision on whether to adopt a new policy</td>
<td>19/9/17 – Approval of Group Policies FIN/2017/121</td>
</tr>
</tbody>
</table>

**Operational**

<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Detailed decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panuku Development Auckland</td>
<td>Recommended disposals or acquisitions. These reports are as required, but generally monthly.</td>
<td>Decision to proceed with recommended disposals or acquisitions.</td>
<td>Note: A full list of properties to be disposed or acquired is included at the end of this document.</td>
</tr>
<tr>
<td>Lead</td>
<td>Area of work</td>
<td>Finance and Performance Committee role - decision or direction</td>
<td>Detailed decisions</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>---------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
</tbody>
</table>
| GM Corporate Finance and Property | Property portfolio | Regular reporting | 29/3/18 – Workshop on corporate property strategy  
17/4/18 – Corporate Accommodation Disposal Recommendation, Corporate Property Portfolio Strategy FIN/2018/58  
15/5/18 – Corporate Accommodation Disposal Recommendation, Corporate Property Portfolio Strategy FIN/2018/73  
20/11/18 – Disposal of Corporate Accommodation, Corporate Property Portfolio Strategy FIN/2018/188 |
| CCO/External Partnerships | Auckland Regional Amenities Levy MOTAT and Auckland War Memorial Museum Levy | Decision to approve submission on draft Funding Plan  
Decision to approve levies | 21/2/17 – Presentations from amenities - New Zealand Opera, Auckland Theatre Company, Coastguard Northern Region, Watersafe Auckland and Surf Life Saving Northern Region FIN/2017/4  
21/2/17 - Auckland Regional Amenities draft funding plan 2017-2018, proposed Auckland Council submission FIN/2017/5  
21/3/17 – Presentations from amenities – Stardome Observatory and Planetarium; New Zealand Maritime Museum; Auckland Philharmonia Orchestra; Auckland Rescue Helicopter Trust; and Auckland Arts Festival FIN/2017/18  
21/3/17 - Approval of Auckland Regional Amenities Funding Act levy 2017/2018 FIN/2017/19  
27/2/18 - Presentations from amenities – Auckland Festival Trust; Surf Life Saving Northern Region; Auckland Theatre Company; and Stardome Observatory and Coastguard Northern Region FIN/2018/5  
20/3/18 - Integration of NZ Maritime Museum to Regional Facilities Auckland FIN/2018/37  
20/3/18 - Presentations from amenities – NZ Opera; Auckland Philharmonia Orchestra; Auckland Rescue Helicopter; and Drowning Prevention Auckland/Watersafe Auckland Inc FIN/2018/38  
17/4/18 – approval of Auckland Regional Amenities Funding Act levy FIN/2018/63  
23/5/18 – AWMM letter – approval of 2017/2018 levy  
11/12/18 - Auckland Regional Amenities Funding Board: Delegate approval of Auckland Council’s submission to the 2019/2020 Levy FIN/2018/179 |
### Finance and Performance Committee

#### Information Report

19 February 2019

<table>
<thead>
<tr>
<th>Lead</th>
<th>Area of work</th>
<th>Finance and Performance Committee role - decision or direction</th>
<th>Detailed decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks, Sports and Recreation</td>
<td>Loan restructuring (committee dates as required)</td>
<td><strong>Decision</strong> to approve proposed restructuring</td>
<td></td>
</tr>
</tbody>
</table>

### Previous annual/long-term plan processes

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/12/16</td>
<td><strong>Annual Budget 2017/18 – Mayoral Proposal on items for Public Consultation</strong> [FIN/2016/173]</td>
</tr>
</tbody>
</table>
| 1/6/17       | **Annual Budget 2017/2018 - Overview to decision-making** [FIN/2017/73]  
**Annual Budget 2017/2018 - Local Board update** [FIN/2017/74]  
**Annual Budget 2017/2018 – Local Board Feedback** [FIN/2017/75]  

**Nov 2017 – May 2017**

31/5/18 – Proposal for One Local Initiatives [FIN/2018/85]  
**Rodney Local Board Targeted Rate: Rodney Local Board Decision** [FIN/2018/87]  
31/5/18 – Fees, charges and other rating matters [FIN/2018/89]  
31/5/18 – Adoption of the Rates Remission and Postponement Policy [FIN/2018/92]  
31/5/18 – Contributions Policy [FIN/2018/90]  
Adopted by the Governing Body: 31/5/18 [GB/2018/91]  
Regional Fuel Tax [GB/2018/90] |

