
Finance and Performance Committee

OPEN MINUTES

Minutes of a meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Monday, 11 December 2017 at 9.38am.

PRESENT

Chairperson	Cr Ross Clow	
Deputy Chairperson	Cr Desley Simpson, JP	
Members	Cr Dr Cathy Casey	
	Deputy Mayor Bill Cashmore	
	Cr Fa'anana Efeso Collins	Until 2.29pm, Item 10
	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 Member Terrence Hohneck	
	Cr Penny Hulse	
	Cr Mike Lee	
	Cr Daniel Newman, JP	
	Cr Dick Quax	
	Cr Greg Sayers	
	Cr Sharon Stewart, QSM	
	IMSB Chair David Taipari	From 9.42am, Item 9
	Cr Sir John Walker, KNZM, CBE	From 10.00am, Item 10
	Cr Wayne Walker	From 9.54am, Item 10
	Cr John Watson	From 9.43am, Item 10

1 Apologies

Resolution number FIN/2017/182

MOVED by Chairperson R Clow, seconded by Cr E Collins:

That the Finance and Performance Committee:

- a) **accept the apology from Cr W Walker for lateness.**

CARRIED

Note: A subsequent apology from Cr E Collins was received for early departure.

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2017/183

MOVED by Deputy Chairperson D Simpson, seconded by Chairperson R Clow:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 30 November 2017 as a true and correct record.**

CARRIED

4 Petitions

There were no petitions.

5 Public Input

There was no public input.

6 Local Board Input

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

9 10-year Budget 2018-2028 - Process overview

IMSB Member D Taipari entered the meeting at 9.42 am.

Resolution number FIN/2017/184

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

That the Finance and Performance Committee:

- a) **note the contents of this report, which sets the context for the other reports and decisions on today's agenda.**

CARRIED

10 10-year Budget 2018-2028 – Mayoral Proposal items for consultation

Cr J Watson entered the meeting at 9.43am.

Cr W Walker entered the meeting at 9.54am.

Cr J Walker entered the meeting at 10.00am.

Cr L Cooper left the meeting at 11.08am.

Cr D Quax left the meeting at 11.08am

Cr P Hulse left the meeting at 11.08am.

Cr P Hulse returned to the meeting at 11.14am.

Cr L Cooper returned to the meeting at 11.14am.

Cr D Quax returned to the meeting at 11.14am.

Cr W Walker left the meeting at 11.30am.

The transition policy was circulated prior to the meeting. A copy has been placed on the official minutes and is available on the Auckland Council website as minutes attachments.

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- a) introduction of a regional fuel tax to fund transport infrastructure and activities;
- b) average general rates rises of 2.5% for the first two years and 3.5% for each year after that;
- c) the Uniform Annual General Charge increases in line with the general rates increase;
- d) resumption of the Long-term Differential Strategy relating to business and residential rates;
- e) introduction of a water quality targeted rate to raise \$400 million to fund additional expenditure for the Water Quality Improvement Programme;
- f) introduction of a natural environment targeted rate to raise either:
- i) an additional \$123 million (total \$220 million) to fund additional projects to protect our natural environment and tackle Kauri dieback disease; or
- ii) an additional \$279 million (total \$376 million) for Kauri dieback and targeted ecological protection”;
- g) changes to the rating of the online accommodation sector, including the introduction of an additional rating differential for properties with a medium level of occupancy;
- h) disestablishment of the Council-controlled organisation Auckland Council Investments Limited with the investments in Auckland International Airport Limited and Ports of Auckland Limited to be transferred to Council parent.

The meeting was adjourned at 11.35am and reconvened at 11.49am.

Cr Collins, Cr Darby, Cr Sir J Walker and Cr W Walker were not present.

Cr E Collins returned to the meeting at 11.52am

Cr Sir J Walker returned to the meeting at 11.56am

Cr C Darby returned to the meeting at 11.57am

Cr W Walker returned to the meeting at 11.59am

MOVED by Cr C Fletcher, seconded by Cr G Sayers an amendment by way of addition:

- i) introduction of the landlord port model for Ports of Auckland Limited (POAL) and simultaneous recapitalisation to provide the best balance between enabling POAL to efficiently handle Auckland's growing freight needs, achieve its strategic growth objectives, and help Council to achieve its broader goals with respect to the city's development. This model recognises that the port land is a strategic asset and will be held in perpetuity for the people of Auckland.

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

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

The motion was declared LOST by 5 votes to 17.

The meeting adjourned at 1.17pm and reconvened at 1.50pm.

The meeting adjourned at 1.55pm in order to open the Governing Body meeting and reconvened at 2.01pm.

Cr M Lee was not present.

Cr M Lee returned to the meeting at 2.05pm.

