**Manurewa Local Board**

**OPEN MINUTE ITEM ATTACHMENTS**

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Local board input into the Emergency Budget 2020/2021

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, 1356 submissions were from people living in the Manurewa local board area.
9. General rates increase for 2020/2021 of either 2.5 per cent or 3.5 per cent: 42.3 per cent of respondents supported a 2.5 per cent increase, 33 per cent supported a 3.5 per cent increase, and 24.7 per cent selected “I don’t know”.
10. Rates postponement for ratepayers impacted by COVID-19: a majority of respondents (69.5 per cent) supported the proposal, 22.5 per cent opposed it, and 8 per cent selected “I don’t know”.
11.Suspending the targeted rate paid by accommodation providers: a strong majority of respondents (76.7 per cent) supported the proposal, 13.7 per cent opposed it, and 8.7 per cent selected “I don’t know”.

Local board input into the Emergency Budget 2020/2021

Page 1
Ngā tūtohunga
Recommendation/s
That the Manurewa Local Board:

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

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?

27. The graphs below give an overview of the responses from the Manurewa Local Board area.
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Attachment A

Rates postponement for ratepayers impacted by COVID-19

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

Q1
- 3.5 per cent
- 2.5 per cent
- I don’t know

Q2
- I support the proposal
- I don’t support the proposal
- I don’t know

- Submitters who supported the 2.5% rates increase raised concerns around affordability, financial hardship, and the impact of the increased costs on low income households. Others felt rates were already high and commented on reducing council expenditure.
- Respondents in favor of the 3.5% rates increase believed delaying essential services would impact Auckland significantly in the long term and encouraged Auckland Council to focus on core business only. Respondents also supported the difference in costs if council services were maintained.
- Most submitters who selected ‘I don’t know’ also felt rates were already high and suggested other options such as a ‘rates freeze’ and ‘0% increase’ to rates.

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?

29. The graphs below give an overview of the responses from the Manurewa Local Board area.

- Most submitters who supported the proposal felt it was reasonable as it provides flexibility for struggling rate payers and allows businesses to recover from the impact of COVID-19.
- Respondents against the proposal believed postponing the rates will not make a difference particularly for struggling ratepayers given the additional cost of interest, while others considered other options such as a rates reduction instead.
Submitters who selected ‘I don’t know’ also supported a rates reduction and felt a postponement will only cause more financial hardship in the future.

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

30. 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?

31. The graphs below give an overview of the responses from the Manurewa Local Board area.

- Respondents in favour of the proposal considered it necessary to support businesses, promote tourism and suggested suspending the targeted rate until the economy has recovered.
- Submitters against the proposal recommended a reduction to the targeted rate as opposed to a suspension was a better approach and felt ratepayers should not have to bail out these accommodation providers given the associated risks of operating a business.
- Those who selected ‘I don’t know’ also endorsed a reduction as opposed to a suspension of the targeted rate and suggested Auckland Council review the targeted rate quarter instead.

**Other feedback**

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

33. 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
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- Introduction of a new targeted rate for Central Park Henderson Business Improvement District.

Information on submitters

34. The tables and graphs below indicate what demographic categories people identified with. This information only relates to those submitters who provided demographic information.
Tauākī whakaaweawe āhuarangi
Climate impact statement
35. The decisions recommended in this report are procedural in nature.
36. 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.
37. 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
38. 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
39. 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.
40. 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.
Attachment A

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Tauākī whakaaweawe Māori

Māori impact statement

41. 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.

42. 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.

43. The analysis included submissions made by mana whenua and the wider Māori community who have interests in the rohe / local board area.

44. 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.

45. 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

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

47. Ngā rau tūpono me ngā whakamaurutanga

Risks and mitigations

48. 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

49. 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.

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

51. 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

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<thead>
<tr>
<th>Author</th>
<th>Shelvin Munif-IMO - Local Board Engagement Advisor</th>
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<tr>
<td>Authoriser</td>
<td>Manoj Ragupathy - Relationship Manager - Manurewa &amp; Papakura</td>
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Local board input into the Emergency Budget 2020/2021
Manurewa Local Board feedback on the Emergency Budget 2020/2021

1. Consultation questions

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<td>The board has arrived at their position on this issue following robust debate, and this was not an easy decision to make. The lack of available information regarding any financial contribution that the council might expect from central Government through projects such as shovel ready has also contributed to the difficulty in reaching this position.</td>
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We acknowledge that a significant number of our community members who gave feedback on this question expressed a desire for a lower rate increase. We also note that number of submissions expressing this view were pro forma submissions from groups who were promoting this option. Our experience in speaking to residents who are not aware of the impacts of a lower rate increase on council services and facilities is that once they are made aware of these impacts they have often expressed to us a preference for a higher rate increase.

The difference between the two options is less than 50c per week on average. This is a small impact on individual households but makes a large impact on the council’s budget.

A rates increase of less than 3.5 per cent would require a level of reduction to council services and local board discretionary budgets that we believe would have significant detrimental effects on our communities, including the effects of local job losses due to reductions in opening hours for facilities.

Much of the population of this local board area are from vulnerable population groups and many of these groups are living with high levels of deprivation. For these groups, a reduction in council services would create far greater hardship than would a higher increase in rates.

