I hereby give notice that an extraordinary meeting of the Finance and Performance Committee will be held on:

**Date:** Thursday, 1 October 2020

**Time:** 1.00pm or at the conclusion of the Planning Committee whichever is later

**Meeting Room:** Reception Lounge

**Venue:** Auckland Town Hall

301-305 Queen Street, Auckland

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**Kōmiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee**

**OPEN AGENDA**

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**MEMBERSHIP**

**Chairperson**
Cr Desley Simpson, JP
Cr Shane Henderson
Cr Josephine Bartley
IMSB Member Renata Blair
Cr Dr Cathy Casey
Deputy Mayor Cr Bill Cashmore
Cr Fa’anana Efeso Collins
Cr Pippa Coom
Cr Linda Cooper, JP
Cr Angela Dalton
Cr Chris Darby
Cr Alf Filipaina
Cr Christine Fletcher, QSO

**Deputy Chairperson**

Mayor Hon Phil Goff, CNZM, JP
Cr Richard Hills
Cr Tracy Mulholland
Cr Daniel Newman, JP
Cr Greg Sayers
Cr Sharon Stewart, QSM
IMSB Chair David Taipari
Cr Wayne Walker
Cr John Watson
Cr Paul Young

(Quorum 11 members)

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Sandra Gordon
Kaitohutohu Mana Whakahaere Matua / Senior Governance Advisor

28 September 2020

Contact Telephone: (09) 890 8150
Email: sandra.gordon@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

The purpose of the committee is to:

a) advise and support the mayor on the development of the Long-term Plan (LTP) and Annual Plan (AP)

b) monitor the overall financial management and performance of the council parent organisation and Auckland Council group

c) make financial decisions required outside of the annual budgeting processes.

The committee will establish an annual work programme outlining key focus areas in line with its key responsibilities, which include:

- advising and supporting the mayor on the development of the LTP and AP for consideration by the Governing Body including:
  - local board agreements
  - financial policy related to the LTP and AP
  - setting of rates
  - preparation of the consultation documentation and supporting information, and the consultation process, for the LTP and AP
- monitoring the operational and capital expenditure of the council parent organisation and Auckland Council Group, and inquiring into any material discrepancies from planned expenditure
- approving the financial policy of the council parent organisation
- establishing and managing a structured approach to the approval of non-budgeted expenditure (including grants, loans or guarantees) that reinforces value for money and an expectation of tight expenditure control
- approve the council insurance strategy and annual insurance placement for Council
- performance measures and monitoring
- write-offs
- acquisition of property in accordance with the LTP
- disposals in accordance with the LTP
- recommending the Annual Report to the Governing Body
- funding for achieving improved outcomes for Māori.

Powers

(i) All powers necessary to perform the committee’s responsibilities, including:

(a) approval of a submission to an external body

(b) establishment of working parties or steering groups.

(ii) The committee has the powers to perform the responsibilities of another committee, where it is necessary to make a decision prior to the next meeting of that other committee.

(iii) If a decision is a budgetary or financial decision that relates primarily to the Finance and Performance Committee responsibilities, the Finance and Performance Committee has the powers to make associated decisions on matters that would otherwise be decided by other committees. For the avoidance of doubt, this means that matters do not need to be taken to multiple committees for decisions.

(iii) The committee does not have:

(a) the power to establish subcommittees

(b) powers that the Governing Body cannot delegate or has retained to itself (section 2)
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
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### PUBLIC EXCLUDED

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C1  CONFIDENTIAL: Disposal of Mill Road and Penlink Properties to Waka Kotahi NZTA  13
1 Apologies
   At the close of the agenda no apologies had been received.

2 Declaration of Interest
   Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Petitions
   There is no petitions section.

4 Public Input
   There is no public input section.

5 Local Board Input
   There is no local board input section.

6 Extraordinary Business
   Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:
   “An item that is not on the agenda for a meeting may be dealt with at that meeting if-
   (a) The local authority by resolution so decides; and
   (b) The presiding member explains at the meeting, at a time when it is open to the public,-
       (i) The reason why the item is not on the agenda; and
       (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

   Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:
   “Where an item is not on the agenda for a meeting,-
   (a) That item may be discussed at that meeting if-
       (i) That item is a minor matter relating to the general business of the local authority; and
       (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
   (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”
Disposal of Mill Road and Penlink Properties to Waka Kotahi NZTA

File No.: CP2020/13612

Te take mō te pūrongo
Purpose of the report

1. To approve the transfer of properties held by Auckland Council, through Auckland Transport (AT), for future roading projects to the Waka Kotahi New Zealand Transport Agency (NZTA) which will undertake final design, resource consenting and the physical works construction.

Whakarāpopototanga matua
Executive summary

2. Since the late 1990s Rodney District Council and AT have acquired properties for two major roading projects, Penlink in the north, and Mill Road in the south.

3. In January 2020, the Government announced the New Zealand Upgrade Programme (NZUP) to be delivered by NZTA which included these two projects. To enable delivery of the projects by the NZTA, council will transfer the land acquired for the projects to the Crown.

4. The announcement of the NZUP means that Auckland Council funding is no longer required for the Mill Road and Penlink projects and could be reprioritised to other projects.

5. The AT Board resolved on 3 June 2020 to recommend that the Auckland Council Governing Body approve the transfer of the property interests for the Mill Road and Penlink projects from the council to the NZTA.

6. The AT Board noted at its meeting on 21 July 2020 that the proposed settlement date is 30 October 2020.

7. The AT Board resolved to delegate to the AT Executive General Manager Finance the authority to approve the final transfer value of the property interests for Mill Road and Penlink.

