## Kaipātiki Local Board

**OPEN MINUTE ITEM ATTACHMENTS**

<table>
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<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
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<tbody>
<tr>
<td>Local board input into the Emergency Budget 2020/2021 (Covering report)</td>
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<td>A. 8 July 2020 - Kaipātiki Local Board Business Meeting - Kaipātiki Local board input into the Emergency Budget 2020/2021</td>
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**Note:** The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Te take mō te pūrongo
Purpose of the report
1. To seek feedback on the proposed regional topics in the Emergency Budget 2020/2021.

Whakarāpopototanga matua
Executive summary

3. The Annual Budget 2020/2021 was first consulted on in February/March 2020 (Consultation part 1). Since this consultation was undertaken, the COVID-19 pandemic has exerted significant pressure on the council’s financial position. This will have flow on effects for the proposed budget for the 2020/2021 financial year. The council has considered what these impacts are likely to be and have asked Aucklanders for their views on aspects of the proposed budget, now referred to as Emergency Budget 2020/2021, through a second round of consultation (Consultation part 2).

4. During the second round of consultation, Aucklanders were asked for their views on three key proposals:
   - general rates increase for 2020/2021 of either 2.5 per cent or 3.5 per cent
   - rates postponement for ratepayers impacted by COVID-19
   - suspending the targeted rate paid by accommodation providers.

5. The council received feedback through telephone interviews, written forms, including online and hard copy forms, emails and letters.

6. This report summarises the public feedback received through Consultation part 2 on the proposed Emergency Budget 2020/2021.

7. Local board views on these regional matters will be considered by the Governing Body (or relevant committee) before making final decisions on the Emergency Budget 2020/2021.

8. Out of the 34,915 submissions received on the regional proposals in the Emergency Budget 2020/2021, 1545 submissions were from people living in the Kaipātiki local board area. The number of submissions received for the Kaipātiki Local Board area was higher than that of previous Annual Budget consultations (116 submissions for 2016, 316 for 2017, 226 for 2019), the most recent 10-year Budget 2018-2028, and Auckland Plan 2050 (1283 submissions). All three questions received a similar level of responses from submitters.

9. A total of 1199 submitters responded to the question of a general rates increase of 2.5 per cent or 3.5 per cent. Including pro forma submissions, 42 per cent (n=637) of respondents supported a 3.5 per cent general rates increase while 28 per cent (n=423) preferred this to be 2.5 per cent, 18 per cent (n=281) were against any rates increase. Of submitters who had selected ‘I don’t know’ as an option, n=57 wanted a rates freeze, n=30 felt that rates were already too high, and n=47 wanted savings/revenue to be found elsewhere including cutting staff costs.

10. There were 1167 responses in total to the proposed rates postponement for ratepayers impacted by COVID-19. A 70 per cent majority (n=814) of respondents were supportive, 18.9 per cent (n=221) of submitters were against the proposal, 11.3 per cent (n=132) selected ‘I don’t know’. Of submitters who had selected ‘I don’t know’ as an option, the
reasons included a feeling that this just delaying the debt, or that it is an insufficient measure.

11. The proposal to suspend the Accommodation Provider Targeted Rate (APTR) and associated activities until 31 Mar 2021 attracted 1178 responses in total, and the greatest support among the three questions. 74.5 per cent (n=878) of responses were supportive. The proportion of submitters against the proposal and those who had selected ‘I don’t know’, were similar at 13.6 per cent (n=160) and 11.9 per cent (n=140) respectively.

Ngā tūtohunga
Recommendation/s
That the Kaipātiki Local Board:

a) receive consultation feedback on regional proposals in the Emergency Budget 2020/2021 from people or organisations based in the Kaipātiki local board area.

b) provide feedback on the proposed Emergency Budget 2020/2021.

Horopaki

12. Auckland Council publicly consulted from 21 February to 22 March 2020 to seek community views on the proposed Annual Budget 2020/2021 (Consultation part 1).

