
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, 7 June 2022 at 2.00pm.

PRESENT

Chairperson	Cr Desley Simpson, JP	
Deputy Chairperson	Cr Shane Henderson	
Members	Cr Josephine Bartley	Via electronic link
	IMSB Member Renata Blair	From 2.04pm, Item 7
	Cr Dr Cathy Casey	Via electronic link
	Deputy Mayor Cr Bill Cashmore	
	Cr Fa'anana Efeso Collins	Via electronic link and in person
	Cr Pippa Coom	
	Cr Linda Cooper, JP	
	Cr Angela Dalton	
	Cr Chris Darby	
	Cr Alf Filipaina, MNZM	Via electronic link; from 2.04pm
	Cr Christine Fletcher, QSO	Via electronic link
	Mayor Hon Phil Goff, CNZM, JP	
	Cr Richard Hills	
	Cr Tracy Mulholland	Via electronic link
	Cr Daniel Newman, JP	Via electronic link
	Cr Greg Sayers	Via electronic link
	Cr Sharon Stewart, QSM	Via electronic link
	IMSB Chair David Taipari	In person and via electronic link
	Cr Wayne Walker	Via electronic link
	Cr John Watson	Via electronic link
	Cr Paul Young	

Note: a roll-call was conducted that ascertained the following members were in attendance at the commencement of the meeting: ✓

Member		Member	
Cr D Simpson	✓	Cr C Fletcher	✓
Mayor P Goff	✓	Cr S Henderson	✓
Deputy Mayor BC Cashmore	✓	Cr R Hills	✓
Cr J Bartley	✓	Cr T Mulholland	✓
IMSB Member R Blair		Cr D Newman	✓
Cr C Casey	✓	Cr G Sayers	✓
Cr E Collins	✓	Cr S Stewart	✓
Cr P Coom	✓	Cr W Walker	✓
Cr L Cooper	✓	Cr J Watson	✓
Cr A Dalton	✓	IMSB Chair D Taipari	✓
Cr C Darby	✓	Cr P Young	✓
Cr A Filipaina			

1 Apologies

Resolution number FIN/2022/31

MOVED by Chairperson D Simpson, seconded by IMSB Chair D Taipari:

That the Finance and Performance Committee:

- a) **accept the apologies from IMSB Member R Blair and Cr A Filipaina for lateness.**

CARRIED

Acknowledgement

Resolution number FIN/2022/32

MOVED by Chairperson D Simpson, seconded by Cr L Cooper:

That the Finance and Performance Committee:

- a) **acknowledge Her Majesty, Queen Elizabeth II on the celebration of her 70th Jubilee, being the first British monarch to celebrate a Platinum Jubilee and her service to God, country and the Commonwealth.**
- b) **acknowledge all Aucklanders who received an Queen's Birthday honour.**

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 Tūpuna Maunga Authority Operational Plan 2022/2023

*IMSB Member R Blair entered the meeting at 2.04pm.
Cr A Filipaina entered the meeting at 2.04pm.*

Resolution number FIN/2022/33

MOVED by Cr C Casey, seconded by Cr J Bartley:

That the Finance and Performance Committee:

- a) **whakaae / agree to recommend to the Governing Body that the Draft Tūpuna Maunga Authority Operational Plan 2022/2023 (Attachment A of the agenda report) and Draft Summary of the Tūpuna Maunga Authority Operational Plan 2022/2023 (Attachment B of the agenda report) be agreed.**
- b) **whakaae / agree to recommend to the Governing Body that it include the Draft Summary of the Tūpuna Maunga Authority Operational Plan 2022/2023 in the Annual Budget 2022/2023.**

CARRIED

8 Annual Budget 2022/23: Overview to decision-making

Resolution number FIN/2022/34

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 the context for the other reports and decisions on today's agenda.**

CARRIED

9 Annual Budget 2022/2023: Local board feedback and advocacy

Resolution number FIN/2022/35

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

That the Finance and Performance Committee:

- a) **consider feedback and advocacy initiatives from local boards when making recommendations to the Governing Body on the Annual Budget 2022/2023.**

CARRIED

10 Annual Budget 2022/2023: Mayor's final proposal

Cr E Collins left the meeting at 2.25pm.

Cr J Watson left the meeting at 2.25pm.

Cr J Watson returned to the meeting at 2.40pm.

Cr E Collins returned to the meeting (in the room) at 2.47pm.

