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

OPEN MINUTES

Minutes of an extraordinary meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Tuesday, 25 May 2021 at 10.00am.

PRESENT

Chairperson	Cr Desley Simpson, JP	
Deputy Chairperson	Cr Shane Henderson	
Members	Cr Josephine Bartley	
	Cr Dr Cathy Casey	
	Deputy Mayor Cr Bill Cashmore	
	Cr Fa'anana Efeso Collins	Via electronic attendance
	Cr Pippa Coom	From 10.03am, Item 7
	Cr Linda Cooper, JP	Until 3.06pm, Item 13
	Cr Angela Dalton	
	Cr Chris Darby	
	Cr Alf Filipaina	
	Cr Christine Fletcher, QSO	From 1.20pm, Item 12
	Mayor Hon Phil Goff, CNZM, JP	
	Cr Richard Hills	
	Cr Tracy Mulholland	
	Cr Daniel Newman, JP	From 10.43am, Item 9
	Cr Greg Sayers	From 10.14am, Item 8
	Cr Sharon Stewart, QSM	From 10.03am, Item 7
	IMSB Chair David Taipari	
	Cr Wayne Walker	From 10.08am, Item 7
	Cr John Watson	
	Cr Paul Young	

ABSENT

Member	IMSB Member Renata Blair
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1 Apologies

Resolution number FIN/2021/45

MOVED by Chairperson D Simpson, seconded by Cr S Henderson:

That the Finance and Performance Committee:

- a) **accept the apology from Cr C Fletcher and Cr D Newman for lateness; and IMSB Member R Blair for absence.**

CARRIED

Electronic Attendance

Resolution number FIN/2021/46

MOVED by Chairperson D Simpson, seconded by Cr T Mulholland:

That the Finance and Performance Committee:

- a) **approve electronic attendance under Standing Order 3.3.3 for:**
 - **Cr E Collins**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Petitions

There were no petitions.

4 Public Input

There was no public input.

5 Local Board Input

There was no local board input.

6 Extraordinary Business

There was no extraordinary business.

7 Overview to decision making for the Recovery Budget (10-year Budget 2021-2031)

Staff advised there was an error in paragraph 55 of the report as follows:

Currently reads as follows:

55. *Three sub-regional live panel discussions were held in partnership with Radio Waatea, mataawaka and councillor panelists which reached an audience of 4635 online views and an audience of more than 12,000.*

and should read as follows:

55. *Auckland Council received 18 submissions from 18 Mataawaka Organisations – 13 written submissions and 5 via the “Have Your Say” on-line process. Submitters included: Aktive - Auckland Sport & Recreation; E Tū Incorporated; Hāpai Te Hauora; Hapua Thrive; Health Through Marae; Mana Rakau; Mataatua Marae; Nga Takiwa o Tāmaki Trust; Kootuitui ki Papakura; Sport Waitākere; Te Hana Te Ao Marama & Te Hana Community Development Charitable Trust; Te Kotahi a Tāmaki (TKAT – representing ; Te Pu-a-nga Maara; Te Roopu Waiora; Te Taki Tu Charitable Trust; Te Taumata Toi-A-Iwi; The Cause Collective; Ruapotaka Marae; Whenua Warrior; Hakaraia Whanau Trust. 13 Mataawaka entities shared their organisational strategic priorities to introduce themselves to Auckland Council and/or help Auckland Council identify opportunities to achieve mutually beneficial outcomes moving forwards.*

Cr S Stewart entered the meeting at 10.03am.

Cr P Coom entered the meeting at 10.03am.

Cr W Walker entered the meeting at 10.06am.

Resolution number FIN/2021/47

MOVED by Chairperson D Simpson, seconded by Cr S Henderson:

That the Finance and Performance Committee:

- a) **note the contents of this report, which sets out the process for making the decisions required to finalise the Recovery Budget (10-year Budget 2021-2031) and set rates for the 2021/2022 financial year.**

CARRIED

8 Recovery Budget (10-year Budget 2021-2031) - local board feedback and advocacy

Cr G Sayers entered the meeting at 10.14am.

Resolution number FIN/2021/48

MOVED by Chairperson D Simpson, seconded by Cr A Dalton:

That the Finance and Performance Committee:

- a) **consider feedback and advocacy from local boards when making decisions on the Recovery Budget (10-year Budget 2021-2031).**

CARRIED

9 Recovery Budget (10-year Budget 2021-2031) - Mayor's final proposal

Cr D Newman entered the meeting at 10.43am.

