

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

**Date:** Thursday, 27 June 2024  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## Tira Hautū / Governing Body

### OPEN AGENDA

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#### MEMBERSHIP

<b>Mayor</b>	Wayne Brown	
<b>Deputy Mayor</b>	Cr Desley Simpson, JP	
<b>Councillors</b>	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**  
Kaiaarataki Kapa Tohutohu Mana Whakahaere /  
Team Leader Governance Advisors

**20 June 2024**

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1 Ngā Tamōtanga | Apologies

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

3 Te Whakaū i ngā Āmiki | Confirmation of Minutes

Click the meeting date below to access the minutes.

That the Governing Body:

- a) whakaū / confirm the ordinary minutes of its meeting, held on [Thursday, 30 May 2024](#), including the confidential section, as a true and correct record.

4 Ngā Kōrero a te Marea | Public Input

5 Ngā Kōrero a te Poari ā-Rohe Pātata | Local Board Input

6 Ngā Pakihi Autaia | Extraordinary Business

4.1 Public Input: Lisa Prager - Infrastructure Market Size & Share Analysis - Trends & Forecasts (2024 - 2029)

**Te take mō te pūrongo**  
**Purpose of the report**

1. Lisa Prager will address the Governing Body regarding a private document called the Infrastructure Market Size & Share Analysis – Trends & Forecasts (2024 – 2029).

**Whakarāpopototanga matua**  
**Executive summary**

2. The document that Lisa Prager will refer to is available at the following link:  
<https://www.mordorintelligence.com/industry-reports/infrastructure-sector-in-new-zealand>

**Ngā tūtohunga**  
**Recommendation/s**

That the Governing Body:

- a) whiwhi / receive the public input from Lisa Prager regarding a private document called the Infrastructure Market Size & Share Analysis – Trends & Forecasts (2024 – 2029) and whakamihi / thank her for attending.



## Status Update on Action Decisions from Governing Body 30 May 2024

File No.: CP2024/06553

Item 7

### Te take mō te pūrongo Purpose of the report

- To update the Governing Body on action decisions made at the last meeting.

### Whakarāpopototanga matua Executive summary

- The information provided below is a status update on action decisions only that were made at the Governing Body meeting on 30 May 2024:

Resolution Number	Item	Status
<a href="#">GB/2024/56</a>	Houkura - Independent Māori Statutory Board Funding Agreement for 2024/2025	Finalised agreement signed by Mayor on 5 June 2024
<a href="#">GB/2024/57</a>	Approval of shareholder comments on CCO draft Statements of Intent 2024-2027	Mayor has prepared letters containing stakeholder comments  CCO Governance and External Partnerships Manager finalised shareholder comment for contemporary Art Foundation
<a href="#">GB/2024/61</a>	Review of representation arrangements for the 2025 elections – initial proposal	Chief Executive to report on merits and options for undertaking a joint review of LGACA
<a href="#">GB/2024/63</a>	Update on the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill	Submission on the bill made on 4 June 2024. Councillors Filipaina and Leoni presented the submission.
<a href="#">GB/2024/65</a>	Delegated authority to make a submission to the Local Government (Water Services Preliminary Arrangements) Bill	Submission approved and submitted on 13 June 2024  All documents released as part of the minutes of 30 May 2024 meeting.
<a href="#">GB/2024/71</a>	Report from Stadium Venues Working Group	Documents were made available as part of the minutes of 30 May 2024 meeting.

Item 7

Resolution Number	Item	Status
	Briefing or report on the city centre including foot traffic and changes to retail including Smith and Caughey	Information will be provided in August that draws on an update report being prepared for the City Centre Advisory Panel

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- tuhi ā-taipitopito / note the status of decisions made at the 30 May 2024 meeting.

## Ngā tāpirihanga Attachments

There are no attachments for this report.

## Ngā kaihaina Signatories

Authors	Sandra O'Toole - Kaiarataki Kapa Tohutohu Mana Whakahaere / Team Leader Governance Advisors Lisa Tocker - Executive Officer
Authoriser	Phil Wilson - Chief Executive



## Chief Executive and Group Chief Financial Officer Update

File No.: CP2024/06558

### Te take mō te pūrongo Purpose of the report

1. To provide a monthly update to the Governing Body on key matters from the Auckland Council Chief Executive and Group Chief Financial Officer.

### Whakarāpopototanga matua Executive summary

#### Chief Executive and Group Chief Financial Officer's Update

2. Phil Wilson, Chief Executive and Ross Tucker, Group Chief Financial Officer will provide a summary of highlights and key activities and updates for the following:
  - Government relationships and reform
  - Service performance and achievements
  - Long-term Plan 2024-2034 (LTP)
  - Moody's Ratings sector methodology update
  - Financial performance for Auckland Council and the Auckland Council Group for the eleven months to 31 May 2024
  - Economic and market update.

#### Long-term Plan 2024-2034 (LTP) update

3. The Governing Body will be asked to adopt the final LTP document at this meeting (27 June 2024).
4. This follows a drop-in session with elected members on 19 June 2024 where the three volumes of the document were explained – being an overview document, detailed budgets strategies and policies, and local board information and agreements.
5. It is proposed the final document will be published on the council website on 1 July 2024, ready for the start of the new financial year 1 July 2024.
6. The central message in the LTP is that this plan prioritises Auckland's physical and financial resilience by making the most of what we have, while targeting investment in areas where it is needed most and will have the biggest impact.
7. It includes continued focus on greater efficiency, with further savings targeted from accelerating group shared services, more cost-effective service delivery models, increased fees and charges, and by reducing a range of activities.
8. The document also outlines the council group focus that will occur as a result of the plan, including focusing on how the organisation works together and how we will respond to the set of challenges and opportunities the group faces.

#### Moody's Ratings sector methodology update

9. At the end of May, Moody's Ratings published an updated methodology for determining the credit ratings of regional and local governments replacing the previous version in use since January 2018. As a result of the new methodology there is no change to Auckland Council's credit rating of Aa2 and outlook of "stable". The new methodology mainly simplifies the assessment, introduces some quantitative and qualitative sub-factors, and is expected to enable easier comparison of regional and local governments across countries.

## Financial performance for Auckland Council and the Auckland Council Group

10. The monthly financial dashboard for Auckland Council and the Auckland Council Group was not available at the time the agenda was due for release and will be made available prior to the meeting. A summary of the key highlights and results will be provided by the Group Chief Financial Officer at the meeting.

## Economic and market update

11. Key economic and market activity updates are:
- Annual inflation rate – Consumer Price Index was 4 per cent at the end of March 2024 (updated quarterly, next due 17 July 2024).
  - Non-tradable inflation was at 5.8 per cent for the year to March 2024. Non-tradables are goods and services that do not face foreign competition and are an indicator of domestic demand and supply conditions. (updated quarterly, next due 17 July 2024).
  - Unemployment rate – 4.3 per cent to the end of March 2024, an increase of 0.3 per cent on the previous quarter. Updated 1 May 2024. (updated quarterly, next due 7 August 2024).
  - Gross Domestic Product decreased by 0.1 per cent in the December 2023 quarter, bringing annual growth to 0.6 per cent (updated quarterly, next due 20 June 2024).
  - The Official Cash Rate (OCR) rate remained at 5.5 per cent on 22 May 2024 (next update is 10 July 2024).
  - Auckland new dwellings consented numbers – 14,650 for the 12 months to April 2024 (27 per cent lower than the 12 months to April 2023).
  - International migration (national level) – net gain of 98,500 people for the 12 months to April 2024, comprising 229,100 arrivals and 130,600 departures (provisional estimates, subject to revision).

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whiwhi / receive the information provided in this report, in the monthly financial dashboard circulated prior to the meeting and the verbal updates by the Chief Executive and Group Chief Financial Officer.

## Ngā tāpirihanga Attachments

There are no attachments for this report.

## Ngā kaihaina Signatories

Author	Karuna Dahya - Manager Group Performance Reporting
Authorisers	Nicola Mills - Acting Group Chief Financial Officer Phil Wilson - Chief Executive

## Recovery Office Update

File No.: CP2024/06559

### Te take mō te pūrongo Purpose of the report

1. To provide an update on progress with the Tāmaki Makaurau recovery programme, including a plan to transition recovery activities into Auckland Council's regular operations.

### Whakarāpopototanga matua Executive summary

2. This monthly report to the Governing Body provides an overview of progress with Auckland's storm recovery, including notable achievements and upcoming challenges.
3. The National Civil Defence Emergency Management Plan 2015 requires that an exit strategy is prepared for recovery efforts. This is to ensure that the recovery programme is successfully transitioned into regular operations while maintaining the relationships and momentum needed for recovery. This report includes a plan to transition recovery activities into Auckland Council's operations.
4. The Recovery Transition Plan (Attachment A) identifies two focus areas: completing the 2023 recovery and building future capability and capacity into practice. For each area of recovery activity, the transition plan describes key considerations, expected timeframes and the functional owners who will assume responsibility. Detailed evaluation of work programmes has identified that some activities can readily transition into different council units and become part of existing service delivery. However, some core and more bespoke Recovery services – particularly those related to homeowner and community support – are best maintained in an ongoing Recovery Office until they are complete.
5. The Recovery Office dashboard (Attachment B) shows continued demand for recovery services. The number of individuals, whānau and families being supported by the navigator service is now 890. The government has announced it will continue accommodation assistance for displaced households until June 2025, however it has not been extended to include properties held in trusts.
6. The Wellbeing Recovery Plan for Tāmaki Makaurau was approved by the multiagency Auckland Regional Leadership Group on 6 June 2024. A summary of the plan's focus areas is attached as Attachment C.
7. The Recovery Office has been identified as a 'pockets of good practice' in the *He Waka Kōtuia - Te Tiriti o Waitangi Audit 2024* in regards to active partnerships with mana whenua.
8. As of 10 June 2024, we are over halfway through the categorisation process for storm-impacted properties (based on the current numbers of opt-ins). Categories have been finalised for 1566 properties: 989 Category 1, 59 Category 2P, 4 Category 2C, and 498 Category 3. Owners of 282 Category 3 properties have received an offer of purchase. Offers have been accepted in 130 cases, and 90 sale and purchase transactions are now complete. The removal of the first four dwellings has been completed. Deconstruction of purchased Category 3 dwellings is programmed to take until the end of 2026, working at a rate of 30 properties completed per month once the programme is fully operational.
9. A change is being sought to the Crown/Council funding agreement to progress decisions for categorisation in high-risk locations where risk mitigation works cannot be delivered within a two-year period. This will potentially allow around 200 properties with intolerable risk to life to be settled as Category 3, rather than Category 2C. This will speed up the categorisation process and provide certainty sooner for owners.