### Panuku disposals/service property optimisation/land exchanges and acquisitions resolutions:

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Property Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/12/16</td>
<td><strong>Report</strong> Units 1-28/150 Mt Wellington Highway, Mt Wellington; and 1/16 Sarona Avenue, Glen Eden [FIN/2016/157]</td>
</tr>
<tr>
<td>21/2/17</td>
<td><strong>Report</strong> 523a Elerslie-Panmure Highway, Mt Wellington; and 525-529 Elerslie-Panmure Highway, Mt Wellington [FIN/2017/73]</td>
</tr>
<tr>
<td>21/2/17</td>
<td><strong>Report</strong> Land up to 9ha to NZTA for the Northern Corridor Improvements Project [FIN/2017/7]</td>
</tr>
<tr>
<td>21/2/17</td>
<td><strong>Report</strong> Statutory land exchange process – Rosedale Park [FIN/2017/8]</td>
</tr>
<tr>
<td>21/3/17</td>
<td><strong>Report</strong> Part of 770R Great South Road, Manukau [FIN/2017/25]</td>
</tr>
<tr>
<td>11/4/17</td>
<td><strong>Report</strong> 19 Anzac Road, Browns Bay (deferred); 6 Butler Avenue, Papatoetoe; part of 129R Baids Road, Otara; 315A Glengarry Road, Glen Eden; Section 1 East Coast Road, Redvale; 78A Great South Road, Papakura; Section 1 493 State Highway 16, Kumeu; Allotment 137 Ahuroa Parish, Woodcocks Road, Woodcocks; Allotment 138 Ahuroa Parish, Woodcocks Road, Woodcocks; Allotment 139 Ahuroa Parish, Woodcocks Road, Woodcocks; Allotment 140 Ahuroa Parish, Woodcocks Road, Woodcocks; Allotment 141 Ahuroa Parish, Woodcocks Road, Woodcocks; Allotment 147 Ahuroa Parish, Woodcocks Road, Woodcocks [Resolutions - FIN/2017/49, FIN/2017/50]</td>
</tr>
<tr>
<td>23/5/17</td>
<td><strong>Report</strong> 3 Memorial Drive, New Lynn [FIN/2017/57]</td>
</tr>
<tr>
<td>Meeting Date</td>
<td>Property Address</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>26/7/17</td>
<td>55a Alnwick Street, Warkworth; 45 Orahia Road, Huapei; 32 Harbourview Road, Te Atatu’; 145a West Tamaki Road, Glen Innes; 343 Swanson Road, Ranui; 24 Waipuna Road, Mt Wellington; 26 Waipuna Road, Mt Wellington; 27b Waipuna Road, Mt Wellington; 1/77 Waipuna Road, Mt Wellington; 93 Waipuna Road, Mt Wellington; 134a Waipuna Road, Mt Wellington; and 3/136b Waipuna Road, Mt Wellington</td>
</tr>
<tr>
<td>17/4/18</td>
<td>Unlock Panmure - 59 Mountain Road, Mount Wellington; 59a Mountain Road, Mount Wellington; 3 Mountwell Crescent, Mount Wellington; 7 Mountwell Crescent, Mount Wellington; 3 Kings Road, Panmure; 15 Forge Way, Mount Wellington; 7 and 9 Jellicoe Road, Mount Wellington; 30-34 Potaka Lane, Panmure; 486-492 Ellerslie-Panmure Highway, Mount Wellington; 516 Ellerslie-Panmure Highway, Mount Wellington; Former 528 Ellerslie-Panmure Highway, Mount Wellington; 530 Ellerslie-Panmure Highway, Mount Wellington; 532-534 Ellerslie-Panmure Highway, Mount Wellington; 535 Ellerslie-Panmure Highway, Mount Wellington; 536 Ellerslie-Panmure Highway, Mount Wellington; 7-11 Queens Road, Panmure; 39-41 Queens Road, Panmure; 11-13 Lagoon Drive, Panmure; 16 Lagoon Drive, Panmure; 20 Lagoon Drive, Panmure; 22 Lagoon Drive, Panmure; 26 Lagoon Drive, Panmure; 28 Lagoon Drive, Panmure; 30 Lagoon Drive, Panmure; 32-34 Lagoon Drive, Panmure; 1-19/10 Basin View Lane, Panmure; 23 Domain Road, Panmure; and 28-30 Pilkington Road, Mount Wellington.</td>
</tr>
<tr>
<td>15/8/17</td>
<td>187 Flat Bush School Road, Flat Bush; Unlock Old Papatoetoe - 17 St George Street, Papatoetoe; part 27 St George Street, Papatoetoe; 104 St George Street, Papatoetoe; and 109 St George Street, Papatoetoe</td>
</tr>
<tr>
<td>24/10/17</td>
<td>19 Anzac Avenue, Browns Bay; 10 Felton Matthew Avenue, St Johns; and part Bombay Road, Bombay</td>
</tr>
<tr>
<td>21/11/17</td>
<td>Unlock Avondale – Unlock Avondale – 93-99 Rosebank Road, Avondale</td>
</tr>
<tr>
<td>12/12/17</td>
<td>80 Vincent Street, Howick (motion lost); 41 Cheshire Street, Parnell; 108 Hepburn Street, Freemans Bay; 9 Matama Street, Glen Eden; and 58/7 Rowlands Road, Mt Wellington</td>
</tr>
<tr>
<td>27/2/18</td>
<td>61-117 Clark Road, Hobsonville; and 37 New Windsor Road, Avondale (SPO)</td>
</tr>
<tr>
<td>20/3/18</td>
<td>3.8ha of reserve land in Upper Harbour Local Board for New Zealand Transport Agency Northern Corridor Improvements</td>
</tr>
<tr>
<td>17/4/18</td>
<td>156 Blockhouse Bay, Avondale; 2a Stokes Road, Mt Eden; 570 Great South Road, Papatoetoe; 139 Kolmar Road, Papatoetoe; and 66R Hallberry Road, Mangere East</td>
</tr>
<tr>
<td>24/7/18</td>
<td>132 Green Lane East, Greenlane; 28 Lockwood Road, Papakura; Adjacent to 1/18 Edwin Freeman Place Ranui; and Adjacent 18 Parrs Cross Road, Henderson.</td>
</tr>
<tr>
<td>18/9/18</td>
<td>30R Birmingham Road, Otara; and 8 Hiwi Crescent, Stanmore Bay</td>
</tr>
<tr>
<td>20/11/18</td>
<td>34 Moore Street, Howick</td>
</tr>
<tr>
<td>11/12/18</td>
<td>26-32 O’Shanesses Street, Papakura; 36 Coles Crescent, Papakura; 22 and 28A Waipuna Road, Mt Wellington; and 52 Butler Avenue, Papatoetoe</td>
</tr>
</tbody>
</table>
### Budget Update:

