

I hereby give notice that an extraordinary meeting of the Ōrākei Local Board will be held on:

Date: Thursday, 9 July 2020
Time: 5.00pm
Meeting Room: Ōrākei Local Board office
Venue: 25 St Johns Road
Meadowbank

Ōrākei Local Board

OPEN ADDENDUM AGENDA

MEMBERSHIP

Chairperson	Mr Scott Milne, JP
Deputy Chairperson	Sarah Powrie
Members	Troy Churton
	Colin Davis, JP
	Troy Elliott
	Margaret Voyce
	David Wong, JP

(Quorum 4 members)

Kim Lawgun
Democracy Advisor

7 July 2020

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Ōrākei Local Board input into the Emergency Budget 2020/2021

File No.: CP2020/09097

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

2. Auckland Council publicly consulted from 29 May to 19 June 2020 to seek community views on the proposed Emergency Budget 2020/2021.
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 has 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.
 - The council received feedback through telephone interviews, written forms, including online and hard copy forms, emails and letters.
5. This report summarises the public feedback received through Consultation part 2 on the proposed Emergency Budget 2020/2021.
6. 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.
7. Out of the 34,915 submissions received on the regional proposals in the Emergency Budget 2020/2021, 1967 submissions were from people living in the Ōrākei Local Board area. Anonymised submissions will be available online to the public on our AK Have Your Say website.
8. Of the 1967 submissions received, 1331 respondents provided feedback on Question One. 39.5 per cent (526) of submissions supported a 3.5 per cent rates increase. 43.7 per cent (581) of submissions supported a 2.5 per cent rates increase. 16.8 per cent (224) did not know which rates increase they supported.
9. Of the 1334 respondents who provided feedback on question two, more than two thirds of submitters from the Ōrākei Local Board area generally supported the rates postponement proposal for ratepayers impacted by COVID-19.
10. Of the 1017 respondents who provided feedback on the suspension of the targeted rate paid by accommodation providers, 76.1 per cent were in support of the proposal, 14.7 per cent did not support the proposal and 9.3 per cent did not know.

Ngā tūtohunga Recommendation/s

That the Ōrākei Local Board:

- a) receive consultation feedback on regional proposals in the Emergency Budget 2020/2021 from people or organisations based in the Ōrākei Local Board area.
- b) provide feedback on the proposed Emergency Budget 2020/2021.

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Horopaki Context

11. 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).
12. 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.
13. 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.
14. 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.
15. 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 Ōrākei Local Board area.

Local board input on regional plans

16. 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.
17. 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

18. 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

19. 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.
20. The submissions received from the Ōrākei Local Board area on these key issues are summarised below, along with an overview of any other areas of feedback on regional proposals with a local impact.
21. 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 three organisations – the Auckland Ratepayers' Alliance (9,002), Generation Zero (371) and the Animal Shelter (420).
22. Ōrākei received 580 pro forma submissions, with the majority coming from the Auckland Ratepayers' Alliance (545) and Generation Zero (28).
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 bases 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 2020/2021.

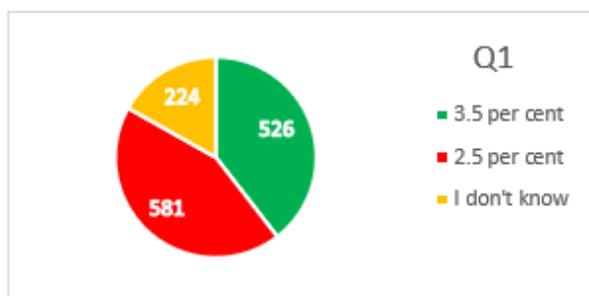
Question 1: We are proposing an average general rates increase of either 2.5 per cent or 3.5 per cent for 2020/2021. We looked at, but could not responsibly propose rates increases below 2.5 per cent because of the severe impacts that would have on council services, new infrastructure, our debt levels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



Q1		
3.5 per cent	526	39.5%
2.5 per cent	581	43.7%
I don't know	224	16.8%
Total	1331	100%

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28. Of the 1331 submissions on Question One, 526 submissions (39.5 per cent) are in support of a 3.5 per cent rates increase. Some of the feedback points include:

- *Increasing the rates by 3.5 per cent makes sense* (128 feedback points) 'the rate rise is essential to ensure Council has the funds available to keep planned capital and operational spend as high as possible over the next financial year...'
- *Need infrastructure investment* (133 feedback points). 'important services and projects must proceed without interruption. Decreased funding will set the council and community back years...'
- *Keep Council services open* (134 feedback points). '...they are more important than ever with unemployment rising...council has less money and will have to reduce services, but nothing should be closed completely, or those communities will be disadvantaged...'

