

I hereby give notice that an extraordinary meeting of the Governing Body will be held on:

Date: Thursday, 8 June 2023
Time: 10.00am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Tira Hautū / Governing Body

OPEN AGENDA

MEMBERSHIP

Mayor	Wayne Brown	
Deputy Mayor	Cr Desley Simpson, JP	
Councillors	Cr Andrew Baker	Cr Mike Lee
	Cr Josephine Bartley	Cr Kerrin Leoni
	Cr Angela Dalton	Cr Daniel Newman, JP
	Cr Chris Darby	Cr Greg Sayers
	Cr Julie Fairey	Cr Sharon Stewart, QSM
	Cr Alf Filipaina, MNZM	Cr Ken Turner
	Cr Christine Fletcher, QSO	Cr Wayne Walker
	Cr Lotu Fuli	Cr John Watson
	Cr Shane Henderson	Cr Maurice Williamson
	Cr Richard Hills	

(Quorum 11 members)

Sandra O'Toole
Kaiarataki Kapa Tohutohu Mana Whakahaere /
Team Leader Governance Advisors

2 June 2023

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ITEM	TABLE OF CONTENTS	PAGE
1	Ngā Tamōtanga Apologies	5
2	Te Whakapuaki i te Whai Pānga Declaration of Interest	5
3	Ngā Kōrero a te Marea Public Input	5
4	Ngā Kōrero a te Poari ā-Rohe Pātata Local Board Input	5
5	Ngā Pakihi Autaia Extraordinary Business	5
6	Tūpuna Maunga Authority Operational Plan 2023/2024	7
7	Annual Budget 2023/2024 - Overview of decision-making	11
8	Annual Budget 2023/2024 - local board feedback and advocacy	19
9	Annual Budget 2023/2024 - Mayor's Final Budget Proposal	33
10	Annual Budget 2023/2024 - Other rates and fees matters	41
11	Te Whakaaro ki ngā Take Pūtea e Autaia ana Consideration of Extraordinary Items	
PUBLIC EXCLUDED		
12	Te Mōtini ā-Tukanga hei Kaupare i te Marea Procedural Motion to Exclude the Public	67
C1	CONFIDENTIAL: Auckland International Airport Limited share sale process	67

- 1 **Ngā Tamōtanga | Apologies**
- 2 **Te Whakapuaki i te Whai Pānga | Declaration of Interest**
- 3 **Ngā Kōrero a te Marea | Public Input**

There is no public input section.
- 4 **Ngā Kōrero a te Poari ā-Rohe Pātata | Local Board Input**

There is no local board input section.
- 5 **Ngā Pakihi Autaia | Extraordinary Business**

Tūpuna Maunga Authority Operational Plan 2023/2024

File No.: CP2023/06900

Te take mō te pūrongo Purpose of the report

1. To recommend to the Governing Body that it agree the Tūpuna Maunga Authority Operational Plan 2023/2024 and the summary of that plan.

Whakarāpopototanga matua Executive summary

2. Public feedback has been received on the Draft Tūpuna Maunga Authority Operational Plan 2023/2024.
3. On 25 May 2023, the Tūpuna Maunga Authority unanimously agreed the Draft Tūpuna Maunga Authority Operational Plan 2023/2024 and the Draft Summary of the Operational Plan 2023/2024. The Tūpuna Maunga Authority also resolved to make a 5 per cent cost saving from both operational and capital budgets in the context of the financial circumstances of the Auckland Council.
4. The Governing Body is invited to approve the Tūpuna Maunga Authority Operational Plan 2023/2024 (with a 5 per cent cost saving from both operational and capital budgets) and the Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024 for inclusion in the Annual Budget 2023/2024.

Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whakaae / agree to the Tūpuna Maunga Authority Operational Plan 2023/2024 which provides for a 5 per cent cost saving from both operational and capital budgets as agreed by the Tūpuna Maunga Authority (Attachment A of the agenda report), and the Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024 (Attachment B of the agenda report).
- b) whakaae / agree to include the agreed Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024 in the Annual Budget 2023/2024.

Horopaki Context

5. Each year the Tūpuna Maunga Authority Operational Plan is developed to provide a framework in which the council will carry out its functions for the routine management of the Tūpuna Maunga under the direction of the Tūpuna Maunga Authority. The Tūpuna Maunga Authority Operational Plan must be prepared and agreed concurrently with the council's annual budget and included in summary form in the annual budget.
6. A summary of the Draft Tūpuna Maunga Authority Operational Plan was included in the council's annual budget Consultation Document, and public feedback was received by the council and the Tūpuna Maunga Authority. A report summarising the feedback was received at a joint hui of the council and the Tūpuna Maunga Authority on 10 May 2023.

Tātaritanga me ngā tohutohu Analysis and advice

7. On 23 January 2023, the Tūpuna Maunga Authority, by unanimous decision, adopted its Draft Tūpuna Maunga Authority Operational Plan 2023/2024 and Draft Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024 for inclusion in the council's Consultation Document and Supporting Information to support consultation on the Annual Budget 2023/2024.
8. On 15 February 2023, the Governing Body adopted the Consultation Document and Supporting Information which included the Draft Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024. The Governing Body also agreed the approach to consultation which provided for the council and the Tūpuna Maunga Authority to jointly consider submissions on the Draft Tūpuna Maunga Authority Operational Plan 2023/2024.
9. The council received feedback on the Draft Tūpuna Maunga Authority Operational Plan 2023/2024 through its annual budget consultation process.
10. The Tūpuna Maunga Authority also sought and received feedback on the Draft Tūpuna Maunga Authority Operational Plan 2023/2024.
11. A report was prepared summarising feedback received on the Draft Tūpuna Maunga Authority Operational Plan through both the council and Tūpuna Maunga Authority consultation processes. This was considered on 10 May 2023, when a joint deliberation hui was held between the Tūpuna Maunga Authority and the Auckland Council.
12. Auckland Council received 555 written submissions that related to the Draft Tūpuna Maunga Authority Operational Plan and the summary. However, 72 of these 555 submissions were considered to be out of scope as they did not refer to the budget nor any proposed authority activities set out in the draft operational plan. Most submissions were of a few sentences and often contained additional comments that were not germane to the draft operational plan or summary.
13. Common themes received through the council's consultation covered the vegetation management programme and financial matters.
14. While of course decisions on submissions are based on merits not numbers, for completeness, of the submissions received by council, 36 per cent were generally supportive of the draft operational plan, 23 per cent were generally in opposition, while 27 per cent did not express support or opposition.
15. On 25 May 2023, the Tūpuna Maunga Authority unanimously agreed the Draft Tūpuna Maunga Authority Operational Plan 2023/2024 and the Draft Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024. The Tūpuna Maunga Authority also resolved to make a 5 per cent cost saving from both operational and capital budgets in the context of the financial circumstances of the Auckland Council.
16. Staff have amended the budgets in the Tūpuna Maunga Authority Operational Plan 2023/2024 approved by the Tūpuna Maunga Authority to incorporate the 5 per cent cost saving also agreed to by the Authority. The updated Tūpuna Maunga Authority Operational Plan 2023/2024 and the Summary approved by the Tūpuna Maunga Authority are attached to this report as Attachments A and B respectively.
17. Staff recommend that the Governing Body agree the Tūpuna Maunga Authority Operational Plan 2023/2024, and the Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024 as attached to this report, with the agreed Summary to be included in the Annual Budget 2023/2024.

Tauākī whakaaweawe āhuarangi **Climate impact statement**

18. This report relates to the budget and operational plan of the Tūpuna Maunga Authority, an independent co-governance entity. Matters relating to climate impacts may be addressed by that authority.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera **Council group impacts and views**

19. This report relates to the budget and operational plan of the Tūpuna Maunga Authority, an independent co-governance entity. The authority has its own independent relationships with the various parts of the council group.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe **Local impacts and local board views**

20. The Tūpuna Maunga Authority sought the views of the eight local boards with Tūpuna Maunga within their areas. The council sought the views of all local boards in relation to the Annual Budget 2023/2024. Submissions were received during the consultation period and were considered in the joint deliberation hui.

Tauākī whakaaweawe Māori **Māori impact statement**

21. The Tūpuna Maunga Authority is a tangible expression of a Treaty-based partnership between Ngā Mana Whenua and the council. It is a vehicle through which the mana whenua worldview and historical, cultural and spiritual connections with the Maunga will be given visibility and guide decision-making for the health and wellbeing of these important taonga. The Tūpuna Maunga Authority and council have engaged with Ngā Mana Whenua on the Draft Tūpuna Maunga Authority Operational Plan 2023/2024 and submissions were received and considered.

Ngā ritenga ā-pūtea **Financial implications**

22. The budget for the Tūpuna Maunga Authority Operational Plan 2023/2024 fits within the envelope provided for in the council's 10-year Budget 2021-2031. In addition the Tūpuna Maunga Authority Operational Plan 2023/2024 as agreed by the Tūpuna Maunga Authority provides for a 5 per cent cost saving from both operational and capital budgets.



Ngā raru tūpono me ngā whakamaurutanga **Risks and mitigations**

23. The Tūpuna Maunga Authority Operational Plan 2023/2024 is necessary to support the council's routine management of the Tūpuna Maunga under the direction of the Tūpuna Maunga Authority and must be agreed by the Auckland Council and the Tūpuna Maunga Authority prior to 1 July 2023.
24. There is a reputational risk to Māori outcomes and relationships if the council did not approve funding for the Tūpuna Maunga in the Auckland area. This could affect the council's ongoing relationships with mana whenua organisations of Tāmaki Makaurau.
25. There is also a reputational risk in relation to sections of the community opposed to co-governance entities established by Treaty of Waitangi settlements and the council continuing to fund them, despite the statutory requirement for such funding.

Ngā koringa ā-muri Next steps

26. On the agreement with the Tūpuna Maunga Authority of the Tūpuna Maunga Authority Operational Plan 2023/2024 and Summary by the Governing Body, funding for the agreed Tūpuna Maunga Authority Operational Plan 2023/2024 will be provided for, and the Summary will be included, in the final Annual Budget 2023/2024. The agreed Tūpuna Maunga Authority Operational Plan will also be made available for public viewing online.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Draft Tūpuna Maunga Authority Operational Plan 2023/2024	
B 	Draft Summary of the Tūpuna Maunga Authority Operational Plan 2023/2024	

Ngā kaihaina Signatories

Author	Dominic Wilson - Head of Co-governance
Authorisers	Claudia Wyss - Director Customer and Community Services Jim Stabback - Tumu Whakarae / Chief Executive

Annual Budget 2023/2024 - Overview of decision-making

File No.: CP2023/06880

Te take mō te pūrongo Purpose of the report

1. To recap the annual budget process to date, provide an overview of the decisions required at this meeting and set out the next steps that will be undertaken to finalise and adopt Auckland Council's Annual Budget 2023/2024.

Whakarāpopototanga matua Executive summary

2. All councils are required by legislation to adopt an annual plan (referred to as the annual budget) every year, except once every three years when the long-term plan acts as the annual plan.
3. The process to develop council's Annual Budget 2023/2024 began with the mayor's direction setting which was provided at a workshop in November 2023.
4. Staff advice on the budget position and options to consider were provided to the Governing Body through workshops held between early November and mid-December 2022, before items for consultation were agreed to on 15 December 2022.
5. The Consultation Document and Supporting Information, which outlined the council's proposals for the Annual Budget 2023/2024, were adopted by the Emergency Committee on 15 February 2023 and included:
 - options for a preferred mix of budget levers to address the estimated \$295 million operating budget gap for 2023/2024 including:
 - a reduction in operating spending across the group of \$125 million
 - information on options for an average general rates increase of up to 13.5% and additional use of debt within existing policy limits
 - a proposed amendment to the Airport Shareholding Policy in the 10-year Budget 2021-2031 to enable either a full or partial sale of council's shares in Auckland International Airport Limited
 - other rates and fees matters
 - a proposed change to the council's Revenue and Financing Policy
 - draft local board priorities for 2023/2024
 - a draft summary of the Tūpuna Maunga Operational Plan 2023/2024.
6. The council consulted on its annual budget and proposed amendment to the 10-year Budget 2021-20231 from 28 February to 28 March 2023. A total of 41,146 pieces of feedback were received.
7. All consultation feedback was presented to the Governing Body at a workshop on 26 April 2023 and the associated regional feedback report and attachments are attached to this report.
8. Further staff advice was provided to the Governing Body through a series of workshops between April and June 2023 covering the topics that were consulted on. Updated budget information including costs relating to storm damage was also provided during this time.

9. Staff have worked with Audit New Zealand throughout the process to ensure audit requirements have been met in relation to the proposed amendment to the 10-year Budget 2021-2031 for both the consultation material and the final documentation that is to be considered at today's meeting.
10. Each of the 21 local boards held workshops and meetings to consider the consultation results to help inform their feedback on the budget. Local boards then presented their feedback to the Governing Body at a workshop on 17 May 2023. A report on today's agenda summarises the input and advocacy of the local boards.
11. The other reports on today's agenda require decisions to enable documentation for the Annual Budget 2023/2024 to be finalised. All decisions made today will be reflected in final budget documentation for formal adoption at the Governing Body meeting on 29 June 2023.
12. In making decisions on the annual budget, decision-makers will need to consider the advantages and disadvantages of each identified reasonably practicable option, the feedback received and other relevant information, and then arrive at what they determine to be the best decision.
13. Adopting the Annual Budget 2023/2024 will enable rates to be set for that financial year.

Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) tuhi ā-taipitopito / note the contents of this report, which sets the context for the other reports and decisions on today's agenda.

Horopaki Context

14. The council is required by legislation to prepare and adopt an annual plan (referred to by Auckland Council as the annual budget), every year, except once every three years when the long-term plan acts as the annual budget.
15. The annual budget outlines what we plan to do and how we plan to pay for it over the coming financial year. The council must consult on the annual budget where it contains significant or material differences to what is provided for in the 10-year Budget for the relevant year.
16. A special consultative procedure (as set out in the Local Government Act 2002) was used for the consultation on the Annual Budget 2023/2024 due to the proposed amendment to the Airport Shareholding Policy in the 10-year Budget 2021-2031 (council's long-term plan), to provide for a full sell down of the council's 18.09% shareholding in Auckland International Airport Limited.
17. Part 6 of the Local Government Act 2002 sets out the key requirements the council must comply with when making decisions. In particular, the council must:
 - identify all reasonably practicable options to achieve the objective of the decision
 - assess those options in terms of their advantages and disadvantages
 - give due consideration, with an open mind, to the views and preferences of people likely to be affected by, or have an interest, in the decision.

18. The consultation process for the Annual Budget 2023/2024 provided an opportunity for those interested in, or affected by, decisions to have their voices heard by their elected representatives prior to decisions being made. Feedback received during consultation is one key part that needs to be considered when making final decisions. Comments provided as part of the feedback should be considered in order to understand the context and the meanings behind the overall numbers and percentages in terms of those who supported or did not support the various proposals.
19. The council must weigh up the information provided on the advantages and disadvantages of each option, consider the feedback received from local boards and the public as well as other relevant information, and then arrive at what it determines to be the best decision.
20. When making decisions the council is limited by the scope of its original consultation. Decisions can only be made within the bounds of the options considered in the proposal put forward for consultation. If the council wishes to make a decision that goes materially beyond the options in the original consultation, then further consultation is required.

Tātaritanga me ngā tohutohu Analysis and advice

Development of consultation material for the Annual Budget 2023/2024

21. The annual budget Consultation Document and Supporting Information are statutorily required under the Local Government Act 2002.
22. Key elements of the process prior to undertaking public consultation were:
 - an overview of the process and financial context were discussed at a workshop with the Governing Body on 10 November 2022
 - workshops were held with the Governing Body in November 2022 on the proposed key topics leading up to the Mayoral Proposal
 - local boards held workshops and meetings in November and December 2022 to approve their local consultation content
 - senior CCO staff were involved in the drafting of consultation material and were also invited to workshops and briefings throughout the budget process
 - the Mayor released the final draft Mayoral Proposal on 7 December 2022, outlining proposed issues for consultation
 - on [15 December 2022](#), the Governing Body agreed the items for consultation
 - the Annual Budget 2023/2024 Consultation Document and the Supporting Information were adopted by the Emergency Committee on [15 February 2023](#) along with the Communications and Engagement Plan for this process.