IMSB Chair D Taipari left the meeting at 3.09pm.

IMSB Chair D Taipari returned to the meeting at 3.22pm.

The meeting adjourned at 4.09pm and reconvened at 4.12pm.

IMSB Chair D Taipari was not present.

IMSB Chair D Taipari returned to the meeting at 4.15pm.

The meeting adjourned at 4.56pm and reconvened at 5.05pm.

Note: changes were made to the original motion amending subclause a) ii) and adding new subclause b) x), with the agreement of the meeting.

MOVED by Mayor P Goff, seconded by Deputy Mayor BC Cashmore:

That the Finance and Performance Committee:

- a) agree to recommend to the Governing Body that it agree to the Annual Budget 2022/2023, which is based on the updated consultation budget with \$2.8 billion capital expenditure, \$5.1 billion operating expenditure and a 3.5 per cent increase in average general rate as planned, and includes:
- i) a package of further climate action to reduce emissions and support adaptation, including:
 - A) over \$1 billion expenditure over 10 years towards improving bus services, decarbonising ferry services, providing for walking and cycling, and increasing tree canopy in communities which need it most.
 - B) a Climate Action Targeted Rate providing for \$574 million over 10 years to fund climate action, with the remainder funded by \$128 million in fare revenue from additional services and \$354 million in government co-funding.
 - C) applying consistent principles for the Climate Action Targeted Rate programme to determine further climate action if additional government funding becomes available from the Climate Emergency Response Fund.
 - D) the targeted rate is

- 1) based on capital value with 25.8 per cent to be raised from business properties and 74.2 per cent from non-business, rising by 3.5 per cent each year, the same as the Water Quality Targeted Rate.
 - 2) is differentiated within the business and non-business sectors on the same basis as the general rate.
- E) a political governance and oversight group for the Climate Action Targeted Rate be established for the duration of the fund to provide direction in line with the purpose and principles of the targeted rate and to monitor and report on progress.
- F) note that Council has approved in principle a congestion charging system which is being considered for legislation by the Government, and that the Regional Fuel Tax and Climate Action Targeted Rate will be reviewed with a view to phasing out the Regional Fuel Tax as revenue becomes available from the congestion charge.
- ii) a grant of \$750,000 to Coastguard New Zealand in the 2022/2023 financial year and request acknowledgement of Auckland Council funding for coastguard services in the Auckland region for the 2022/2023 year.
- b) agree to recommend to the Governing Body the following approach to addressing growing operating cost pressures caused by COVID-19 and economic conditions such as high inflation and interest rates, to ensure Auckland Council continues to act in a financially prudent way, including fully funding depreciation by 2027/2028.
- i) note that Auckland Council and council-controlled organisations will continue to work to achieve savings and asset recycling targets included in existing budgets and that the Value for Money programme and reviews will continue to be progressed under the oversight of the Value for Money Committee.
 - ii) agree to apply \$127 million better-off funding from the Government in 2022/2023.
 - iii) agree to defer \$230 million of capital expenditure over the next three years (2022/2023 – 2024/2025) while ensuring critical and high-risk projects as well as projects strongly supporting growth and climate action are maintained.
 - iv) agree to approve the use and ongoing improvement of the prioritisation framework consulted on and the general approach to service prioritisation.
 - v) agree that staff begin investigating service optimisation opportunities of around \$30 million for consideration by the new Council as part of the Annual Budget 2023/2024.
 - vi) agree that staff begin considering further cost reductions from service prioritisation of around \$50 million for decision-making by the new Council as part of the 10-year Budget 2024-2034.
 - vii) agree that staff report to the Value for Money Committee on scoping the strategic opportunities for cost reductions.
 - viii) note options available to the new Council to respond to future operating cost pressures include varying degrees of capital deferrals, operating cost reductions and higher rates settings.
 - ix) note further opportunities associated with Three Water Reform and optimising financial return from Ports of Auckland.
 - x) agree to continue to advocate for the return of GST charged on rates to the council, in alignment with previous submissions to the New Zealand Productivity Commission and a Local Government New Zealand remit that was passed with 92 per cent support of the sector.

- xi) note that final decisions beyond 2022/2023 rest with the new Council in consultation with the public as appropriate.

The meeting adjourned at 5.39pm and reconvened at 5.42pm.