29. Of the 1331 submissions on Question One, 581 submissions (43.7 per cent) are in support of a 2.5 per cent rates increase. Some of the feedback points include:

- *Financial hardship/rates too high already* (203 feedback points) 'with money very tight for people, including those who've lost their jobs, increases should be kept to a minimum.'
- *Find other revenue/savings (incl. staff costs)* (177 feedback points) 'Council needs to look realistically at the number of highly paid executive staff; either reduce their salaries or the number of them.'
- *Dissatisfied with Council management* (83 feedback points) '...Council staff, especially the Mayor, Councillors and CCO executives should take a 50 per cent pay cut; they are overpaid as it is for doing nothing. The debt level is due to bad management...'

30. Of the 1331 submissions on Question One, 224 submissions (16.8 per cent) did not know which rates increase they supported. Some of the feedback points include:

- *Find other revenue/savings (incl. staff costs)* (83 feedback points). 'Put projects on hold. Look at prioritising and re-evaluate all existing projects. Wages haven't risen by 2.5 per cent or higher so why should rates?'
- *Financial hardship/rates too high already* (59 feedback points). 'Impact is severe, and recovery requires time. Currently all the businesses and the working force is affected with difficult cash flows...'
- *Dissatisfied with Council management* (45 feedback points). 'Council needs to manage funds more efficiently so constant rate increases aren't needed.'

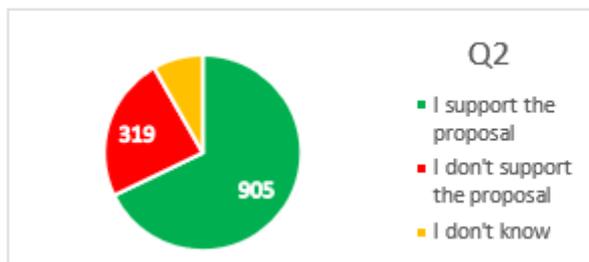
Rates postponement for ratepayers impacted by COVID-19

31. 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?

32. The graphs below give an overview of the responses from the Ōrākei Local Board area.



Q2		
I support the proposal	905	67.8%
I don't support the proposal	319	23.9%
I don't know	110	8.2%
Total	1334	

- 110 submitters indicated that they didn't know if they supported the proposal or not.
- Of the 905 supporting the proposal, 280 submitters believed it would help those under financial hardship and 154 thought it was a good idea, made sense or was fair. 47 submitters cited that while they supported the proposal there needed to be strong criteria and checks for eligibility. There were various other reasons why people supported the proposal. 383 submitters did not give any reason for their support.
- Of the 319 submitters who did not support the proposal, the main reasons cited were that it would just delay the debt that would have to later be repaid (102 submitters) or that it just wouldn't do enough to assist those impacted by COVID-19 (64 submitters). Some (42 submitters) believed that it was a person's own personal financial responsibility. 64 respondents did not provide any reasons for not supporting the proposal
- 43 submitters who supported the proposal and 64 who did not support the proposal commented that the proposal didn't go far enough and that interest or fees should not be charged.
- A number of submitters, whether they supported or did not support the proposal, cited "don't increase rates" (37), the need to find other revenue or make savings by cutting staff costs, sticking to core services etc (33) and/or dissatisfaction with council management (29) in their feedback.

Suspending the targeted rate paid by accommodation providers

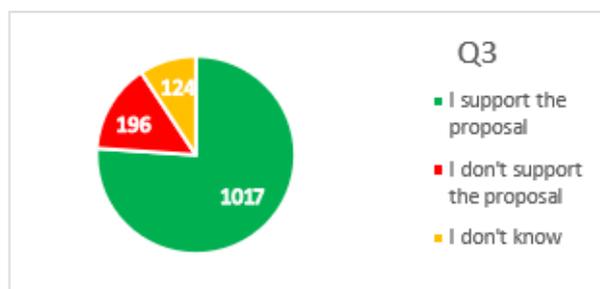
33. Aucklanders were asked about a proposal to suspend the targeted rate by paid by accommodation providers.

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 Ōrākei Local Board area.

