

**Date:** Wednesday 8 July 2020  
**Time:** 4.30pm  
**Venue:** Local Board Chambers  
Papakura Service Centre  
35 Coles Crescent  
Papakura

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## Papakura Local Board

# OPEN MINUTE ITEM ATTACHMENTS

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## Papakura Local Board Feedback to the Emergency Budget 2020/2021

### Introduction and Background

The Papakura Local Board's feedback contained in this document should be read in conjunction with the feedback provided to the Governing Body prior to public consultation on the Emergency Budget in May 2020.

The Papakura Local Board acknowledges that the Governing Body has the unenviable task of developing a budget to manage the significant loss of revenue and economic activity brought about by the Covid-19 pandemic. There are no easy choices in this endeavour and the right mix of service reductions, asset sales, increased debt or increased costs on Aucklanders will always be a contentious decision. This decision will also have long-term and possibly inter-generational consequences as it will determine questions such as:

- which parts of our communities bear the heaviest burden of reduced services or increased costs
- which parts of our communities can most afford or least afford to bear such burdens
- the downstream consequences for all of us in further entrenching disadvantage through under-investment in our vulnerable communities
- which services or initiatives can recover quickly in the future and which ones could be irreparably set-back or damaged.

The Papakura Local Board reiterates its previous feedback that in both setting the Emergency Budget, and then operationalising the budget in local communities elected members and staff should agree key principles that guide decision-making. The principles suggested by the Papakura Local Board are:

- i) The welfare of local communities and the most vulnerable groups within our communities (older people, youth, Maori, Pacific and the disabled) must be protected and promoted.
- ii) The impact from service reductions or council spending will not be uniform across Auckland and cuts to projects and services should not entrench current disadvantage or historic under-investment.
- iii) Local board funding should be maintained at current levels. Local boards are the face of council in local communities and are the main, if not only, supporters of a range of innovative but fragile initiatives, groups and communities. Loss of local board support will be felt strongly, do irreparable damage to our community and volunteer base, and harm the many groups and networks the local boards and legacy councils have supported for many years.
- iv) The budget should seek to increase council's capability for longer term shifts and capacity building towards community led delivery (including the reduction of council compliance requirements for community groups), public-private partnerships and strategic partnership with government.
- v) There must be an unflinching focus on delivering the services and projects that support Auckland's economic recovery and job creation through capital projects, local economic development and local procurement.

- vi) We must seek to reduce council provision of services that is also provided by the private sector so we can procure these services from local businesses rather than provide them directly.

The board's feedback on specific consultation items is contained below. The board wishes our councillors and our Mayor the very best in this difficult endeavour.

## 1. Consultation questions

Proposal in emergency budget	Comments
<ul style="list-style-type: none"> <li>General rates increase preference (3.5%, 2.5% or other)</li> </ul>	The Papakura Local Board prefers a 3.5% rates increase. The board is aware that this may not be a popular decision during difficult economic times. However, the information provided to the board shows that the consequences of a rates increase below 3.5% would significantly impact council services and damage community wellbeing, especially in our most vulnerable communities.
<ul style="list-style-type: none"> <li>Introduction of Rates Postponement Scheme (support, don't support, other)</li> </ul>	The board supports the introduction of the Rates Postponement Scheme and believes it is a necessary cost the council should bear to support struggling ratepayers.
<ul style="list-style-type: none"> <li>Suspending APTR</li> </ul>	The Papakura Local Board supports the suspension of the Accommodation Provider Targeted Rate until the expected recovery of the tourism sector.

## 2. Capital investment proposal

Proposal in emergency budget	Comments
<b>Transport network</b> <ul style="list-style-type: none"> <li>Overall reduction to 700m</li> <li>LB transport capital fund (LBTCF) reduced to \$5m</li> <li>Community safety fund projects to be paused or cancelled</li> <li>Pausing/deferring walking and cycling projects not in construction</li> </ul> <i>Additional savings (under 2.5% scenario)</i>	<p>The Papakura Local Board supports the pausing of new cycling infrastructure, especially on road cycleways. The board's experience with cycleways on roads in the past is that they have been poorly planned, not well used and constitute a health hazard as they are simply painted on the side of busy roads with no safety barrier for the cyclist. Existing dangerous cycleways such as the one in Great South Road should be remedied prior to the provision of new ones. The board supports more off-road cycling and walking infrastructure in the future such as the Greenways Project 12 and 13 which links the town centre through Elliott Street to the cycleway on State Highway 1.</p> <p>The Papakura Local Board strongly cautions against the reduction of the Community Safety Fund especially as calculations suggest the consequences of the reduction will result in over 900 Deaths and serious injuries (DSI) over a 10-year period. This impact will also be felt by our most vulnerable communities where DSI rates are higher. Our responsibilities to look after the health and safety of</p>