MOVED by Cr W Walker, seconded by Cr C Fletcher an amendment by way of addition:

That the Finance and Performance Committee:

- a) agree to recommend to the Governing Body that it agree to the Annual Budget 2022/2023, which is based on the updated consultation budget with \$2.8 billion capital expenditure, \$5.1 billion operating expenditure and a 3.5 per cent increase in average general rate as planned, and includes:
 - i) a package of further climate action to reduce emissions and support adaptation, including:
 - G) agree that the Climate Action Targeted Rate be flexible in its budget allocation to allow reprioritisation as required.

Resolution number FIN/2022/36

MOVED by Cr L Cooper, seconded by IMSB Chair D Taipari:

That the Finance and Performance Committee:

- a) **agree that under Standing Order 1.6.7, the amendment under debate now be put to a vote.**

CARRIED

The Chairperson put the amendment to the vote.

MOVED by Cr W Walker, seconded by Cr C Fletcher an amendment by way of addition:

That the Finance and Performance Committee:

- a) agree to recommend to the Governing Body that it agree to the Annual Budget 2022/2023, which is based on the updated consultation budget with \$2.8 billion capital expenditure, \$5.1 billion operating expenditure and a 3.5 per cent increase in average general rate as planned, and includes:
 - i) a package of further climate action to reduce emissions and support adaptation, including:
 - G) agree that the Climate Action Targeted Rate be flexible in its budget allocation to allow reprioritisation as required.

LOST

Following further discussion the substantive motion was put to the vote.

MOVED by Mayor P Goff, seconded by Deputy Mayor BC Cashmore:

That the Finance and Performance Committee:

- a) **agree to recommend to the Governing Body that it agree to the Annual Budget 2022/2023, which is based on the updated consultation budget with \$2.8 billion capital expenditure, \$5.1 billion operating expenditure and a 3.5 per cent increase in average general rate as planned, and includes:**
 - i) **a package of further climate action to reduce emissions and support adaptation, including:**
 - A) **over \$1 billion expenditure over 10 years towards improving bus services, decarbonising ferry services, providing for walking and cycling, and increasing tree canopy in communities which need it most.**

- B) a Climate Action Targeted Rate providing for \$574 million over 10 years to fund climate action, with the remainder funded by \$128 million in fare revenue from additional services and \$354 million in government co-funding.
 - C) applying consistent principles for the Climate Action Targeted Rate programme to determine further climate action if additional government funding becomes available from the Climate Emergency Response Fund.
 - D) the targeted rate is
 - 1) based on capital value with 25.8 per cent to be raised from business properties and 74.2 per cent from non-business, rising by 3.5 per cent each year, the same as the Water Quality Targeted Rate.
 - 2) is differentiated within the business and non-business sectors on the same basis as the general rate.
 - E) a political governance and oversight group for the Climate Action Targeted Rate be established for the duration of the fund to provide direction in line with the purpose and principles of the targeted rate and to monitor and report on progress.
 - F) note that Council has approved in principle a congestion charging system which is being considered for legislation by the Government, and that the Regional Fuel Tax and Climate Action Targeted Rate will be reviewed with a view to phasing out the Regional Fuel Tax as revenue becomes available from the congestion charge.
- ii) a grant of \$750,000 to Coastguard New Zealand in the 2022/2023 financial year and request acknowledgement of Auckland Council funding for coastguard services in the Auckland region for the 2022/2023 year.
- b) agree to recommend to the Governing Body the following approach to addressing growing operating cost pressures caused by COVID-19 and economic conditions such as high inflation and interest rates, to ensure Auckland Council continues to act in a financially prudent way, including fully funding depreciation by 2027/2028.
- i) note that Auckland Council and council-controlled organisations will continue to work to achieve savings and asset recycling targets included in existing budgets and that the Value for Money programme and reviews will continue to be progressed under the oversight of the Value for Money Committee.
 - ii) agree to apply \$127 million better-off funding from the Government in 2022/2023.
 - iii) agree to defer \$230 million of capital expenditure over the next three years (2022/2023 – 2024/2025) while ensuring critical and high-risk projects as well as projects strongly supporting growth and climate action are maintained.
 - iv) agree to approve the use and ongoing improvement of the prioritisation framework consulted on and the general approach to service prioritisation.
 - v) agree that staff begin investigating service optimisation opportunities of around \$30 million for consideration by the new Council as part of the Annual Budget 2023/2024.