Written Submissions



Q3		
I support the proposal	1017	76.1%
I don't support the proposal	196	14.7%
I don't know	124	9.3%
Total	1337	

35. Of those who supported the proposal (1017 submissions), constituents believed this proposal was a good idea, it was fair and it made sense (234 feedback points) and that it would help those in financial hardship (167 feedback points). Some indicated that they didn't support the continuation of the APTR itself or of how ATEED was managed (65 feedback points). One respondent said, "Accommodation providers are amongst the hardest-hit by the economic effects of COVID-19 so it makes sense to reduce their financial burden. Given that tourism and visitor numbers are going to be greatly reduced in the short term it seems reasonable to reduce spending on visitor attractions and major events."
36. Of those who did not support the proposal (196 submissions), respondents argued that the charge should continue as it should be manageable for accommodation providers to pay for it (42 feedback points) and that businesses should prepare to adjust their business models and take personal financial responsibility to adapt (32 feedback points). Some argued against the APTR and ATEED management in general (7 feedback points). One respondent said "Everyone must play a part. It makes no sense to suspend rates in this area while cutting budgets in other areas. The only changes that should be made are those that decrease expenditure, not decrease revenue."
37. Of those who did not know whether they supported the proposal (124 submissions), some were dissatisfied with Council management (4 feedback points) and some were not in support of the APTR (4 feedback points).

Other feedback

38. Aucklanders were asked if they had any feedback on any other issues including the in-principle decisions made from the first round of consultation.
39. 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.
40. As none of the above topics received more than five feedback points, this section does not include a feedback summary.

Feedback on other topics

41. Key themes across feedback received from Ōrākei Local Board residents on other topics, including local issues, include:
42. Transport: (247 feedback points). On the topic of supporting cycleways, 57 per cent of respondents were supportive of building more cycleways, 42 per cent not supportive and 1 per cent neutral. Bus lanes were largely unsupported, mostly because of the impact they had on traffic flow (75 per cent negative sentiment response). Traffic congestion was a priority issue for respondents, where 64 per cent expressed discontent about current traffic levels and asked that this be managed more efficiently. Perceptions on public transport were generally positive, with 59 per cent of respondents indicating that more investment in public transport was needed and 30 per cent asking that costs be reduced.
43. Community Facilities: (123 feedback points). Respondents requested that libraries and community facilities remain open and be prioritised (65 feedback points). The following quote from a respondent was typical: "The public libraries are playing very important roles at [sic] the communities, suggest to keep all the libraries' services." 82 per cent of respondents who mentioned 'public toilets' were in support for all local public toilets to remain open.

44. Parks, Sports and Recreation: (60 feedback points). Prioritising the maintenance and access to green spaces was frequently mentioned among those who provided feedback on parks. Sports events were important to respondents but not often seen as essential. A respondent provided feedback to prioritise “environmental projects and get the Pourewa Valley walkway and cycleway finished”.
45. Arts, Culture and Events: (49 feedback points). 27 respondents who mentioned arts, culture and events were in favour of continuing to support funding for local events. Some respondents requested that there be a reduction in spending or stopping to fund some events (8 feedback points). Quotes included: “Community events such as Music in the Parks are good ways for the community to come together and accessible for all despite financial position.” “Not supporting the Arts and culture, reducing the role of libraries, pools, recreational centres etc makes our quality of life poorer.” Continuing to allocate funding for the America’s Cup was largely unsupported (68 per cent of mentions including America’s Cup were negative) and respondents preferred that this funding be used toward local activities.
46. Planning: (81 feedback points). Most references to regional project planning were where respondents were mostly opposed, asking the council to focus on essential services only. Those who mentioned the Sky Path project were supportive of it continuing (14 feedback points). Those who mentioned light rail (15 respondents) were often opposed to its continuation (73 per cent negative sentiment).
47. Environmental Services: (88 feedback points). Addressing climate change was a high priority for respondents (76 feedback points), who wanted environment and sustainability to be prioritised as a focus area of expenditure. One respondent said, “Please prioritise the environment and conservation in all decisions.”
48. Water: (71 feedback points). 68 per cent of feedback reflected concerns over water supply issues. Some respondents also called to improve water quality as well as better wastewater management. While most respondents wanted better water quality overall, the most mentioned place was Hobson Bay. For example, one respondent said, “We need to keep working on better water quality for Hobson Bay and the Eastern Beaches”.
49. Rating and Funding (finance): (506 feedback points). 176 of respondents who commented on rating and funding requested there be a review of Auckland Council’s management structure and salaries. Often, commenters used this space to reiterate their support for a zero per cent rates increase. A quote from a respondent: “As previously stated my expectation is that Auckland council [sic] as custodians of public money do all it can to drive efficiency and reduce costs.”
50. Waste Services: (55 feedback points). 38 respondents who mentioned waste and rubbish emphasised this should be a service to prioritise over other areas of expenditure. Some respondents approached this from an environmental perspective, emphasising the importance of clean beaches and composting systems. For example, one submitter said, “Do not cut back on public toilets and rubbish collections.”
51. CCOs: (84 feedback points). 47 respondents who mentioned one of the CCOs requested a review of their management, including reducing or cancelling expenditure on major projects (20 feedback points), cutting executive salaries and increased accountability toward Auckland Council and constituents.
52. Regulatory and Bylaws, including animal management: (25 feedback points). 16 respondents were against the reduction of animal shelters, 4 called for easier resource consenting processes. One submitter said, “I oppose the planned reduction in the number of animal shelters from three to two, as well as the closure of the Waiheke animal shelter.”