Item 9

10. The number of requests for a review of decisions is also increasing, with 120 requests received by 6 June, up from 93 on 10 May. These are mostly requests for recategorisation from Category 1 to Category 2P, and for consideration of special circumstances. The review workload is increasing, and we are in the process of securing resources to be able to respond to requests in a timely manner.
11. Property owners affected by the storms of early 2023 have until 30 September 2024 to opt into the categorisation process. Emerging evidence indicates that a sizeable number of homes that were severely impacted by the 2023 weather events have not opted in. This is going to require substantial focus, effort and resources from the Recovery Office to resolve. A communications campaign is underway to let people know about the end date and encourage likely high-risk properties to opt in. The Recovery Office continues to receive opt-ins every week, and this will contribute to the long tail of recovery, with categorisation of these new opt-ins expected to continue from September 2024 until early 2025.
12. As categorisation progresses, staff are identifying a number of complex cases that require further consideration. This includes large sites, multi-unit sites, and cross-lease sites. An internal review led by the Recovery Office is underway to consider whether any amendment to the scheme terms may be required, or whether complex cases can be managed through practice notes and the special circumstances process already in place.

## Ngā tūtohunga Recommendation

That the Governing Body:

- a) tuhi-ā-taipitopito / note the update and progress with the Tāmaki Makaurau recovery programme.
- b) tuhi-ā-taipitopito / note the Recovery Office Transition Plan and refer a copy to the Civil Defence and Emergency Management Committee and the Coordinating Executive Group.

## Horopaki Context

### Continued activity to recover from the severe weather events of 2023

13. It is now seventeen months since the severe weather events that devastated Auckland communities. The Auckland Anniversary Weekend floods and Cyclone Gabrielle left a trail of devastation, with tragic and long-lasting impacts for impacted communities.
14. Since January 2023, Auckland Council group has worked with government, NGOs, iwi and community partners to support people and the region to respond to the severe weather events and to begin their recovery journey. Work includes deploying hundreds of teams to repair the roads, pipes and community infrastructure that keep Auckland working and, in uncharted territory for the council, setting up new systems and funding streams to support Aucklanders with homes that pose an intolerable risk to life.
15. This monthly report to the Governing Body provides an overview of progress with Auckland's storm recovery, including notable achievements and upcoming challenges and decisions.

## Tātaritanga me ngā tohutohu Analysis and advice

### Transitioning recovery

16. The National Civil Defence Emergency Management Plan 2015 requires that an exit strategy is prepared for recovery efforts. This is to ensure that the recovery programme is successfully transitioned into the council's regular operations while maintaining the relationships and momentum needed for recovery.
17. The attached Transition Plan (Attachment A) is Auckland Council's exit strategy – recognising that the council is not exiting from its commitment to support impacted communities, simply reorganising how that support is given. These important responsibilities will transition into the council's regular work programmes as and when appropriate.
18. The Transition Plan identifies two focus areas:
  - completing the 2023 recovery, and
  - building future capability and capacity.
19. For each area of recovery activity, the Transition Plan describes key considerations, expected timeframes and the functional owners who will assume responsibility. The Transition Plan will need to be measured and regularly reviewed as council moves further through recovery activities, with programming flexible enough to accommodate the environment we are operate in.
20. Detailed evaluation of work programmes has identified that some activities can readily transition into different council units. Some core functions – particularly those related to homeowner and community support – will be best maintained in a scaled down Recovery Office until they are largely complete. Transition will also emphasise the need for 'recovery preparedness' – ensuring lessons learned are translated into systems that are in place to quickly establish recovery efforts for any future emergency events.
21. A planning exercise has been completed to understand the expected duration of key work programmes, and the resource and budget required to successfully complete delivery of the 2023 recovery programme. Budgets supporting the recovery programme were consolidated as part of the Long-term Plan 2024 - 2034. This is outlined in the Transition Plan and includes costs to complete categorisation, the Category 2P grants scheme, the purchase and deconstruction of Category 3 properties and consequential operating costs.

### Implementing the Recovery Plan to support communities

22. The Recovery Dashboard in Attachment B provides gives an overview of progress.  
***Community and social recovery continues to deliver tangible support for communities***
23. As of 31 May, 890 families are being supported by a Navigator, with 192 in the south, 180 in the north, 251 in central, and 267 in the west. While some families have now exited the service, the number of active cases continues to rise, underscoring the continued need for support.
24. The community and social recovery team continues to be active out in the community. Events, such as a local street event in Māngere on 4 May, a pop-up at Warkworth Library on 17 May, and an event at Lincoln Heights Primary School on 25 May are raising awareness of the storm recovery process, helping people prepare for future weather events, and getting new referrals into the Navigator service.
25. The government has announced it is extending the Temporary Accommodation Service (TAS) and Temporary Accommodation Assistance (TAA) until June 2025. The existing exclusion of trust-owned properties remains.

***The Wellbeing Recovery Plan for Tāmaki Makaurau has been approved***

26. Supporting wellbeing recovery in Tāmaki Makaurau requires collaboration across central government agencies, Auckland Council, and NGOs and community organisations.
27. The Wellbeing Recovery Plan for Tāmaki Makaurau was approved by the Auckland Regional Leadership Group<sup>1</sup> on 6 June 2024. The plan is a key deliverable of the Tāmaki Makaurau Recovery Plan, adopted by the Governing Body on 14 December 2023 (GB/2023/236). It sets out the collective priorities of the cross-agency working group, and will guide agencies to develop, target and coordinate their work programmes to support wellbeing recovery. A summary of the focus areas is attached as Attachment C. The plan will be available on the Recovery Office website.

***Natural and built environment recovery is progressing***

28. Categorisations, voluntary buy-outs, and other rebuilding projects are all reporting good progress, as presented in the Recovery Dashboard (Attachment B).
29. **Categorisations:** Final categorisations have now been communicated to 1566 property owners (as of 6 June, up from 1332 as of 10 May). This includes 989 Category 1, 59 Category 2P, 4 Category 2C, and 498 Category 3. Based on the current number of properties opted into the assessment process, we are over halfway through final categorisations (noting that opt-ins are continuing until September 2024).
30. **Buy-outs:** Property owners have received an offer of purchase for 282 Category 3 properties. One hundred and thirty have accepted the offer, and 90 sale and purchase transactions are now complete.
31. **Requests for review:** The number of requests for review continues to increase, with 120 received by 6 June, up from 93 on 10 May. Fifty-five cases have been resolved, and 65 cases remain open. The most frequent requests are for recategorisation from Category 1 to Category 2P (i.e. seeking financial assistance from the council for repairs under the Category 2P Grant Scheme), and for consideration of special circumstances. Several owners have now requested a second (Chief Executive) review of their case, as provided for in the Scheme Terms.
32. **End date for opt-ins:** The Recovery Office continues to receive opt-ins every week, and this will contribute to the long tail of recovery, with categorisation of these new opt-ins expected to continue from September 2024 until early 2025. Emerging evidence indicates that a sizeable number of homes that were severely impacted by the 2023 weather events have not opted in. This is going to require substantial focus, effort and resources from the Recovery Office to resolve.
33. A campaign is underway to encourage people to opt into categorisation before it ends on 30 September 2024. Healthy Waters are identifying properties that are likely to have been seriously impacted by the 2023 severe weather events but have not yet opted in. These are mostly in Mt Roskill, Henderson/Ranui and Māngere. Mailouts and door-knocking will be targeted to these properties, further to the mailout to nearly 1400 properties in January. Door-knocking has started in Henderson, and other areas will begin shortly.
34. We are also making use of community hui and in-person pop-ups in high-risk neighbourhoods where people who are unsure of the process can come and talk to a member of the Recovery Office, with events booked for Henderson on 18 June and Ranui on 25 June. Broader communications include targeted outdoor advertising (adshels) in high-risk neighbourhoods and engagement through ethnic media channels.

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<sup>1</sup> The Auckland Regional Leadership Group (ARLG) is a group of senior leaders from iwi and central and local government officials, convened by the Regional Public Service Commissioner. The group provides strategic oversight and alignment with key stakeholders on areas of common priority to achieve better outcomes in Tāmaki Makaurau.

35. Supporting information is provided on OurAuckland, helping people to identify whether they should enter the categorisation process – see the article published 6 June: [Registering for a risk category – what you need to consider - OurAuckland \(aucklandcouncil.govt.nz\)](https://www.aucklandcouncil.govt.nz). Follow-up emails will be sent before the end of September, reminding people to register ahead of the closing date.
36. **Deconstruction:** The removal of the first four dwellings has been completed, with another three underway. Building assessments have been completed for 44 dwellings. The cost of deconstruction on the first sites has been higher than budgeted, due to the presence of asbestos and the difficulties of the steep coastal sites. The situation is being monitored and will be reviewed as further less challenging sites are completed. Deconstruction of purchased Category 3 dwellings is programmed to take until the end of 2026, working at a rate of 30 properties completed per month once the programme is fully operational.
37. **Category 2P and 2C projects:** The first Project Delivery Plans are with Crown Infrastructure Partners to secure funding for three risk mitigation projects and the Category 2P implementation programme. Approval is delegated to Ministers of Finance and Emergency Management and Recovery.
38. A report seeking Council approval for the projects will be presented to the Transport and Infrastructure Committee on 4 July 2024. Aligned to the project delivery for these risk mitigation projects is the development of a proposal for an Order in Council, as provided for in the Severe Weather Emergency Response Act 2023, to enable projects to be delivered within a shorter timeframe. Subject to committee and Cabinet approval, the Order in Council could be expected to be ready by August or September 2024, with works to be finished by the end of June 2026.
39. In addition, a change is being sought to the Crown/Council funding agreement to progress decisions for categorisation in high-risk locations where risk mitigation works cannot be delivered within a two-year period. This will potentially allow around 200 properties with intolerable risk to life to be settled as Category 3, rather than Category 2C. This will speed up the categorisation process.
40. **Transport and infrastructure:** The Recovery Dashboard (Attachment B) provides an update on progress with transport and infrastructure repairs, showing the programmes are well underway, with most programmes expected to be completed in the 2024/2025 financial year.