- vi) agree that staff begin considering further cost reductions from service prioritisation of around \$50 million for decision-making by the new Council as part of the 10-year Budget 2024-2034.
- vii) agree that staff report to the Value for Money Committee on scoping the strategic opportunities for cost reductions.
- viii) note options available to the new Council to respond to future operating cost pressures include varying degrees of capital deferrals, operating cost reductions and higher rates settings.
- ix) note further opportunities associated with Three Water Reform and optimising financial return from Ports of Auckland.
- x) agree to continue to advocate for the return of GST charged on rates to the council, in alignment with previous submissions to the New Zealand Productivity Commission and a Local Government New Zealand remit that was passed with 92 per cent support of the sector.
- xi) note that final decisions beyond 2022/2023 rest with the new Council in consultation with the public as appropriate.

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

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

The motion was declared CARRIED by 16 votes to 7.

Note: Under Standing Order 1.8.6, the following members requested that their votes be recorded as follows:

- Cr C Fletcher supports subclauses a) i) A) and B) and subclause a) ii)
- Cr T Mulholland supports subclause a) i) B); does not support a budget rates increase of 3.5%
- Cr D Newman against clause a)
- Cr G Sayers supports subclause a) ii) and subclause b) x)
- Cr S Stewart against subclause a) i) and subclause a) ii)
- Cr W Walker supports subclauses a) i) A) and B) and subclause a) ii)
- Cr J Watson supports clause a) i) A) and B) and clause a) ii)

Note: Under Standing Order 1.8.3, the following members requested that their abstentions be recorded as follows:

- Cr G Sayers, subclause a) i)
- Cr D Simpson, subclause a) i) D) 1)

The meeting adjourned at 7.10pm and reconvened at 7.15pm.

IMSB Member R Blair; Cr D Newman and IMSB Chair D Taipari were not present.

11 Annual Budget 2022/2023: Kerbside refuse charging policy review

IMSB Member Blair returned to the meeting at 7.18pm.

Cr D Newman returned to the meeting at 7.26pm.

IMSB Chair D Taipari returned to the meeting (online) at 7.37pm

MOVED by Cr R Hills, seconded by Cr P Coom:

That the Finance and Performance Committee:

- recommend to the Governing Body that it agree to amend the Auckland Waste Management and Minimisation Plan 2018 to move to a regionwide rates-funded refuse collection service with a choice of three bin sizes to accommodate different household needs
- note that, if agreed, the amended Waste Management and Minimisation Plan 2018 will be presented to the Environment and Climate Change Committee for final adoption in September 2022
- note that the requirements of section 44(e) of the Waste Minimisation Act 2008, including those relating to the use of the special consultative procedure under section 83 of the Local Government Act 2002, have been met
- based on feedback received, request staff to undertake further work to investigate options and incentives to better support very low waste producers prior to the roll out of changes, for example monthly refuse pick-ups.

MOVED by Cr W Walker, seconded by Cr G Sayers an amendment by way of substitution to clause a):

That the Finance and Performance Committee:

- recommend to the Governing Body that it agree to amend the Auckland Waste Management and Minimisation Plan 2018 to allow a Pay as Throw charging system for parts of Auckland that may include those Local Board areas in the North, together with rates-funded refuse collection service with a choice of three bin sizes to accommodate different household needs for those parts of Auckland where a rates-funded collection is the more appropriate fit.

The amendment was ruled out of order by the Chairperson.

Discussion on the substantive motion continued.

At 7.59pm, it was:

Extension of Meeting Time

Resolution number FIN/2022/37

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

That the Finance and Performance Committee:

- a) **agree under to standing order 1.1.3, that an extension of time be granted, until the business of the agenda is complete.**

CARRIED

MOVED by Cr R Hills, seconded by Cr P Coom:

That the Finance and Performance Committee:

- a) **recommend to the Governing Body that it agree to amend the Auckland Waste Management and Minimisation Plan 2018 to move to a regionwide rates-funded refuse collection service with a choice of three bin sizes to accommodate different household needs**
- b) **note that, if agreed, the amended Waste Management and Minimisation Plan 2018 will be presented to the Environment and Climate Change Committee for final adoption in September 2022**
- c) **note that the requirements of section 44(e) of the Waste Minimisation Act 2008, including those relating to the use of the special consultative procedure under section 83 of the Local Government Act 2002, have been met**
- d) **based on feedback received, request staff to undertake further work to investigate options and incentives to better support very low waste producers prior to the roll out of changes, for example monthly refuse pick-ups.**

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

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

The motion was declared **CARRIED** by 20 votes to 3.