Resolution number FIN/2021/49

MOVED by Mayor P Goff, seconded by Chairperson D Simpson:

That the Finance and Performance Committee:

- a) **recommend to the Governing Body that the final Recovery Budget (10-year Budget 2021-2031) package be based on updated consultation budget as outlined in Attachment C of the agenda report, which includes:**

- i) financial levers that support continued delivery of key services and strong investment in new and renewed assets, including:
 - A) \$90 million ongoing savings for Auckland Council.
 - B) \$70 million annual asset recycling target for the first three years, with additional targets in subsequent years to reflect timing changes for asset recycling opportunities not realised in 2020/2021.
 - C) additional borrowing as represented by the debt to revenue ratio of up to 290 per cent for the first three years, gradually returning to 270 per cent, with an intention to maintain council group's current credit rating and a strong commitment to long-term financial prudence.
 - D) 5 per cent average general rates increase for 2021/2022 and 3.5 per cent annual average general rates increase thereafter.
- ii) a package of new climate actions totalling \$152 million above existing spending to reduce greenhouse gas emissions and adapt to the impact of climate change.
- iii) a more focused approach to providing infrastructure to support growth in partnership with the central government and private sector, prioritising Auckland Housing Programme and Tamaki, North West, Drury and City Rail Link stations.
- iv) a three-year transition towards a more sustainable investment approach to delivering community services that is less reliant on council assets and focuses more on provision through alternative ways such as partnerships, digital channels and multi-use facilities.
- v) extending the Natural Environment Targeted Rate from 2028 to 2031 to continue the natural environment protection programmes to lock in the benefits realised from past efforts in pest control and ensure ongoing protection for indigenous biodiversity within the region.
- vi) over next year, scoping work programmes which will provide greater protection to notable trees including actions from Council itself and from the government in terms of restoring provisions for comprehensive protection for notable trees.
- vii) extending the Water Quality Targeted Rate from 2028 to 2031 and increasing it by 5 per cent in 2021/2022 and then 3.5 per cent annually thereafter, to improve water quality in other areas of the city, in particular the Eastern Isthmus and Manukau Harbour catchments.
- viii) additional operational funding of \$100 million over 10 years for improving public transport services, particularly ferry and new bus services, funded by \$50 million additional operational funding from Auckland Council and \$50 million operational efficiency from Auckland Transport. Matching funding will be sought from Waka Kotahi.
- ix) additional capital funding of \$182 million over 10 years to Auckland Unlimited to ensure necessary renewal of regional venues.
- x) operational funding of \$11 million over three years to Auckland Unlimited to support Auckland hosting FIFA Women's World Cup 2023.
- xi) continuation of \$150 million funding to support Māori outcomes over 10 years.
- xii) continuation of \$2.067 million in annual grant funding to Auckland Citizen Advice Bureau for the first three years.

- xiii) continuation of \$298,000 in annual operational funding to Mangere Mountain Education Trust for the first three years, noting that further consideration on integrating with Tūpuna Maunga Authority will be given once the authority's education strategy is developed.
- xiv) providing \$100,000 per annum in grant funding to the Hibiscus Coast Youth Centre for the first three years, noting that a changing approach to delivering community services may influence the funding needed in the outer years.

CARRIED

Note: Pursuant to Standing Order 1.8.6, the following councillors requested that their dissenting votes be recorded as follows:

- Cr S Henderson, against clause a) iv)
- Cr D Newman, against clause a) iv)
- Cr G Sayers, against clause a) i) D)
- Cr S Stewart, against clause a) i) D)
- Cr W Walker, against clause a) iv) and a) i) B) and D)
- Cr J Watson, against clause a) i) D)

The meeting adjourned at 12.32pm and reconvened at 1.02pm.

Cr E Collins, Cr W Walker and IMSB Chair D Taipari were not present.

10 Recovery Budget (10-year Budget 2021-2031): Other proposals

*Cr W Walker returned to the meeting at 1.06pm.
IMSB Chair D Taipari returned to the meeting at 1.07pm.
Cr E Collins returned to the meeting at 1.09pm.*

Resolution number FIN/2021/50

MOVED by Cr S Henderson, seconded by Cr T Mulholland:

That the Finance and Performance Committee:

- a) **agree to recommend to the Governing Body that the Recovery Budget, 10-year Budget 2021-2031 provides for:**
 - i) **the transfer of ownership and a change in use for Bledisloe House through entering into a development agreement for a long-term ground lease of 125 years.**
 - ii) **long-term leases on the following council-owned development sites in the city centre waterfront precinct, on which Panuku plans to partner with private developers to develop:**
 - A) **North Wharf – site 14**
 - B) **Jellicoe Street – site 19**
 - C) **Silo 6 – site 12**
 - D) **Wynyard Point – Block A and B**
 - E) **44-56 Hamer Street – Sealink ferry terminal**
 - F) **101 Pakenham Street West – Lysaght Building**