<ul style="list-style-type: none"> <li>• Deferral of all LBTCF-funded local programmes – no delivery in 2020/2021</li> </ul>	<p>Aucklanders should not be so blatantly surrendered while other nice to have capital projects proceed.</p> <p>The local board also strongly rejects the cutting of the Local Board Transport Capital Fund (LBTCF) to \$5million. A lot of these projects have been subject to significant advocacy, planning and engagement for a number of years.</p> <p>The board is bitterly disappointed that even with the reduction of the transport budget to \$700million, the Governing Body and staff are proposing to cut the local board component of that budget from the current \$30 million (\$20m of LBTCF and \$10m of Community Safety Fund) to a net \$5million, an almost 85% reduction. This sends a very poor signal to local boards about the value local projects are seen to add.</p> <p>The board also rejects the suspension of the transport led One Local Initiative (OLI) for Papakura. It seems a wasted opportunity to attract co-funding from NZTA and will essentially destroy a project that the board and Papakura community have advocated for and waited for more than three electoral terms. More comments on the OLI programme is provided below.</p>
<p>Community investment – a reduction of \$162m.</p> <p>Examples of major impacts include:</p> <ul style="list-style-type: none"> <li>• Capital budget below previous levels of delivery (27% less than last year)</li> <li>• 65% reduction in land acquisition meaning only land acquisitions already signed and settling next year could be purchased</li> <li>• Delay to all One Local Initiatives and to the growth/development Programme unless the works are already contractually committed</li> <li>• A minimum reduction of 80-90% of planned 2020/2021 renewals for buildings, playgrounds and open space</li> <li>• Deferral of all unallocated locally driven initiatives (LDI) capex and uncommitted LDI projects (noting trade-offs with Renewals may be available)</li> </ul>	<p>The Papakura Local Board acknowledges that there will need to be a level of reduction in community investment and services. The board asks that when these reductions are operationalised in our communities, staff and elected members understand that not all communities depend on, need, or are provided the same level of services. Therefore, an equal distribution of service cuts across all local board areas will impact communities very differently.</p> <p>The board accepts that renewals and maintenance of current assets must be prioritised over the provision of new assets. The board is also supportive of staff efforts to allow trade-offs to be made by local boards between locally driven capital budgets and renewal budgets as long as the overall budget envelope is maintained.</p> <p>The Papakura Local Board strongly urges the Governing Body to maintain the investment in One Local Initiatives. The board sees One Local Initiatives as a good faith contract between the two arms of governance struck a number of years ago and ask that the Governing Body continue to honour its undertaking and accommodate the OLI programme within its budgets.</p> <p>These projects have been subject to significant research and assessment, public engagement and advocacy to date, and will significantly impact on local communities. Transport related OLIs such as</p>

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<ul style="list-style-type: none"> <li>• 28% reduction in library budgets</li> <li>• 70% reduction in public art spend meaning most projects will be delayed to 2021/2022 unless committed</li> </ul>	<p>the Papakura Park and Ride is especially important given the ability to attract co-funding from NZTA.</p>
<p><b>Panuku</b></p> <ul style="list-style-type: none"> <li>• Revise \$130m to \$100m capital programme (for specific project locations)</li> </ul>	<p>The Papakura Local Board does not wish to comment on specific deferrals of Panuku's work as these are located in other local board areas. The Papakura Local Board's main concern is the ability of Panuku to fund its development programme through assets sales during an economic downturn where asset prices are depressed, without a corresponding reduction in the cost of development.</p>

### 3. Opex: Proposed measures to achieve operational savings

Savings require (temporary) service level reductions.

Proposal in emergency budget	Comments
<p><b>LDI reductions</b></p> <ul style="list-style-type: none"> <li>• 10% under a 3.5% rates increase scenario</li> <li>• 20% under a 2.5% rates increase scenario</li> </ul> <p>Flexibility will be provided for local boards to identify some reductions in ABS spending if that is preferred to finding all savings from LDI funding</p>	<p>The Papakura Local Board strongly rejects the need to reduce Locally Driven Initiatives (LDI) operational funding. As mentioned in the introduction, boards support a range of vulnerable and fledgling organisations through LDI and the viability of these organisations and their volunteer base will be irreparably damaged through LDI reductions. The ability to use LDI to top up ABS or vice versa does not mitigate the above issue as asset-based services and LDI funded services support the same communities/organisations.</p> <p>For instance, the Papakura Museum is not fully funded through ABS and the board has to constantly top up the Museum's budget through LDI to keep the lights on and the doors open.</p> <p>This is a burden for local boards and there needs to be assurances that these community facilities receive adequate funding in the future and incorporated into the next Long-term Plan.</p>
<p><b>Infrastructure and Environmental Services</b></p> <ul style="list-style-type: none"> <li>• Reduction in preventative maintenance and pest eradication</li> <li>• Grants: stop Water Protection Fund grants for a year, reduce regional Natural Environment Heritage Grant reduction by 14%</li> </ul>	<p>The Papakura Local Board accepts that some reduction in environmental and infrastructure services is necessary. While our environment is fragile and supports our wellbeing, vulnerable people and communities need to be prioritised during this difficult period.</p> <p>The Papakura Local Board does not support reducing waste management services including inorganic waste collection. This will inevitably lead to pollution of our roads, town centres,</p>