### Issues arising through implementation – complex cases

41. Halfway through the categorisation process for storm-impacted properties, staff are finding a number of complex cases. These cases sit at the margins of what was envisaged by the scheme terms and may require some more policy analysis and/or development of practice notes.
42. An internal review led by the Recovery Office is underway to look at how the scheme responds to:
  - The purchase of large sites (greater than 1ha), where the home is only on a small portion of the site
  - Multi-unit properties where not all units were affected by the weather events
  - Cross-lease sites where party walls and neighbour permissions may become a legal, permission and/or engineering issue at the deconstruction stage
  - Category 3 and 2P Properties where homeowners are seeking reimbursement for their labour used during repairs
  - Requirements for insurance claims to be lodged and settled before buy-outs can proceed in situations where there is no damage to the land and consequently no EQC claim to lodge

- Insurance cover/liability for homeowners in the stage between settlement of the homeowner’s claim with the insurance company, and Auckland Council buying their property.

**Climate impact statement**

43. Climate change remains a key consideration for the Recovery Office. The Tāmaki Makaurau Recovery Plan sets out specific actions and describes work at a regional level that will contribute to Auckland’s ability to adapt to the impacts of climate change. This includes elements of the Resilient Auckland programme which will help to ensure Auckland’s resilience in the long-term and also prioritise adaptation planning for communities that have less adaptive capacity.

**Council group impacts and views**

44. The Recovery Office is working across the council group to ensure alignment with council policy and priorities, and to deliver necessary work programmes. Key business partners are identified in the attached Transition Plan.

**Financial implications**

45. There are no financial implications from this report. Budget for the transition of recovery activities into the council’s regular operations is provided for within the Long-term Plan.

**Risks and mitigations**

46. The ongoing key risks and mitigations for the recovery effort are identified in Table 1.

**Table 1. Priority Risks for the Recovery Office**

	<b>Risk</b>	<b>Mitigation</b>
<b>1. Sufficient funding</b>	There is a risk that the number of Category 3 and Category 2 properties is higher than initially forecast.	The Recovery Office tracks progress against the funding agreement envelope. A good faith provision in the co-funding agreement with government allows us to re-enter discussions if it proves the funding for the Voluntary Buy-out Support Scheme is insufficient.
<b>2. Delivery timeframes</b>	Communities expect that categorisation and risk mitigation projects will be implemented quickly. Sometimes decisions take longer than the community expects. Additional properties (c.600) have opted-into the scheme in 2024 and we anticipate up to a further 250 – 300 properties opting in.	Prudent management of resources and budgets to deliver priority activities that meet the needs of affected Aucklanders, and clear rationale communicated to explain how projects are sequenced and prioritised.
<b>3. Fit for purpose systems</b>	Rapid deployment of systems to support recovery need to be fit for purpose, demonstrate value for money, and able to be transitioned back into the council’s regular business when the Recovery Office is wound down.	Recovery Office staff are focused on improved data management and reporting systems, working with relevant staff in the wider council group to ensure smooth transition and to manage further risk of cost escalation.



	Risk	Mitigation
4. Further severe weather events	Another severe weather event could occur before recovery efforts are complete.	Storm Response funding is increasing proactive maintenance and improving the council's ability to respond quickly to events. Recovery continues to focus on the most vulnerable communities.

## Tauākī whakaaweawe Māori Māori impact statement

47. The recovery is an opportunity to partner with iwi, mataawaka, marae and Māori businesses. Regular contact from council will be important moving forwards to strengthen relationships with mana whenua, and ensure they are able to meaningfully participate in the recovery effort. In response to feedback received last year that mana whenua want to be involved in the recovery effort at a local level, council are resourcing and enabling mana whenua to develop and implement recovery plans for their rohe.
48. The Recovery Office was identified as a “pocket of good practice” in the *He Waka Kōtuia - Te Tiriti o Waitangi Audit 2024* in regards to active partnership with mana whenua.

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

49. Local boards have been engaged with throughout the recovery process, including development of the Tāmaki Makaurau Recovery Plan. Further targeted engagement with local boards will happen throughout the implementation of the Recovery Plan, particularly in areas with impacted communities.

## Ngā koringa ā-muri Next steps

50. From 22 June 2024, the Recovery Office will sit within the Infrastructure and Resilience Directorate. There will be no impact on the delivery of recovery programmes or the customer experience. Note that the Recovery Office will now move to reporting to the Governing Body as part of the quarterly performance reporting.
51. An interim ‘lessons learned’ report will be completed by December 2024, with a final report at the end of the transition process. The Recovery Office will communicate with stakeholders on processes for their input to the lessons learned activities. A Governing Body workshop is scheduled for October.

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## Ngā tāpirihanga Attachments

No.	Title	Page
A	Recovery Transition Plan June 2024	
B	Recovery Dashboard 6 June 2024	
C	Wellbeing Recovery Plan - overview	

## Ngā kaihaina Signatories

Authors	Tanya Stocks - Recovery Office Strategic Support Mace Ward - Deputy Group Recovery Manager
Authorisers	Mat Tucker - Group Recovery Manager Phil Wilson - Chief Executive

# Review of representation arrangements for the 2025 elections - initial proposal

File No.: CP2024/04609

## Te take mō te pūrongo Purpose of the report

1. To:
  - i) resolve the council's initial proposal for representation arrangements for the 2025 elections
  - ii) agree the process for hearing submissions on the initial proposal
  - iii) agree the content of the consultation documents on the regional structure of local boards.

## Whakarāpopototanga matua Executive summary

2. Auckland Council's representation arrangements must be reviewed this year. The outcome will apply at the 2025 elections and the 2028 elections (unless the council chooses to conduct another review for the 2028 elections).
3. The process in the Local Electoral Act 2001 (the Act) requires the council to make its initial proposal, by resolution, which is then publicly notified for submissions. After considering submissions, the council resolves its final proposal, which is also publicly notified, with any appeals, objections and proposals that do not comply with the 10 per cent rule, being forwarded to the Local Government Commission to make the final decision.
4. The council must publicly notify its initial proposal within two weeks of making the resolution and has eight weeks following the close of submissions to publicly notify its final proposal. Within those eight weeks, the council must hear submitters, consider submissions and resolve its final proposal. Local boards will be able to provide feedback.
5. Auckland Council has the most complex representation arrangements in New Zealand, with one governing body and twenty-one local boards. Because of the effect on both Governing Body and local board electoral arrangements, the Governing Body requested the Joint Governance Working Party ("Working Party"), which comprises both Governing Body and local board members, to develop recommendations for an initial proposal for consideration by the Governing Body.
6. The Working Party's recommendations for the council's initial proposal were reported to the Governing Body meeting on 30 May 2024. Following agreement in principle on the changes to be made, the council's draft initial proposal for representation arrangements for the 2025 local elections is attached as Attachment A.
7. The Governing Body meeting on 30 May 2024 also discussed recommendations for a local board reorganisation plan. The meeting decided to not consult on a specific local board model for 2025 but instead resolved "*to undertake, alongside the representation arrangements consultation for 2025 local elections, an initial public consultation process on the regional structure of local boards, ahead of a later public consultation on a full local board reorganisation proposal to implement for the 2028 local elections.*" This report presents the consultation documents on the regional structure of local boards for agreement.

8. At its meeting on 26 September 2024 the Governing Body will consider all submissions and resolve its final proposal. The Act requires the council to provide every submitter a reasonable opportunity to be heard. This report recommends the Governing Body confirm the process for the hearing of submissions. The Governing Body previously resolved the Joint Governance Working Party would hear submissions. Other options could include the full Governing Body or a small committee of Governing Body members.

## Ngā tūtohunga Recommendation/s

That the Governing Body:

### Representation Review

- a) whai / adopt the Auckland Council's initial proposal for representation arrangements for the 2025 local elections in Attachment A of the agenda report, for public notification in accordance with the Local Electoral Act 2001
- b) whakaae / agree Part One of the supporting material (Attachment B of the agenda report) relating to the initial proposal for representation arrangements
- c) whakaae / agree Part One of the feedback form (Attachment C of the agenda report) containing the questions relating to the initial proposal for representation arrangements
- d) tautapa / delegate to the Joint Governance Working Party the responsibility and power under section 19M (3) of the Local Electoral Act 2001 to hear and consider oral submissions and make recommendations to the Governing Body on its initial proposal

### Regional structure of local boards

- e) whakaae / agree Part Two of the supporting material (Attachment B of the agenda report) that supports the questions on the regional structure of local boards.
- f) whakaae / agree the questions feedback form (Attachment C of the agenda report) seeking public feedback on the regional structure of local boards:
  - i) Do you feel knowledgeable about what local boards are and what they do?
  - ii) Do you think council should review the current structure of local boards?
  - iii) If you think council should consider changing the local board structure, which geographic area do you think is best for a local board to represent? (3 options)
  - iv) Do you have any other feedback about how you and your community can be represented through local boards and the governing body?
- g) tautapa / delegate to the Chief Executive or nominee the ability to make minor changes to reflect the decisions of this meeting or to correct errors or improve presentation.