For these reasons, the board prefers the option of a 3.5 per cent general rates increase. |

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<th>General rates increase preference (3.5%, 2.5% or other)</th>
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<td>The board supports the introduction of a rates postponement scheme to help households struggling with financial effects of COVID-19.</td>
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<td>The board supports the suspension of the Accommodation Provider Targeted Rate (APTR) since the closure of New Zealand’s borders will result in a reduction in income for</td>
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**2. Capital investment proposal**

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<td>Transport network</td>
<td>In the board’s previous feedback, we highlighted the need to ensure that road safety programmes continue. We are therefore concerned about the effects of the proposal to pause or cancel safety improvements, with an estimated effect of 10 additional deaths and 40 additional injuries in 2020/2021, and a total of 900 additional deaths and serious injuries over the next ten years, as a consequence of this. Manurewa has one of highest rates of deaths and serious injuries due to motor vehicles in the Auckland region. Reductions to the road safety programme are likely to lead to more of our residents being injured or killed on the road. We request that this programme be given greater priority in the Emergency Budget. Additionally, we recommend that council advocate to central Government for NZTA assistance in continuing to fund this programme.</td>
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<td>Community investment</td>
<td>Our board signalled in its earlier feedback that our preference was for deferment of capital projects over reductions in operational spending. We also said that it was important that renewals be maintained. On this basis, while we accept the proposed reductions to the capital programme as a necessary evil, we still believe that as much renewal work as is possible should take place. Many the assets in our local board area are ageing and there is a risk that they will become unsafe and need to be closed if scheduled renewal work is not undertaken.</td>
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**3. Opex: Proposed measures to achieve operational savings**

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<td>Local board discretionary funding reduction</td>
<td>Our board maintains its previously stated position that reductions in Locally Driven Initiatives operating expenditure (LDI opex) are not the best way to achieve the savings we need to make. The small size of the overall LDI budget means that making reductions to it will contribute very little to the overall amount that needs to be saved. However, those reductions would have a large negative impact on our local community. The good achieved through the savings would be disproportionate to the harm caused by the reduction in funding. Manurewa has a high</td>
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<td>population of vulnerable groups, as outlined above, and many of the community organisations that support them are reliant on funding from the board. We note that our local board area has the highest Māori population in Tamaki Makaurau, and that cuts to the board’s funding will therefore disproportionately affect Māori. We believe this is inconsistent with measures taken elsewhere in the Emergency Budget to maintain Māori Outcomes funding. Additionally, we note that the consultation material for the Emergency Budget indicates a reduction to LDI opex of 10 per cent in the case of a 3.5 per cent rates increase or 20 per cent in the case of a 2.5 per cent rates increase. However, the application of the Local Board Funding Policy to determine the savings required by each board means that this board faces reductions of 12.5 per cent and 25 per cent under these scenarios. Under normal circumstances, the formula set out in this policy means that local board areas with higher levels of deprivation receive higher amounts of funding. Applying this formula to determine required savings results in a perverse situation where the boards with the highest levels of deprivation face a larger reduction in budget than those with the lowest levels of deprivation. We recommend that LDI opex should not be reduced, or that if it is reduced a more equitable method of applying that reduction to each local board should be adopted. This could be achieved by simply reducing each board’s normal funding allocation by the required amount (10 or 20 per cent).</td>
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<td>Infrastructure and Environmental Services</td>
<td>Our board does not support any proposal to suspend the inorganic waste collection, even under a 2.5 per cent rates increase. Any reduction in waste collection services is likely to lead to an increase in illegal dumping, which is already a significant problem in our area. We recommend that investigations should be made into whether the traditional, annual inorganic waste collection was more cost effective than the current booking system. We believe that under the traditional collection system more waste was recycled and upcycled by members of the community. Many of our residents tell us that they feel the removal of that service has led to an increase in illegal dumping in our community.</td>
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<td>Transport network</td>
<td>Our board believes that reductions in public transport service levels need to be carefully considered. In areas such as ours where public transport usage is relatively low, there is a danger that reductions in service will push users</td>
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### Attachment B

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<td><strong>Item 14</strong></td>
<td>back into private vehicle usage, and that it will be difficult to attract them back to public transport once services are restored. There is a risk of losing gains that have been made in this area in recent years. Removal of fare concessions, as contemplated in the scenario of a 2.5 per cent rates increase, has similar risks. Additionally, any reductions must balance savings made against revenue lost if genuine savings are to be achieved.</td>
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#### 4. Other revenue generation

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<td><strong>Consider ongoing investment in non-core commercial assets</strong></td>
<td>Our board recommends that any reduction in provision of early childhood education (ECE) by council should be done in a way that maintains OSCAR programmes. While there are large number of alternate ECE providers available, many schools do not offer after school programmes, making the OSCAR programme an important service for parents. We believe that consideration of whether council should exit from provision of gyms should take into account the capacity of each community to afford private gym membership. It is generally the case that high deprivation areas, such as ours, also experience high levels of obesity. We must ensure that affordable facilities for residents to exercise and undertake physical activity remain available.</td>
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