12 Annual Budget 2022/2023: Other rates and fees matters

Resolution number FIN/2022/38

MOVED by Deputy Mayor BC Cashmore, seconded by Mayor P Goff:

That the Finance and Performance Committee:

- a) **agree to recommend to the Governing Body to adopt as part of the Annual Budget 2022/2023 standardised charging for the waste management targeted rates as set out below:**
 - i) **allowing residential multi-unit developments (MUDs) across Auckland with 10 or more units to opt out of council's refuse, recycling and/or food scraps services and respective targeted rate charges where the service(s) cannot be provided by the council as per the standards specified in Attachment A of this report, effective from 1 July 2023 with the exception of ii) below**
 - ii) **maintaining the existing opt-out arrangements for MUDs within the former Auckland City Council (ACC) area where:**
 - A) **an approved opt-out as per the current policy is already in place, or**
 - B) **an application for opt-out as per the current policy is received by the council on or before 30 June 2022**
 - C) **applying the waste management targeted rates as applicable on a per SUIP basis to all residential and lifestyle properties with less than 10 SUIPs across Auckland where a service is provided or available, effective from 1 July 2022 with the exception of iv) below**
 - iii) **maintaining the number of waste management targeted rate charges as per the current policy for the following multi-SUIP properties with less than 10 SUIPs within the former ACC, until the property changes owners:**
 - A) **properties with a residential or lifestyle land use that are already receiving fewer waste management targeted rate charges than their number of SUIPs**
 - B) **properties with a residential or lifestyle land use that request to reduce their number of charges on or before 30 June 2022**
 - iv) **allowing all properties with a land use that is not residential or lifestyle to opt out of the standard refuse and/or the recycling service and respective targeted rate charges at their request, effective from 1 July 2023**
 - v) **applying a minimum targeted rate charge to cover the costs of council's regional initiatives including the annual inorganic collection, the resource recovery network and subsidy for providing affordable waste services on Hauraki Gulf Islands (HGI), to all eligible rateable SUIPs across Auckland that are not currently paying this minimum charge, effective from 2023/2024.**
- b) **agree to recommend to the Governing Body to adopt as part of the Annual Budget 2022/2023 a food scraps targeted rate as set out in this report, to fund the food scraps collection service to the following areas, to be applied to all residential (including lifestyle) SUIPs to which the service is made available:**
 - i) **the former Waitākere City Council (WCC) area**
 - ii) **the former North Shore City Council (NSCC) area excluding those areas where the service is already available.**
- c) **agree to recommend to the Governing Body to adopt as part of the Annual Budget 2022/2023 the updated waste management targeted rates as set out in this report.**

- d) agree to recommend to the Governing Body to adopt as part of the Annual Budget 2022/2023 amending the rating policy to:
 - i) to rate rural zoned land on Waiheke that is located inside the Rural Urban Boundary as rural or farm/lifestyle
 - ii) rate as residential separate rating units used as an access way to residential properties
 - iii) include the proposed Climate Action targeted rate.
- e) agree to adopt as part of the Annual Budget 2022/2023 changes to fees and charges as set out in Attachment C of this report.

CARRIED

13 Rating of Whenua Māori: Adoption of Rates Remission and Postponement policies

Note: changes were made to the original motion adding new clause c), with the agreement of the meeting.

Resolution number FIN/2022/39

MOVED by Cr A Dalton, seconded by Cr A Filipaina:

That the Finance and Performance Committee:

- a) whakaae / agree to recommend to the Governing Body that it adopt the Māori Land Rates Remission and Postponement Policy in Attachment A to this report, to be effective and replace the existing policy from 1 July 2022
- b) whakaae / agree to recommend to the Governing Body that it adopt the Rates Remission and Postponement Policy in Attachment B to this report, to be effective and replace the existing policy from 1 July 2022.
- c) whakaae / agree to recommend to the Governing Body that officers be requested to report to the Finance and Performance committee on options for making papakāinga on general land owned by iwi eligible for remission under Part 2 of the Māori Land Rates Remission and Postponement Policy and to consider further remissions to this type of development.

CARRIED

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

8.20pm

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:.....