Public consultation and feedback

23. Public consultation was held from 28 February to 28 March 2023. The special consultative procedure (as set out in the Local Government Act 2002) was used for the consultation on the Annual Budget 2023/2024 due to the proposed amendment to the Airport Shareholding Policy in the 10-year Budget 2021-2031 to provide for a full sale of the council's 18.09% shareholding in Auckland International Airport Limited.
24. During the consultation period, 41,146 pieces of feedback were received, including 4,448 pieces of feedback at in-person engagement events and activities.
25. A summary of feedback received during the consultation process was presented at a Governing Body workshop on 26 April 2023. The executive summary of the feedback report, the full consultation summary report and its attachments are attached to this report. These reports can also be found on the council's website [here](#).

26. To ensure decision-makers were informed about feedback received, staff with specific subject matter expertise reviewed and summarised the feedback and full submissions were made available to elected members.

Advice following consultation

27. Governing Body workshops were held between 19 April and 31 May 2023 covering all topics consulted on with the public. Local board chairs were invited to attend most workshops. These sessions covered:
- capital reprioritisation required as a result of storm damage
 - further details on the costs related to storm damage and the proposed storm response fund
 - potential impacts of the proposed operating budget reductions across the group
 - further analysis and advice on the proposed sale of council's shareholding in Auckland International Airport Limited, including the implementation of any sale and external advice
 - debt and rates (including rating policy)
 - fees, charges and council revenue
 - updated budget position.
28. Updated budget information was provided to the Governing Body on 10 May 2023 and included the impacts of the storm damage from the severe weather events earlier in the year. Along with other pressures, this has resulted in the estimated \$295 million ongoing operating gap growing to \$325 million (excluding storm-related operating costs). More detail on the make up of the gap and the storm-related operating costs is included in an attachment to the Mayoral Proposal on today's agenda.
29. Local boards considered consultation feedback related to their local board area and then passed resolutions detailing their feedback and advocacy to the Annual Budget at their business meetings between 8 and 12 May 2023. Local Board feedback is included in a separate report on today's agenda, providing an opportunity for the Governing Body to formally consider local board views in its decision-making on the Annual Budget. Local Boards also had the opportunity to present their views at a Governing Body workshop on 17 May 2023.
30. At a workshop on 31 May 2023, the Governing Body discussed the draft Mayoral Proposal outlining the Mayor's proposed approach to balancing the budget for 2023/2024. Staff analysis and advice to inform the development of the Mayoral Proposal and support the Governing Body with its decision-making for the final Annual Budget 2023/2024 was attached to the Mayoral Proposal. The Mayoral Proposal and attached staff advice is set out in a separate report on today's agenda.

Amendment to the 10-year Budget 2021-2031 and risk management oversight

31. Initial advice on a potential amendment to the 10-year Budget 2021-2031 to enable either a full or partial sale of council's shareholding in Auckland International Airport Limited was provided to the Governing Body in November. This advice was referenced in the Supporting Information for the Consultation Document and included information on a number of different options for buying, selling, or continuing to hold shares.
32. Following the resolutions of the Governing Body on 15 December 2022, staff drafted consultation material that included:
- a proposal to amend the Airport Shareholding Policy in the 10-year Budget 2021-2031 to provide for a full sell down of the council's 18.09% shareholding in Auckland International Airport Limited; and

- alternative options of retaining the current number of shares as per the current policy (i.e. no amendment to the 10-year Budget 2021-2031), and a partial sell down of approximately 8% and maintaining at least a 10% shareholding
33. The consultation document also included an analysis of advantages and disadvantages of the identified options.
 34. The consultation document and supporting information was subject to audit review and the Office of the Auditor General issued an unmodified opinion which was also included in consultation material.
 35. Since consultation, finance staff have continued to work with Audit New Zealand ahead of final decision-making to complete the required audit of final documentation.
 36. The updated advice provided to the Governing Body at a workshop on 26 April 2023 (released publicly [here](#)) included both an updated financial analysis and a discussion of the implications.
 37. As part of the Mayoral Proposal on today's agenda, the Governing Body will consider whether to proceed with the proposed amendment to the 10-year Budget 2021-2031. The relevant documents are attached to the Mayoral Proposal alongside staff advice based on the material presented to decision-makers through a series of workshops.
 38. The Audit and Risk Committee plays a key role in advising the Governing Body on key matters of governance, risk management and internal control, including legislative compliance. Among other things, the committee is also responsible for oversight of the preparation of the 10-year budget (including amendments), annual report, and key risks relating to the annual budget.
 39. On 2 June, the Audit and Risk Committee considered a report on the final status update on key controls employed and management of significant risks related to the development of the proposed amendment to our 10-year Budget 2021-2031. Documentation relating to both a partial and full sale option was also provided to Audit and Risk Committee members ahead of this meeting to support their oversight role.
 40. The Audit and Risk Committee resolved to ([Resolution number ARCCC/2023/43](#)):
 - a) *whiwhi / receive the report on the key controls and risks relating to Auckland Council's proposal to amend its long-term plan in relation to the council's shareholding in Auckland International Airport Limited*
 - b) *whakaae / agree to advise the Governing Body that effective internal control and risk management processes have been followed during the preparation of the proposed amendment*
 - c) *whakaae / agree to advise the Governing Body that there are no significant outstanding audit issues in relation to the proposed amendment.*
 41. In order to support their decision above, the Audit and Risk Committee received a briefing from the Office of the Auditor-General and Audit New Zealand with the following resolution being passed:
 - b) *mihia / acknowledges the changing financial environment of Council and request management brief the Council at its 8 June 2023 meeting on the current and potential demands on Council's financial resources. ([Resolution number ARCCC/2023/41](#))*
 42. Finance staff are able to provide this briefing alongside the staff advice attached to the Mayoral Proposal set out in the separate report on today's agenda.

Tauākī whakaaweawe āhuarangi **Climate impact statement**

43. Advice on climate impacts related to budget proposals have been provided as part of this process.
44. There are no direct impacts to climate related to the recommendations included in this report.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera **Council group impacts and views**

45. Staff from the CCOs have been directly involved in the development of the annual budget throughout this process.
46. All council departments will be affected by decisions made for the Annual Budget 2023/2024. Budget updates are made on a regular basis to the Executive Leadership Team.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe **Local impacts and local board views**

47. Auckland's 21 local boards have been engaged throughout the development of the Annual Budget 2023/2024.
48. Local board chairs were invited to attend most of the Governing Body workshops held between November 2022 and June 2023.
49. Local boards received briefings with subject matter experts on each regional topic, as well as workshops to discuss these topics to formulate their feedback for consultation.
50. Input on regional issues was presented by local boards to the Governing Body on 17 May 2023. Subsequent formal feedback resolved by local boards has been included in a separate report on today's agenda.
51. Local boards will be adopting local board agreements in late June 2023, and these will be included in the final documents for the Annual Budget 2023/2024.

Tauākī whakaaweawe Māori **Māori impact statement**

52. Engagement with mana whenua and mataawaka was a focus for the wider engagement strategy which was presented as part of the communications and engagement approach to the Emergency Committee on 15 February 2023 for approval. Targeted engagement with mana whenua and mataawaka was held before and during the consultation period, including pre-consultation workshops held in February 2022.
53. An in-depth report analysing the feedback from Māori entities was included as an attachment to the regional feedback report presented at a workshop on 26 April 2023 which is also attached to this report.

Ngā ritenga ā-pūtea **Financial implications**

54. There are no financial implications associated with the recommendations of this report. The financial implications associated with agreeing the budget are set out in other reports on this agenda.
55. The Annual Budget 2023/2024 project has been funded as part of existing operational budgets.




Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

56. The Local Government Act 2022 requires the council to adopt an annual budget for the 2023/2024 financial year. Adoption of the annual budget will enable rates to be set for the relevant financial year. Not completing the Annual Budget 2023/2024 in accordance with statutory requirements has the potential to impact on the council's revenue, and its ability to continue to deliver the services and projects that Auckland needs.
57. Financial risks associated with this budget and the management of council finances are identified as strategic risks and reported to the Audit and Risk Committee.
58. Risks associated with the proposed amendment to the 10-year Budget 2021-2031 have been managed as part of this annual budget process and have been reported to and monitored by the Audit and Risk Committee.

Ngā koringa ā-muri Next steps

59. Staff will prepare final budget documents as a result of today's decisions and will prepare a report for the Governing Body on 29 June 2022 recommending formal adoption of the Annual Budget 2023/2024, as the council's annual plan for 2023/2024 including 21 Local Board Agreements.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Feedback Summary Annual Budget 2023/2024	
B 	Kantar Public - 2023 Annual Budget Research Report	
C 	Kantar Public - 2023 Annual Budget Research findings	

Ngā kaihaina Signatories

Author	Tamsyn Matchett - Programme Manager
Authorisers	Ross Tucker - General Manager - Financial Strategy and Planning Peter Gudsell - Group Chief Financial Officer Jim Stabback - Tumu Whakarae / Chief Executive

Annual Budget 2023/2024 – local board feedback and advocacy

File No.: CP2023/06654

Te take mō te pūrongo

Purpose of the report

1. To provide an overview of local board feedback and advocacy on the proposed Annual Budget 2023/2024 (the Annual Budget).

Whakarāpopototanga matua

Executive summary

2. As part of Auckland Council's shared governance model, local boards have a legislative role to provide input on regional plans. For the Annual Budget, local boards achieve this in three ways:
 - preparing local board agreements to be included in the Annual Budget (Volume 2) – this includes local board projects, budgets and performance measures
 - providing feedback on regional topics for the Annual Budget 2023/2024
 - recommending local matters to the Governing Body to consider or make decisions on in the Annual Budget 2023/2024 process, including advocating for projects/issues that are important to communities in their local board areas.
3. From 28 February to 28 March 2023, the council consulted with the public on the Annual Budget. Each local board has now considered community feedback received for its local area and resolved feedback on the Annual Budget for the consideration of the Governing Body.
4. Local boards will adopt their local board agreements between 20 to 22 June 2023 and the Governing Body will then adopt the Annual Budget (including agreeing the local board agreements) on 29 June 2023.
5. This report summarises feedback and advocacy from local boards on the Annual Budget and focuses on common themes. As such, it does not include all of the matters raised in local board resolutions. The complete set of local board resolutions relating to the Annual Budget is provided in Attachment A, and a compilation of adopted local board advocacy initiatives and other requests or recommendations is provided in Attachment B.
6. Key themes arising from those local boards that resolved on regional issues in the Annual Budget include the following:
 - twenty local boards did not support reducing local board funded activities
 - the proposal to no longer directly provide early childhood education services had broad support, but the other proposed operating spending reductions including reducing funding to Tātaki Auckland Unlimited, reducing public transport services, reducing funding for contestable grants and reducing regional services were not supported by a majority of boards
 - twelve local boards did not support the sale of some or all of Auckland Council's shares in Auckland International Airport Limited
 - five local boards supported the proposal to increase rates by 4.66 per cent with a further 14 local boards supporting increasing rates beyond that level
 - fourteen local boards supported the proposal to increase the use of debt by up to \$75 million and five local boards supported increasing the use of debt beyond that

- all local boards supported the proposal to increase the council's operating budgets by around \$20 million annually to improve the ability to prepare for and respond to future storm events.
7. The adopted advocacy initiatives and other requests raised by local boards generally focus on equitable funding models for local boards, providing active modes of transport for local communities and for investment in stormwater and flood mitigation. The key themes include:
- addressing the funding model for local boards and applying an equity lens
 - the need to invest in upgrading or building pathways and cycleways to support active modes of transport
 - stormwater infrastructure upgrades and improvements to mitigate the effects of climate change and adverse weather events
 - the need for adequate resourcing in the Licensing and Regulatory Compliance unit to ensure complaints and requests are responded to appropriately
 - the full retention of, or increase to, the Local Board Transport Capital Fund.

Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) kohuki / consider feedback and advocacy initiatives from local boards when making decisions on the Annual Budget 2023/2024.

Horopaki Context

8. The Annual Budget sets out Auckland Council's planned activities and community outcomes over the year and provides for integrated decision-making and coordination of the council's resources, including how to pay for those activities. The Governing Body is responsible for adopting the Annual Budget.
9. As part of this process, local boards develop annual local board agreements which are agreed between local boards and the Governing Body (and are included in the Annual Budget).
10. Local boards also have a statutory responsibility for identifying and communicating the interests and preferences of the people in their local board areas in relation to Auckland Council's strategies, policies, plans, and bylaws, and any proposed changes to be made to them. The Governing Body has a corresponding statutory obligation when making decisions to consider the views and preferences expressed by local boards, if the decision affects or may affect the responsibilities or operations of the local board or the well-being of communities within its local board area.
11. Local board chairs were invited to attend a Governing Body workshop where the proposed regional consultation content was discussed. All local board members were invited to attend briefings on the Annual Budget content.
12. Local boards agreed their feedback on regional items proposed to be consulted on, at business meetings between 6 - 8 December 2022. This local input was then formally considered by the Governing Body on 15 December 2022.
13. Local boards agreed their local content for consultation at business meetings between 7 and 9 February 2023.

14. Local boards considered consultation feedback related to their local board area and then passed resolutions detailing their feedback and advocacy to the Annual Budget at their business meetings between 8 and 12 May 2023.
15. This report provides an opportunity for the Governing Body to formally consider local board views in its decision-making on the Annual Budget. The local boards also had an opportunity to present their views at a Governing Body workshop on 17 May 2023.

Tātaritanga me ngā tohutohu Analysis and advice

16. This summary focuses on common themes and does not include all the matters raised in local board resolutions. Most boards did not provide feedback on every topic.
17. The full set of local board resolutions are provided in Attachment A (local board resolutions on the Annual Budget 2023/2024) and all local board advocacy initiatives and issues are provided in Attachment B (local board advocacy initiatives and requests for the Annual Budget 2023/2024).

Local board feedback on regional topics in the Annual Budget 2023/2024

Proposed operating spending reductions

18. The Annual Budget 2023/2024 Consultation Document included a proposal to save \$125 million through operating spending reductions including:
 - maintaining the current reduced number of public transport services for 2023/2024 to save \$21 million
 - reducing funding to Tātaki Auckland Unlimited to save a further \$27.5 million with effects on service delivery (including economic development and tourism promotion) and pricing at venues it manages such as Auckland Zoo, Auckland Art Gallery and stadiums
 - reducing regional services such as community and education programmes, arts and culture programmes, regional events, economic development and other social services activities such as homelessness funding, community empowerment and funding for youth centres to save \$20 million
 - reducing local board funded activities across all boards to save \$16 million
 - reducing contestable grants to save \$3 million
 - no longer directly providing early childhood education services to save \$1 million.

Local Board Feedback

Reduced public transport services

19. All local boards provided feedback on the proposal and 15 did not support it (Albert-Eden, Aotea / Great Barrier, Devonport-Takapuna, Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Māngere-Ōtāhuhu, Ōrākei, Puketāpapa, Rodney, Upper-Harbour, Waiheke, Waitākere Ranges and Waitematā local boards).
 - Several of the local boards not in support expressed that the proposal is counter-intuitive to Auckland Council's climate change and low emissions targets (Aotea/Great Barrier, Hibiscus and Bays, Howick and Rodney local boards).
 - Several of the local boards not in support of the proposal stated that public transport services need to be frequent and reliable to encourage public use (Devonport-Takapuna, Hibiscus and Bays, Rodney and Waitematā local boards).

20. Papakura Local Board did not support the proposal in part, as the continuation of reduced public transport services encourages more private vehicles on the road and increases congestion and emissions.
21. Franklin, Manurewa, Maungakiekie-Tāmaki, and Ōtara-Papatoetoe local boards supported the proposal:
 - Maungakiekie-Tāmaki Local Board supported some reduction in service levels but requested that services are reliable, accessible, and well-communicated.
 - Franklin Local Board supported the proposal but requested that reduced services take into consideration the production of carbon emissions, i.e., are in places where there are other low-emissions transport options available to the community.
22. Whau Local Board did not say whether it did or did not support the proposal but noted its concerns with the difficulty Auckland Transport has with maintaining services at current levels, but did not have a clear sense as to whether the proposed service level to save \$21 million can meet community need.
23. Upper-Harbour Local Board did not specify whether it was in support or not but was of the view Auckland Transport should seek to find operational savings from this proposal in other areas and invest more in public transport outcomes including a focus to attract and retain bus drivers.