## Horopaki Context

9. The full context for the representation review was reported to the Governing Body's meeting on 30 May 2024. This included the previous resolutions of the Governing Body and the legislative framework.
10. The Governing Body previously delegated to the Working Party the development of the council's initial proposal. Their recommendations were reported to the meeting on 30 May 2024. The Governing Body discussed these recommendations and resolved, in principle, the changes to be included in the initial proposal.

## Previous engagement

11. Early engagement on the representation review initial proposal and a potential reorganisation of local boards took place during February and March 2024 as overseen by the Working Party. Early engagement included workshops with elected members and provided an opportunity to test initial thinking with mana whenua, mataawaka entities, advisory panels and a range of community organisations.
12. This engagement was intended to provide a sense of public views on potential changes to the governance structure. This was designed to be at a high level to inform ongoing discussions about communities of interest and what effective representation means to the community.
13. Feedback on retaining the current ward structure including rural representation was largely supportive. It was felt that wards were better able to ensure all parts of Auckland would be considered during regional decision-making, it would allow a local connection with members and would better enable diversity amongst Governing Body members.
14. Feedback on the need for rural and island representation as unique communities of interest was almost universally supported. It was felt that their needs would be overlooked or drowned out if they were merged with more populous urban areas.

## People's Panel Survey

15. As part of the early engagement on the representation project, a People's Panel survey was conducted to provide a snapshot of community views about Auckland's governance model. The survey was circulated on 27 February to panel members with a goal of at least 1000 responses. 1227 received when it closed on 3 March.
16. Feedback showed that knowledge of local boards and the Governing Body is low. Only one in five respondents feel knowledgeable about their local board and the Governing Body (20 per cent and 18 per cent, respectively). This compares with three in five (58 per cent) who feel they are knowledgeable about the NZ Government.
17. Perceptions of local boards and the Governing Body are fairly low but those who are more knowledgeable about how decisions are made, are more likely to have favourable perceptions.
18. More respondents supported (42 per cent) than opposed (26 per cent) the proposal to reduce the number of local boards although a third were undecided.
19. Overall, 24 per cent felt that the existing ward structure works well but only 15 per cent supported councillors being elected regionally.
20. Data from this survey informed the May 2024 Governing Body report but for completeness, the full analysis of the survey is provided in Attachment D.

## Tātaritanga me ngā tohutohu Analysis and advice

21. The initial proposal (Attachment A) reflects the following changes to current arrangements that were agreed in principle at the meeting of the Governing Body on 30 May 2024.

### Ward boundary/representation changes

22. Governing Body arrangements include 20 councillors elected from current wards with the following changes (see Attachment A 'draft initial proposal' for maps):
  - i) all ward boundaries will be aligned with local board boundaries, including in the isthmus, except for the Eden Terrace area which is currently in the Waitemata Local Board area and Albert-Eden-Puketāpapa ward and which will remain as such (to comply with the 10 per cent rule)

- ii) the boundary between the Albany and North Shore wards will move such that the Bayview area is included in the North Shore Ward and the boundary aligns with the local board boundary along Sunset Road
  - iii) where there is a minor boundary change for a local board the relevant ward boundary will be aligned with the new local board boundary unless stated otherwise.
23. These changes result in all wards complying with the 10 per cent rule except for the North Shore Ward which has a variance of -13.70 per cent. The decision to not comply is based on recognising the Sunset Road ridge as a historically strong community boundary. The variance could be made to comply with the 10 per cent rule by including all of Unsworth Heights in the North Shore Ward however this would join the Unsworth Heights community north of the Sunset Road ridge with communities south of the Sunset Road ridge, such communities currently being separated by the ridge. It would also lead to misalignment of the ward boundary with the local board boundary. The council is required to align ward boundaries with local board boundaries as far as is practicable.

### Local Board representation changes

24. The current representation arrangements for local boards are retained except for the following changes (see the attached draft initial proposal for maps):
- i) the subdivisions in the Rodney Local Board will be:
    - A) North Rural, 2 members
    - B) South Rural, 2 members
    - C) Warkworth, 2 members
    - D) Kumeū, 2 members
    - E) Dairy Flat, 1 member
  - ii) the total number of members on the Howick Local Board will increase from 9 members to 11 members. The subdivisions will be:
    - A) Howick, 3 members (no change)
    - B) Pakuranga, 3 members (no change)
    - C) Botany, 2 members (changed area)
    - D) Flat Bush, 3 members (new subdivision)
25. These changes result in subdivisions in all local boards complying with the 10 per cent rule except for the following local boards. The attached draft initial proposal sets out the reasons for the decisions on non-compliance:
- i) Rodney Local Board
  - ii) Hibiscus and Bays Local Board
  - ii) Maungakiekie-Tāmaki Local Board
  - iii) Ōtara-Papatoetoe Local Board
  - iv) Franklin Local Board

### Local board minor boundary changes

26. Boundary between Upper Harbour and Devonport-Takapuna local boards:
- i) all of Saunders Reserve will be in the Upper Harbour Local Board area.

27. Boundary between Kaipātiki and Upper Harbour local boards:
- i) the boundary will run along Sunset Road where it currently runs behind houses
  - ii) a parcel of land in the vicinity of Kereru Reserve will become part of the Upper Harbour Local Board area
  - iii) the residential area of Bayview that is north of Glendhu Road will go to the Kaipātiki Local Board area
28. Boundary between Puketāpapa and Maungakiekie-Tāmaki local boards:
- i) all of Taumanu Reserve to lie within the Maungakiekie-Tāmaki Local Board area.

### Public consultation requirements

29. The Local Electoral Act 2001 (LEA) requires councils to follow a prescribed process within certain timeframes when undertaking a review of the representation arrangements. The proposed process and dates are provided below.

Action	Required timeframe	Planned timeframe
<b>Resolution of initial proposal</b>	By 31 July 2024	27 June 2024
<b>Public notice of initial proposal</b>	Within 14 days of resolving initial proposal	8 July 2024
<b>Public consultation</b>	Period of no less than 1 month	8 July – 8 August 2024
<b>Hearings</b>	-	2 – 13 September 2024
<b>Resolve final proposal</b>	-	26 September 2024
<b>Public notice of final proposal</b>	Within eight weeks of close of submissions	3 October 2024
<b>Receive objections or appeals to final proposal</b>	Period of no less than 1 month	3 October – 3 November 2024
<b>Forward objections or appeals to the Local Government Commission for final determination</b>	As soon as practicable but no later than 1 December 2024	4 November 2024
<b>Final determination on proposal from the Local Government Commission</b>	No later than 11 April 2025	-

### Public consultation material

30. At its meeting on 30 May 2024 the Governing Body did not agree to consult on local board reorganisation for the 2025 elections but resolved:

*whakaae / agree to undertake, alongside the representation arrangements consultation for 2025 local elections, an initial public consultation process on the regional structure of local boards, ahead of a later public consultation on a full local board reorganisation proposal to implement for the 2028 local elections.*

31. The questions that are provided in recommendation e) and contained in Attachment C are the end result of two meetings with Elected Members; one a workshop of the Governing Body, and the other at a meeting of the Joint Governance Working Party.

32. There have been mixed views about the wording of these questions, the numbers of questions and whether questioning the public, even in a general way is the right thing to do now that the reorganisation of local boards is not going ahead. The common theme however, is that questions should be aimed at a very high level.
33. The consultation material (supporting information and feedback form) have been provided under 'Part One: Representation review initial proposal' and 'Part Two: Current local board structure' for ease of determining what will be included in public consultation and what will not be. As discussed in this report, public consultation is required for the representation review initial proposal.
34. Staff acknowledge the generally low level of understanding of Auckland's shared governance model and what local boards are and do. Staff envisage civic education opportunities through this consultation process, particularly leading into the local government elections awareness campaign for 2025.
35. The draft consultation material aims to both contribute towards civic education goals and provide sufficient information for a person wishing to make a submission on either the representation review initial proposal or the regional structure of local boards. The material overview is provided in the table below and found in Attachments A, B, and C.

Document	Content
<b>Representation review initial proposal (Attachment A)</b>	<ul style="list-style-type: none"> <li>• Current arrangements</li> <li>• Proposed changes to wards and local boards</li> <li>• Maps of proposed changes</li> </ul>
<b>Supporting information (Attachment B)</b>	<ul style="list-style-type: none"> <li>• Overview and existing arrangements</li> <li>• Part One: Representation review initial proposal                             <ul style="list-style-type: none"> <li>- Understanding representation reviews</li> <li>- Feedback and next steps</li> </ul> </li> <li>• Part Two: current local board structure                             <ul style="list-style-type: none"> <li>- Auckland Council in the past, present, and future</li> </ul> </li> </ul>
<b>Feedback form (Attachment C)</b>	<ul style="list-style-type: none"> <li>• Overview and proposed changes</li> <li>• Part One: Representation review initial proposal questions</li> <li>• Part Two: current local board structure questions</li> </ul>

36. The supporting information and feedback form will be translated into Te reo Māori, Simplified Chinese, Traditional Chinese, Samoan, Tongan, Hindi, and Korean. A video summary of the consultation material will be provided in New Zealand Sign Language.

### Public consultation overview

37. In line with the Local Electoral Act requirements, the scale of proposed changes to representation, and the drive for civic education through this opportunity, the public consultation plan will involve the following:
  - i) regionwide consultation
  - ii) one month consultation period
  - iii) a combination of online and in person regionwide events. Targeted sessions in affected areas



- iv) targeted marketing campaign and information sessions in areas with proposed changes
- v) digital engagement via the 'AK Have Your Say' webpage and online information webinars
- vi) marketing campaign to aid civic education and encourage participation in consultation
- vii) engaging with community partners where possible for diverse communities
- viii) targeted engagement stream with Māori
- ix) libraries, local board offices and service centres will have consultation material summaries available in all languages (English, Te Reo Māori, Simplified Chinese, Traditional Chinese, Korean, Hindi, Samoan, Tongan).