8. The AT Board further resolved to ratify an agreement pursuant to section 50 of the Public Works Act 1981 (PWA) to transfer the property interests, and to recommend that the Auckland Council Governing Body delegate to AT the authority to sign the agreement.

9. The NZTA Board met on 18 September 2020 and approved the transaction. With Auckland Council approval it should be possible to have an agreement signed in early October 2020.

10. NZTA has indicated a settlement date of 30 October 2020 which is acceptable to AT. A settlement date will be dependent on the approval of Land Information New Zealand (LINZ) approving the s50 agreement on behalf of the Crown, hence the final settlement date will be dependent on final LINZ approval.

Ngā tūtohunga
Recommendation/s

That the Finance and Performance Committee:

a) receive the report and note that there is a confidential report in the confidential section of this agenda.
Horopaki

Context

11. In January 2020, the Government announced the New Zealand Upgrade Programme (NZUP) will be delivered by NZTA which included two AT projects, Mill Road and Penlink. To enable delivery of the projects by the NZTA, council will transfer the land acquired for the projects, currently held in AT’s fixed asset register, to the Minister of Lands. Section 50 of the PWA is the legislative authority to transfer land from a local authority to the Minister for another public work.

12. AT has acquired 63 property interests for Mill Road (53 full and 10 partial acquisitions) and holds 43 property interests for Penlink (21 full and 22 partial acquisitions). The majority of the Penlink properties were acquired by Rodney District Council and transferred to Auckland Council on the local body amalgamation in 2010.

13. AT has subsequently acquired all of the remaining Penlink interests, excluding one, which may be able to be designed out of the land required for construction purposes.

14. The NZTA requires 60 of the property interests (52 full and 8 partial acquisitions) acquired for Mill Road and all of the property interests acquired for Penlink to be transferred.

15. The Government’s NZUP announcement releases Auckland Council funding no longer required for the Mill Road and Penlink projects, which could be reprioritised to other projects.

16. At its 18 September 2020 Board meeting the NZTA Board:

   “Approved the purchase from Auckland Transport and Auckland Council of the property interests for the Mill Road and Penlink projects.

   Noted that the financial authority to make this decision is pursuant to a sub-delegation from the Ministers of Transport and Finance, following delegation to them from Cabinet.

   Authorised the Chief Executive to execute any document or notice required to complete the purchase.”

17. At its 18 September 2020 Board meeting the NZTA Board will be requested to ratify the s50 PWA agreement to transfer the 103 property interests for the Mill Road and Penlink projects, subject to the confirmation of the settlement date and the approval of the final transfer being delegated to NZTA Officers.

18. Any land that becomes surplus after completion of the project will remain in Crown ownership to be dealt with in accordance with Crown disposal protocols.

Tātaritanga me ngā tohutohu

Analysis and advice

19. The decision required of the Governing Body is to approve the disposal of property interests to NZTA to complete roading projects that the Government has agreed to deliver. The property interests owned by the council are currently held in AT’s fixed asset register and AT Board has agreed to the disposal.

Tauākī whakaaweawe āhuarangi

Climate impact statement

20. The decision to dispose the property interests for the Mill Road and Penlink projects from the council to the NZTA will have no negative impact on climate change.

21. The development of the land for roads by NZTA and the future use of those roads may result in greenhouse emissions however the new routes and alternative routes will enable faster travel times reducing existing route congestion which is currently contributing to climate change. Increased use of hybrid and electric vehicles on the roads would likely see a reduction in greenhouse gases over the life of the roads.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
22. The transfer of the properties is required to be undertaken to give effect to the Government’s NZUP priorities.
23. There are benefits to council group activities of the transfer. Apart from a financial improvement to Auckland Council, the Government role in delivering the projects releases council group resources for attention elsewhere, allowing AT to deliver its core projects and Panuku to transfer its lease portfolio to NZTA.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
24. The transfer of the properties is required to be undertaken to give effect to the Government’s NZUP priorities. This decision only relates to the transfer. Consultation has not been undertaken with Local Boards.

Tauākī whakaaweawe Māori
Māori impact statement
25. The transfer of the properties is required to be undertaken to give effect to the Government’s NZUP priorities. Consultation has not been undertaken with mana whenua for this transfer. Mana whenua consultation that may be required for the respective projects will be undertaken by the Crown, and any land that may be surplus will be dealt with by the Crown in accordance with Crown protocols.

Ngā ritenga ā-pūtea
Financial implications
26. The projected proceeds from this disposal were included in the Emergency Budget.
27. Previously budgeted Auckland Council funding for these projects will no longer be required. This reprioritisation will impact the outer years of our capital programme.
28. Once the s50 PWA agreement has been signed, AT will transfer its assets to council. On settlement, council will retain the full settlement proceeds.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
29. The s50 PWA agreement must be signed by LINZ. There is a risk that this could delay finalising the agreement and impact on the agreed settlement date of 30 October 2020.
30. AT is working closely with NZTA and LINZ to ensure all processes are aligned to enable LINZ approval by the end of October to meet this settlement date. There are no other particular risks to council that have been identified for this decision.

Ngā koringa ā-muri
Next steps
31. Following approval by council and the NZTA Board the agreement will be signed by AT and sent onto LINZ for completion by the Crown.
Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Christine Smith - Specialist Technical Statutory Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Kevin Ramsay - Acting Group Chief Financial Officer</td>
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</tbody>
</table>
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Finance and Performance Committee
a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
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<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, the report contains the final settlement amount which is subject to agreement by NZTA. The final settlement is subject to a signed agreement with Land Information New Zealand (LINZ).</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>