Māngere-Ōtāhuhu Local Board

OPEN MINUTE ITEM ATTACHMENTS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Local board input into the Emergency Budget 2020/2021 (Covering report)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. 8 July 2020: Māngere-Ōtāhuhu Local Board - Item 4 Local Board input into the Emergency Budget 2020/2021, report</td>
<td>3</td>
</tr>
</tbody>
</table>
Local board input into the Emergency Budget 2020/2021

File No.: CP2020/09153

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 those 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, 1,009 submissions were from people living in the Māngere-Ōtāhuhu local board area. There were 816 submitters who indicated their gender and ethnicity - 459 female, 353 male and for gender diverse. The submissions are from people with diverse ethnicity with 70 percent Pacific, 9 per cent Maori, 7 per cent Asian, and 1 per cent of Middle Eastern, Latin American and African descent (MELAA) 25 per cent European. (See para 43).

9. A total of 817 submitters responded to the question on general rates increase for 2020/2021. Of these 20.4 per cent (167 submitters) supported a 3.5 per cent increase, 54.7 per cent (447 submitters) supported a 2.5 per cent increase and 24.8 per cent (203 submitters) indicated they “don’t know”. Of the 447 supporting a 2.5 per cent increase, 263 were through the channel of community partner Bluestar, 12 through Te Ora and Te Kaha and there were no reasons cited. Those submitting online (167) and two offline expressed reasons for their preference.

10. There were a total of 729 submissions responding to question on proposal for rates postponement for ratepayers impacted by COVID-19. Nearly 80 percent supported, 14 per cent did not and 6.2 percent said they “did not know”.

11. There were a total of 729 submissions responding to the proposal on suspending the targeted rate paid by accommodation providers (APTR). Of these 82.6 per cent (602) were
in support, 9.9 per cent did not support (72) and 7.5 per cent (55) indicated that they did not know.

Ngā tūtohunga
Recommendation/s
That the Māngere-Ōtāhuhu Local Board:

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

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

Horopaki
Context
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 views 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 Mangere-Otahuhu 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
**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 Māngere-Ōtāhuhu 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 9793. These have primarily come from two organisations – the Auckland Ratepayers’ Alliance (3002) and Generation Zero (371). There were also pro forma feedback (other notable feedback) from Animal Shelter with 420 submissions.

<table>
<thead>
<tr>
<th>Submitters in MOLB</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>1000</td>
</tr>
<tr>
<td>Organisation</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1009</td>
</tr>
</tbody>
</table>

**Channel of submissions**

- **Online**: 447
- **Offline**: 10
- **ARA**: 142
- **GenZero**: 6
- **Pro forma**: 4
- **Community partners**: 400
- **Social media**: 0
- **Total**: 1009

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 reduced and many capital projects will be delayed even with the 3.5 per cent increase we had previously planned.

With a lower rate increase of 2.5 per cent, we would need to further reduce spending on council services and further delay investment in transport, parks and community and town centre projects.

Which increase do you support?

The table and chart below give an overview of the responses from the Māngere-Ōtāhuhu Local Board area.

<table>
<thead>
<tr>
<th>General rates increase</th>
<th>Submission nos.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5 per cent</td>
<td>167</td>
<td>20.4%</td>
</tr>
<tr>
<td>2.5 per cent</td>
<td>447</td>
<td>54.7%</td>
</tr>
<tr>
<td>I don't know</td>
<td>203</td>
<td>24.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>817</strong></td>
<td></td>
</tr>
</tbody>
</table>

27. Those favouring a 3.5 per cent (167 submissions) rates increase were of the opinion (115 gave reasons for their views) that:

- city building and investing in infrastructure such as transport; public services have to continue, and a slowdown is not an option at this time; the rates contribute to work activities for the city that also drive the economy; views noted that it was a time to protect and retain jobs
- the city continues to need services that must be provided for; that the difference between the two proposed rates are marginal and an ability to meet this cost.
- that this was the planned rate that is best kept to help minimise debt in the future; that community facilities and open spaces are at a risk of poor maintenance otherwise.
- would like environmental projects to continue.