### Hearing of submissions

38. The Local Electoral Act 2001 requires that for any person who makes a submission on the council's initial proposal the council must ensure that person is given a reasonable opportunity to be heard by the council.
39. There will be submitters who will wish to exercise their right to be heard.
40. At its meeting on 27 April 2023 the Governing Body resolved (resolution GB/2023/68):
- whakaae / agree that the council's initial proposal for representation arrangements for the 2025 elections is developed by the Joint Governance Working Party as follows:*
- i) *the Joint Governance Working Party will develop Auckland Council's initial review of representation arrangements after seeking feedback on issues and options from the Governing Body and local boards, then make recommendations to the Governing Body for the Governing Body to formally resolve its proposal for public notification for submissions.*
  - ii) *the Joint Governance Working Party will conduct the hearing of submissions and report its findings to local boards and the Governing Body before the Governing Body makes the final statutory resolution on any representation changes, which will then be publicly notified for objections and appeals.*
41. Prior to the meeting on 30 May 2024 there was a possibility that the Governing Body would want to be fully involved in the hearing of submissions since one of the consultation topics would have been the reorganisation of local boards. Consultation on a specific model of local boards for implementation for the 2025 elections is not now proceeding. Oral submissions will be invited on the matter of the representation review only.
42. The Governing Body is asked to confirm its preferred arrangements for hearing oral submissions. The body which hears submissions, if not the full Governing Body, would deliberate following the hearing of submissions and make recommendations back to the Governing Body for final decision.
43. Options for hearing submissions could include:
- i) the Joint Governance Working Party (as previously resolved by the Governing Body)
  - ii) the full Governing Body
  - iii) a committee of the Governing Body set up for the purpose of hearing submissions, for example comprising the mayor, deputy mayor and six councillors.

### Climate impact statement

44. The changes to electoral boundaries do not impact on climate.

### Council group impacts and views

45. There are no impacts on the council group during the community consultation stage. The implementation of changes at the end of the review process will affect GIS and other map-based areas that need to show electoral boundaries.

### Financial implications

46. There are costs associated with undertaking public consultation on the representation review initial proposal. The estimated total cost is \$170k, broken down at a high level below.
- \$30k for work undertaken by community partners to reach diverse communities
  - \$30k for marketing and communications campaign
  - \$30k on translations and print and distribution of consultation material
  - \$14k on analysis of the feedback (depending on volume received)
  - \$66k for the review of representation arrangements including mapping costs charged by LINZ.

### Risks and mitigations

47. In accordance with the Act, people may appeal or object to the council's final proposal, with the risk that the Local Government Commission might not uphold all parts of the council's proposal.
48. The mitigation to this is ensuring all decision-making is robust.

## Tauākī whakaaweawe Māori

### Māori impact statement

49. The Governing Body has not included Māori representation in its representation arrangements for 2025. It has resolved instead:

*That the Governing Body:*

- a) *whakaae / agree that further work is required to determine the appropriate arrangements for Māori representation on Auckland Council, including in discussion with Māori and the Auckland public, and request that this be considered by the Joint Governance Working Party and reported back to the Governing Body by 31 December 2024.*

(Resolution GB/2023/195, 26 October 2023)

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

### Local impacts and local board views

50. Many of the changes impact on local boards and in some cases have been requested by local boards.
51. Local boards received reports for their feedback at their March meetings. Their feedback was reported to the Governing Body meeting on 30 May 2024. They will have another opportunity to consider formal feedback before the Governing Body decides the council's final proposal.

## Ngā koringa ā-muri

### Next steps

52. Following the Governing Body resolving the council's initial proposal, it will be publicly notified for submissions. The full process is described in the body of this report.

## Ngā tāpirihanga Attachments

No.	Title	Page
A	Auckland Council Initial Proposal for Representation Arrangements for the 2025 Elections	
B	Consultation material - supporting information	
C	Consultation material - feedback form	
D	People's Panel survey analysis	

## Ngā kaihaina Signatories

Author	Warwick McNaughton - Principal Advisor
Authorisers	Rose Leonard - Manager Governance Services Anna Bray - Acting Director - Governance and CCO Partnerships Phil Wilson - Chief Executive



## Local government elections 2025 - order of names on voting documents

File No.: CP2024/07265

### Te take mō te pūrongo

#### Purpose of the report

1. To consider whether, in the light of statistical evidence relating to previous elections, the council should decide that the order of names on voting documents be changed for the 2025 elections.

### Whakarāpopototanga matua

#### Executive summary

2. The Local Electoral Regulations 2001 provide a local authority the opportunity to decide by resolution whether the names on voting documents are arranged in:
  - alphabetical order of surname;
  - pseudo-random order; or
  - random order.
3. Pseudo-random order means names are listed in a random order and the same random order is used on every voting document.
4. Random order means names are listed in a random order and a different random order is used on every voting document.
5. The overseas findings on ballot order effects is controversial<sup>2</sup> and based on elections that differ to local government elections in New Zealand. Auckland Council has based its decisions in the past on its own statistical analysis of previous election results.
6. The order of names has been alphabetical for the 2010, 2013, 2016, 2019 and 2022 Auckland Council elections. From 2016, prior to each election a statistical analysis was conducted by RIMU Research and Evaluation Unit on the results of previous elections which each time has concluded that there is no compelling evidence that candidates being listed first were more likely to be elected. The focus was on whether there was any advantage to being listed first.
7. RIMU extended the scope of the statistical analysis this time to include list positions other than first, and also the effects of “race<sup>3</sup> length”. This takes into account the number of candidates standing for a particular election race. The analysis confirms previous results in terms of candidates listed first but has found that where there are a larger number of candidates, being lower on the list in certain types of election race appeared to confer significant disadvantages. The full analysis is attached as Attachment A.
8. This effect would be remedied by all names on the voting document being in random order. The disadvantage of random order is that when names are ordered randomly then the voter has to undertake additional effort to identify the voter’s preferred candidates. This works against the overall goal of increasing voter turnout.

<sup>2</sup> See, for example, “How Much is Enough? The Ballot Order Effect and the Use of Social Science Research in Election Law Disputes”, R. Michael Alvarez and Betsy Sinclair, [https://web.archive.org/web/20100615182629id\\_/http://home.uchicago.edu/~betsy/papers/eljalvarez.pdf](https://web.archive.org/web/20100615182629id_/http://home.uchicago.edu/~betsy/papers/eljalvarez.pdf)

<sup>3</sup> In this analysis a ‘race’ refers to an election in a particular ward or local board in a particular year.

9. Feedback from local boards has been divided and is attached in Attachment B. Ten local boards support staying with alphabetical order and seven support random order. Four local boards chose not to provide feedback. Those that gave reasons for supporting alphabetical order were concerned about the effect of random order on the ease of voting and the potential to reduce voter turnout.
10. Nevertheless, since the evidence is clear that in some cases alphabetical order of names on voting documents creates a disadvantage for candidates, staff recommend that the order of names on Auckland Council voting documents for 2025 be random order.

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whiwhi / receive the feedback from local boards contained in Attachment B.
- b) whakaae / agree under clause 31 of the Local Electoral Regulations 2001 that candidate names on voting documents for the 2025 Auckland Council local elections are arranged in random order of surname.

## Horopaki Context

### Options available

11. Clause 31 of The Local Electoral Regulations 2001 states:
  - (1) *The names under which each candidate is seeking election may be arranged on the voting document in alphabetical order of surname, pseudo-random order, or random order.*
  - (2) *Before the electoral officer gives further public notice under section 65(1) of the Act, a local authority may determine, by a resolution, which order, as set out in subclause (1), the candidates' names are to be arranged on the voting document.*
  - (3) *If there is no applicable resolution, the candidates' names must be arranged in alphabetical order of surname.*
  - (4) *If a local authority has determined that pseudo-random order is to be used, the electoral officer must state, in the notice given under section 65(1) of the Act, the date, time, and place at which the order of the candidates' names will be arranged and any person is entitled to attend.*
  - (5) *In this regulation,—*
    - pseudo-random order** means an arrangement where —
      - (a) *the order of the names of the candidates is determined randomly; and*
      - (b) *all voting documents use that order*
    - random order** means an arrangement where the order of the names of the candidates is determined randomly or nearly randomly for each voting document by, for example, the process used to print each voting document.

## Previous elections

12. In 2013, the council resolved to use alphabetical order of names, a consideration being an additional cost of \$100,000 if the council chose the random order. From 2016 there has been no additional cost to use random order, due to changes in printing technology, however the council has chosen to use alphabetical order of names in past elections on the basis that statistical research did not indicate a compelling case to change to random order.
13. For the 2022 elections the following table outlines the decisions of larger councils (regional and city councils whose data was available, but not district councils). Random order was used by 19 out of the 22 councils other than Auckland:

Auckland Council	Alphabetical
Bay Of Plenty Regional Council	Random
Hawke's Bay Regional Council	Random
Manawatū-Whanganui Regional Council	Random
Northland Regional Council	Alphabetical
Otago Regional Council	Random
Southland Regional Council	Random
Taranaki Regional Council	Alphabetical
Waikato Regional Council	Random
West Coast Regional Council	Alphabetical
Christchurch City Council	Random
Dunedin City Council	Random
Hamilton City Council	Random
Hutt City Council	Random
Invercargill City Council	Random
Napier City Council	Random
Nelson City Council	Random
Palmerston North City Council	Random
Porirua City Council	Random
Tauranga City Council (2024)	Random
Upper Hutt City Council	Random
Wellington City Council	Random

## Tātaritanga me ngā tohutohu Analysis and advice

### Options for 2025

#### Pseudo-random order and true random order

14. Random order printing removes name order bias, whereas the pseudo-random order of names simply substitutes a different order for an alphabetical order. For example, any first-name bias will transfer to the name at the top of the pseudo-random list. The only effective alternative to alphabetical order is true random order, which means the order on every voting document is different.
15. A disadvantage to both the random printing options is that they create friction for the voter. Friction is anything that makes the voting experience harder. If names are ordered randomly then the voter has to undertake additional effort to identify the voter's preferred candidates. This works against the overall goal of increasing voter turnout if the friction deters any voters.