<ul style="list-style-type: none"> <li>• Reduce Kauri dieback compliance monitoring <i>Additional savings (under 2.5% scenario)</i></li> <li>• suspend inorganic waste collection until 1 July 2021</li> </ul>	<p>communities, and waterways through illegal dumping or loose litter, which will cost more to clean up in the long run.</p> <p>In line with the principle espoused above, the Papakura Local Board believes that reduced Kauri Dieback investment may lead to irreparable damage to Auckland's Kauri and needs to be reconsidered. The effort to save Kauri through the rahui and investment to date may all be reversed without continued funding at current levels.</p> <p>The suspension of services, reduction in opening hours or closure of facilities should be a board decision based on information and advice from staff. Decisions such as these are at times more complex than average usage statistics and there is not a one size fits all for communities.</p> <p>Local boards should be able to manage service levels in local communities based on needs and trade-offs.</p>
<p><b>Customer and Community Services</b></p> <ul style="list-style-type: none"> <li>• Facility opening hours review - direct facility costs savings achievable by reducing open in hours</li> </ul> <p><i>Additional savings (under 2.5% scenario)</i></p> <ul style="list-style-type: none"> <li>• Permanently close and vacate a proportion of under-utilised community facilities</li> </ul>	<p>The Papakura Local Board supports council reviewing services that are provided in direct competition with the private sector. The board understands that the income from gyms and ECEs however cross-subsidise recreation centres, aquatic centres and community centres which are costly to run and maintain. More work is needed to understand whether direct provision is as cost effective as leasing space to private providers on commercial terms for instance.</p> <p>Other council provided services such as in-house catering could be a better candidate for outsourcing and would support more local procurement.</p>
<p><b>Parks, Sports and Reserves</b></p> <ul style="list-style-type: none"> <li>• Gyms move to in-house developed fitness programme, replacing Les Mills license costs</li> <li>• Sport and Recreation Facilities Investment Fund deferral of unallocated grant funding (\$3m savings)</li> </ul> <p><i>Additional savings (under 2.5% scenario)</i></p> <ul style="list-style-type: none"> <li>• Reduced maintenance spends – reduced open space standards, closing public toilets, removing litter bins, public spaces</li> </ul>	<p>The Papakura Local Board strongly supports the continued investment in community events, arts services and support to community groups. These services make communities vibrant and liveable and will be more important as we recover from Covid and as our communities become more diverse.</p> <p>The board however believes the cost of arts, culture and events services can be reduced through direct delivery by community. The board understands that not all communities have the capacity to deliver these services. The Papakura Local Board supports investment in community development</p>
<p><b>Arts, Community and Events (ACE)</b></p> <ul style="list-style-type: none"> <li>• Cancellation or scope change of some regional events (Matariki and SUSO changed delivery, Music in Parks and Movies in Parks, Waitangi Ki Manukau and heritage festival reduced; citizenship ceremonies digital delivery to end December)</li> </ul>	