28. From those favouring a 2.5 per cent increase (447 submissions), a 122 submitters provided reasons for their view and these related to:

- suggesting no increase (37 submissions), which however was not an option offered in the consultation.
Extraordinary Meeting of the Māngere-Ōtāhuhu Local Board
08 July 2020

- comments referred to reviewing internal organizational cost measures such as staff salaries, limited confidence that a 3.5 per cent rates increase is justified; some commented that roading projects be reduced.
- Some said that 2.5 per cent is an acceptable compromise in between allowing for people’s ability to afford a rates increase; that the financial impact on families is the same as it is on council – less income.
- No confidence that the alternative of 3.5 per cent is justified, or would be spent wisely

29. Of the 203 submissions indicating “don’t know”, comments showed a mixed range of views. Some also noted a favourable view with conditions for a 3.5 per cent increase. E.g. the Otahuhu upgrade was proposed to be delayed in any case so a rates increase was not justified. Also expressing a willingness to support 3.5 per cent increase if project is retained; a willingness to support 3.5 rate increase if it helped retain employment. A concern that the 2.5 per cent option implies reduction in services and maintenance of facilities. Other comments related to staff salaries, council operations and identifying efficiencies through ways of working. Some said that a rates increase is simply not an option because of the impact of COVID-19; references to international events such as America’s cup and related costs that should be supported by central government instead of Auckland ratepayers.

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 table and graphs below give an overview of the responses from the Māngere-Ōtāhuhu Local Board area.

<table>
<thead>
<tr>
<th>Rates postponement</th>
<th>Submissions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I support the proposal</td>
<td>582</td>
<td>79.8%</td>
</tr>
<tr>
<td>I don’t support the proposal</td>
<td>102</td>
<td>14.0%</td>
</tr>
<tr>
<td>I don’t know</td>
<td>45</td>
<td>6.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>729</td>
<td></td>
</tr>
</tbody>
</table>

32. Those supporting (582) the proposal noted that postponement is better than reducing rates or people defaulting. The relief option will help to cope with effects of job and business loss and recover financially. Some expressed comments the policy and did not favour charging interest and administrative fees and had reservations about what will happen at end of postponement period. From those supporting the proposal, 350 submitters provided comments.

33. Those not in support (102) had varied views such as a concern that those who cannot pay now will not likely to be able to pay later, and that there are additional costs attached to the postponement. That it is difficult to establish who is in real hardship and a deferral without interest would be better option. Homeowners are relatively better off and at this time should pay to contribute to the economy.
34. Those indicating indicating “don’t know” (45) about half of them gave reasons noting that they were not sure about the administrative charges attached, one said it would not suit Pacific families and others that it depends on the financial status the following year which can be uncertain. Another reason noted were that it may be reasonable for businesses but not others.

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

35. 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?*

36. The table and diagram below give an overview of the responses from the Māngere-Ōtāhuhu Local Board area.

<table>
<thead>
<tr>
<th>APTR</th>
<th>Submissions</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support</td>
<td>602</td>
<td>82.6%</td>
</tr>
<tr>
<td>Don’t support the proposal</td>
<td>72</td>
<td>9.9%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>55</td>
<td>7.5%</td>
</tr>
<tr>
<td>Total</td>
<td>729</td>
<td></td>
</tr>
</tbody>
</table>

37. From those who responded (729), most were in support (602) of suspending the targeted rate paid by accommodation providers. Key themes in the feedback are summarised as:

- Sympathy for struggling tourist industry and that the proposal makes a logical sense as international tourism is directly affected due to travel restrictions to New Zealand. Some disapprove of APTR in any case, others support it as it is temporary and that this measure will help stimulate economy, business and jobs.

38. Those not in support (72) expressed that a fair treatment needs to be towards all as everyone has had an impact and are struggling with increase in rates. There were views that a revenue stream should not “fall behind” as a consequence and also that such costs should be on the guests and not hotel providers.

**Other feedback**

39. Aucklanders were asked if they had any feedback on any other issues including the in principle decisions made from the first round of consultation. A total of 375 submitters responded to the question and the key themes are summarised as follows:

- **Theme 1: Prioritise local facilities and services**
• Thirty six (36) submitters support the continuation of local board budget spend on parks and community facilities.
• Specific mentions were made to libraries, community centres and swimming pools and the impact reduced funding these facilities will have on communities.
• Further 22 comments were received on supporting climate change and environment related projects in the local area as it has a wider impact on the future Animal Shelter was also referenced as an important facility which should continue.

Theme 2: Consideration of special circumstances for South Auckland
• A range of references were made to circumstances that warrant special consideration for services, infrastructure and increased budget allocation to the local board area and South Auckland in general.
• 18 submitters support the continuing Otahuhu Street Scape upgrade project and other aging facilities were also mentioned. Some of these respondents perceive a sense of neglect when comparing council-provided local infrastructure such as playgrounds to those in other parts of the region.
• The source/ channel of 79 submissions were made through Community Partner Bluespurr.

Theme 3: Council efficiencies, including salaries
• From a total of 375 submitters who responded to this question, 32 submissions were about Auckland Council staff salaries and the need for smart spending. The general sentiment on this matter is negative. To clarify, there was no specific proposal in the consultation documents, although the overall Emergency Budget does provide for salaries as part of the council’s operational expenses.