### Alphabetical order

16. The advantage of the alphabetical order printing is that it is familiar, easier to use and to understand. When a large number of candidates compete for a position it is easier for a voter to find the candidate the voter wishes to support if names are listed alphabetically.
17. It is also easier for a voter if the order of names on the voting documents follows the order of names in the directory of candidate profile statements accompanying the voting document. The directory is listed in alphabetical order. It is not possible to print it in such a way that each copy aligns with the random order of names on the accompanying voting documents.
18. The disadvantage of alphabetical printing is that there is now evidence from a statistical analysis of council's previous election results, that where there are a larger number of candidates, being lower on the list in certain types of election race confers significant disadvantages.

### Analysis of previous election results

19. An analysis<sup>4</sup> of the council's election results for 2010, 2013, 2016, 2019 and 2022 is contained in Attachment A.
20. The analysis found no compelling evidence that candidates who were listed first were more likely to be elected in the last five Auckland Council elections.
21. This time the analysis introduced consideration of positions other than first, and also of 'election race length' (for example, how many candidates were in each local board or ward race) and also added linear interpolation modelling.
22. This extended analysis has found that comparing actual votes received proportional to the expected share, being lower on the list in certain types of election race appeared to confer significant disadvantages.

### How people vote

23. Staff have not conducted a study of how people vote but we assume there are a number of possible scenarios. For voters who know who they want to vote for, the order of names is relatively unimportant. If they know who they wish to vote for then the ordering of names will not introduce a bias. Alphabetical order would assist them in finding the candidates they are looking for.
24. Alternatively, a voter might start with the candidate booklet, which must be alphabetical, identify candidates they wish to vote for then mark them on the voting document. The order of names on the voting document is not relevant in this scenario since the voter is working through candidates alphabetically with the candidate booklet.
25. A voter who is unsure of who to vote for might start at the top of the list of candidates and for each candidate read that candidate's profile statement in the candidate booklet. Under the First Past the Post method voters are constrained to voting for no more than the number of positions that are vacant. A voter using this method might have voted in favour of the maximum number of candidates to fill all positions before they reach the end of the candidate list if the list is a long list. It is this scenario that would disadvantage candidates who have surnames at the end of the list.
26. In practice, voters might combine all these approaches to voting, depending on how familiar they are with the candidates. A voter might know of some candidates the voter wishes to vote for but not enough to fill all vacancies and so needs to select some from the list, in which case name order matters.

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<sup>4</sup> By Ross Wilson in the RIMU Research and Evaluation Unit in 2023. It is noted that the RIMU research did not (and could not) separate out the effects of alphabetical order on the ballot slip, from the effects of alphabetical ordering of the directory of candidate profile statements. The candidate booklet cannot be randomised.



## Conclusion

27. A decision about the order of names on voting documents is made by resolution of the council under clause 31 of the Local Electoral Regulations 2001. Such regulations are provided for in section 139 of the Local Electoral Act 2001.
28. Section 4 of the Local Electoral Act 2001 requires local authorities, when making decisions under the Act, to take into account the principles set out in section 4. These principles are:
- (1) *The principles that this Act is designed to implement are the following:*
- (aa) *representative and substantial electoral participation in local elections and polls:*
  - (a) *fair and effective representation for individuals and communities:*
  - (b) *all qualified persons have a reasonable and equal opportunity to—*
    - (i) *cast an informed vote:*
    - (ii) *nominate 1 or more candidates:*
    - (iii) *accept nomination as a candidate:*
  - (c) *public confidence in, and public understanding of, local electoral processes through—*
    - (i) *the provision of a regular election cycle:*
    - (ii) *the provision of elections that are managed independently from the elected body:*
    - (iii) *protection of the freedom of choice of voters and the secrecy of the vote:*
    - (iv) *the provision of transparent electoral systems and voting methods and the adoption of procedures that produce certainty in electoral outcomes:*
    - (v) *the provision of impartial mechanisms for resolving disputed elections and polls.*
29. The principles include substantial participation in the elections and public confidence in electoral processes. They also include a principle that all qualified persons have a reasonable and equal opportunity to accept nomination as a candidate. Although no candidates are disadvantaged from being nominated by virtue of the alphabetical position of their surname they may be disadvantaged from being elected.
30. While alphabetical ordering of names facilitates participation (supporting one of these principles), there is now evidence that this could disadvantage some candidates if they appear lower on the candidate list.
31. In terms of public confidence, for the 2022 elections a website<sup>5</sup> criticised the council's decision to use alphabetical order. This is the only known criticism however the council needs to be seen to be making this decision in a robust manner.

### Climate impact statement

32. The order of names on voting documents does not have an impact on climate.

### Council group impacts and views

33. The order of names on voting documents does not have an impact on the wider group.

### Financial implications

34. There is no additional cost to the printing of voting documents if names are ordered using the random method.

<sup>5</sup> <https://thefacts.nz/all/alpha-bias-surnames-in-the-top-3-won-50-of-elections/>

### Risks and mitigations

35. Given the widespread adoption of random order of names on voting documents among regional and city councils, if names are ordered alphabetically there is the risk of public criticism of the council's decision.

### Tauākī whakaaweawe Māori

#### Māori impact statement

36. The order of names on voting documents does not specifically impact on the Māori community. It is noted that candidates can provide their profile statements both in English and Māori and that such profile statements are contained in the candidate profile booklet in alphabetic order. Having voting documents in alphabetic order makes it easier for any voter to match the candidate in the profile booklet.

### Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

#### Local impacts and local board views

37. All local boards have been invited to feedback their views. Ten local boards support the order of candidate names remaining alphabetical and seven support random order. Of those who did not indicate support for an order of names at least one did so on the basis they felt they had a conflict of interest.

### Ngā koringa ā-muri

#### Next steps

38. The council's Electoral Officer will be advised of the Governing Body resolution.

### Ngā tāpirihanga

#### Attachments

No.	Title	Page
A	Analysis of order of candidate names on election outcomes	
B	Feedback from local boards on the order of names on voting documents.	

### Ngā kaihaina

#### Signatories

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## Options for voting methods in local elections

File No.: CP2024/07434

### Te take mō te pūrongo Purpose of the report

1. To decide on the voting method for the 2025 local election.

### Whakarāpopototanga matua Executive summary

2. Postal voting is the current voting method for Auckland Council elections.
3. The review of the 2022 elections identified several short and long-term issues, in particular:
  - i) some eligible voters not receiving voting documents (either postal service or electoral roll update issues)
  - ii) an increased number of people needing to cast a special vote. Together, with fewer (but fully stocked) special voting centres, this led to queues of last-minute voters on the last day of voting
  - iii) consequences of a declining postal service
  - iv) voter turnout – although there was a slight increase from the 2019 elections (from 35.3 to 35.5 per cent in 2022), the overall turnout is still well below the national average of 45.5 per cent.
4. In April 2023 the Governing Body supported staff to investigate postal, booth or a combination method of voting options for the 2025 election. The council can change its voting method through resolution.
5. Staff have investigated the feasibility of five options:
  - i) Option One - postal voting with limited special voting centres (status quo)
  - ii) Option Two - postal voting with more special voting centres (status quo plus)
  - iii) Option Three - booth voting
  - iv) Option Four - combination voting (postal, with booth on election day only)
  - v) Option Five - combination voting (postal and booth voting).
6. The management of postal voting is relatively straightforward. The short-term issues identified at the 2022 election can be remedied through the addition of more special voting centres on election day (Option 2- status quo plus option).
7. The management of booth voting is more complex and comes with risks and higher costs (\$19.85 million compared with the status quo plus option at \$10.16 million). The organisation would need to build capacity to manage a booth voting election with up to 630 voting places, and to hire and train up to 3000 temporary staff.
8. Booth voting has not been used in any local elections across New Zealand since 1992 and the current booth voting regulations have not been tested since that time. No recent policy work has been undertaken to determine if any amendments to the regulations are necessary to ensure their workability in the modern context. The Department of Internal Affairs (DIA) has stated it may be challenging for policy work to be completed and ready for the 2025 local elections.

9. A combination method will be costly (estimated between \$10.7 to \$17.1 million) with the combined costs for postal and booth operations. Additionally, the close of voting on election day for postal is 12 noon, and 7pm for booth. The varied close times could lead to the confusion and frustration of voters.
10. Therefore, staff recommend that the postal voting method should be retained at this time, with an increase of special voting centres (at a minimum average of one per local board area) to avoid queues on election day (Option Two - status quo plus).

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whiwhi / receive the options for voting methods in local elections report
- b) whakaae / agree that the voting method for the 2025 Auckland Council local elections as Option Two (Status Quo plus) postal voting with more special voting centres.