Reducing funding to Tātaki Auckland Unlimited

24. All local boards provided feedback on the proposal and 12 did not support it (Albert-Eden, Aotea / Great Barrier, Franklin, Henderson-Massey, Howick, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Rodney, Upper-Harbour, Waitākere Ranges and Waitematā local boards).
 - Two local boards not in support of the proposal expressed concern about the impacts a service reduction would have for economic growth and visitor activities, and/or that a proposed reduction might make it more expensive for residents to access the Auckland Zoo, Auckland Art Gallery and Auckland Maritime Museum (Manurewa and Maungakiekie-Tāmaki local boards).
25. Three local boards supported the proposal (Māngere-Ōtāhuhu, Puketāpapa and Whau local boards).
26. Five local boards either partially supported or supported with conditions (Devonport-Takapuna, Kaipātiki, Ōtara-Papatoetoe and Waiheke local boards).
 - Devonport-Takapuna Local Board supported operational cuts to balance the budget, however recognised Tātaki Auckland Unlimited's role in creating a city of international appeal. The board offered possible solutions, including the increase of user pays.
 - Hibiscus and Bays Local Board supported a smaller reduction of funding than is proposed.
 - Kaipātiki Local Board supported the proposal, however expressed concern with any proposed reduction in funding or services to Auckland Zoo, Auckland Art Gallery and Auckland Maritime Museum that would see an increase in cost for residents to use these educational facilities.
 - Ōtara-Papatoetoe Local Board supported the proposal but requested the retention of funding for programmes and major events in South Auckland.
 - Waiheke Local Board supported the proposal but did not want to see reductions to the Zoo, Auckland Art Gallery and stadiums, noting the important role they play in the landscape of Auckland.
27. Papakura Local Board did not specify whether it supported or did not support the proposal, however stated that Tātaki Auckland Unlimited has an important role to play in bringing the bigger festivals to Auckland.

Reducing regional services

28. All local boards provided feedback on the proposal and 14 did not support it (Albert-Eden, Aotea / Great Barrier, Henderson-Massey, Hibiscus and Bays, Māngere-Ōtāhuhu, Manurewa, Ōrākei, Ōtara-Papatoetoe, Papakura, Rodney, Waiheke, Waitākere Ranges, Waitematā, and Whau local boards).
- Several local boards noted that funding regional services provided benefit for community wellbeing and youth and environmental initiatives that have local benefits for areas with greatest need (Aotea / Great Barrier, Māngere-Ōtāhuhu, Manurewa, Ōrākei, Ōtara-Papatoetoe, Papakura, Rodney, Waiheke and Waitematā local boards).
29. Five local boards partially supported the proposal (Devonport-Takapuna, Howick, Kaipātiki, Maungakiekie-Tāmaki, Puketāpapa and Upper-Harbour local boards).
- Five of these boards expressed support for continued funding for Citizens Advice Bureau (Devonport-Takapuna, Howick, Kaipātiki, Maungakiekie-Tāmaki, and Upper-Harbour local boards).
 - Three of these boards suggested seeking central government funding to enable the continuation of some activities delivered under this budget (Devonport-Takapuna, Howick, Kaipātiki local boards).
 - Franklin Local Board supported the proposal with a comment that social services activities should be delivered at the local level or via central government agencies on the basis that these services rarely provide regional services available to all.

Reducing local board funded activities

30. All local boards provided feedback on the proposal and 20 did not support it (Albert-Eden, Aotea / Great Barrier, Devonport-Takapuna, Franklin, Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Rodney, Upper-Harbour, Waiheke, Waitākere Ranges, Waitematā, and Whau local boards).
31. Several local boards not in support said that the funding reduction would impact the boards' Locally Driven Initiatives budgets which would greatly impact locally led services and projects (Aotea / Great Barrier, Devonport-Takapuna, Howick, Ōrākei, Ōtara-Papatoetoe, Papakura, Rodney, Upper-Harbour, Waitākere Ranges and Waitematā local boards).
32. Puketāpapa Local Board supported the proposal to reduce some local board funded activities across all boards to contribute savings in this financial year.

Reducing contestable grants

33. All local boards provided feedback on the proposal and 16 local boards did not support the proposal (Albert-Eden, Aotea / Great Barrier, Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Ōtara-Papatoetoe, Papakura, Rodney, Upper-Harbour, Waiheke, Waitākere Ranges, Waitematā and Whau local boards).
34. Common themes from across the local boards for this proposal included the long-term impacts for the livability and health of Auckland and the importance regional grants have in supporting arts and cultural institutions, environmental programmes and heritage work.
35. Four local boards supported the proposal (Franklin, Maungakiekie-Tāmaki, Ōrākei, Puketāpapa local boards).
- Franklin Local Board noted that regional contestable grants are not equitably distributed across the region and that any cuts to these grants would have a substantial impact on Franklin communities.
 - Ōrākei Local Board noted that savings must be found somewhere.
36. Devonport-Takapuna Local Board partially supported the proposal recommending the retention of some grant provision to meet community well-being standards.

No longer directly providing early childhood education.

37. Nineteen local boards provided feedback on the proposal and 12 supported it (Devonport-Takapuna, Franklin, Henderson-Massey, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Upper-Harbour and Whau local boards).
38. Five local boards did not support the proposal (Albert-Eden, Aotea / Great Barrier, Hibiscus and Bays, Howick, Kaipātiki local boards).
 - Howick Local Board said that the Long-term Plan would be a more appropriate opportunity to review the strategic fit of childcare provision.
 - Kaipātiki Local Board noted that two of the Kauri Kids in the Kaipātiki area are on reserve land and therefore the decision on whether they become commercial operations lies with the Kaipātiki Local Board.
39. Waiheke Local Board did not comment noting that reductions impact services in six local board areas but do not impact the Waiheke Local Board area.
40. Waitematā Local Board did not support the proposal unless there were alternative affordable options available for families to access.

Amending Auckland International Airport Limited (AIAL) Shareholding Policy

41. The consultation document outlined a proposal to make a change to the AIAL Shareholding Policy to allow the sale of some or all of Auckland Council's shares in AIAL. The proposal is to sell all the shareholding (currently around 18 per cent of shares in Auckland Airport).

Local Board Feedback

42. All local boards provided feedback on the proposal and 12 did not support it (Albert-Eden, Aotea / Great Barrier, Henderson-Massey, Howick, Māngere-Ōtāhuhu, Manurewa, Ōtara-Papatoetoe, Puketāpapa, Upper-Harbour, Waiheke, Waitākere Ranges and Waitematā local boards).
43. Several of the local boards not in support of the proposal shared views that maintaining income-generating assets is important.
44. Four local boards supported the proposal (Devonport-Takapuna, Franklin, Ōrākei and Rodney local boards).
45. Three local boards supported a partial sale of the Airport shares (Kaipātiki, Maungakiekie-Tāmaki and Whau local boards).
46. Two local boards had mixed views:
 - Hibiscus and Bays Local Board noted that submissions from the Hibiscus and Bays Local Board area provided no clear mandate to support the sale of Airport shares
 - Papakura Local Board could not come to a consensus, however all members agreed that not all Airport shares should be sold.

Managing rates and debt

47. The consultation document outlined a proposal to increase the total rates of the average value residential property by 4.66 per cent or \$154 per year. This would be achieved through:
 - an average increase in general rates of 7 per cent across all existing properties, including non-residential
 - reducing the Natural Environment Targeted Rate (NETR) and Water Quality Targeted Rate (WQTR) by around two thirds and using the money already collected from these rates to continue delivering these work programmes as planned in 2023/2024

- pausing the long-term differential strategy (the split between business and residential rates) for one year. Under the current policy, annual increases to general rates for business properties are less than for non-business properties so that over time the share of general rates paid by business properties is fairer (addressed in the Revenue and Financing Policy section below).

48. Aucklanders were also asked about the proposal to increase the council's use of debt by up to \$75 million in the 2023/2024 year. The proposal involves using the debt to fund some capital expenditure that is currently planned to be funded by operating revenue.

Local Board Feedback

Increasing rates by a total of 4.66 per cent

49. All local boards provided feedback on the proposal to increase rates by a total of 4.66 per cent and 13 supported increasing rates by more than the proposed amount (Aotea / Great Barrier, Franklin, Henderson-Massey, Māngere-Ōtāhuhu, Manurewa, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney, Waitākere Ranges and Waitematā local boards).
50. A further eight local boards supported the proposal to increase rates by a total of 4.66 per cent (Albert-Eden, Hibiscus and Bays, Howick, Kaipātiki, Maungakiekie-Tāmaki, Upper-Harbour, Waiheke and Whau local boards).
- Whau Local Board supported the proposal but requested that a greater rates increase be used as a lever to offset funding to areas where reductions are opposed by the Whau Local Board.
51. Devonport-Takapuna Local Board partially supported the proposal noting that rates should increase in line with inflation.

Increasing the use of debt by up to \$75 million

52. All local boards provided feedback on the proposal and 12 supported it (Albert-Eden, Devonport-Takapuna, Franklin, Hibiscus and Bays, Howick, Kaipātiki, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa and Waiheke local boards).
53. In addition, Aotea / Great Barrier Local Board stated they support increases in debt as appropriate for capital expenses.
54. Five local boards supported increasing the use of debt beyond the proposed \$75 million (Henderson-Massey, Māngere-Ōtāhuhu, Manurewa, Waitākere Ranges and Waitematā local boards).
55. In addition, Ōtara-Papatoetoe and Whau local boards, supported both the proposal as well as support for increasing debt beyond \$75 million.
56. Rodney Local Board did not support increasing debt by \$75 million.
57. Upper-Harbour Local Board had mixed views on the proposal to increase debt by \$75m or more in order to pay for community services.

Reducing the Natural Environment Targeted Rate (NETR) and Water Quality Targeted Rate (WQTR)

58. Twenty local boards provided feedback on the proposal and nine local boards supported the proposal (Franklin, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, Puketāpapa and Upper-Harbour local boards).
59. A further two local boards supported the proposal for one financial year only (Kaipātiki and Ōrākei local boards):
60. Waitematā Local Board supported a pause of half of the rates and for one year only.
61. Eight local boards did not support the proposal (Aotea / Great Barrier, Devonport-Takapuna, Henderson-Massey, Hibiscus and Bays, Rodney, Waiheke, Waitākere Ranges and Whau local boards).

Storm response

62. The consultation document outlined the proposal to increase the council's operating budgets by around \$20 million annually to improve the ability to prepare for and respond to future storm events. The Consultation Document outlined that this would likely require rates to increase for 2023/2024 by around an additional 1 per cent.

Local Board Feedback

63. All local boards provided feedback on the proposal and all local boards supported the proposal.
64. Several local boards requested details on what the funds would be used to deliver (Henderson-Massey local boards).
65. Albert-Eden Local Board requested that local boards are consulted on how the funding is implemented.

Changes to other rates, fees and charges

Waste management rates changes

66. The following proposals to standardise waste management services and charges across Auckland were included in the consultation document:
- A 10.6 per cent increase to the base rate
 - changes to targeted rate charges for non-standard refuse bins (in the former Auckland (ACC) and Manukau (MCC) city council areas)
 - introduction of a fee for swapping bin sizes
 - extension of the food scraps targeted rate to the new areas that will receive the service this year.

Local Board Feedback

Introduction of a fee for swapping bin sizes

67. Of the 16 local boards that gave feedback, 12 supported the proposal (Albert-Eden, Devonport-Takapuna, Hibiscus and Bays, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Rodney and Waitemātā local boards).
68. Four local boards supported the proposal only for when someone is increasing a bin size, not for when someone is reducing a bin size (Franklin, Kaipātiki, Puketāpapa and Upper-Harbour local boards).

Extension of the food scraps targeted rate to the new areas

69. Of the 14 local boards that gave feedback, all supported the proposal (Albert-Eden, Devonport-Takapuna, Franklin, Hibiscus and Bays, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitemātā local boards).

Changes to other rates, fees and charges

70. In addition to waste management rates changes, the following proposals relating to rates, fees and charges across Auckland were included in the consultation document:
- re-prioritisation of additional bus service expenditure which was planned to be funded by the Climate Action Targeted Rate (CATR) for the 2023/2024 year
 - Swimming Pool/Spa Pool Fencing Compliance Targeted Rate: increases to reflect the actual costs of the service, and an increase in the fee for follow-up inspections
 - amendment to Community Occupancy Guidelines
 - changes to the Rodney Drainage District Targeted Rate

- establishment of a Business Improvement District (BID) and BID targeted rate for Silverdale
- animal management fees
- some building and resource consenting fees
- other regulatory fees such as food licensing registration, micro-mobility operator fees and swimming pool inspections
- cemetery fees
- review of fees for bookable spaces in council managed pool and leisure facilities.

Local Board Feedback

Re-prioritisation of additional bus service expenditure

71. Of the 16 local boards that gave feedback, 11 supported the proposal (Albert-Eden, Franklin, Hibiscus and Bays, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Ōtara-Papatoetoe, Papakura, Puketāpapa and Upper-Harbour local boards).
72. Devonport-Takapuna Local Board partially supported the proposal.
73. Three local boards did not support the proposal (Ōrākei, Rodney and Waitematā local boards).
 - Ōrākei Local Board wanted to see a reallocation of electric buses on higher-use routes.
 - Rodney Local Board did not support the proposal and did not give a reason.
 - Waitematā Local Board identified that there was a rationale behind original allocations to bus services leading to the greatest carbon reductions, whilst also having positive service impacts for currently less frequent routes.
74. Maungakiekie-Tāmaki Local Board did not specify whether it supported the proposal, however requested additional advocacy to KiwiRail to fund all bus service improvements to support the closure of train lines due to track maintenance.

Swimming Pool/Spa Pool Fencing Compliance Targeted Rate

75. Of the 13 local boards that gave feedback, all supported the proposal (Devonport-Takapuna, Franklin, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitematā local boards).

Amendment to Community Occupancy Guidelines

76. Of the 16 local boards that gave feedback, 10 supported the proposal (Albert-Eden, Franklin, Howick, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, Puketāpapa, Upper-Harbour and Waitematā local boards).
77. Six local boards did not support the proposal (Devonport-Takapuna, Hibiscus and Bays, Kaipātiki, Manurewa, Ōrākei and Rodney local boards).
 - Devonport-Takapuna Local Board expressed concern about the impacts to local organisations.
 - Kaipātiki Local Board stated local boards already have the ability to change leases, maintenance fees and administration fees when approving leases and lease renewals.
 - Manurewa Local Board said it will not increase maintenance and administration costs for community groups and sports clubs who hold community leases in Manurewa.
 - Ōrākei Local Board wanted a more graduated process for increasing fees to better support the community groups that will be impacted.
 - Rodney Local Board stated this could negatively impact on community groups' ability to deliver activities.

Review of fees for bookable spaces in council-managed pool and leisure facilities

78. Of the 12 local boards that gave feedback, 10 supported the proposal (Devonport-Takapuna, Howick, Kaipātiki, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitematā local boards).
79. Two local boards did not support the proposal (Franklin and Manurewa local boards).

Other matters for feedback

Tūpuna Maunga Authority Annual Operational Plan

80. The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 requires that the Tūpuna Maunga Authority prepares an Annual Operational Plan to provide a framework in which the council will carry out the routine management of the 14 Tūpuna Maunga, and the plan must be agreed by the Tūpuna Maunga Authority and the council. A Summary of the draft plan was included in the council's consultation material for the Annual Budget.
81. Eight local boards gave feedback on the plan and six expressed support (Albert-Eden, Howick, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, and Puketāpapa local boards).
82. Ōrākei Local Board did not support the plan due to concern around the felling of mature trees.
83. Franklin Local Board stated it does not have whenua within the Franklin Local Board rohe that is included in the Tūpuna Maunga Authority mandate and therefore did not consider it appropriate to comment.

Revenue and Financing Policy

84. The consultation document included a proposal to pause the Long-term Differential Strategy for one year. This would require an amendment to the Revenue and Financing Policy.
85. Sixteen local boards gave feedback on the proposed amendment to the policy and 12 expressed support (Albert-Eden, Devonport-Takapuna, Franklin, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, Puketāpapa and Rodney local boards).
86. Three local boards did not support the proposed amendment to the policy (Aotea / Great Barrier, Ōrākei, Upper-Harbour local boards).
87. Waitematā Local Board supported a decrease of 50 per cent of the projected differential reduction and a pause of 50 per cent of the yearly decrease for the 2023/2024 year.

Māori Land rates Remission and Postponement Policy

88. The consultation document referred to the council's proposal to amend the Māori Land Rates Remission and Postponement Policy to provide a partial remission of rates to general title papakāinga, where that land is:
 - protected from being sold out of Māori ownership
 - for the sole use of hapū/iwi (tribe).
89. Twelve local boards gave feedback on the policy and 10 expressed support (Albert-Eden, Aotea / Great Barrier, Franklin, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, and Waitematā local boards).
90. Ōrākei Local Board did not support the policy.
91. Kaipātiki Local Board noted that the policy did not apply to its local board area and that public feedback was split.