13. Since this consultation was undertaken, the COVID-19 pandemic has exerted considerable pressure on the council’s financial position, which will have flow on effects for the proposed budget for the 2020/2021 financial year. Given the new financial realities facing Auckland, work has been undertaken to adjust the proposed budget, now referred to as Emergency Budget 2020/2021.

14. The council has undertaken further public consultation with Aucklanders for their views on Auckland Council’s proposed ‘Emergency Budget’ in response to the financial impacts of COVID-19 (Consultation part 2) which included considering whether to adopt a 2.5 per cent rather than 3.5 per cent general rates increase for the 2020/2021 financial year, among a suite of other measures aimed at offering support to all ratepayers, including businesses, facing hardship. This was carried out from 29 May to 19 June 2020.

15. The Emergency Budget consultation asked Aucklanders for their view on three main proposals:

- general rates increase for 2020/2021 of either 2.5 per cent or 3.5 per cent
- rates postponement for ratepayers impacted by COVID-19
- suspending the targeted rate by accommodation providers.

16. This report includes analysis of the consultation feedback on the regional proposals in the Emergency Budget 2020/2021 from people or organisations based in the Kaipātiki local board area.

Local board input on regional plans

17. Local boards have a statutory responsibility for identifying and communicating the interests and preferences of the people in their local board area in relation to the context of the strategies, policies, plans, and bylaws of Auckland Council. This report provides an opportunity for the local board to provide input on the proposed Emergency Budget.

18. Local Board Plans reflect community priorities and preferences and are key documents that guide both the development of local board agreements, which are adopted every year as part of the Annual Budget, and input into regional plans.
Types of feedback
19. Overall Auckland Council received feedback from 34,915 submitters in the consultation period. This feedback was received through:
   - Written feedback – hard copy and online forms, emails and letters
   - Over the phone

Tātaritanga me ngā tohutohu
Analysis and advice
20. The proposed Emergency Budget 2020/2021 sets out priorities and how they will be paid for. The regional consultation on the proposed Emergency Budget focused on changes to rates and fees; the key proposals were:
   - general rates increase for 2020/2021 of either 2.5 per cent or 3.5 per cent
   - rates postponement for ratepayers impacted by COVID-19
   - suspending the targeted rate by accommodation providers.
21. The submissions received from the Kaipātiki Local Board area on these key issues is summarised below, along with an overview of any other areas of feedback on regional proposals with a local impact.
22. Sometimes the council receives submissions that have come via a platform created by an external organisation – these are referred to by the council as pro forma submissions. The council has received an unusually large number of pro forma submissions in this consultation process – a total of 9,793. These have primarily come from two organisations – the Auckland Ratepayers’ Alliance (9,002) and Generation Zero (371). For the Kaipātiki Local Board area, Auckland Ratepayers’ Alliance pro forma submissions were sent in by 19 per cent (n=295) of submitters (295 submissions), while Gen Zero and other pro forma comprised 3 per cent (n=40).
23. When people submit via the council’s official consultation platform (either the hardcopy feedback form or the digital form), they are directed to the council’s consultation document and supporting information which are the statutory basis for the consultation process. People who submit via pro forma submissions often will not have had this same information presented to them when they submit, although each pro forma submission is different in its approach.
24. For example, the submission form set up by the Auckland Ratepayers’ Alliance did not refer to the council’s consultation material and did not ask the same questions that were included on the council’s feedback form. Generation Zero’s submission form also did not ask the same questions as the council’s feedback form. However, Generation Zero did include links to the council’s consultation material in the information supporting their submission form.
25. As with all feedback, pro forma submissions must be given due consideration with an open mind, and it is up to elected members to determine the weight that is given to this feedback.

General rates increase for 2020/2021
26. Aucklanders were asked about a proposed general rates increase of either 2.5 per cent or 3.5 per cent for 2020/2021.

Question 1: We are proposing an average general rates increase of either 2.5 per cent or 3.5 per cent for 2020/2021. We looked at, but could not responsibly propose rates increases below 2.5 per cent because of the severe impacts that would have on council services, new infrastructure, our debt levels and employment and business activity in Auckland.