## Horopaki Context

11. Auckland Council appoints an independent Electoral Officer to conduct its elections for mayor, councillors and local board members. At the same time, the Electoral Officer also conducts the elections for five licensing trusts.
12. The Chief Executive is responsible for “facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act 2001”. For this reason, a small team of seconded, fixed term and sometimes volunteer staff work alongside the Electoral Officer to ensure all eligible voters are well informed and motivated to vote and that voters have a diverse range of candidates to choose from.
13. The 2022 Auckland Council local election evaluation was provided to the Governing Body in April 2023 (Attachment A). This evaluation outlined several short and long-term issues with the postal voting method from Auckland voters including:
  - i) some voters not receiving voting documents. This is largely because the Electoral Commission has difficulties getting eligible voters to enrol or update their enrolment information when they shift to another residential location. This information needs to be up to date so that eligible voters can receive their voting pack in the mail.
  - ii) the need to travel far for a special voting centre
  - iii) having to queue at a special voting centre on election day
  - iv) the challenge of voting paper security
  - v) the declining and costly postal service
  - vi) the general decline in voter turnout.
14. Subsequently, in April 2023 the Governing Body resolved to:  
*whakaae / agree to support staff continuing to investigate the options of postal and booth voting or a combination for the 2025 elections [GB/2023/68]*
15. The Governing Body can make decisions about specified matters relating to elections, including the voting method. The Local Electoral Act 2001 allows a council, through resolution, to change the voting method of its elections. The authorised methods are:
  - i) postal voting (current method)
  - ii) booth voting
  - iii) combination voting

16. Staff have investigated the feasibility of five options:
  - i) Option One - postal voting with limited special voting centres (status quo)
  - ii) Option Two - postal voting with more special voting centres (status quo plus)
  - iii) Option Three - booth voting
  - iv) Option Four - combination voting (postal, with booth on election day only)
  - v) Option Five - combination voting (booth and postal).
17. Attachment B provides details of the different methods of voting. Attachment C provides three flow charts outlining how voters would interact with each of the three distinct voting processes (postal, booth and special voting).
18. Online voting is not an option within the Local Electoral Regulations 2001. The Governing Body has not previously considered a change from postal voting.
19. Voter turnout has declined from 59 per cent at the first Auckland City Council postal method election (1986) to 35.5 per cent at the 2022 Auckland Council election. Although Auckland Council's result was up 0.2 per cent from the 2019 election it still does not compare favourably with other parts of New Zealand. The average voter turnout at the 2022 elections across local governments was 45.5 per cent.
20. The Department of Internal Affairs (DIA), in their 2023 Briefing to the Incoming Minister, has signaled changes to current voting method regulations. They describe the need to modernise a system that 'relies heavily on traditional postal services and has not kept up with many improvements to parliamentary election processes.' DIA believe these changes might happen in time for the 2028 elections.

## Tātaritanga me ngā tohutohu Analysis and advice

### ***Option One – Status quo – postal voting with limited special voting centres***

21. Postal voting is used in every council in New Zealand and is widely supported by Electoral Officers across local governments who are a mixture of both independent and council staff. It is relatively cost effective, and a system known to those who are involved so there is a high probability of achieving a clear and defensible election result.
22. It does have some problems however which are contained in Attachment D and noted above which have to some degree mitigated, as follows.

### Outgoing voting packs (costs and timing and electoral roll updates)

23. The Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment notes the decline in postal services and the inability of New Zealand Post to deliver all voting papers within the statutory timeframes for the 2023 elections. The Bill seeks to overcome those risks by extending the delivery period from 6 days to 14 days and the voting period by 10 days to a total of 32.5 days.
24. New Zealand Post also have recently advised that postage costs will rise in the order of 30 per cent per annum meaning that the estimate of the 2025 election costs of postage is likely to be around 100 per cent more than the 2022 elections, with mailer printing set to increase by 25 per cent over the same period. Council has had to increase its budget to accommodate these increased costs.

25. In the previous two elections, to overcome eligible voters not receiving their voting papers, special voting centres have been used to ensure more people can cast a vote during the electoral period. At the 2022 election, eight special voting centres across Auckland were set up, each with all 136 total variations of the Auckland local government voting documents. Although these eight ‘fully stocked’ voting centres overcame previous problems with people having to go their closest voting station in order to get the right papers, another problem arose. On the last hours of the last day of voting, those centres had queues of people waiting to enroll or change their details and cast their vote.

Incoming voting documents

26. There has been a notable decline in the postal service around the country with fewer and fewer ‘street receivers’ in local neighborhoods every year. Auckland Council partnered with Woolworths New Zealand (then Countdown) to have ballot boxes in stores throughout the region, just as they were in transport hubs and libraries. Approximately 150 ballot boxes were deployed in the voting period. A nationwide MOU is now in place so that voting boxes in Woolworths supermarkets can be rolled out for the rest of the country.

**Option Two – Status quo plus – postal voting with more special voting centres**

27. Despite its drawbacks, postal voting is a straightforward and relatively cost-effective method for Auckland Council to administer and has a high likelihood of a clear and defensible election result, compared to ‘booth only’ voting. A postal voting election, with increased special voting centres would provide a short-term response to some of the issues identified in the 2022 election review. An increase in the number of special voting places (on average a minimum of one per local board area) will reduce travel and wait times and ensure those who do not receive or lose their voting documents can easily vote.

**Option Three - Booth voting**

28. The main perceived benefit to Auckland Council running booth voting for the next election is that it would be similar to Parliamentary elections which is something that voters are very used to and attracts nationwide media coverage. Booth voting also would overcome the issue of a declining postal service and address perceptions about postal ballots being stolen and/or misused.
29. There are some drawbacks however:
- i) Booth voting has no provision for voters outside of Auckland. Currently, the Local Electoral Regulations 2001 do not give voters who are overseas and outside of Auckland voters an option to return their vote electronically. DIA has stated that they have started early policy work to allow the return of votes electronically for overseas voters but if any changes are made, they may not be ready for the 2025 local elections.
  - ii) Auckland Council and Independent Election Services (our contracted service provider) have not run a booth voting election before, so there is a significant risk to the operational management of the election. There is only one other election service provider in New Zealand who has also no experience in running a booth voting election.
  - iii) To be comparable to a booth voting experience provided by the Electoral Commission for Parliamentary elections, up to 3000 temporary staff would be needed and up to 630 voting places would need to be managed over the voting period (Option 3 d \$19.85 million). This resource has not been budgeted for. The capacity and capability of the organisation to manage this large undertaking is a risk. The financial and reputational cost to re-run a booth voting election is extremely high.

- iv) Voter turnout might be impacted. Dale Ofsoske, the Auckland Council Electoral Officer, suggests there could be up to a 10 per cent decrease in voter turnout. This is based on the last booth voting election undertaken by a local authority in New Zealand, where Hutt City Council adopted booth voting for their 1992 election and achieved a 26 per cent turnout compared to the previous postal voting election where a 45 per cent turnout was achieved. Although there may be other circumstances relating to that case, it is worth bearing in mind that a shift of this nature has risks.
  - v) Booth voting is not conducive to timely vote casting. Voters in a general election have to make only two choices; one for an electorate vote and one party vote. This contrasts with the number of choices for an Auckland local election where a mayor, councillor, up to nine local board members and five licensing trusts are decided. The regulations state that candidate profiles must be provided when a voting document is issued. The time it will take for voters to review candidate profiles and make their decision could cause long wait times at polling places. This was evidenced at special voting places in 2022.
30. It is worth noting the [Ombudsman's report](#) into the 2023 general elections. The report enumerates multiple issues and errors that occurred. Given Auckland Council does not have permanent team working solely working on each next election, the risk of similar issues and errors occurring are high.

#### **Options Four and Five - Combination postal and booth voting**

31. The benefits of a combination method, postal and booth voting, are that these options overcome the known problems of postal and booth voting as follows:
- i) a combination voting method provides a process (postal voting) for overseas and outside of Auckland voters to return their votes, which booth voting alone does not.
  - ii) a combination voting method, reduces reliance on and responds to the declining postal service, while giving voters more options for casting and returning their votes.
32. There are additional risks however:
- i) The risk with a combination of voting methods is the potential for widespread confusion and frustration. Conveying to voters a combination method, and the different closing times of postal and booth voting, 12 noon and 7pm, respectively, is not straightforward. This is also likely to lead to a less timely release of election results.
  - ii) Because turnout trends for election methods are mixed, the potential level of confusion could decrease turnout.
  - iii) Managing and running two discrete election method processes (plus special voting) is a capability and capacity risk. Council and independent election providers in New Zealand do not have sufficient experience to run a booth voting election.
  - iv) If systems fail and an election result is not clear, the financial and reputational cost to re-run an election is high (above \$10million).
  - v) The cost of running the postal voting method will have increased by approx. \$2.6 million since 2022 by the time council runs the 2025 election, the addition of a booth voting method in addition to postal will further increase costs. This is covered in more detail in the financial analysis section.

#### **Staff recommendation**

33. Staff recommend retaining the postal voting method with an increase in special voting centres to an average minimum of one per local board area (Option Two - status quo plus).

### Climate impact statement

34. This report discusses booth voting. The climate impact of people travelling to a booth is likely to be mixed, depending on where they are located.
35. Voting documents for postal and booth method elections rely on the use of paper. A more climate friendly option would be online voting. However, online voting is currently not an authorised voting method.

### Council group impacts and views

36. A decision about the voting method affects how voters elect the mayor, councillors and local board members. It does not have major impacts on the council group.
37. In some options, libraries and volunteer staff may be engaged. Library staff have been consulted and are able to continue to support the local election process. Volunteer staff will be engaged if necessary.

### Financial implications

38. The estimated financial implications of the options are between \$10,060,390 and \$19,849,574. Only Options One and Two have sufficient budget provided for in the Long-term Plan. Any other option would require additional funding to be made available by making further trade-offs in another budgetary allocation.
39. The costs below are estimates. This is especially true for options which include booth voting as not all costs are known for those options.