Additional material was tabled in support of the Natural Environment Targeted Rate: Option D - \$279 million over LTP period. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

MOVED by Deputy Chairperson D Simpson, seconded by Cr L Cooper as an amendment by way of addition to clauses e) and f):

Option for extra money to fund water quality improvement and natural environment to be consulted on as a targeted rate set on capital value or a fixed levy approximately equal to the current interim transport levy which is being removed.

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

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

The motion was declared **LOST** by 6 votes to 16.

Cr E Collins left the meeting at 2.29pm.

MOVED by Cr A Filipaina, seconded by Cr P Hulse as an amendment by addition to clause f):

- iii) an additional \$356 million (total \$453 million) for an expanded ecosystems and species protection, including kauri dieback protection.

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Casey	Deputy Mayor B Cashmore	
Cr L Cooper	Chairperson R Clow	
Cr A Filipaina	Cr C Darby	
Cr C Fletcher	Mayor P Goff	
Cr R Hills	IMSB Member T Hohneck	
Cr P Hulse	Cr D Newman	
Cr M Lee	Cr D Quax	
Cr W Walker	Cr G Sayers	
Cr J Watson	Deputy Chairperson D Simpson	
	Cr S Stewart	
	IMSB Chair D Taipari	
	Cr J Walker	

The motion was declared **LOST** by 9 votes to 12.

The meeting adjourned at 3.25pm and reconvened at 3.29pm.

IMSB Chair D Taipari was not present.

IMSB Chair D Taipari returned to the meeting at 3.34pm.

Resolution number FIN/2017/185

MOVED by Chairperson R Clow, seconded by Cr W Walker:

That the Finance and Performance Committee:

- a) **agree at 3.25pm pursuant to standing order 1.1.3 that an extension of time until the business of the meeting is complete be granted.**

CARRIED

The Chairperson put the substantive motion in parts.

Resolution number FIN/2017/186

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- a) **introduction of a regional fuel tax to solely fund transport infrastructure and services.**

CARRIED

Resolution number FIN/2017/187

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- b) **average general rates rises of 2.5% for the first two years and 3.5% for each year after that.**

CARRIED

Resolution number FIN/2017/188

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- c) **the Uniform Annual General Charge increases in line with the general rates increase.**

CARRIED

Resolution number FIN/2017/189

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- d) **resumption of the Long-term Differential Strategy relating to business and residential rates.**

CARRIED

Resolution number FIN/2017/190

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- e) **introduction of a water quality targeted rate to raise \$400 million to fund additional expenditure for the Water Quality Improvement Programme.**

CARRIED

Resolution number FIN/2017/191

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- f) **introduction of a natural environment targeted rate to raise either:**
 - i) **an additional \$123 million (total \$220 million) to fund additional projects to protect our natural environment and tackle Kauri dieback disease; or**
 - ii) **an additional \$279 million (total \$376 million) for Kauri dieback and targeted ecological protection”.**

CARRIED

Resolution number FIN/2017/192

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

That the Finance and Performance Committee agree to recommend to the Governing Body that the 10-year Budget 2018-2028 consultation document include the following items from the Mayoral Proposal:

- g) **changes to the rating of the online accommodation sector, including the introduction of an additional rating differential for properties with a medium level of occupancy.**

CARRIED

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

- h) disestablishment of the Council-controlled organisation Auckland Council Investments Limited with the investments in Auckland International Airport Limited and Ports of Auckland Limited to be transferred to Council parent.

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Casey	Cr L Cooper	
Deputy Mayor B Cashmore	Cr C Fletcher	
Chairperson R Clow	Cr M Lee	
Cr C Darby	Cr D Newman	
Cr A Filipaina	Cr D Quax	
Mayor P Goff	Cr G Sayers	
Cr R Hills	Deputy Chairperson D Simpson	
IMSB Member T Hohneck	Cr S Stewart	
Cr P Hulse	Cr J Walker	
IMSB Member D Taipari	Cr W Walker	
	Cr J Watson	

The motion was declared LOST by 10 votes to 11.

Attachments

- A 11 December 2017, Finance and Performance Committee, Item 10 10-year Budget 2018-2028 - Mayoral Proposal items for consultation - Transition Policy
- B 11 December 2017, Finance and Performance Committee, Item 10 10-year Budget 2018-2028 - Mayoral Proposal items for consultation - Natural environment information

The meeting adjourned at 4.34pm and reconvened at 4.49pm.
Cr W Walker was not present.

Cr W Walker returned to the meeting at 4.52pm.

11 10-year Budget 2018-2028 - Other matters for consideration

MOVED by Chairperson R Clow, seconded by Cr W Walker:

That the Finance and Performance Committee recommend to the Governing Body that the Consultation Document and Supporting Information include the following items for consultation:

Waste Management

- a) To fund the kerbside food waste collection service through a \$67 increase to the waste management targeted rate, to be introduced in Papakura in 2018/2019 and in the remainder of urban Auckland (excluding the Hauraki Gulf Islands) from 2019/2020.
- b) User pays charges for refuse collection in the former Auckland City and Manukau City areas of approximately \$3.80 per 120 litre bin to replace the existing refuse targeted rates in those areas from 2020/2021.