Information on submitters

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

Figure 1, 2 and 3: Gender and age of respondents

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Age	Male	Female	Gender Diverse
< 15	0	1	0
15-24	26	34	0
25-34	51	67	1
35-44	92	88	2
45-54	142	126	2
55-64	127	122	0
65-74	151	99	0
75 +	75	34	0
Total	664	571	5

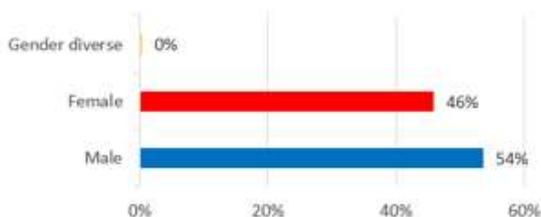
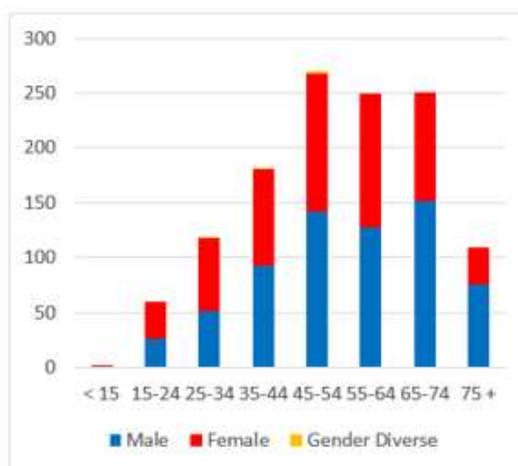
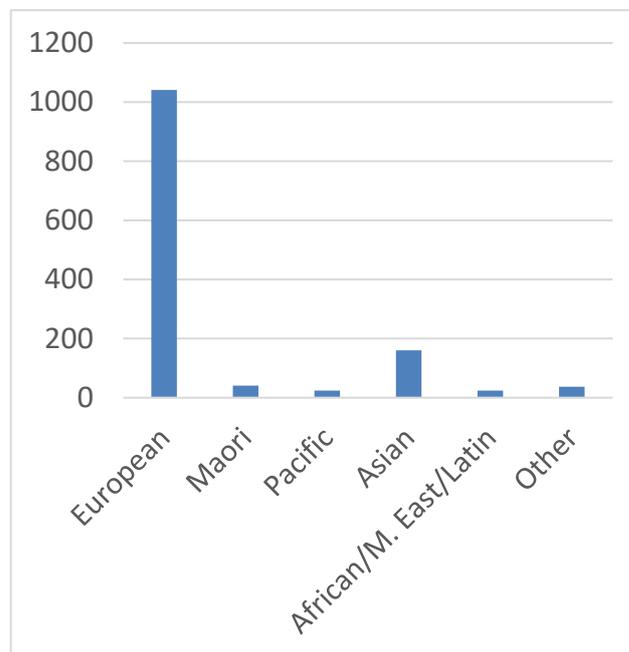


Figure 4 and 5: Ethnicity of respondents

Ethnicity	#	%
European	1041	83%
Pakeha/NZ European	939	75%
Other European	102	8%
Maori	41	3%
Pacific	24	2%
Samoan	8	1%
Tongan	5	0%
Other Pacific	11	1%
Asian	160	13%
Chinese	116	9%
Indian	19	2%
Other Asian	25	2%
African/Middle Eastern/Latin	24	2%
Other	37	3%
Total people providing ethnicity	1249	106%



Tauākī whakaaweawe āhuarangi Climate impact statement

54. The decisions recommended in this report are procedural in nature.
55. 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.

56. 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**

57. 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**

58. 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.
59. 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**

60. 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 the council's responsiveness to Māori.
61. 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.
62. The analysis included submissions made by mana whenua and the wider Māori community who have interests in the rohe / local board area.
63. On-going 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 the council's decision-making processes.
64. 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**

65. 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**

66. 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 2020.

Ngā koringa ā-muri

Next steps

67. 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 2020.
68. Local boards will approve their local board agreements between 20 to 24 July 2020 and corresponding work programmes in August.
69. 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

Authors	Suzanne Weld – Senior Local Board Advisor Ollin Perez Raynaud – Local Board Engagement Advisor
Authoriser	Adam Milina - Relationship Manager - Albert-Eden & Orakei Local Boards