The scale of the financial challenge that we face for next year with a revenue loss of over half a billion dollars due to COVID-19 means that spending on some council services will need to be
27. The graphs below give an overview of the responses from the Kaipātiki Local Board area.

Graph 1: Q1 General Rates increase for 2020/2021 (without Pro Forma)

28. A slight majority of respondents to this question supported a general rates increase of 3.5 per cent as can be seen in graph 1. Pro formas made up close to a third of all submissions to this question (n=325). The significance of this can be seen in graph 2 below which displays the percentage shifts of the various response categories, particularly in reducing the majority held by supporters of increasing general rates by 3.5 per cent. If you were to include pro forma submissions, the proportion of submitters supporting a 3.5 per cent general rates increase drops by 9 percentage points from 51 per cent (n=616) to 42 per cent (n=637), supporters of a 2.5 per cent general rates increase decrease from 35 per cent (n=416) by 7 percentage points to 28 per cent (n=423), while conversely, those calling for a rates freeze or no increase whatsoever, triple from 6 per cent (n=78) to 18 per cent (n=281), and respondents asking for a rates decrease, rise from 0 per cent (n=6) to 5 per cent (n=83).

Graph 2: General rates increase with and without PF

29. Among submissions responding to this question that provided comments, the most common sentiment expressed was that there should be a rates freeze in light of the economic uncertainty and financial hardships many already or were about to face. Other popular opinions were that a rates increase made sense (submitters supporting the 3.5 per cent increase option formed the largest group expressing this), rates were already too high (2.5 per cent increase supporters primarily expressed this), savings should be sought elsewhere...
including cutting staff costs, it was essential that Council services be kept open (most submitters expressing this supported a 3.5 per cent rates increase), and continued investment in infrastructure was needed now more than ever (cited by a majority of submissions opting to raise rates by 3.5 per cent). Graph 3 below displays sentiments expressed by submissions that provided comments to Q1.

Graph 3: Q1 submitter comments according to sentiment

Rates postponement for ratepayers impacted by COVID-19

30. Aucklanders were asked about a proposal to introduce a COVID-19 Rates Postponement Scheme.

Question 2: We are proposing a COVID-19 Rates Postponement Scheme. This will allow ratepayers who are struggling financially as a result of COVID-19 to defer up to $20,000 of their rates for the 2020/2021 year. At the end of the postponement period ratepayers would have to 30 June 2022 to pay off the balance (including interest and administration fees).

What do you think of our proposal?

31. The graphs below give an overview of the responses from the Kaipātiki Local Board area.
32. This question attracted the least responses at 1167 submissions. As per graph 4 above, a majority of 70 per cent (n=814) supported the proposal of postponing rates until 31 Aug 2020 for those impacted by COVID-19, while close to 20 per cent (n=221) were against it. A belief that this would help those experiencing financial hardship was the most common refrain expressed largely by those supportive of the proposal as shown by graph 5 below. Other popular sentiments were that the proposal was fair or made sense (shared mostly among the proposal’s supporters), the proposal is insufficient or inadequate and interest and fees should also be waived (majority who said this were non-supporters), and that this was merely a stop-gap measure and only delayed inevitable debt particularly if interest and admin fees were still going to be charged (an observation made mostly by non-supporters).

![Graph 5: Q2 submitter comments according to sentiment](image)

**Suspending the targeted rate paid by accommodation providers**

33. Aucklanders were asked about a proposal to suspend the targeted rate by paid by accommodation providers.

| Question 3: Suspending the targeted rate paid by accommodation providers Restrictions on travel and mass gatherings due to COVID-19 have resulted in us reducing our spending on visitor attraction and major events. We are proposing to suspend the Accommodation Provider Targeted Rate (APTR) which helps fund these activities until 31 March 2021. The APTR will only be charged for the last three months of the next financial year (2020/2021) as we increase our spending in this area. This proposal will assist the accommodation sector who are struggling financially.

What do you think of our proposal?