<ul style="list-style-type: none"> <li>Reduction in Arts and culture programmes delivered through community centres and arts facilities</li> </ul>	<p>and capacity building to significantly accelerate the council operating model to shift from council led delivery to community led delivery in the short term. The board believes the reduction of cost of delivery will allow council to maintain the current investment during difficult times and increase investment in these services once council's finances stabilise in the medium term.</p>
<p><b>Libraries</b></p> <ul style="list-style-type: none"> <li>Reduction in library programmes across the region based on experience of low attendance</li> </ul>	<p>Libraries are a treasured local service and the board would seek to support library access and programmes as much as possible through the funding sources available to it. Each community has variable needs for library use and libraries are more of an essential service in some communities than others.</p>
<p><b>Transport network</b></p> <ul style="list-style-type: none"> <li>Reduction in public transport service levels – optimising timetables on lower patronised routes at the periphery of network, use of on-demand services where possible, no new public transport services</li> <li>Income from increased traffic enforcement</li> </ul> <p><i>Additional savings (under 2.5% scenario)</i></p> <ul style="list-style-type: none"> <li>Review differentiated fare structure, remove some concessions (potential \$4m)</li> <li>Consider locations where Park and ride charging can be implemented (potential \$0.9m)</li> </ul>	<p>The board understands that charging for Park and Rides are an effective demand and management tool and prices a limited and highly in-demand resource. The Papakura Park and Ride for instance is full before 7am most days which leaves it unavailable for many commuters. It may also incentivise positive behaviours such as using feeder services to transport hubs. Free park and rides are also an inefficient use of capital, and disincentivises future park and ride provision.</p> <p>The board is however concerned over the negative spill-overs of such a move including more use of on-street parking or town centre parking and the effects these will have on residents and businesses.</p> <p>On balance the board supports charging for park and rides as long as current capacity is maintained and an investment programme for future increased capacity is developed.</p>
<p><b>Other</b></p> <ul style="list-style-type: none"> <li>Planning and procurement savings (Panuku)</li> <li>Major events funding reduction</li> <li>Elected member remuneration reduction</li> </ul> <p><i>Additional savings (under 2.5% scenario)</i></p> <ul style="list-style-type: none"> <li>Reduction in ATEED economic recovery budget</li> <li>Defer Mayoral proposal on Living Wage</li> <li>Not continue Mayoral proposal for Homelessness coordination</li> </ul>	<p>Papakura has the largest per capita Maori community out of all 21 local boards and believes significant investment by government and council is needed to support our Maori communities. The draft Papakura Local Board Plan also supports continued investment in Maori outcomes and partnership with iwi to achieve outcomes in this area. The Papakura Local Board does not support reduced investment in Maori Outcomes even under the 2.5% rates rise scenario.</p>

Item 4

Attachment A

<ul style="list-style-type: none"> <li>• Deferral of foundation work for climate change interventions</li> <li>• Defer initiatives intended to improve Maori outcomes</li> </ul>	
<h4>4. Other revenue generation</h4>	
<p><b>Proposal in emergency budget</b></p> <p><b>Panuku</b> - Potential to increase target from asset recycling - 3 asset recycling opportunities identified, potential to raise 200-350m (current target is 24m)</p> <p>(i) Accelerate sales of property (page 49,51-54)</p> <ul style="list-style-type: none"> <li>• It is noted that achieving financial target within this timeframe will be challenging, requiring a clear political mandate and different approach to approval.</li> <li>• Refer list on page 51-54</li> </ul> <p>(ii) Consider ongoing investment in non-core commercial assets</p> <ul style="list-style-type: none"> <li>• potential to realise 50-100m</li> <li>• shares in Auckland International Airport (AIAL) and Ports of Auckland (POAL) – potential for partial or full sell down, noting that any disposal of shares will require an LTP amendment and consultation</li> </ul> <p>(iii) Further optimisation including:</p> <ul style="list-style-type: none"> <li>• services that the council could exit as there is adequate private market provision             <ol style="list-style-type: none"> <li>a. gyms</li> <li>b. holiday parks</li> <li>c. early childhood education</li> </ol> </li> </ul>	<p><b>Comments</b></p> <p>The board acknowledges the sale of underperforming assets and assets not needed for service delivery, is an efficient way of releasing capital for alternate use.</p> <p>The issue the board has with the current asset sale process is that it is led by Panuku which has an asset sale target and has very little incentive to listen to boards who may have a better understanding of alternate current and future uses for an asset.</p> <p>For instance, Auckland Transport (AT) released two carparks as non-service property to Panuku, as AT are not in the business of providing parking in town centres. The local board has been fighting to delay the sale of these assets as parking continues to be a significant concern for commuters, businesses and visitors in the town centre. It is also likely to be even more of an issue in the future as development occurs in the town centre and the Papakura OLI can only deliver a fraction of the commuter parking originally envisaged, if it is progressed at all.</p> <p>The board doesn't oppose asset sales in principle and has endorsed the divestment of many non-service assets in its area. It simply seeks a strategic approach to it.</p> <p>The board questions the wisdom in selling income producing assets, especially when they provide an income source to fund council services, reduce the need for borrowing or subsidise costly services such as pools, community centres and recreation centres. The board believes council should extricate itself from any commercial operation which is adequately provided by the private sector and does not produce a significant profit.</p>

<ul style="list-style-type: none"><li>• consider reducing the scale of investment in certain activities e.g. provision of golf courses</li><li>• optimisation/rationalisation of community facilities, including:<ul style="list-style-type: none"><li>d. consolidation into community hubs</li><li>e. land which is part of a community facility but is not currently used or needed to provide council services</li><li>f. low use, poorly positioned assets (buildings and/or land)</li><li>g. alternative service delivery model which includes a non-asset owning response to achieving outcomes</li><li>h. sale of assets to community groups</li></ul></li></ul>	
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Ends