Regulatory Fees and Charges

- c) A new fee for "Deemed Permitted Boundary Activities" based on a deposit of \$400 and standard hourly rates for work completed.
- d) A new fee for "Permitted Plantation Forestry Activities" based on a deposit of \$400 and standard hourly rates for work completed.

Land Advisory Services Fees and Charges

- e) Introduction of a new charge for land advisory services based on deposits between \$570 and \$1410 and hourly rates between \$85 and \$180.

Business Improvement District targeted rate

- f) Expansion of the Papakura Business Improvement District (BID)

Rodney Local Board targeted rate

- g) A targeted rate of \$150 per separately used or inhabited part of a rating unit within the Rodney Local Board area, to fund \$41 million of transport improvements in the Rodney Local Board area over the next ten years

Budgets

- h) Indicative budgets to support consultation based on the Mayoral Proposal and amended by decisions of this committee and the audit finalisation process.

10-year Budget policies

- i) Local Board Funding, Revenue and Financing, and CCO Accountability Policies

Resolution number FIN/2017/193

MOVED by Cr D Newman, seconded by Cr C Fletcher as an amendment by addition to the Regulatory Fees and Charges:

- e) abolishment of the baby cremation (up to 1-year-old) fee for council crematoria.

CARRIED

Note: IMSB Chair D Taipari and IMSB Member T Hohneck wished their abstention to be noted.

The Chairperson put the substantive motion in parts.

Resolution number FIN/2017/194

MOVED by Chairperson R Clow, seconded by Cr W Walker:

That the Finance and Performance Committee recommend to the Governing Body that the Consultation Document and Supporting Information include the following items for consultation:

Waste Management

- a) **To fund the kerbside food waste collection service through a \$67 increase to the waste management targeted rate, to be introduced in Papakura in 2018/2019 and in the remainder of urban Auckland (excluding the Hauraki Gulf Islands) from 2019/2020.**

CARRIED

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

- Cr D Quax
- Cr S Stewart
- Cr G Sayers
- CR D Simpson

Resolution number FIN/2017/195

MOVED by Chairperson R Clow, seconded by Cr W Walker:

That the Finance and Performance Committee recommend to the Governing Body that the Consultation Document and Supporting Information include the following items for consultation:

- b) User pays charges for refuse collection in the former Auckland City and Manukau City areas of approximately \$3.80 per 120 litre bin to replace the existing refuse targeted rates in those areas from 2020/2021.**

CARRIED

Pursuant to Standing Order 1.8.6 Cr D Simpson requested her dissenting vote be recorded.

Resolution number FIN/2017/196

MOVED by Chairperson R Clow, seconded by Cr W Walker:

That the Finance and Performance Committee recommend to the Governing Body that the Consultation Document and Supporting Information include the following items for consultation:

Regulatory Fees and Charges

- c) A new fee for “Deemed Permitted Boundary Activities” based on a deposit of \$400 and standard hourly rates for work completed.**
- d) A new fee for “Permitted Plantation Forestry Activities” based on a deposit of \$400 and standard hourly rates for work completed.**
- e) abolishment of the baby cremation (up to 1-year-old) fee for council crematoria.**

Land Advisory Services Fees and Charges

- f) Introduction of a new charge for land advisory services based on deposits between \$570 and \$1410 and hourly rates between \$85 and \$180.**

Business Improvement District targeted rate

- g) Expansion of the Papakura Business Improvement District (BID)**

Rodney Local Board targeted rate

- h) A targeted rate of \$150 per separately used or inhabited part of a rating unit within the Rodney Local Board area, to fund \$41 million of transport improvements in the Rodney Local Board area over the next ten years**

Budgets

- i) Indicative budgets to support consultation based on the Mayoral Proposal and amended by decisions of this committee and the audit finalisation process.**

10-year Budget policies

- j) Local Board Funding, Revenue and Financing, and CCO Accountability Policies.**

CARRIED

12 Local rates pilot

Resolution number FIN/2017/197

MOVED by Cr C Casey, seconded by Deputy Mayor B Cashmore:

That the Finance and Performance Committee:

- a) agree not to include a local rates pilot as part of the Long-term Plan 2018-2028**

- b) note that further work on local rates will be undertaken:
 - i) in light of changes to rates brought about by the 2017 revaluation, and
 - ii) to further discussions with local boards explaining the opportunities and impacts of the local rates model.

CARRIED

13 Consideration of Extraordinary Items

There were no extraordinary items.

5.44pm

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

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

DATE:.....

CHAIRPERSON:.....