34. The graphs below give an overview of the responses from the Kaipatiki Local Board area.
35. The proposal to suspend the Accommodation Provider Targeted Rate received 1178 responses nearly 75 per cent (n=878) of which were supportive, seen in graph 6 above. Graph 7 below shows the most popular sentiments were in support of the proposal, stating that it was a good idea, fair, or made sense, and that it was a way to alleviate financial hardship.

Other feedback
36. Aucklanders were asked if they had any feedback on any other issues including the in-principle decisions made from the first round of consultation.

37. The proposals that we previously consulted on, and that have been agreed in principle, subject to consideration of any further feedback received in the Emergency Budget consultation are:

- Increase to the waste management base service targeted rate
- Increase to the waste management standard refuse rate in former Auckland City and Manukau City areas
Discontinuation of the Waitākere rural sewerage service and targeted rate for ratepayers in the Upper Harbour Local Board area effective from 1 July 2021.

Introduction of a new targeted rate for Central Park Henderson Business Improvement District.

38. None of the submissions from the Kaipātiki Local Board area mentioned any of these four proposals. Kaipātiki submitters who did provide comments for this section of the feedback form instead took the opportunity to repeat many of the same sentiments that had been expressed for the first question on a general rates increase, including focusing on core services instead of ‘nice to haves’, cutting staff salaries (some had made the distinction of targeting only those above a certain pay bracket), continuing investment in infrastructure, and continuing Council services such as libraries.

Feedback on other local topics

39. The following sub-topics were also observed among the submissions received, though the numbers are overall very low. For the Kaipātiki Local Board area, the three issues that were mentioned most were addressing climate change (almost unanimously supportive), support for cycleways (supportive majority), and public transport (supportive majority). Kaipātiki submitters’ interest in supporting cycleways, public transport and addressing climate change echoed that of the rest of the local boards and were similarly aligned in sentiment. Among submitters mentioning the sub-topic of addressing climate change, an overwhelming majority of 95 per cent across the local boards (n=1106) were supportive. This proportion was even larger among Kaipātiki submitters at 98 per cent (n=60). Sentiments on support for cycleways were very similar among Kaipātiki submitters and across the rest of the local boards. 73 per cent of Kaipātiki submitters (n=64) expressed a positive sentiment towards support for cycleways compared to 74 per cent for all local boards (n=1152), and a negative sentiment was expressed by 24 per cent of submitters who had mentioned this sub-topic for both Kaipātiki (n=21) and the rest of the local boards (n=374). For submissions with mentions of public transport, a positive outlook was shared by 76 per cent of Kaipātiki submitters (n=61) compared to 67 per cent across the rest of the local boards (n=1160).

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<th>Identified sub-topics</th>
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<th>Negative sentiment</th>
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<td>73%</td>
<td>74%</td>
<td>3%</td>
<td>24%</td>
<td>88</td>
</tr>
<tr>
<td>Charging for Park and Ride</td>
<td>7%</td>
<td>10%</td>
<td>86%</td>
<td>38%</td>
<td>7%</td>
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<tr>
<td>Support Bus lanes</td>
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<td>30%</td>
<td>0%</td>
<td>15%</td>
<td>0%</td>
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<td>Addressing traffic congestion</td>
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<td>45%</td>
<td>73%</td>
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<tr>
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<tr>
<td>Opinion on public transport</td>
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<td>15%</td>
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<td>9%</td>
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Information on submitters

40. The tables and graphs below indicate what demographic categories people identified with. This information only relates to those submitters who provided demographic information.

A total of 1118 submitters provided information on their gender, 1129 submitters on their age, and 1225 submitters on their ethnicity. European females in the 35-44 age group formed the largest group of submitters.
From graph 10, female submitters slightly outnumbered male submitters, and were slightly over-represented when compared with the Kaipātiki Local Board population as a whole, while male submitters were slightly under-represented.