Local matters for consideration

92. In the Annual Budget process there are matters where local boards provide recommendations to the Governing Body for consideration or decision-making. This includes:
- any new/amended business improvement district targeted rates
 - any new/amended local targeted rate proposals
 - any local board advocacy initiatives.

Business improvement district and local targeted rate proposals

93. Local boards are required to endorse any new or amended local targeted rate proposals or business improvement district (BID) targeted rate proposals in their local board area. These proposals must have been consulted on before they can be implemented.
94. The inclusion of the proposal for a BID targeted rate in Silverdale in the Annual Budget 2023/2024 was supported by Hibiscus and Bays Local Board.
95. Waitemata Local Board noted that requests by the Central City Residents Group to materially increase the targeted rate on residents should be actively investigated, provided the level is related to property values rather than being a flat rate.

Local board advocacy

96. Local boards are asked to approve any advocacy initiatives for consideration by the Governing Body and inclusion (as an appendix) to the 2023/2024 Local Board Agreement.
97. The boards approved between two and 12 advocacy items each. There were also other specific requests or recommendations from local boards included in other sections of their resolved feedback on the Annual Budget.
98. The full set of advocacy initiatives and other requests identified by local boards are compiled in Attachment B and are also included in the full local board resolutions in Attachment A.
99. This year, six items were advocated for by numerous boards. These items and local board support for each of them are as follows:
- **Equity lens for funding local boards** – six local boards advocated for funding to be applied equitably across local boards (Franklin, Māngere-Ōtāhuhu, Manurewa, Ōtara-Papatoetoe, Papakura, Upper Harbour local boards)
 - **Bylaw and consent compliance and enforcement** – seven local boards advocated for adequate funding to the Licensing and Regulatory Compliance unit to ensure complaints and requests are responded to appropriately (Albert-Eden, Aotea-Great Barrier, Hibiscus and Bays, Howick, Kaipātiki, Upper Harbour, Waitākere Ranges local boards)
 - **Responsibility for the Manukau Harbour** - three local boards advocated for the Governing Body to take responsibility for the Manukau Harbour (Franklin, Maungakiekie-Tāmaki, Papakura local boards). In addition, Puketāpapa Local Board expressed support for the “Achieving Better Environmental Outcomes for the Manukau Harbour and its catchments” initiative led by the Chief Planning Office.
 - **Funding for stormwater infrastructure or flood mitigation** – 10 local boards advocated for stormwater infrastructure upgrades and improvements to mitigate the effects of climate change (Devonport-Takapuna, Hibiscus and Bays, Howick, Kaipātiki, Māngere-Ōtāhuhu, Puketāpapa, Rodney, Upper-Harbour, Waiheke and Waitākere Ranges local boards)
 - **Funding for new or improved walking and cycling connections** – nine local boards advocated for investment in upgrading or building pathways and cycleways to support active modes of transport (Albert-Eden, Devonport-Takapuna, Franklin, Henderson-Massey, Hibiscus and Bays, Kaipātiki, Upper-Harbour, Waiheke and Whau local boards)

- **Local Board Transport Capital Fund** - six local boards advocated for the retention of, or increase to, the Local Board Transport Capital Fund (Franklin, Hibiscus and Bays, Howick, Manurewa, Papakura and Upper-Harbour local boards).

100. The majority of local board advocacy related to community investment in sports and aquatics facilities, parks, paths, public spaces, town centers and community assets and programming, more efficient public transport, increased decision-making for local boards and increased localism with resourcing and delivering projects.

101. Other common themes across local board advocacy included:

- request for funding to renew, maintain or build community assets and open spaces including aquatic facilities
- the need for reliable, frequent and efficient public transport infrastructure that serves growing communities, and for Auckland Transport to regularly report to local boards
- addressing environmental concerns, in particular water quality and restoration of the coast and for funding to emergency response services and for protection from storm and other weather-related events
- support for the retention of funding for The Southern Initiative
- support for place-making and programmes that support the attractiveness of Auckland and its local board areas.

Tauākī whakaaweawe āhuarangi **Climate impact statement**

102. This report summarises local board feedback on the Annual Budget and as such has no specific impacts on the climate.

103. Projects allocated funding through this Annual Budget process will all have varying levels of potential climate impact associated with them. The climate impacts of projects Auckland Council chooses to progress are all assessed carefully as part of the council's rigorous reporting requirements.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera **Council group impacts and views**

104. CCOs and all council departments will be affected by decisions made for the Annual Budget and have been involved in its development.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe **Local impacts and local board views**

105. Local board views and feedback on the regional topics in the Annual Budget are provided in this report.

106. Local boards have been involved throughout the development of the Annual Budget. This has included:

- local board chairs attendance at Governing Body Annual Budget workshops
- briefings for all local board members on the Annual Budget
- local boards provided formal input into the consultation material for the Annual Budget in December 2022
- local boards presented their views and input to the Governing Body on 17 May 2023.

Tauākī whakaaweawe Māori Māori impact statement

107. The Annual Budget is an important tool that enables and demonstrates the council's responsiveness to Māori.
108. Of those who submitted to the Annual Budget consultation, 8 per cent identified as Māori. There were submissions from 13 Mana Whenua entities, many of which provided specific feedback on local priorities and advocacy. There was also informal feedback received during the briefing workshops, and one-on-one sessions from six Mana Whenua and eight Mātāwaka entities.
109. Local boards considered submissions related to their local board rohe when finalising their feedback and advocacy positions for the Annual Budget.

Ngā ritenga ā-pūtea Financial implications

110. The Annual Budget is a statutory process which must be completed every year. The council budget provides for the resourcing to deliver this project.



Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

111. The Governing Body must consider the views and preferences expressed by local boards when making decisions that affect those local board areas, as this is a legislative requirement and part of Auckland Council's shared governance model.

Ngā koringa ā-muri Next steps

112. Local boards will approve their local board agreements between 20 and 22 June, and Governing Body will adopt the Annual Budget 2023/2024 (including the local board agreements) on 29 June 2023.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Local board feedback and advocacy	
B 	Local board advocacy initiatives and requests 2023/2024	

Ngā kaihaina Signatories

Authors	Phoebe Peguero - Senior Advisor Operations and Policy
Authorisers	Louise Mason - General Manager Local Board Services Phil Wilson - Director, Governance & CCO Partnerships Jim Stabback - Tumu Whakarae / Chief Executive

Annual Budget 2023/2024 - Mayor's Final Budget Proposal

File No.: CP2023/07120

Te take mō te pūrongo

Purpose of the report

1. To set out the Mayor's recommendations for the Annual Budget 2023/2024 for adoption at this extraordinary Governing Body meeting of 8 June 2023.

Whakarāpopototanga matua

Executive summary

2. Auckland Council has a huge budget hole and faces other major financial challenges.
3. This proposal sets out a credible and sustainable path to fill the ongoing budget hole, and start the work to secure the council's long-term position so it can provide the infrastructure and services expected by Aucklanders. It includes the following features:
 - An increase in average residential rates increase at inflation.
 - More than \$70 million of permanent savings.
 - Protecting services that Aucklanders value the most.
 - Selling the council's stake in Auckland International Airport Limited to pay down \$2.2 billion debt and save the council \$100 million each year in interest costs.
 - Additional investment in current priorities, including public transport and crime prevention.
4. This is the start of my plan to fix council's long term budget situation and stop wasting money. It sets us up to look at all options as part of the Long-term Plan 2024-2034.
5. My final Budget Proposal is attached as Attachment A.

Budget Challenge

6. The original budget proposal we consulted on received a record amount of feedback for any budget in Auckland Council's history.
7. Over 40,000 submissions and nearly 4000 survey participants highlighted what was important to Aucklanders and the importance of choices we have to make.
8. Filling a budget hole which has now become \$325 million, in addition to \$40 million of storm-related costs requires a balance of unpopular levers. This has grown from the \$295 million enduring budget hole it was when we consulted Aucklanders on our preferred mix of budget levers in March this year.
9. Many of us do not want to cut services. Higher rates bills in this cost of living crisis will hurt households when they can least afford it. Borrowing to fill the hole just kicks the budget hole down the road for next year and the year after that.
10. At some stage councillors need to make the tough decisions and fix things if we are ever to move beyond annual budget holes at Auckland Council. This is what we are elected and paid to do.
11. The devastating floods and storms in the Auckland region have tragically cost lives and left thousands of families facing material hardship.

Final Budget Proposal

12. My final budget proposal sets the groundwork for overhauling Auckland Council finances to make Auckland a resilient city, that delivers the services Aucklanders need.
13. In this final proposal, we are using the same main levers: cutting unnecessary and inefficient spending; demanding better performance from council controlled organisations; reducing our debt servicing costs by selling non-essential assets that aren't covering our interest costs; increasing rates at inflation and borrowing some short-term debt.
14. But, in this proposal, we need to use those levers in different ways, after listening to what Aucklanders and elected members, both local boards and councillors have had to say. But it still has to balance. So here is what I am proposing for the 4 levers.

Softening the cuts

15. This budget proposal still cuts excess spending and gets our debt under control so that we have the ability to fix Auckland's infrastructure. But I understand the importance of our arts, culture and social sectors that make Auckland such a great city. So I am proposing to restore all planned funding for regional arts and culture grants, funding for CABx, homelessness initiatives, sports and recreation and funding for The Southern Initiative.
16. After listening to community feedback I am also proposing to restore all the \$16 million proposed savings back to local board funding, meaning local boards can continue to support their communities.
17. Aucklanders clearly care about public transport. It is recovering, but I know Aucklanders expect Auckland Transport to do better. I propose putting \$10 million back into AT, which together with the \$10 million it has saved will allow them to increase wages for bus drivers to \$30 an hour and restore suspended bus services as drivers become available.
18. This should see an end to the large-scale cancellations of bus services which have frustrated commuters over the past year. These initiatives will be part of the broader 'Public Transport Turnaround Plan' I have instructed Auckland Transport to work on, which will take advantage of government co-funding, including funding made available in Budget 2023.
19. Cuts to Tātaki Auckland Unlimited's funding will soften by \$10 million so they can provide some economic development and destination marketing activity. I expect to see value for money for this spend, as these benefits haven't always been clear for everyone to understand.

Rates increase for the average residential ratepayer at the rate of inflation

20. I am sure that the cost of living will stay higher for Auckland families for longer after the Reserve Bank raised interest rates again and they expect inflation to stay higher for longer. I have heard the feedback that ratepayers are prepared to pay some more in rates to protect the services they want, so I am proposing a general rates increase of 9.8% mitigated through changes to the Water Quality Targeted Rate, Natural Environment Targeted Rate and long-term differential strategy, so the average residential rates increase will be 6.7%.
21. This will include 1% increase in rates for the Storm response Fund that now has a list of actions that will make a difference to how Auckland copes with future storm events. The support for this was strong.

Selling Airport Shares

22. My final Budget Proposal still recommends we sell Auckland Council's 18.09% minority stake in Auckland International Airport Limited (AIAL) to pay down debt.
23. Selling the shares will save \$100 million every year after that \$2.2 billion of debt is paid down.

24. I was elected on a mandate to **stop wasting money**, and spending \$100 million a year on interest so we can hold shares that earn a lot less back is a waste of money.
25. I know some councillors are concerned council will just borrow that money to spend again. So as part of my proposal, I am signalling new Auckland Council group financial responsibility and transparency rules, including permanently lowering debt to revenue policy limits following the sale of AIAL shares.
26. Sale of airport shares will require an amendment to our 10 Year Budget 2021-2031. An amendment providing for the full sale has been prepared and audited, and is attached to this report at Attachment B.
27. I also want to confirm my intention to commit funding of up to \$200 million in the 10 Year Budget 2021-2031 to fixing and finishing community infrastructure projects and partially funding the equity balance for local boards, fixing some of the funding unfairness that has plagued some local boards since they were established in 2010
28. I want to commit funding in 2023/2024 for Manurewa's War Memorial Park upgrade and Avondale's Te Hono project, so that these can progress. These were both passionately put forward by their respective Local Boards as projects that should move forward if the council sold the airport shares, and I agree they are a good start.

Short term borrowing

29. By paying down such a substantial portion of council's debt following the sale of council's shareholding in AIAL, there is capacity to do some additional short term borrowing of \$80 million together with an additional \$20 million for storm related costs in the 2023/2024 budget year.
30. If we take these actions now, it will put us on a more sustainable financial footing to meet the needs of Aucklanders for the future. What Auckland needs now is strong leadership and solid and sensible financial decisions.

Long term financial sustainability

31. This budget proposal aims to solve our financial issues for the short term and start us on the path to become a simpler, more efficient and effective organisation. However, there are some solutions that will need more planning and will take more time to implement and I will be getting advice to introduce further changes for longer term savings through the upcoming Long-term Plan process.
32. The LTP is our opportunity to build on the good work this budget will begin to reset our financial future. Only there can we look for the long-term reduction in costs, real and meaningful revenue opportunities and have a good look at the capital expenditure with a critical eye to make sure it captures what Aucklanders want and is genuinely affordable.
33. In summary, my final budget proposal is the right set of choices to achieve a balanced budget for 2023/2024 and to:
 - Avoid adding to the pain: Average residential rates increase at inflation.
 - Stop the waste: More than \$70 million of permanent savings.
 - Protects valued services: Avoiding cuts to services that Aucklanders value the most, including Local Board services, and cultural and social services.
 - Pay down debt to save money: Selling the council's stake in Auckland International Airport Limited to pay down \$2.2 billion debt and save the council \$100 million each year in interest costs.

- Secure Auckland’s future and invests in priorities:
 - a) Up to \$200 million community reinvestment to fix and finish community infrastructure.
 - b) Accelerated fairer funding for Local Boards.
 - c) New specific funding for public transport, crime prevention and health of our Three Harbours.
 - d) New financial responsibility and transparency rules to be consulted on as part of the Long-Term Plan.

Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) agree to amend its current long-term plan (the 10-year Budget 2021-2031) to provide for a full sell-down of the council’s shareholding in Auckland Airport Limited and adopt the long-term plan amendment set out in Attachment B.
- b) agree to a mix of budget levers for the Annual Budget 2023/2024 to achieve a balanced budget and address the estimated \$325 million operating budget gap for 2023/2024 and \$40 million of storm-related additional operating costs, which includes:

Sale of Auckland International Airport Limited Shares and Community Investment

- i) a full sell-down of the council’s 18.09% shareholding in Auckland International Airport Limited to pay down debt as provided for in the amended long-term plan, and save an estimated net \$60 million in 2023/24 and \$279 million over the remaining term of the 2021-2031 long-term plan;
- ii) an intention to commit funding of up to \$200 million in the long-term plan 2024-2034 for fixing and finishing community infrastructure and accelerating the achievement of local board funding equity;
- iii) funding in 2023/2024 to start Manurewa’s War Memorial Park upgrade and Avondale’s Te Hono project;

Operating spending reductions

- iv) additional operating savings of \$24 million for Auckland Council including:
 - A) \$7.8 million of reductions for regional services
 - B) \$1 million of estimated savings from withdrawing from the direct provision of early childhood education services
 - C) \$3 million from changes to fees and charges
 - D) \$12 million of reductions under existing delegations to the Chief Executive
- v) \$15 million of additional operating savings for Auckland Transport, plus \$7.5 million identified as part of the work programme of the Expenditure Control and Procurement Committee
- vi) \$17.5 million of additional operating savings for Tataki Auckland Unlimited, representing total operating savings of \$34.5 million for Tataki Auckland Unlimited once existing savings targets against the long-term plan are taken into account
- vii) \$5 million of additional operating savings for Eke Panuku
- viii) \$5 million of additional savings for the council group to be identified from further review of revenue, capital and operating budgets as part of the work programme of the Expenditure Control and Procurement Committee

Rates

- ix) an average general rates increase of 9.8% for 2023/2024, with the following rating policy adjustments that will result in an overall 6.7% rates increase for the average value residential property:
 - A) pausing the Long-term Differential Strategy for one year and extending the time by which the target share of 25.8 per cent of rates to be raised from business properties is achieved to 2038/2039
 - B) temporarily reducing the Natural Environment Targeted Rate by 48.8% and Water Quality Targeted rate by 77.7% for one year and utilising the money we have already collected from these targeted rates to continue to deliver these work programmes as planned in 2023/2024

Debt

- x) \$80 million of additional debt funding of the capital programme which will free up rates funding for operating purposes, and \$20 million of additional borrowing to fund one-off storm-related operating costs


Ports of Auckland

- xi) \$10 million improvement in Ports of Auckland's net operating performance and dividend projections
- c) agree to the following other budget adjustments for 2023/2024:
 - xii) \$20 million of additional operating expenditure per year for a storm response fund to improve our ability to prepare for and respond to future storm events, including additional stormwater maintenance and increasing local capabilities
 - xiii) \$14 million of additional operating expenditure for the recovery office and its work programme for 2023/2024
 - xiv) \$6 million of additional operating for urgent one-off storm response maintenance
 - xv) \$20 million of operating expenditure for the Public Transport Turnaround Plan to get bus services back on track and get Auckland moving
 - xvi) \$1 million more operating expenditure for crime prevention to make our streets and town centres safer for our communities
 - xvii) \$450,000 more operating expenditure for Surf Lifesaving Northern Region in 2023/2024 to increase patrol hours and introduce new services on unpatrolled beaches to keep our people safe
 - xviii) \$765,000 of operating funding for Coastguard New Zealand to support the provision of services in the Auckland region for 2023/2024, to be funded from an existing budget allowance
 - xix) reprioritisation of existing 2023/2024 capex budgets to accommodate \$205 million to renew or replace critical park, community, healthy waters and transport assets that were damaged by the storm events.
 - xx) \$313 million of additional capex for Watercare for 2023/2024 to deliver programmes in line with their Asset Management Plan 2021 – 2041, incorporate externally funded shovel-ready projects and to deliver additional storm related capex, noting that this will not add to the operating budget hole as Watercare funds its activities separately through water and wastewater charges, although it will increase overall group debt.
- d) agree that the final group budgets for 2023/2024 will be based on the projections set out in the staff reports, adjusted for the budget decisions agreed as part of this item.