Theme 4: Transport
• Submitters covered a wide range of transport and roading topics in their feedback, including advocating for either more or less spending on public transport, roads and cycleways, reducing road congestion, and better footpaths. Again, under this theme, Otahuhu Streetscape project was mentioned several times.
• There were mixed views on cycleways, more than half of the respondents who specifically addressed this issue were in support of continuing to build walking and cycling facilities.
• On public transport services, most respondents who addressed this issue are supportive of maintaining and enhancing good public transport service and more respondents were in favour of not making drastic cuts or user charges increase in this area.

Theme 5: Economic impact on local community post COVID-19
• There were feedback comments on unemployment and loss of income due to COVID 19. From the 9 organisations who made submissions, 6 were from business groups, who expressed their concern around economic recovery.

40. 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

Local board input into the Emergency Budget 2020/2021
Introduction of a new targeted rate for Central Park Henderson Business Improvement District.

Feedback on other local topics
41. A few other comments were made on areas of:
   
   - Playgrounds – need to invest more specially with housing growth that is taking place locally.
   - Infrastructure (transport and water) – that it’s better to bring forward investment in infrastructure than suspending them.
   - Events – reduce spending on cultural and community events.

Requests for local funding
42. Requests for local funding included some submissions with reference to Ōtahuhu Streetscape upgrade.

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

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Count</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>816</td>
<td>100%</td>
</tr>
<tr>
<td>Male</td>
<td>353</td>
<td>43%</td>
</tr>
<tr>
<td>Female</td>
<td>459</td>
<td>56%</td>
</tr>
<tr>
<td>Gender diverse</td>
<td>4</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 2 Age distribution of submitters

<table>
<thead>
<tr>
<th>Age</th>
<th>Total: 820</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 years or younger</td>
<td>28</td>
<td>3%</td>
</tr>
<tr>
<td>15-24 years</td>
<td>157</td>
<td>19%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>145</td>
<td>18%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>172</td>
<td>21%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>126</td>
<td>15%</td>
</tr>
<tr>
<td>55-64 years</td>
<td>89</td>
<td>11%</td>
</tr>
<tr>
<td>65-74 years</td>
<td>70</td>
<td>9%</td>
</tr>
<tr>
<td>75 years or older</td>
<td>33</td>
<td>4%</td>
</tr>
</tbody>
</table>
Graph 1: Gender and age distribution of submitters

Table 3: Ethnicity of submitters

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>European</td>
<td>208</td>
<td>25%</td>
</tr>
<tr>
<td>Pakeha/NZ European</td>
<td>179</td>
<td>22%</td>
</tr>
<tr>
<td>Other European</td>
<td>29</td>
<td>4%</td>
</tr>
<tr>
<td>Maori</td>
<td>73</td>
<td>9%</td>
</tr>
<tr>
<td>Pacific</td>
<td>570</td>
<td>70%</td>
</tr>
<tr>
<td>Samoan</td>
<td>191</td>
<td>23%</td>
</tr>
<tr>
<td>Tongan</td>
<td>306</td>
<td>38%</td>
</tr>
<tr>
<td>Other Pacific</td>
<td>73</td>
<td>9%</td>
</tr>
<tr>
<td>Asian</td>
<td>61</td>
<td>7%</td>
</tr>
<tr>
<td>Chinese</td>
<td>16</td>
<td>2%</td>
</tr>
<tr>
<td>Indian</td>
<td>29</td>
<td>4%</td>
</tr>
<tr>
<td>Other Asian</td>
<td>16</td>
<td>2%</td>
</tr>
<tr>
<td>African/Middle Eastern/Latin</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>2%</td>
</tr>
<tr>
<td>Total people providing ethnicity</td>
<td>816</td>
<td>114%</td>
</tr>
</tbody>
</table>
Graph 2: Ethnicity

Tauākī whakaaweawe āhuarangi
Climate impact statement
44. The decisions recommended in this report are procedural in nature.
45. 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.
46. 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
47. 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 a-rohe me ngā tirohanga a te poari a-rohe
Local impacts and local board views
48. 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.
49. 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
50. 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.
51. 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.

52. The analysis included submissions made by mana whenua and the wider Māori community who have interests in the rohe / local board area. The feedback from consultation includes the

53. 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.

54. 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

55. Local board input will be considered by the Governing Body for the Emergency Budget 2020/2021 decision-making.

56. Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

57. 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

58. 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.

59. Local boards will approve their local board agreements between 20 to 24 July and corresponding work programmes in August.

60. 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>
<thead>
<tr>
<th>Authors</th>
<th>Rina Tagore - Senior Advisor, Mangere-Otahuhu Local Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Louise Mason - GM Local Board Services</td>
</tr>
<tr>
<td></td>
<td>Victoria Villaraza - Relationship Manager, Mangere-Otahuhu and Otara-Papatoetoe Local Boards</td>
</tr>
</tbody>
</table>