- iii) the sale of the following council-owned buildings:
 - A) 2 The Strand, Takapuna
 - B) 3 Victoria Road, Devonport
- b) agree to recommend to the Governing Body that the Recovery Budget, 10-year Budget 2021-2031 includes:
 - i) The Council Controlled Organisation Accountability Policy (Attachment A of the agenda report)
 - ii) The Auckland Airport Shareholding Policy (Attachment B of the agenda report)
 - iii) The Local Board Funding policy (Attachment C of the agenda report)
- c) note the draft level of service measures and targets in Attachment D of the agenda report to be included in the Recovery Budget, 10-year Budget 2021-2031 following further review and confirmation.

CARRIED

11 Paremoremo Public Transport Targeted Rate

Resolution number FIN/2021/51

MOVED by Deputy Mayor BC Cashmore, seconded by Cr T Mulholland:

That the Finance and Performance Committee:

- a) agree to recommend to the Governing Body that they:
 - i) agree not to include the Paremoremo Public Transport Targeted Rate as part of the Recovery Budget, 10-year Budget 2021-2031 to fund a new bus service from Paremoremo to Albany.

CARRIED

12 Changes to the Urban Rating Area and Rating of Farm and Lifestyle Properties within the Urban Rating Area

A PowerPoint presentation was given. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Cr C Fletcher entered the meeting at 1.20pm.

MOVED by Cr S Henderson, seconded by Cr A Dalton:

That the Finance and Performance Committee:

- a) agree to recommend to the Governing Body that it align the Urban Rating Area with the Rural Urban Boundary in the Unitary Plan and charge urban rates for all land within the Rural Urban Boundary except land located in Warkworth and land zoned Future Urban but including the Future Urban zoned Ockleston Landing and Halls Farm consented developments.
- b) agree to recommend to the Governing Body that it charge farm and lifestyle properties located in the Urban Rating Area urban residential rates.
- c) agree to recommend to the Governing Body that it transition the rates change over three years for clauses a) and b) above.

MOVED by Cr G Sayers, seconded by Cr T Mulholland, an amendment as follows:

- a) agree to recommend to the Governing Body that it align the Urban Rating Area with the Rural Urban Boundary in the Unitary Plan and charge urban rates for all land within the Rural Urban Boundary except land located in Warkworth, Kumeu, Huapai, Riverhead and Dairy Flat and land zoned Future Urban, to be reviewed as part of the next Long-term Plan (2024-34), but including the Future Urban zoned Ockleston Landing and Halls Farm consented developments

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Fletcher	Cr J Bartley	
Cr T Mulholland	Cr C Casey	
Cr G Sayers	Deputy Mayor BC Cashmore	
Cr S Stewart	Cr E Collins	
Cr W Walker	Cr P Coom	
Cr J Watson	Cr L Cooper	
Cr P Young	Cr A Dalton	
	Cr C Darby	
	Cr A Filipaina	
	Mayor P Goff	
	Cr S Henderson	
	Cr R Hills	
	Cr D Newman	
	Chairperson D Simpson	
	IMSB Chair D Taipari	

The motion was declared LOST by 7 votes to 15.

Cr E Collins left the meeting at 2.09pm.

MOVED by Cr J Watson, seconded by Cr W Walker an amendment by way of addition, new clause b), as follows:

- b) agree to recommend to the Governing Body to exclude Herald Island and Whenuapai Village (as per the area identified in Attachments E and F to this agenda) from the urban rating proposal.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Fletcher	Cr J Bartley	
Cr T Mulholland	Cr C Casey	
Cr D Newman	Deputy Mayor BC Cashmore	
Cr G Sayers	Cr P Coom	
Cr S Stewart	Cr L Cooper	
Cr W Walker	Cr A Dalton	
Cr J Watson	Cr C Darby	
Cr P Young	Cr A Filipaina	
	Mayor P Goff	
	Cr S Henderson	
	Cr R Hills	
	Chairperson D Simpson	
	IMSB Chair D Taipari	

The motion was declared LOST by 8 votes to 13.

Discussion continued on the substantive motion.

The substantive motion was put.