Item 9

- e) agree to change the council's Revenue and Financing Policy to enable the Long-term Differential Strategy to be paused for one year and extend the time at which the target share of 25.8 per cent of rates to be raised from business properties is achieved to 2038/2039.
- f) agree to consider the following approach to preparing the next 10 Year Budget 2021-2031 for consultation and addressing the council's persistent budget challenges:
 - i) reduce the council's long-term debt-to-revenue policy limit to reflect the reduction of debt from the sale of Auckland International Airport Limited shares, as part of the financial strategy included in long-term plan 2024-2034;
 - ii) commit funding of up to \$200 million in the long-term plan 2024-2034 for fixing and finishing community infrastructure, and allocate necessary operational expenditure to accelerate the achievement of local board funding equity;
 - iii) develop Group Financial Responsibility and Transparency Rules as part of the financial strategy included in long-term plan 2024-2034, which will set standards in relation to budget responsibility, political oversight and capital expenditure;
 - iv) in relation to the Citizens Advice Bureaux of Auckland, funding is provided subject to:
 - A) implementation of a Cash Reserves Management Plan to achieve compliance with the six-month reserves policy by the end of 2023 (six months);
 - B) ongoing quarterly performance reporting, including number of Aucklanders served by CABx and types of services utilised;
 - C) proactively work with council to seek sustainable central government funding with the aim of 50% being derived from central government sources by FY 2024/2025;
 - D) proactively work with council to determine future service delivery model that aligns with council's Long-term Plan 2024-2034 direction.
 - v) the approach to 10 Year Budget 2021-2031 will involve enhanced political participation and oversight to develop council's priorities, enabling full consideration of options for revenue, expenditure, and assets, and providing for independent and contestable facilitation and advice:
 - vi) political governance and oversight groups will be used to consider key matters for development of the 10 Year Budget 2021-2031, including:
 - A) sustainable funding for cultural and social services and amenities, where there is a need to develop clearer direction on the council's priorities and modernise funding models in partnership with government;
 - B) funding for infrastructure and growth, including the approach to development contributions and targeted rates.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Final Budget Proposal	
B	Amendment to 10-year Budget 2021-2031	
C	Staff advice to support Mayoral Proposal	

Ngā kaihaina Signatories

Author	Mayor Wayne Brown, Mayor of Auckland
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Annual Budget 2023/2024 - Other rates and fees matters

File No.: CP2023/05571

Te take mō te pūrongo Purpose of the report

1. To recommend changes to rating policy and fees for adoption as part of the council's Annual Budget 2023/2024, changes to the Māori Land Rates Remission and Postponement Policy, and changes to the Community Occupancy Guidelines.

Whakarāpopototanga matua Executive summary

2. The recommendations in this report bring together all the rating issues and fees material proposed for adoption as part of the annual budget, or consulted on alongside the Annual Budget 2023/2024, which are not covered by reports elsewhere. Proposed changes to rating policy and fees and charges were consulted on in February and March 2023 as part of the Annual Budget 2023/2024 Consultation Document (the consultation document).
3. Final feedback received on consultation proposals was presented at the Governing Body workshop on [26 April 2023](#). Officers have considered the feedback alongside an assessment of the identified options in developing their advice in this report.

Waste management targeted rates for next year

4. The cost of waste management base services which include recycling and regional initiatives is expected to increase considerably, due to significant increases in labour costs and road transport related costs. The rate for the standard refuse service on the other hand has only a minor adjustment despite the significant increase in costs, due to the expected reduction in household refuse volume following the roll-out of the food scraps service.
5. As part of this annual budget we consulted on a 4.8 per cent increase in standard waste management rates which included a 10.6 per cent increase (around \$15) in the base service charges and a minor increase (25 cents) in the standard refuse charge. The consultation also included an increase to the targeted rate for the 240 litre refuse bin service and the introduction of an 80 litre refuse bin option to the former Auckland City Council (ACC) and Manukau City Council (MCC) areas with a lower targeted rate charge.
6. The feedback form in the Consultation Document included one tick-box question that covered all of the above proposals. Of the 29,664 pieces of feedback that addressed this question, 54 per cent supported the proposal with 28 per cent opposed. The most prominent theme in the comments section relating to this question was that users of the service should pay for its cost.
7. The proposed levels of waste management targeted rate charges are set on a cost recovery basis, to ensure that costs are borne by those who benefit. The introduction of a smaller refuse bin option to the former ACC and MCC with a lower targeted rate charge will help encourage waste reduction.
8. Officers recommend that the changes consulted on be adopted, with minor adjustments to capture cost movements since the consultation.

Fee for swapping bin sizes

9. We also consulted on a \$40 fee for swapping to a different size bin, to recover the cost of around \$310,000 a year to administer bin swaps. Of the 29,473 submissions that responded to this proposal, 68 per cent supported it with 21 per cent opposed. The most prominent theme in the comments section was that swapping to a smaller bin should be free of charge to encourage waste reduction.

10. Currently, the cost of the bin swapping service is funded from the waste management base service targeted rate which is paid by every bin user. Introducing a fee will ensure more efficient use of council resources by incentivising people to think more carefully about their ability to cope with a smaller bin before switching. It will also ensure that costs are paid for by those who use the service. The incentive to reduce waste is provided through a lower annual targeted rate associated with the smaller bin. Officers recommend the bin swap fee be adopted as proposed. When the rates funded refuse service is rolled out to new areas customers will be offered a choice of bin size.

Roll out of food scraps service and further standardisation of waste services and targeted rates

11. We also included the following changes in the consultation materials. These reflect decisions made by the council in previous annual budgets or are being implemented as part of the standardisation of waste services across the region.
- rolling out the food scraps service and the associated targeted rate to the urban and semi-urban parts of the former Auckland City, Manukau City, Franklin District and Rodney District. The targeted rate will be charged on a pro rata basis, reflecting the approximate number of months the service is available to the property
 - extending council's waste management services to the commercial areas in the former Manukau City, with Howick, Hunter's Corner and Papatoetoe starting to receive council services from 2023/2024
 - replacing the waste management base service targeted rate with two separate targeted rates - a standard recycling targeted rate and a minimum base service targeted rate.
12. Of the 29,276 pieces of feedback that indicated a view on the food scraps rollout, 61 per cent supported the plan with 21 per cent opposed. The most common theme in the comments section was that all areas of Auckland should have access to the food scraps service in order to address climate change and make an impact on waste to landfill. No feedback was received on the other two changes.
13. Officers recommend that the changes be adopted as proposed, with minor adjustments to the proposed food scraps targeted rate amounts to reflect a more up to date rollout schedule.

Other rating policy changes

14. We consulted on the following rating policy changes for the Annual Budget 2023/2024:
- amendments to the boundaries of the rating maps for the Te Arai and Okahukura drainage districts to better reflect the areas benefiting from the relevant drainage schemes funded by the Rodney Drainage Districts Targeted Rate.
 - an increase to the Swimming Pool/Spa Pool Fencing Compliance Targeted Rate from \$46.67 to \$63.33 to reflect the actual cost of this service. The fee for follow up inspections is also proposed to increase accordingly.
 - establishment of a Business Improvement District (BID) and BID targeted rate for Silverdale.
15. Four responses were received on the proposed changes to the Rodney Drainage District Targeted Rate, all of which opposed the proposal. Feedback included concern that the targeted rate boundary is not accurate and that no money has been spent on improving the drainage assets in the area. Following consideration of feedback and further examination of the drainage data, officers consider it appropriate to undertake further review of the targeted rate boundaries as part of the 10-year Budget 2024-2034 process. Officers recommend not proceeding with the changes proposed in the draft Annual Budget and will report back to the Governing Body on the outcome of the review in December 2023 with recommendations.

16. 29,936 pieces of feedback were received on the proposed increases to the Swimming Pool/Spa Pool Fencing Compliance Targeted Rate and the follow-up inspection fee. Of these, 65 per cent supported the proposal with 23 per cent opposed. The most common theme in the written comments was that the cost of pool inspection should be borne by those who use the service. Officers recommend that the changes be adopted as proposed.
17. Three submitters provided feedback on the proposed BID targeted rate for Silverdale. One supported the proposal and the other two commented that local businesses should decide and expressed support for local economic development. The ballot held in March 2023 on the proposal returned a successful result. Officers recommend that the Silverdale BID and the associated targeted rate be adopted as proposed.

Accommodation provider targeted rate

18. The Accommodation Provider Targeted Rate (APTR) previously funded 50 per cent of Tātaki Auckland Unlimited's expenditure on visitor attraction and major events. The rate was suspended, and associated expenditure reduced, in response to the impact of COVID-19 and then removed from the rating policy following a decision of the Court of Appeal in 2021 that held that the Council's decisions to set the APTR in 2017 and 2018 had been invalid. The Court of Appeal decision was appealed to the Supreme Court. On 12 May 2023 the Supreme Court overturned the Court of Appeal decision and found the council's decisions to set the APTR in the relevant years were reasonable and made in accordance with the law.
19. The 10-year Budget 2021-2031 provides for the APTR and associated expenditure to be reinstated in 2023/2024. However, given the time that has passed since the APTR was last set, further policy work and consultation would be needed before the APTR could be reinstated. There is not enough time now to undertake this work prior to adoption of the Annual Budget 2023/2024 on 29 June.
20. The next opportunity to consider reinstating the APTR will be as part of the 10-year Budget 2024-2034. Expenditure for visitor attraction and major events for 2023/2024 will be substantially reduced as the funding from the APTR is no longer available. Officers do not consider that additional general rates funding for expenditure on visitor attraction and major events is a priority given the significant budget pressures the council is facing.

Climate action targeted rate

21. We consulted on a reprioritisation of the \$10.5 million of additional bus service expenditure planned to be funded by the Climate Action Targeted Rate (CATR) for the 2023/2024 year. Of the 29,566 pieces of feedback received on this proposal 47 per cent were in support and 28 per cent opposed.
22. The reprioritisation will ensure that the best climate and service outcomes can be achieved based on the changes Auckland Transport is making to bus services in response to the driver shortage and expenditure reductions to help meet the council's financial challenges. Officers recommend that the Governing Body agree to the reprioritisation as proposed.

Fees and charges

23. Most fees and charges will increase in line with the council's cost of inflation where necessary to maintain cost recovery.
24. A three-year cycle of fee reviews was introduced as part of the Annual Budget 2022/2023. The reviews will ensure that the cost recovery decisions previously made by the council continue to be met. Advice on cost recovery levels will be provided where there have been material changes to the nature or cost of services since the original cost recovery decisions were made.

25. In year two of the fee review cycle, officers reviewed a number of regulatory fees and charges to ensure that the cost of processing is recovered from customers using services or to adjust deposits to reflect actual costs more accurately. The regulatory fees included in the consultation were:
 - animal management fees
 - some building and resource consenting fees
 - other regulatory fees such as food licensing registration, micro-mobility operator fees and swimming pool inspections.
26. 34 submissions addressed animal management fees with 20 supporting the proposal and 7 opposed. 35 submissions addressed the consenting and other regulatory fees with 15 in support and 15 opposed to the changes.
27. The review of fees and charges for the Active Communities service has been split into two phases due to the number and complexity of the fees. The existing pricing and discount frameworks currently in place for Active Communities contain variations and inconsistencies inherited from legacy councils.
28. In the first phase, the council consulted on fees for the use of bookable spaces in council managed pool and leisure facilities, focusing on standardisation to ensure that those hiring facilities are treated fairly across the city. 47 submissions were received with 15 in support and 27 opposed.
29. The second stage, planned for 2024/2025, will include a review of the remaining fees for Active Community services including the appropriate level of cost recovery for all fees. However, an open Expression of Interest (EOI) process to determine options for the delivery of pools and leisure services was released to the market in May 2023. A Request for Proposal (RFP) is likely to follow mid-year. The second phase of this review will be dependent on the outcome of the RFP process.
30. In 2022/2023, phase one of proposed changes to cemetery fees was adopted. The changes standardised the fees for the majority of cemetery services across all locations. This year, the council consulted on stage two of the cemetery services fees and charges, proposing to refine the cemetery fees framework for charges for burial plots and adjust the charges for cremation services and chapel hire. Eight submissions commented on cemetery fees with 2 supporting the changes and one opposed.
31. Officers recommend that the proposed changes to fees and charges as set out in this report and in Attachment A: Fees and charges changes proposal be adopted.

Support for papakāinga development on general title land

32. We consulted on changes to the Māori Land Rates Remission and Postponement Policy to provide a partial discount to general title papakāinga, where that land is protected from alienation, and is for the sole use of hapū. The remission would apply a similar discount as is applied to Māori freehold land (up to ten per cent of the proportion of rates attributable to the rateable land value). This amendment would have a total cost of around \$5,000 in the first year, increasing as further papakāinga developments proceed.
33. There were 40 submissions received from individuals on this proposal with 19 in support and 20 opposed. All 8 individual submitters who identified as Māori supported the proposal. Six mana whenua entities provided feedback on the proposal, all of which were in support.
34. Officers recommend that Governing Body adopt the proposed changes to the Māori Land Rates Remission and Postponement Policy in Attachment B: Draft Māori Land Rates Remission and Postponement Policy.

Amendment to Community Occupancy Guidelines

35. We consulted on amending the Community Occupancy Guidelines to provide local boards with greater discretion to adjust the maintenance and administration costs recovered in community leases. Where boards consider it appropriate to increase the rental fees and/or charges, the additional revenue would increase their local funding. This would assist local boards to manage impacts on their budgets resulting from any reduction to local funding considered as part of the Annual Budget 2023/2-24.

36. There were 130 submissions received on the proposal with 116 opposed and 8 in support. Officers recommend that the Governing Body adopt the amended Community Occupancy Guidelines in Attachment C: Draft Community Occupancy Guidelines. The implementation of any changes to charges for community occupancy is at local boards' discretion.

Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whai / adopt as part of the Annual Budget 2023/2024 the increases to the waste management targeted rate charges as specified in this report, to ensure cost recovery for the relevant services
- b) whakaae / agree to introduce the option of an 80 litre bin refuse service in the former districts of the Auckland City and Manukau City Councils, to be funded by a targeted rate of \$143.71, from 1 July 2023
- c) whai / adopt as part of the Annual Budget 2023/2024 a food scraps targeted rate in the former districts of Auckland City, Manukau City, Franklin District and Rodney District councils (excluding islands) to fund the food scraps collection service to those areas, to be applied from 1 July 2023 to all residential and lifestyle SUIPs to which the service is made available, on a pro rata basis reflecting the approximate number of months the service is available to each SUIP as set out in this report
- d) whakaae / agree to a \$40 per bin fee for a bin user to change the size of their refuse or recycling bin, to be introduced from 1 July 2023
- e) whakaae / agree to the extension of council's waste management services and associated targeted rate charges to the commercial areas in the former Manukau City, with commercial properties in Howick, Hunter's Corner and Papatoetoe starting to receive council services from 2023/2024 on an opt-in basis
- f) whai / adopt as part of the Annual Budget 2023/2024 a standard recycling targeted rate and a minimum base service targeted rate, effective from 1 July 2023, to replace the waste management base service targeted rate that is currently in place
- g) whakaae / agree to increase the targeted rate and inspection fee for swimming/spa pool compliance to \$63.33 per year and \$190 per inspection respectively
- h) whai / adopt as part of the Annual Budget 2023/2024 a Business Improvement District (BID) targeted rate to fund the new Silverdale BID
- i) whakaae / agree that the APTR will not be reinstated in the Annual Budget 2023/2024, and that as a result, the planned \$15.1 million of funding from the APTR for visitor attraction and major events activities will be unavailable in 2023/2024.
- j) whakaae / agree to partially reprioritise \$10.5 million of additional bus service expenditure planned to be funded by the Climate Action Targeted Rate (CATR) for the 2023/2024 year
- k) whai / adopt as part of the Annual Budget 2023/2024 the changes to fees and charges as set out in this report and in Attachment A: Fees and Charges Changes Proposal
- l) whai / adopt the amendment to the Māori Land Rates Remissions and Postponement Policy to include a partial remission for papakāinga on general title land in Attachment B: Draft Māori Land Rates Remission and Postponement Policy of the agenda report
- m) whai / adopt the amendment to the Community Occupancy Guidelines in Attachment C: Draft Community Occupancy Guidelines of the agenda report, noting that decision-making about implementation of the guidelines sits with local boards.

Horopaki Context

Decision making

37. Part 6 of the Local Government Act 2002 sets out the key requirements the council must comply with when making decisions. In particular, the council must:
- identify all reasonably practicable options to achieve the objective of the decision
 - assess those options in terms of their advantages and disadvantages
 - give due consideration, with an open mind, to the views and preferences of people likely to be affected by, or have an interest, in the decision.
38. The consultation process for the Annual Budget 2022/2023 provided an opportunity for those interested in, or affected by, decisions to have their voices heard by their elected representatives prior to decisions being made. Feedback received during consultation is one key part that needs to be considered when making final decisions. Comments provided as part of the feedback should be considered in order to understand the context and the meanings behind the overall numbers and percentages in terms of those who supported or did not support the various proposals.
39. The council must weigh up the information provided on the advantages and disadvantages of each option, consider the feedback received from local boards and the public, and then arrive at what it determines to be the best decision.
40. When making decisions the council is limited by the scope of the original consultation. Decisions can only be made within the bounds of the options considered in the proposal put forward for consultation. If the council wishes to make a decision that goes materially beyond the options in the original consultation, then further consultation is required.

Consultation and feedback

41. The council consulted on the proposed changes to rating policy and fees and charges in February and March 2023 as part of the consultation on the Annual Budget 2023/2024. Detailed analysis of the feedback received during the consultation was presented to the Governing Body at a workshop on 26 April.
42. The council also consulted on the proposed changes to the Māori Land Rates Remission and Postponement Policy alongside the Annual Budget 2023/2024. Feedback from the proposed changes to this policy is included in this report.

Tātaritanga me ngā tohutohu Analysis and advice

43. The following sections set out for each of the proposed changes to council's rating policies, fees and charges, and the Māori Land Rates Remission and Postponement Policy key issues to be considered when making a decision:
- the proposal that was consulted on and any relevant context
 - a summary of feedback received through consultation
 - local board feedback
 - consideration of feedback including the advantages and disadvantages of the options
 - officers' recommendations.
44. The analysis below records brief summaries of local board feedback on the proposals. Local board feedback is set out in full in a separate report also on this agenda.

45. These sections focus primarily on the feedback received and any new information that has come to light since consultation, as well as officers' responses to issues raised in the feedback received. More detailed analysis of each proposal was included in the Supporting Information for consultation.

Waste management rates for the 2023/2024 year

Proposal

46. As part of the annual budget we consulted on a 10.6 per cent (around \$15) increase to the waste management base service targeted rate for 2023/2024, to cover cost increases. One of the major drivers of this cost, the Road Transport Input Cost Index (RTICI) published by Statistics New Zealand, rose by 20.1 per cent over the year to the June 2022 quarter and was forecast to rise a further 10 per cent over the year to June 2023. Labour costs were also forecast to increase by around 6 per cent over the same period.
47. The projected cost of rates funded refuse provided in the former ACC and MCC areas has remained largely unchanged despite the significant increase in contract prices linked to the RTICI. This is because of the expected reduction in household refuse volume following the roll-out of the food scraps service diverting some of the general refuse to the food scraps bin.
48. The table below sets out the changes consulted on.

Service	Area	Proposed targeted rate 2023/2024 (incl. GST) \$	Targeted rate 2022/2023 (incl. GST) \$
Standard recycling or additional recycling (previously part of the base service charge)	All areas	\$95.98	\$140.45
Minimum base service (previously part of the base service charge)	All areas	\$59.31	
Standard refuse (120/140L bin)	Former ACC and MCC	\$173.14	\$172.89

49. We also consulted on the introduction of a small (80 litre) refuse bin service to the former ACC and MCC areas to be funded from a targeted rate of \$143.71, as well as an increase of \$33.26 to the large (240 litre) refuse bin targeted rate, from \$254.15 to \$287.41. The levels of the targeted rate for the small and the large refuse bins were calculated based on the sum of the fixed and variable costs associated with these bins relative to that of a standard 120 litre bin service.

Feedback from consultation

50. The feedback form in the Consultation Document included one tick-box question that covered all of the above proposals. Of the 29,664 pieces of feedback that addressed this question, 54 per cent supported the overall proposal with 28 per cent opposed. The most prominent theme in the comments section relating to this question was that users of the service should pay for its cost (128 submissions). Other common themes included:
- introducing a small bin option encourages waste reduction (88 submissions)
 - the increase is too much or unaffordable (76 submissions)
 - council should encourage waste reduction (61 submissions)
 - higher charges may incentivize illegal dumping (60 submissions).

Local board feedback

51. Two local boards provided their feedback on this proposal. The Hibiscus and Bays Local Board generally supported the proposed changes to waste charges while the Albert-Eden Local Board supported the proposed increase to the base rate and targeted rate charges for non-standard refuse bins,

Consideration

52. The proposed levels of waste management targeted rate charges are set on a cost recovery basis, to ensure that costs are borne by those who benefit. The introduction of a smaller refuse bin option to the former ACC and MCC with a lower targeted rate charge will help encourage waste reduction by allowing households that produce less rubbish to pay less. The proposed targeted rates for both the 80 litre bin and the 240 litre bin services are lower than other service providers in Auckland (as of 16 May 2023).

Updates and recommendations

53. There have been minor adjustments to the forecast expenditure for the refuse and base services since the annual budget consultation. The updated targeted rate amounts are set out in the table below. Officers recommend that these be adopted as part of the Annual Budget 2023/2024.

Service	Area	Targeted rate 2023/2024 (incl. GST) \$
Standard recycling or additional recycling (previously part of the base service charge)	All areas	\$96.18
Minimum base service (previously part of the base service charge)	All areas	\$59.39
Small refuse (80L bin)	Former ACC and MCC	\$143.52
Standard refuse (120/140L bin)	Former ACC and MCC	\$172.91
Large refuse (240L bin)	Former ACC and MCC	\$287.03

Food scraps service and targeted rate

Proposal

54. Following consultation as part of the 10-year Budget 2018-2028, the Governing Body agreed in May 2018 to the provision of a foods scraps collection service to all mainland urban households funded by a targeted rate. The targeted rate applies to every residential and lifestyle 'separately used or inhabited part' (SUIP) within the service area. The service and the targeted rate were first introduced in Papakura in 2018/2019 and parts of North Shore in 2019/2020 and are being rolled out to Waitākere and the rest of North Shore in 2022/2023. Where the service is available for a part of the year the rates have been set on a proportional basis.
55. From July 2023, the council will start extending the food scraps service to cover the rest of urban and semi-urban mainland Auckland including in the areas of Auckland central, Manukau, Franklin and Rodney. Properties that will start receiving this service in the 2023/2024 financial year will be charged the food scraps targeted rate on a pro rata basis with an amount that reflects the approximate number of months the service is available to them during the 2023/2024 rating year. Properties in areas that are already receiving the food scraps service as at 1 July 2023 will be charged the full year rate, proposed to be \$77.20 per SUIP.

56. In future, once all areas are receiving the service, all eligible SUIPs will be charged the same rate as set out in each year's annual budget.
57. The consultation on the Annual Budget 2023/2024 included the targeted rate amount proposed for 2023/2024 for each area based on the approximate number of months the service would be available, as set out in the table below. The targeted rate will apply to all residential and lifestyle properties within the service area including those that already undertake their own composting.

Area	Approximate number of months service will be available	Proposed targeted rate for 2023/2024 (incl. GST)
Former Papakura District, North Shore City and Waitakere City	12	\$77.20
Former Auckland City east	11.5	\$73.98
Former Auckland City west	10	\$64.33
Former Manukau City	9	\$57.90
Former Franklin District and Rodney District	8	\$51.47

Feedback from consultation

58. Of the 29,276 pieces of feedback that indicated a view on the food scraps rollout, 61 per cent supported the plan with 21 per cent opposed. The most common theme in feedback was that all areas of Auckland should have access to the food scraps service in order to address climate change and make an impact on waste to landfill (609 submissions). Other common themes included:
- support any incentives that help people minimise waste (326 submissions)
 - the food scraps service should be optional to avoid disadvantaging people who already compost at home (240 submissions)

Local board feedback

59. Of the fourteen local boards who provided feedback, all supported the proposal to the extension of the food scraps targeted rate to new areas (Albert-Eden, Devonport-Takapuna, Franklin, Hibiscus and Bays, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitemata local boards).

Consideration

60. The provision of a food scraps collection service to all urban households in Auckland was adopted in 2012 as part of the Waste Management and Minimisation Plan (WMMP). The introduction of a targeted rate to fund the food scraps service was agreed to by the council in 2018 following public consultation.

Item 10

61. The provision of the food scraps service benefits Auckland as a whole. It is expected to divert up to 50,000 tonnes of household refuse in Auckland from landfill per year. Central government has recently released its national waste strategy, which proposes including a requirement for all councils across New Zealand with populations in urban areas over 1,000 people to provide households with a food scraps diversion service. Without this mandated intervention, on the current trajectory it was likely New Zealand would not achieve the proposed 2030 reduction targets in the New Zealand Waste Strategy or the proposed 40 per cent reduction in biogenic methane in the emissions reduction plan.
62. Home composting has helped to address garden and food waste. However, with more intense housing and less room for on-site composting, a council provided service is required. Most methods of home composting cannot handle all kinds of food (e.g. meat, shells and bones). The council's kerbside food scraps service will take all types of food scraps including those not easily composted at home. The food scraps service does not replace home composting and the council will continue to support prevention of food waste and encourage home and community composting through the Love Food Hate Waste programme and the Compost Collective programme.
63. Allowing opt-out of the service would reduce the economies of scale of the service as a whole and increase the cost for those who do need it. It may also reduce the effectiveness of the scheme (in diverting food out of landfill) as people may choose not to participate to save costs. To ensure the programme remains effective, any opt-out arrangement would need to be accompanied with an active monitoring scheme to ensure those who do opt out are undertaking adequate on-site composting. Such a scheme is likely to be costly and would further increase the cost for those who do need to use the service.

Updates and recommendations

64. There have been minor adjustments to the scheduled start dates of the food scraps service for some areas. The targeted rate amounts for these areas have been adjusted accordingly. Officers recommend that the targeted rates set out in the table below be adopted as part of the Annual Budget 2023/2024.

Area	Approximate number of months service will be available	Targeted rate for 2023/2024 (incl. GST)
Former Papakura District, North Shore City and Waitakere City	12	\$77.20
Former Auckland City Group B (east)	11	\$70.77
Former Auckland City Group A (west)	10	\$64.33
Former Manukau City	8.5	\$54.68
Former Franklin District and Rodney District	8	\$51.47

Introducing a charge for bin swapping

Proposal

65. The council offers a choice of three different refuse bin sizes and two different recycling bin sizes in most areas of Auckland. Currently, bin customers can change their bin sizes free of charge an unlimited number of times. It costs the council around \$310,000 a year (including overheads) to administer approximately 7,400 bin swap requests including around 1,900 that require multiple site visits due to customers not setting out their existing bins on the kerbside properly or as scheduled. This cost is currently funded from the waste management targeted rate which is paid by every bin user.
66. As part of the Annual Budget 2023/2024 we consulted on the introduction of a fee of \$40 for every bin swap to cover the cost of administering the service including overheads.

Feedback from consultation

67. Of the 29,473 submissions that responded to this proposal, 68 per cent supported it with 21 per cent opposed. The most prominent theme in the comments section was that swapping to a smaller bin should be free of charge to encourage waste reduction (220 submissions).

Local board feedback

68. Of the sixteen local boards who gave feedback on the introduction of a fee for residents wishing to change bin sizes, thirteen local boards (Albert-Eden, Devonport-Takapuna, Hibiscus and Bays, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitematā) were in support. However, Franklin, Kaipātiki, Puketāpapa and Upper Harbour local boards supported charging a fee to those wishing to increase their bin size as those reducing waste to landfill should be supported to do so.

Consideration

69. The bin swapping service incurs a cost to the council and this is currently funded from the waste management base service targeted rate which is paid by every bin user. Introducing a fee will ensure more efficient use of council resources by incentivising people to think more carefully about their ability to cope with a smaller bin before switching. It will also ensure costs are paid for by those who use the service. The incentive to reduce waste is provided through a lower annual targeted rate associated with the smaller bin.
70. Other councils in New Zealand operate a wide range of policies with regard to bin swap charges, ranging from free swaps to a charge of around \$100 per swap. See below.

Council	Bin swap fee		Note
	Refuse	Recycling	
Tauranga City	free	free	swaps only permitted once every six months during a two-month request window
Christchurch City	\$97.65	\$97.65	or swap both bins for \$110.25
Dunedin City	n/a	\$31	refuse service provided in prepaid bags
Hutt City	\$103 for upsize and free for downsize	\$103 for upsize and free for downsize	or swap both bins for \$155
Hamilton City	n/a	n/a	bins available in only one size
Wellington City	n/a	n/a	refuse service provided in prepaid bags; recycling bins available in only one size

Recommendations

71. Officers recommend a bin swap fee of \$40 be introduced from 1 July 2023.
72. To keep it simple, the \$40 fee will apply to every bin that is swapped regardless of the nature of the swap (upsized or downsized) or the number of bins covered in one request. For example, a request to swap a refuse bin will cost the customer \$40 and a request to swap both the refuse bin and the recycling bin will cost \$80.
73. When the rates funded refuse service is rolled out to new areas, customers will be offered a choice of bin size.

Other changes to the waste management service and targeted rate

74. We are continuing to standardise waste management services and targeted rate charges across the region. As part of that process we included the following proposed changes in this year's annual budget consultation. These changes are consistent with the council's existing policies and reflect decisions made by the council in previous budgets.
 - extending council's waste management services to the commercial areas in the former Manukau City, with Howick, Hunter's Corner and Papatoetoe starting to receive council services from 2023/2024. Non-residential properties in these areas will be able to opt in and receive refuse and/or recycling services from the council. Residential properties located within these areas (mostly apartment blocks) will automatically receive the refuse, recycling and food scraps services and be charged the respective targeted rates from 1 July 2023. This is consistent with the standardized charging mechanism adopted by the council in June 2022. Apartment blocks with 10 or more units will be able to apply for an opt-out of one or more of the services the council provides if the council cannot provide a suitable service. An exemption from the corresponding targeted rate will be approved in that instance.
 - replacing the waste management base service targeted rate with two separate targeted rates - a standard recycling targeted rate and a minimum base service targeted rate. This will give non-residential (excluding lifestyle) properties the ability to opt out of the council's recycling service and targeted rate as per the standardised charging mechanism adopted by the council in June 2022. No properties will be worse off as a result of this technical change.
75. No feedback was received in relation to these changes. Local boards did not provide feedback on these proposals.
76. Officers recommend that the changes be adopted as proposed.

Other rating policy changes

Proposal

77. We also consulted in the Annual Budget on the following rating policy changes:
 - amendments to the boundaries of the rating maps for the Te Arai and Okahukura drainage districts to better reflect the areas benefiting from the relevant drainage schemes funded by the Rodney Drainage Districts Targeted Rate.
 - an increase to the Swimming Pool/Spa Pool Fencing Compliance Targeted Rate from \$46.67 to \$63.33 to reflect the actual cost of this service. The fee for follow up inspections was also proposed to increase from \$140 to \$190.
 - establishment of a Business Improvement District (BID) and BID targeted rate for Silverdale.