<table>
<thead>
<tr>
<th>Date</th>
<th>Property address(es)</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/12/16</td>
<td>Report Additional OPEX budget of up to $104,000 to conduct a by-election for a Howick Local Board Member; and release of $2.7m from existing budget for Putney Way streetscape upgrade, ahead of the Transform Manukau business case</td>
<td>FIN/2016/164</td>
</tr>
<tr>
<td>21/3/17</td>
<td>Report Additional CAPEX budget of $960,000 to complete Freyberg Place upgrade; new OPEX budget of $80,000 for Karangahape Road destination marketing; contribution of $300 to the city feature lighting project (led by Heart of the City) – both funded from the City Centre Targeted Rate reserve.</td>
<td>FIN/2017/29</td>
</tr>
<tr>
<td>20/6/17</td>
<td>Report Conversion of $3.1m CAPEX budget for multi-purpose community facility in Takanini</td>
<td>FIN/2017/30</td>
</tr>
<tr>
<td>26/7/17</td>
<td>Report Purchase of additional trains (rescinded 24/10/17 FIN/2017/189)</td>
<td>FIN/2017/98</td>
</tr>
<tr>
<td>19/9/2017</td>
<td>Report Release and allocate Takapuna off-street car park reserve fund $4,269,611 to the Gasometer public car park project; release $6.1m from existing Transform Manukau $2.6 CAPEX and $2m OPEX and Transform Onehunga $1.5 OPEX.</td>
<td>FIN/2017/123</td>
</tr>
<tr>
<td>24/10/17</td>
<td>Report Approve procurement of 15 3-car electric multiple units of $133m; release of Franklin Parking Reserve Fund ($128,214) for upgrade of carpark at Kitchener Road, Waiuku; OPEX of $828,000 for two by-elections; OPEX budget of $115,400 for by-election for Waitemata Local Board.</td>
<td>FIN/2017/141</td>
</tr>
<tr>
<td>12/12/17</td>
<td>Report Update on the purchase of additional trains for Metro Rail</td>
<td>FIN/2017/205</td>
</tr>
<tr>
<td>27/2/18</td>
<td>Report Up to $3.2m CAPEX for fit-out for ATEED office and up to $0.8m OPEX for make good of current head office; $3.85m CAPEX for Rawene remedial works; updated city centre targeted rate-funded work programme; and property acquisitions at 155-167 Fanshawe Street and 100 Halsey Street, Auckland</td>
<td>Resolutions - FIN/2018/17, FIN/2018/18</td>
</tr>
<tr>
<td>17/4/18</td>
<td>Report Up to $740,000 of additional expenditure ($655,000 OPEX and $85,000 CAPEX) to manage kauri dieback; two additional FTE employees and out-sourced contractors to manage the closures and noting additional expenditure to be prioritised for kauri dieback work such as track improvements, upgrades, landowner support, hygiene station upgrades and washdown facilities.</td>
<td>FIN/2018/65</td>
</tr>
<tr>
<td>11/12/18</td>
<td>Confidential Budget Update report</td>
<td></td>
</tr>
</tbody>
</table>
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Finance and Performance Committee

a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, the report contains information relating to land acquisition that could prejudice council's position in discussions with landowners and stormwater suppliers.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>