Resolution number FIN/2021/52

MOVED by Cr S Henderson, seconded by Cr A Dalton:

That the Finance and Performance Committee:

- a) **agree to recommend to the Governing Body that it align the Urban Rating Area with the Rural Urban Boundary in the Unitary Plan and charge urban rates for all land within the Rural Urban Boundary except land located in Warkworth and land zoned Future Urban but including the Future Urban zoned Ockleston Landing and Halls Farm consented developments.**
- b) **agree to recommend to the Governing Body that it charge farm and lifestyle properties located in the Urban Rating Area urban residential rates.**
- c) **agree to recommend to the Governing Body that it transition the rates change over three years for clauses a) and b) above.**

CARRIED

Note: Pursuant to Standing Order 1.8.6, the following councillors requested their dissenting votes as follows:

- Cr C Fletcher, against entirety
- Cr T Mulholland, against entirety
- Cr D Newman, against the inclusion of Hingaia
- Cr G Sayers, against entirety
- Cr S Stewart, against entirety
- Cr W Walker, against entirety
- Cr J Watson, against entirety

Attachments

- A 25 May 2021 - Finance and Performance Committee, Item 12 - Changes to the Urban Rating Area and Rating of Farm and Lifestyle Properties within the Urban Rating Area - PowerPoint presentation

13 Other Rates and Fees Issues for Recovery Budget (10-year Budget 2021-2031)

Cr E Collins returned to the meeting at 2.54pm.

Cr L Cooper retired from the meeting at 3.07pm.

Resolution number FIN/2021/53

MOVED by Deputy Mayor BC Cashmore, seconded by Chairperson D Simpson:

That the Finance and Performance Committee:

- a) **agree to recommend to the Governing Body as part of the final Recovery Budget, 10-year Budget 2021-2031 to:**
 - i) **introduce the Electricity Network Resilience Targeted Rate to be set on Vector's utility assets of \$10.5 million for 2021/2022, to be adjusted annually for council rate of inflation, to fund enhanced maintenance of our trees that present a risk to the Vector electricity network and additional investment in tree planting activity**

- ii) extend the duration of the City Centre Targeted Rate and investment programmes it funds until 2030/2031, to align with the timeframe of the Recovery Budget, 10-year Budget 2021-2031
- iii) increase the waste management standard refuse and large refuse targeted rates to \$150.06 and \$70.53 respectively for 2021/2022
- iv) increase the rubbish bin tag and rubbish bag prices as set out in Table 1 of this report
- v) adjust the waste management standard refuse and large refuse targeted rates, the rubbish bin tag prices and rubbish bag prices for the remainder of the 10-year budget period to reflect any further changes in costs
- vi) increase the Waitākere Rural Sewerage Targeted Rate to \$296.75 for 2021/2022, 2022/2023 and 2023/2024 and adjust the targeted rate for the remainder of the 10-year budget period to reflect any further changes in costs
- vii) reinstate interest on the following loan repayment targeted rates:
 - A) Riverhaven Drive targeted rate
 - B) Retro-fit Your Home targeted rate
 - C) Kumeū Huapai Riverhead wastewater targeted rate
 - D) On-site wastewater systems (septic tank) upgrades targeted rate
 - E) Point Wells wastewater targeted rate
 - F) Jackson Crescent wastewater targeted rate
- viii) adjust for cost inflation the waste management targeted rates (those other than standard refuse and large refuse), local board swimming pool entry targeted rates, Swimming/Spa Pool Compliance Targeted Rate and the City Centre Targeted Rate
- ix) remove the Clevedon wastewater and water connection targeted rate
- x) that stormwater services and management of drainage assets in the Te Arai and Okahukura drainage districts be undertaken in a joint management arrangement with the relevant communities, with the provision of those services to be funded from a targeted rate on the benefiting properties in the Te Arai and Okahukura drainage districts as set out in this report
- xi) that stormwater services and management of drainage assets in the Glorit drainage district be undertaken by a private management arrangement with the community and affected landowners, with funding provided directly by the benefiting landowners
- xii) adopt the changes to the Business Improvement District (BID) Targeted Rates proposed by the business associations, including the extension of the boundaries for the Manurewa and Dominion Road BIDs
- xiii) agree to the changes to fees and charges as set out in this report
- b) having considered the feedback from local boards relating to the reinstatement of the Accommodation Provider Targeted Rate as set out in this report, confirm its recommendation to the Governing Body from its meeting on 22 April 2021 (resolution FIN/2021/28):
 - “agree to recommend to the Governing Body at its meeting on 25 May 2021, subject to consideration of local board feedback, that it agree as part of the Recovery Budget 2021-2031 that:*

- i) expenditure on visitor attraction and major events be reduced from \$29 million to around \$14.5 million; and the Accommodation Provider Targeted Rate be suspended until 30 June 2022.”

CARRIED

Note: Pursuant to Standing Order 1.8.6, the following councillors requested their dissenting votes recorded as follows:

- Cr C Fletcher, against clause b)
- Cr G Sayers, against clause a) x) and clause b)
- Cr W Walker, against clause b)
- Cr J Watson, against clause b)

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

3.10pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE AND
PERFORMANCE COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....