Feedback from consultation

78. Four responses were received on the proposed changes to the Rodney Drainage District Targeted Rate, all of which opposed the proposal. Feedback included concern that the targeted rate boundary is not accurate and that no money has been spent on improving the drainage assets in the area.
79. 29,936 pieces of feedback were received on the proposed increases to the Swimming Pool/Spa Pool Fencing Compliance Targeted Rate and the follow-up inspection fee. Of these, 65 per cent supported the proposal with 23 per cent opposed. The most common theme in the written comments was that the cost of pool inspection should be borne by those who use the service (69 submissions).
80. Three submitters provided feedback on the proposed BID targeted rate for Silverdale. One supported the proposal and the other two commented that local businesses should decide and expressed support for local economic development.

Local board feedback

81. No comments were provided on the Rodney Drainage District Targeted Rate proposal. Thirteen local boards (Devonport-Takapuna, Franklin, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōrākei, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitemātā) supported the proposed increase fee for swimming pool/spa pool fencing compliance targeted rate. The Hibiscus and Bays Local Board supported the establishment of a Business Improvement District (BID) in Silverdale and request the striking of a BID targeted rate for Silverdale.

Consideration

82. Following consideration of the feedback on the Rodney Drainage Districts Targeted Rate and further examination of the drainage data, officers consider it appropriate to undertake further review of the targeted rate boundaries as part of the 10-year Budget 2024-2034 process before making any changes. Officers recommend not proceeding with the changes proposed in the draft Annual Budget and will report back to the Governing Body on the outcome of the review in December with recommendations.
83. Legislation requires that residential swimming and spa pools be inspected every three years. The proposed increases in targeted rate and fee reflect the actual cost of this service. This compares to fees applied by some other councils of \$175 (Waikato District Council) and \$209 (Wellington City Council) for the three-yearly inspection.
84. In making its decisions on a BID targeted rate, the council needs to consider the public feedback and the requirements of its BID policy. The council's BID policy requires that a ballot be held of all businesses (ratepayers and occupiers) in the proposed BID targeted rate area. In order for the proposed BID establishment to proceed these ballots require a 25 per cent return rate and, of those, over 51 per cent must be in support of the proposal. A ballot was held in March 2023 for the proposed Silverdale BID. 31.5 per cent of the votes were returned with 54.2 per cent in support. On 23 May the Hibiscus and Bays Local Board resolved to approve the BID establishment.

Recommendations

85. Officers recommend
 - not proceeding with the changes proposed in the draft Annual Budget to the boundaries of the Rodney Drainage Districts Targeted Rate
 - that the changes to the Swimming and Spa Pool Compliance targeted rate and fee included in the Annual Budget consultation be adopted as proposed
 - a Business Improvement District (BID) targeted rate be adopted as proposed to fund the new Silverdale BID.

Accommodation Provider Targeted Rate

Proposal

86. The council proposed reducing investment in Tātaki Auckland Unlimited's expenditure for visitor attraction and major events for 2023/2024 by \$15.1 million as the funding from the APTR is no longer available.

Feedback from consultation

87. This consultation topic did not have a question on the feedback form. Most of the feedback related to this proposal was indirect, through the Auckland Ratepayers Alliance pro forma submission template. These pro forma submissions (982) proposed suspending Tātaki Auckland Unlimited's activities in economic development and visitor attraction for the 2023/24 financial year. A further 7 directly supported this proposal.
88. There were 21 other pieces of feedback that addressed this proposal and did not support the proposal. Key themes were that additional investment is needed to support visitor attraction and city vibrancy. There were 38 other comments with mixed support for, and against, the APTR but these did not directly comment on the Tātaki Auckland Unlimited's expenditure for visitor attraction and major events for 2023/2024.

Local board feedback

89. Franklin Local Board recommended that Tātaki Auckland Unlimited operations target savings be reduced to \$12.4 million to reflect the unavailability of the APTR.
90. All local boards provided feedback on the overall proposal to reduce funding to Tātaki Auckland Unlimited. Most local boards either did not support the proposed reduction in funding or supported a smaller reduction. Three local boards partially or conditionally supported the reduction. One local board supports dissolving Tātaki Auckland Unlimited.

Consideration

91. The Accommodation Provider Targeted Rate (APTR) funded 50 per cent of Tātaki Auckland Unlimited's expenditure on visitor attraction and major events. This was suspended between 2020/2021 and 2021/2022 in response to the impact of COVID-19 with a consequent reduction in expenditure. The APTR was then removed from the council's rating policy for 2022/2023 following a decision of the Court of Appeal in 2021 that held that the Council's decisions to set the APTR for the 2017/2018 and 2018/2019 years had been invalid. The Court of Appeal decision was appealed to the Supreme Court. On 12 May 2023 the Supreme Court overturned the Court of Appeal decision and found the council's decisions to set the APTR in the relevant years were reasonable and made in accordance with the law.
92. The 10-year Budget 2021-2031 provides for the APTR to be reinstated from 2023/2024 along with an increase in associated expenditure. Given the time that has passed since the APTR was last set, further policy work and consultation would be needed before the APTR could be reinstated. There is not enough time now to undertake this work prior to the adoption of the Annual Budget 2023/2024 on 29 June.
93. If the Governing Body wishes to reinstate the APTR and the associated expenditure then the next opportunity is as part of the 10-year Budget 2024-2034.
94. In the meantime, the council needs to respond to the significant impact on its budget position from the current economic conditions. Rising inflation and interest rates have stressed council's budget which impacts on the focus and amount that can be spent on visitor attraction, major events, and destination marketing activity.

95. Without the APTR, planned funding for this activity will be lower by \$15.1 million in 2023/2024. Tātaki Auckland Unlimited's expenditure on visitor attraction and major events activities is likely to reduce substantially. Retaining the planned expenditure levels for Tātaki Auckland Unlimited's visitor attraction and major events activities without drawing on other revenue sources or internal reprioritisation would require increasing general rates by around \$15.1 million (to replace the previously planned APTR funding). This would equate to an average general rates additional increase of around 0.8 per cent.

Recommendation

96. Officers recommend that the council does not reinstate the APTR in 2023/2024 and that \$15.1 million from the APTR will be unavailable to fund Tātaki Auckland Unlimited's investment in visitor attraction and major events activities in 2023/2024.

Climate Action Targeted Rate

Proposal

97. The council proposed to partially reprioritise \$10.5 million of additional bus service expenditure planned to be funded by the Climate Action Targeted Rate (CATR) for the 2023/2024 year. The proposal does not impact on the level of the rate or the plans for expenditure on the other activities being funded.

Feedback from consultation

98. There were 29,102 pieces of feedback received from individuals on this proposal. Of these:
- 47 per cent supported the proposal
 - 28 per cent did not support the proposal
 - 22 per cent responded 'I don't know'
 - 2 per cent responded Other.
99. Of the individuals who provided a response to this proposal, 1,345 provided comments. The most common themes in feedback by individuals were concern that the purpose of the targeted rates was being changed (340) and that more investment was needed in public transport (230). Other less common themes included that climate action should be a priority (35) or that they do not support investment in climate action (20). There were also a small number of comments where the submitter was unsure of what was included in the proposal.
100. Of the 44 organisations that attended one of the three Organisation / Interest Group Have Your Say Events, three supported the proposal, eight did not support, and three selected 'I don't know'.
101. Of the 464 organisations who provided feedback (excluding those who attended the Organisation / Interest Group Have Your Say Events): 47 per cent supported the proposal, 29 per cent did not support, 19 per cent selected 'I don't know', and four per cent selected 'Other'.
102. Six Iwi provided feedback on this proposal: four supported the proposal, one selected Other and one 'I don't know'. None provided any commentary.

Local board feedback

103. Sixteen local boards provided feedback on the proposal to change which bus services are funded by the Climate Action Targeted Rate. Eleven local boards (Albert-Eden, Franklin, Hibiscus and Bays, Howick, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Ōtara-Papatoetoe, Papakura, Puketāpapa and Upper Harbour) supported the proposal.

104. Three (Ōrākei, Rodney and Waitematā local boards) opposed the proposal. Devonport-Takapuna Local Board partially supported the proposal, commenting that submitters had mixed views on this proposal. The Maungakiekie-Tāmaki Local Board did not specify whether they supported or did not support the proposal but request additional advocacy to KiwiRail to fund all bus service improvements to support the closure of train lines due to track maintenance. Local boards commented that climate change targets to move more people would be affected.

Consideration

105. The additional CATR funded bus services for the 2023/2024 year were focused on a number of service improvements to existing services along with the introduction of a new frequent service. This investment was aimed at providing greater access to low carbon public transport to encourage and enable mode shift to reduce emissions.
106. Due to funding pressures, Auckland Transport no longer has the rates funded share (\$3.25m) of the \$6.5m in operational funding required to deliver the planned North West service improvements in 2023/2024. These service improvements have approved co-funding in place from Waka Kotahi, as they were part of the original 10-year Budget 2021-2031 funding package.
107. It is essential that new bus services are introduced to support the Northwestern bus improvements project, once the infrastructure works have been completed, to take advantage of this significant government investment. As well as the significant increase in access to public transport, the Northwestern bus service improvements also address a relatively deprived part of Auckland. The substantial service improvements in the north-west are expected to increase public transport patronage by 1.5 to 2.2 million passengers per annum.
108. Operational constraints mean that CATR funded bus services, originally planned for delivery in the first half of 2023/2024, are now planned for delivery in the second half of the year. This creates savings in the CATR bus services budget in 2023/24 that can now be used to fund Northwestern bus service improvements and bring forward funding for two new frequent bus routes in East Auckland.
109. On 9 February the CATR Governance and Oversight Group endorsed consultation on the proposed partial reprioritisation of \$10.5 million of additional bus service expenditure planned to be funded by the Climate Action Targeted Rate (CATR) for 2023/2024. Reprioritising the funding for planned bus services being funded by the CATR in 2023/2024 will:
- ensure that the benefits from the Northwestern bus improvements investment can be realised as quickly as possible
 - address known transport equity issues in West Auckland
 - provide a threefold increase in accessibility to frequent public transport in West Auckland, which in turn will encourage and enable mode shift from private vehicles to low-carbon public transport
 - deliver service improvements around the region where possible given operational constraints.
110. Funding the baseline Northwestern bus improvements from the CATR in 2023/2024 may create ongoing budget pressures. This matter will be considered as part of the 10-year Budget 2024-2034 and is not part of the Annual Budget 2023/2024.
111. The proposed reprioritisation does not impact on the underlying matters the council is required to consider when setting a rate as the primarily region wide nature of the benefits from the expenditure and the distribution of the rates burden will not change. The proposal also means that council could continue to deliver the climate and service outcomes for which the CATR was established while helping manage the financial challenges it is facing.

112. The alternative options are to cut other bus services around the region to invest in services to support the Northwestern bus improvements. Alternatively, council could retain the original CATR proposal, where operationally feasible, and fund previously planned LTP services through a further general rates increase. This would lead to an underspend of CATR funding for bus services in 2023/2024 and create a surplus in reserve to be used in future years.
113. From 1 July 2023 the Climate Action Targeted Rate (CATR) will be renamed the Climate Action Transport Targeted Rate (CATTR). The change in name better reflects that around 98 per cent of the Climate Action Targeted Rate program will fund transport initiatives and around 2 per cent will be used to Urban Ngahere.

Recommendation

114. Officers recommend that the Governing Body agree to the proposed partial reprioritisation of \$10.5 million of additional bus service expenditure planned to be funded by the Climate Action Targeted Rate (CATR) for the 2023/2024 year.

Some targeted rates to increase with inflation

115. The City Centre Targeted Rate will increase by 7.2 per cent for 2023/2024 to cover inflationary cost increases.
116. The Ōtara-Papatoetoe and the Māngere-Ōtāhuhu swimming pool targeted rates are set to recover the potential revenue the council foregoes in maintaining the swimming pools free for adults in the respective local board areas. These targeted rates will increase by 7.5 per cent for 2023/2024. This adjustment aligns with the average increase to Active Communities fees and reflects the estimated increase in foregone revenue from providing free adult entry to swimming pools in these local board areas.
117. The Rodney Drainage Districts Targeted Rates will increase by 5.9 per cent for 2023/2024 which aligns with the forecast increase in Healthy Waters operating expenditure.

Proposed fees and charges changes

118. Fees and charges make up 29 per cent of group operating revenue in the funding impact statement in the Annual Budget 2023/2024. A three-year cycle of fee reviews was introduced in the Annual Budget 2022/2023. The reviews will ensure that the cost recovery decisions previously made by the council continue to be met. Advice on cost recovery levels will be provided where there have been material changes to the nature or cost of services since the original decisions were made. Some out of cycle fee reviews will continue to be necessary to address any material change in circumstances.
119. Most fees (including regulatory fees as provided for in the Revenue and Financing Policy) not subject to review in a particular year will be increased in line with the council's projected cost of inflation where necessary to maintain cost recovery.
120. Each of the proposed fee changes resulting from our review (not including those changes resulting only from inflationary adjustments) are discussed below and are set out in detail in Attachment A: Fees and charges changes proposal.
121. The alternative to the fee changes proposed is to retain existing fee levels and fund the additional costs from general rates. Officers recommend adjusting fees and charges to reflect the level of cost recovery for the relevant activities, as agreed by the council in previous decisions and set out in the Revenue and Financing Policy.

Regulatory fees

Animal management fees

122. The total number of dog attacks reported in 2021/2022 increased by 20.3 per cent to 1,906, with 92 more attacks on people and 230 more attacks on other animals. Entire dogs (not desexed) are more likely to exhibit aggressive behaviour toward both people and other animals.

123. The Animal Management unit plans to increase its work with at-risk communities to promote responsible dog ownership and de-sexing. This includes a de-sexing programme for approximately 300 dogs, targeted toward dog owners in areas where there are high volumes of dog attacks. De-sexing dogs is a key component in our initiative to reduce dog attacks, with a further benefit of preventing unwanted litters.
124. The council consulted on a proposal to fund this programme by increasing all dog registration fees by one dollar more than the underlying inflation increase. This proposal would maintain the cost recovery level of 60 per cent from fees and 40 per cent from general rates that the council has previously determined is the appropriate funding mix.
125. Overall, 34 submissions addressed these changes. 20 supported the changes, seven did not support and seven addressed these but did not support or oppose them. Feedback themes expressed support for addressing aggressive and/or roaming dogs and that there was a need to enforce bylaws in relation to this. Suggestions were made that cats should also be registered and a general concern about aggressive and/or roaming dogs.

Consenting fees

126. Consultation included a proposal for a one new charge. This was to introduce a new deposit of \$500 for Change of Use applications (where no Building consent is required). Customers may request the council's approval to undertake a Change of Use activity when a Building Consent is not required under the Building Code.
127. Consultation also included proposals to adjust a number of consenting fees to better align with costs. These were:
 - The separation of applications for multiple dwellings into individual records
 - Building Consent Qualified Partner workstream fee
 - Independent Qualified Persons registration fee
 - Resource Consent Premium Qualified Partner applications fee
 - Producer statement author fee
 - Building Warrant of Fitness renewal to change from a base fee to a fixed fee
 - Replacement of the current pre-application fee with new fees for simple specialist only or complex planner led pre applications
 - Micro – Mobility deposit fees for application and monitoring
 - Land Information Memorandum cancellations
 - Swimming pool inspections
 - Health protection license
 - Food licensing activities
 - Property File and LIM information cancellations fees

Other regulatory Fees

128. A change in the hourly rates for regulatory activities to reflect the time and cost to undertake the activity was also included in the consultation. These proposed amendments are discussed in more detail in Attachment A: Fees and charges changes proposal.
129. Overall, 35 submissions addressed one or more of consenting and other regulatory changes. 15 supported the changes, 15 did not support and five addressed these but did not support or oppose them. Feedback themes were that charges should reflect costs, users should pay and that consenting processes were too complicated and inefficient.

Local Board feedback

130. The Howick, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōtara-Papatoetoe and Rodney local boards were generally in support of proposed changes to fees and charges. Albert-Eden Local board supported the proposed regulatory changes and Papakura Local Board did not. The Waitakere Ranges and Whau local boards requested that adequate funding be secured in the 2023/2024 budgets to ensure that the bylaw and consent compliance teams are able to respond to all requests and complaints.