Graph 11: Kaipātiki submitters and the KLB population by age group

In terms of age groups, submitters between the ages of 35 to 54 can be seen in graph 11 to make up the largest share of respondents (n=557), followed by those 25-34 (n=167), and 55-74 (n=319). This is mostly in line with previous consultations which have largely seen submitters from the same age groups. Submitters aged 35-44 were the largest age group for the 2016 (n=18) and 2017 (n=65) Annual Budget consultations, and the 10-year Budget 2018-2028 and Auckland Plan 2050 consultation (n=255). Compared with the Kaipātiki Local Board population, submitters to the Emergency Budget aged 35-74 were over-represented, while those aged 25-34 were slightly under-represented. Submitters aged 35-44 were
particularly over-represented in comparison to their share of the Kaipātiki Local Board population.

**Graph 12: Kaipātiki submitters and the KLB population by ethnicity**

Māori, Pacific and Asians were under-represented among Kaipātiki submitters, while those in the Middle Eastern, African, Latin American and Other ethnic groups had slight over-representation according to graph 12. However, there are only a very small number of Kaipātiki residents in the Middle Eastern, African, Latin American or Other ethnic groups (3 per cent and 1 per cent respectively of the Kaipātiki Local Board population). Europeans made up 74 per cent (n=904) of Kaipātiki submitters while comprising 53 per cent (n=51,639) of the Kaipātiki Local Board population. Asians were particularly under-represented. While approximately a third of the Kaipātiki Local Board population were Asian (n=29,565), only 13 per cent of Kaipātiki submitters (n=158) identified themselves as such.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

41. The decisions recommended in this report are procedural in nature.

42. Some of the proposed projects in the Emergency Budget may have climate impacts. The climate impacts of any projects Auckland Council chooses to progress with as a result of this, will be assessed as part of the relevant reporting requirements.

43. Some of the proposed projects in the Emergency Budget will be specifically designed to mitigate climate impact, build resilience to climate impacts, and restore the natural environment.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

44. The Emergency Budget is an Auckland Council Group document and will include budgets at a consolidated group level. Updates to budgets to reflect decisions and new information may include items from across the group.
Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
45. Local board decisions and feedback are being sought in this report. Local boards have a statutory role in providing local board feedback on regional plans.
46. Local boards play an important role in the development of the Emergency Budget. Local board nominees have also attended Finance and Performance Committee workshops on the Emergency Budget.

Tauākī whakaaweawe Māori
Māori Impact statement
47. Many local board decisions are of importance to and impact on Māori. Local board agreements and the Emergency Budget are important tools that enable and can demonstrate council’s responsiveness to Māori.
48. Local board plans, which were developed in 2017 through engagement with the community including Māori, form the basis of local priorities. There is a need to continue to build relationships between local boards and iwi, and the wider Māori community.
49. The analysis included submissions made by mana whenua and the wider Māori community who have interests in the rohe / local board area.
50. Ongoing conversations between local boards and Māori will assist to understand each other’s priorities and issues. This in turn can influence and encourage Māori participation in council’s decision-making processes.
51. Some of the proposed projects in the Emergency Budget may have impacts on Māori. The impacts on Māori of any projects Auckland Council chooses to progress with as a result of this, will be assessed as part of the relevant reporting requirements.

Ngā ritenga ā-pūtea
Financial implications
52. Local board input will be considered by the Governing Body for the Emergency Budget 2020/2021 decision-making.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
53. Local boards are required to make recommendations on these local financial matters for the Emergency Budget by 10 July 2020, to enable the Governing Body to make decisions on them when considering the Emergency Budget in 16 July.

Ngā koringa ā-muri
Next steps
54. Recommendations and feedback from local boards will be provided to the relevant governing body committees for consideration during decision making at the Governing Body meeting on 16 July.
55. Local boards will approve their local board agreements between 20 to 24 July and corresponding work programmes in August.
56. The Governing Body will adopt the Emergency Budget on 30 July 2020.

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

<table>
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<th>Authors</th>
<th>Daniel Han - Local Board Advisor</th>
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<tr>
<td>Authorisers</td>
<td>Eric Perry - Relationship Manager</td>
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