Active Communities rental fees for bookable spaces in pool and leisure facilities

131. There are 45 Active Communities sites across the Auckland region, 25 of these are managed directly by Auckland Council.
132. The review of fees and charges for Active Communities services have been split into two phases due to its size and complexity. The first phase of the fees, bookable spaces for hire at 19 of the 25 council managed sites were reviewed and included in the consultation for the Annual Budget 2023/2024.
133. The initial phase of the process will enable the council to transition towards providing a consistent regional service. It will also standardise the variations and inconsistencies in the existing pricing and discount frameworks currently in place for Active Communities inherited from legacy councils.
134. An open Expression of Interest (EOI) process to determine options for the delivery of pools and leisure services will be released to the market in May 2023 as management contracts with most of the 19 outsourced facilities are due to expire in June 2024. A Request for Proposal (RFP) process is likely to follow mid-year. The outcome of these processes may influence the second phase of the review of Active Communities fees and charges process to review the appropriate level of cost recovery for all fees within this activity.
135. The discount structure was also simplified to enable discounts to be targeted to specific community outcomes (e.g., youth focus, disability focus, community groups, etc.). The criteria for the standardised community outcome discounts are established and guided by the relevant local board. The proposed discount structure is aligned to the existing framework that is well known and has successfully operated as part of the Venue Hire portfolio for several years.
136. Fee changes are usually implemented in February each year, as customers are more likely to book spaces at the beginning of the calendar year. However, no changes to Active Communities fees were made in February 2023 as consultation on the proposed changes was taking place at that time. It is proposed that the adopted changes are implemented from 1 July 2023.
137. This proposal will ensure that those hiring facilities are treated fairly across the city and provide a baseline for the second phase of the review that considers the appropriate level of cost recovery. The overall revenue impact of the changes is small. While some increases are high in percentage terms, they are small in absolute dollar value and relative to the scale of the facility being hired e.g., an entire pool.
138. These proposed amendments are discussed in more detail in Attachment A: Fees and charges changes proposal.
139. Overall, 47 submissions addressed these changes. 15 supported the changes, 27 did not support and five addressed these but did not support or oppose them. Feedback themes were that users should pay and that increases are affordable, concern about affordability and impact on those on low incomes and the value of facilities to the wellbeing of the community.

Local board feedback

140. The proposed changes were supported by the Devonport-Takapuna, Howick, Kaipātiki, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, Puketāpapa, Rodney and Waitemata local boards. Franklin and Manurewa local boards were not in support. The Manurewa Local Board noted that standardised fees would disproportionately impact on low income communities and that it would be preferable for local boards to be able to set fees that appropriate for their communities.

Cemetery Services

141. The council manages 35 operational cemeteries (three of which are on Aotea / Great Barrier) and three crematoria through its Cemetery Services business area.
142. In 2022/2023, a new Cemetery Fee Framework was implemented along with a standardised tier structure as part of the first stage of a two-stage review. As a result, fees for most services are now standardised across all cemetery locations.
143. In stage two, fees and charges were reviewed to ensure an appropriate level of cost recovery is in place for cemetery services. Body plots, referred to in the schedules as exclusive right of burial charges, were omitted from stage one of the review due to the variation across the region. A refinement to the framework for body plot charges, as well as adjustments to the charges for cremation services and chapel hire, was included in the consultation.
144. The average level of cost recovery for cemetery services over the period 2019 to 2022 was 88 per cent, requiring an average of \$1.4 million funded by the general rate per year.
145. Officers have reviewed the three key sub-groups of cemetery activity: plot sales; cremation services; and facilities services. After considering the balance of cost recovery, customer impact, and competitors' pricing the following broad direction was taken in each service area and then reflected in the pricing schedule set out Attachment A: Fees and charges change proposal:
- Plot sales:
 - as this service is presently broadly recovering costs the majority of fees are only moving to ensure standardised pricing and maintain cost recovery
 - to implement a consistent pricing schedule it is proposed to standardise adult body plot prices at satellite cemeteries from a range of \$2,220 - \$3,300 to \$2,900.
 - Cremation fees:
 - fees for this service are proposed to increase from \$650 to \$750 bringing charges into the middle of the range of charges offered by private providers. This will allow us to improve cost recovery without losing volume to competitors
 - Facility services:
 - fees for these services are being increased to improve cost recovery but will not fully recover the cost of service reflecting the potential impact on customers in communities experiencing higher levels of deprivation.
146. After adjusting for the cost recovery movements noted above most fees are increasing within a range reflective of underlying cost inflation i.e., between 6 and 10 per cent. The combined impact of the proposals will result in cost recovery staying at around current levels. If the fees aren't increased, then cost recovery would drop to around 76 per cent and require additional general rates funding.

147. A full schedule of proposed fees is in Attachment A: Fees and charges changes proposal.
148. Overall, eight submissions addressed these changes. Two supported the changes, one did not support and five addressed these but did not support or oppose them. Feedback themes were concern about the impact on those who are grieving and that cremations should be free.

Local board feedback

149. The Papakura Local Board was not in support of this proposal.

Recommendation

150. Officers recommend that the proposed changes to fees and charges as set out in this report and in Attachment A: Fees and charges changes proposal be adopted.

Support for papakāinga development on general title land

Proposal

151. The council proposed to amend the Māori Land Rates Remission and Postponement Policy to provide a partial remission of rates to general title papakāinga, where that land is:
- protected from being sold out of Māori ownership
 - for the sole use of hapū/iwi.
152. This proposal recognises the similarities between such properties, and papakāinga on Māori freehold land. The proposed remission applies a discount similar to that which is applied to Māori freehold land (up to ten per cent of the proportion of rates attributable to the rateable land value).
153. Consultation on the proposed amendment to the Māori Land Rates Remission and Postponement Policy was undertaken separately but alongside consultation on the Annual Budget 2023/2024.

Feedback from consultation

154. There were 40 individuals who provided feedback on this proposal. Of these 19 supported the proposal, 20 did not support, and 1 “other”. Key themes from this feedback included that Māori should not have special treatment (12), concern for the cost of the proposal on other ratepayers (6), and the positive benefits from supporting Māori to retain land (4). Eight of the individuals that provided feedback identified as Māori, all supported the proposal.
155. Six mana whenua entities provided feedback on the proposal, all of which were in support.

Local board feedback

156. Twelve local boards provided feedback on the proposal. Albert-Eden, Aotea / Great Barrier, Franklin, Howick, Māngere-Ōtāhuhu, Manurewa, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura and Waitemata local boards were in support of the proposal and Ōrākei Local Board was opposed. Kaipātiki Local Board noted that the policy did not apply to their local board area and that public feedback was split.

Consideration

157. The council’s Māori Land Rates Remission and Postponement Policy (“Māori Land Remission Policy”) was reviewed last year. Feedback from mana whenua received during consultation on this policy included requests for greater support for papakāinga on general land that will not be alienated.
158. The Māori Land Remission Policy is available to Māori freehold land. Remissions for Māori owned general title land are only available in very limited circumstances (such as land returned for cultural redress). Land that has been returned for commercial redress or which has been purchased by iwi is not generally eligible for remissions.

159. Developments that occur on general land purchased by iwi are currently excluded from the Māori Land Remission Policy. A papakāinga house on general title land and an identical residential dwelling on Māori freehold land have the same rating parameters applied based on their capital value. However, the house on Māori freehold land will pay lower rates, due to Māori freehold land receiving a discount to its rateable land value under the valuation rules.
160. To date, one general land papakāinga development has been completed, by Ngāti Whātua Ōrākei Trust. Discounts are applied to Māori freehold land valuations to reflect the restrictions that apply under the Te Ture Whenua Māori Act 1993. These restrictions largely prevent the permanent alienation of Māori freehold land. They also require sales and transfers to be administered through the Māori Land Court.
161. Māori landowners have the option to apply to the Māori Land Court to convert their land to Māori freehold. The cost of undertaking such applications (which run to tens of thousands of dollars) may outweigh the benefit of any subsequent rating discount.
162. Some mana whenua are taking alternative steps to prevent future alienation of their new papakāinga lands. Ngāti Whātua Ōrākei Trust for example, identifies their general title papakāinga land as inalienable under the terms of their trust deed. Trust protection is not as enduring as Māori freehold land status. Māori freehold land status remains even if the land is sold, providing the former Māori owners first right of refusal over any subsequent sale.
163. The restrictions on sale are not as stringent as those on Māori freehold land. However, they are sufficiently similar in their economic impact on value to provide a basis for the council to treat them similarly for rating purposes. Officers consider that this provides a basis for offering a remission under the Māori Land Remission Policy. Such a scheme would align with the objective of the Māori Land Remissions Policy to support Kia Ora Tāmaki Makaurau (Māori Outcomes Framework). Papakāinga and Māori housing is identified as a long-term priority and mana outcome under the Framework.
164. Under such a scheme, Ngāti Whātua Ōrākei Trust papakāinga properties would be eligible for a ten percent discount in land price, for having more than 100 owners. This would equate to an average remission of \$163 per property, for total remissions of \$5,000. Officers are not aware of other similar papakāinga properties that would be eligible for remission at this time. The amount remitted would increase over time as more papakāinga developments occur.

Recommendation

165. Officers recommend that the Governing Body adopt the amended Māori Land Rates Remission and Postponement Policy in Attachment B: Draft Māori Land Rates Remission and Postponement Policy.

Amendment to Community Occupancy Guidelines

Proposal

166. The council proposed an amendment to the Community Occupancy Guidelines to further enable our 21 local boards to adjust the maintenance and administration costs recovered in community leases.

Feedback from consultation

167. This consultation topic did not have a specific question on the feedback form. There were 70 responses to this proposal from individuals and 60 from organisations with most not supporting the proposal.
168. Of individual submitters, 60 did not support the proposal, six did support the proposal and four did not clearly either support or oppose. Of organisational submitters, 56 did not support the proposal, two did support the proposal and two did not clearly support or oppose.

169. Key themes are:

- the impact that increasing fees would have on community organisations and the services that they provide
- many community organisations are experiencing financial hardship
- some leases are private businesses and should pay full costs
- changes need to be made in the context of all the changes to fees and charges.

Local board feedback

170. Sixteen local boards provided feedback on this proposal. Ten (Albert-Eden, Franklin, Howick, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōtara-Papatoetoe, Papakura, Puketāpapa, Upper Harbour and Waitemata local boards) were in support and six (Devonport-Takapuna, Hibiscus and Bays, Kaipātiki, Manurewa, Ōrākei and Rodney) were not in support. The impact on local organisations was a concern for local boards and the services provided by these groups was noted.

Consideration

171. The proposed change provides local boards with updated guidance on the level of fees required to reflect the actual costs of maintenance and administration of community leases. Community leases provide for the lease of council land, buildings, and rooms within buildings to non-profit community organisations. Amending the guidelines provides local boards with greater discretion to adjust the maintenance and administration costs recovered in community leases. If a local board considers it appropriate, then it may seek to recover a greater share of the costs of providing these services by increasing fees paid by community organisations. However, a local board may choose not to increase fees or to increase them by a lesser amount.
172. The increased revenue would provide an alternative source of funding for maintenance and administration costs presently funded from general rates. The freed up general rates funding would be available to those local boards who had raised their fees. This would provide them with additional revenue to supplement their local funding and with which to manage any impact on their budgets resulting from the proposed reductions to local funding being considered as part of this budget.
173. The current and proposed fee guidelines are set out in the table below. The proposed fees would be increased each year in-line with inflation.

Community Lease	Building Maintenance Fee Guideline		Administration Fee Guideline	
Building - Less than 100m ²	\$250	\$2,500	\$1	\$1,300
Building - Over 100m ² and less than 500m ²	\$500	\$5,000	\$1	\$1,300
Building - Larger than 500m ²	\$1,000	\$10,000	\$1	\$1,300
Ground lease only	\$0	\$0	\$1	\$1,300

174. If the local boards were to seek to recover the maintenance and administration costs to the level proposed, they could generate in the order of a maximum of up to \$3.5 million additional revenue. If all fees were set at this level, they would recover 74 per cent of building maintenance and repairs and 95 per cent of administration costs. The level of any increase would be determined by the local boards on a case-by-case basis. Given that local boards may wish to continue to support to some degree the community outcomes being delivered by some of the community leases it is unlikely that the maximum revenue increase would be achieved.

Recommendation

175. Officers recommend that the Governing Body adopt the amended Community Occupancy Guidelines in Attachment C: Draft Community Occupancy Guidelines.

Tauākī whakaaweawe āhuarangi Climate impact statement

176. Most of the recommendations in this report have a neutral climate impact as they primarily relate to the allocation of charges rather than decisions on activities to be undertaken. The recommendations in the CATR proposal will mean that council can continue to deliver the climate and service outcomes for which the CATR was established while helping manage the financial challenges it is facing.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

177. The proposals in this report have been agreed on by the following departments or business units of the Auckland Council group:

- Auckland Transport
- Tātaki Auckland Unlimited
- Waste Solutions
- Regulatory Services
- Customer and Community Services
- Healthy Waters
- CCO/External Partnerships
- Māori Strategic Relations and Partnerships.

178. The proposals in this report have been reviewed by Legal Services.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe Local impacts and local board views

179. Some of the recommendations in this report will directly impact local boards. The recommended amendment to the Community Occupancy Guidelines will provide local boards with an additional lever to assist them to manage their budget challenges.

180. Local Boards provided their views on the impacts of regional decisions on their local community at the 17 May workshop of the Governing Body. Their views are included under each of the proposals and in a separate report on this meeting's agenda.

Tauākī whakaaweawe Māori Māori impact statement

181. The council does not hold information on the ethnicity of ratepayers or fee payers so is not able to identify the exact impact of the proposed changes on Māori. The impact of the recommended rates and fees changes on Māori will be similar to that on other residents in Auckland.
182. The recommendation to provide a remission for general title papakāinga land will benefit the Māori owners of such land. This recommendation supports Kia Ora Tāmaki Makaurau (Māori Outcomes Framework) papakāinga and Māori housing outcome. Officers have developed the recommendation after considering feedback during the consultation undertaken on the Māori land remission policy, subsequent discussions with staff from Ngāti Whātua Orākei and the IMSB, and feedback received during the public consultation alongside the Annual Budget 2023/2024.
183. Consultation on the Annual Budget 2023/2024 included engagement with the 19 iwi authorities. Mataawaka were also approached for feedback on the consultation topics. 13 of the 19 (68%) Mana Whenua entities responded to the council's proposals for the Annual Budget 2023/2024. Out of a total of 93,925 people who affiliate to Mana Whenua entities in the Auckland Region, 69,662 (74%) people are represented by the feedback received.
184. Mana Whenua feedback comprised:
- 11 Oral submissions to the Governing Body
 - 13 Written submissions.

Ngā ritenga ā-pūtea Financial implications

185. The financial implications of the recommended changes are noted in the relevant sections above.
186. The recommended changes to rates, fees, and charges will allow the council to meet its cost recovery targets for the relevant activities for the 2023/2024 financial year. If these adjustments are not made the level of general rates increase may have to be higher than set out in the Mayor's proposal or further alternative budget mitigations found.




Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

187. Some Aucklanders may be concerned about the recommended level of increase in their rates and/or fees under the proposals in this report. The council wrote to each ratepayer potentially affected by the proposed changes to the Rodney drainage rating area maps to advise them of the changes the council is considering. Business ratepayers in the area proposed for the Silverdale BID were engaged through the ballot process required to establish a BID. Consultation was designed to raise wide awareness of the proposals relating to the Annual Budget 2023/2024. Ratepayers and customers were advised on how they could get more information and the opportunities to make their views known both in person and in writing.

Ngā koringa ā-muri Next steps

188. Decisions made by the Governing Body at this meeting will be incorporated into the Annual Budget 2023/2024. On 29 June 2023, the Governing Body will be asked to adopt the Annual Budget 2023/2024 and set rates for the 2023/2024 financial year. Changes to fees arising from decisions made in response to this report will be implemented from 1 July 2023.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Fees and charges changes proposal	
B 	Draft Māori Land Rates Remission and Postponement Policy	
C 	Draft Community Occupancy Guidelines	

Ngā kaihaina Signatories

Authors	Andrew Duncan - Manager Financial Policy Eric Wen - Senior Advisor - Financial Policy Aaron Matich - Principal Advisor – Financial Policy Beth Sullivan - Principal Advisor - Financial Policy Melva Yee - Programme Manager and Data Analyst
Authorisers	Ross Tucker - General Manager, Financial Strategy and Planning Peter Gudsell - Group Chief Financial Officer Jim Stabback - Tumu Whakarae / Chief Executive

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the **Governing Body**

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:

C1 **CONFIDENTIAL: Auckland International Airport Limited share sale process**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
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.	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p> <p>Due to commercial activities and not to prejudice or disadvantage negotiations.</p>	<p>s48(1)(a)</p> <p>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.</p>