Option	Description	Cost (estimate)
<b>Option One - Postal voting only (Status quo)</b>	Same as 2022, with 8 special voting centres	\$10,060,390
<b>Option Two - Postal voting, plus more special voting centres (Status quo plus)</b>	Same as 2022, with an average minimum of one special voting centre per LB area	\$10,160,390
<b>Option Three - Booth only</b>	a) 20 places per LB, 7 days	\$11,377,653
	b) 30 places per LB, 7 days	\$13,714,734
	c) 20 places per LB, 14 days (same voting period as Parliamentary elections)	\$15,467,546
	d) 30 places per LB, 14 days	\$19,849,574
<b>Option Four - Combination: Postal voting, with booth voting on election day</b>	Postal, with 20 places per LB on election day	\$10,673,874
<b>Option Five - Combination: Booth and Postal voting</b>	30 places per LB, 7 days	\$17,071,634



## Risks and mitigations

40. The analysis in the body of this report includes information on the key risks of each option and Attachment D describes these and other risks in more detail. This analysis shows that Option Two 'status quo plus' has the least risks. The risks drawn from across all options include:
  - i) voter fraud – postal voting can be susceptible to various forms of fraud
  - ii) voter intimidation – voters may feel intimidated or coerced by others
  - iii) long queues at voting centres – leading to voter frustration
  - iv) misinformation and disinformation – incorrect information being disseminated casting doubt on the legitimacy of the election process.
  - v) security concerns – polling places may become targets for security threats
  - vi) accessibility issues – booth voting may pose accessibility challenges for people with disabilities
  - vii) logistical challenges – Any logistical failure e.g. inadequate staffing or ballot supplies could disrupt the voting process
  - viii) time taken to vote – local election voting takes considerably longer than voting in a general election. This could cause queues in voting stations in a booth voting method
  - ix) communication of results – booth voting will cause a delay in the release of election results
  - x) postal service – a risk to both outgoing and incoming voting documents as discussed earlier in this report
  - xi) Special/Voting stations being fit for purpose – having enough special voting/voting stations that are fit for purpose is a risk for all options.
41. Having taken these risks into consideration, staff recommend maintaining postal voting, with more special voting centres (status quo plus).
42. In consideration of the declining postal service and voter turnout, staff will continue to work with Department of Internal Affairs, the Electoral Commission, and other entities to inform policy work for any potential changes for the 2028 elections.

## Tauākī whakaaweawe Māori

### Māori impact statement

43. Demographic data shows that turnout for electors of Māori descent was lower than the average turnout, noting "There was a 12 percentage point difference in voter turnout between electors who indicated Māori descent and those who did not (25 per cent compared with 37 per cent).
44. [Further analysis conducted by RIMU about who voted in the 2022 local elections](#) suggested that a range of interrelated factors may be contributing to these discrepancies, including:
  - i) differences in the perceived relevance of local government to the everyday life of different communities
  - ii) differences in family and work commitments and an ability to pay attention to local politics in light of other life priorities
  - iii) the complexity of the local government system and voting process, along with differences in knowledge about local government across communities in Auckland
  - iv) for some communities, a lack of identification with and ability to see one's identity reflected in the local governance system

- v) a distrust of and disengagement from the local government system, particularly amongst Māori
  - vi) the existence of a social norm of non-voting in some families, neighbourhoods and communities.
45. The impact of a different voting method on Māori voter turnout is not known and difficult to estimate. Mana whenua and mataawaka have not been consulted on voting methods.
46. Planning for increased engagement with Māori in the lead up to the election has begun.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

### Local impacts and local board views

47. At the time this report was written not all local boards had provided feedback. Feedback will be communicated verbally at the Governing Body meeting.
48. Local communities have not been directly consulted on voting methods.

## Ngā koringa ā-muri

### Next steps

49. Following today's decision on the voting method, staff and Independent Elections Services will progress detailed planning associated with the 2025 local elections.

## Ngā tāpirihanga

### Attachments

No.	Title	Page
A	Evaluation of Auckland Council's 2022 local elections	
B	Voting methods	
C	Voting method flow chart	
D	Risks associated with different voting methods	

## Ngā kaihaina

### Signatories

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## Response to the Ombudsman's recommendation to open workshops by default

File No.: CP2024/03589

Item 13

### Te take mō te pūrongo Purpose of the report

1. The purpose of this report is to:
  - i) provide a response to the recommendations made in the [Ombudsman's report](#): 'Open for business: A report on the Chief Ombudsman's investigation into local council meetings and workshops',
  - ii) confirm the default setting for workshops of the Governing Body and its committees.

### Whakarāpopototanga matua Executive summary

2. In August 2022, the Ombudsman initiated an investigation to test concerns that councils were using workshops and other informal meetings to make decisions. (The inference being that if decisions are being made at workshops, they would be subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA)). A key motivation for the Ombudsman was to address the reported low trust in councils.
3. In October 2023 the Ombudsman released a thematic report detailing a range of recommendations to improve the transparency and accountability of councils in their meetings and workshop practices, in addition to individual reports for those eight councils that were investigated. Auckland Council was not one of the eight councils that were selected to be in scope of the investigation.
4. The Ombudsman found no evidence of actual or effective decisions being made in workshops, however, in the Ombudsman's opinion, closed (without a defensible reason) workshops are *"..counter to the principles of openness and could contribute to a public perception that workshops are not being used in the right way.."*
5. The Governing Body's meeting management practices are generally aligned with the Ombudsman's recommendations.
6. However, the Governing Body's current approach to workshops are that they are closed to the public unless the relevant chairperson determines that it should be open to the public. The Ombudsman's view is that best practice for council workshops is to be open to the public by default and should be closed only where that is reasonable.
7. It is recommended that the Governing Body change its default setting for workshops from closed by default to open by default. This change will bring the Governing Body into alignment with the Ombudsman's guidance and will ensure the work undertaken by the Governing Body is seen to be open, transparent, and democratically accountable.
8. The council can meet the Ombudsman's expectations for increased openness and transparency by ensuring that any workshop without a justifiable reason for closure should be open to the public. This can be achieved by enabling the public attendance in person, livestreaming or making a recording available on the council website.
9. Local boards will make their own workshops decisions and staff will provide them with the same advice for consistency.

## Ngā tūtohunga Recommendations

That the Governing Body:

- a) whakaū / agree that from 1 September 2024 the default setting for Governing Body workshops will be that they are open to the public unless the relevant Chairperson considers it is reasonable to close a workshop in a particular case
- b) whakaū / agree that the way the workshop will be made open to the public is by way of recording the workshop and uploading that video to the council's website.

## Horopaki Context

### The Ombudsman's investigation and recommendations

10. In their report, the Ombudsman indicated concern that a 2023 report by the Organisation for Economic Co-operation and Development (OECD) titled *Drivers of Trust in Public Institutions in New Zealand* found that only 45 percent of New Zealanders surveyed reported having trust in local government councillors. The Ombudsman felt that councils' conduct around meetings and workshops are likely to be key factors that contribute to the level of public trust in elected officials.
11. Using their powers under the Ombudsman Act 1975, which allows the Ombudsman to review any act or omission by a local authority – except for a decision made by a council (i.e., a decision by the Governing Body or a committee of the whole), an investigation was carried out to test concerns relating to meetings and workshops.
12. The scope of the Ombudsman's investigation was to investigate eight councils' actions and decisions in relation to meetings and workshops. Auckland Council was not one of the eight councils investigated.
13. After concluding that the appropriate use of meeting provisions and workshops is essential for openness and transparency, the Ombudsman laid out a range of recommendations to all councils, in addition to specific recommendations to the eight councils investigated, for enhancing governance and operational transparency. Although the recommendations cover various elements relating to meetings and workshops, it is the recommendations about the approach to workshops that require a political direction.
14. The Ombudsman's recommendations are arranged into five themes: Leadership and Culture; Meetings; Workshops; Accessibility and Organisation structure, staffing and capability. Attachment A provides a summary prepared by staff of the current status for each recommendations and indicates future work that will be undertaken.
15. Although the Ombudsman's report is not legally binding on the council, the Ombudsman has made it clear that this is the best practice approach, and they will be closely monitoring decisions on these matters. Therefore, to manage the risk of staff advice being considered to be unreasonable, the starting point for this advice is the best practice recommendations and not the maintenance of the status quo.
16. If the Governing Body were of the mind to maintain the status quo, staff can be directed to engage with the Ombudsman and provide reasons why we do not agree with the recommendations. This may or may not prevent any Ombudsman's investigations or likely criticism of the council.

### Specific recommendations in relation to workshops

17. The Ombudsman has provided three principles of good administrative practice, which they consider should guide council workshops:
  - i) Councils have a general discretion to advertise and undertake all meetings in public, and this is consistent with the principle in the Local Government Act 2002 (LGA) that councils should conduct their business in an open, transparent, and democratically accountable manner.
  - ii) A general policy of not publicising/closing all non-decision-making meetings, such as workshops, may be unreasonable and/or contrary to law. The Ombudsman can assess this on a case-by-case basis.
  - iii) Using closed workshops to do 'everything but' make a final decision could be seen as undermining the principles in the LGA and purposes of the LGOIMA and may be unreasonable in terms of the Ombudsmen Act 1975.
18. The six key recommendations made by the Ombudsman in respect of council workshops are:
  - i) Adopt a principle of openness by default for all workshops, including a clear commitment to record a clear basis for closure where justified, on a case-by-case basis.
  - ii) Publicising times, dates, venues, and subject matters of all workshops in advance, including a rationale for closing them, where applicable.
  - iii) Clear audit trails of all workshops and internal guidance for the keeping of records of workshop proceedings.
  - iv) Publishing workshop records on the council website as soon as practicable.
  - v) Formalising a process for considering the release of information from closed workshops.
  - vi) Consider sign posting on the council website that members of the public can complain to the ombudsman in relation to the administration of workshops.
19. As recognised by the Ombudsman, workshops can be an efficient use of time, and enable staff to convey information to elected members which may be voluminous and/or complex and which does not require any decisions. Workshops also allows for staff to receive guidance from elected members to focus efforts on a range of tenable options – preventing the wasting of staff time on unrealistic options.

### Current workshop practice and guidance

20. Under section 45(2) of LGOIMA, a meeting at which no resolutions or decisions are made, is not a *meeting* for the purposes of Part 7 of the LGOIMA. Therefore, there is no statutory requirement that these types of meetings be open to the public, notified in advance and have minutes taken. Auckland Council practices to date, including the holding of closed workshops, have been lawful.
21. Council has to date taken the view that any perception of predetermination or lack of transparency can be addressed through the proactive release of workshop information (where possible), restating information in subsequent open meetings and keeping records of the workshop.
22. Since 2010 workshops have been used at Auckland Council for both the Governing Body and local boards to complement the formal public decision-making meetings. All Governing Body workshops are by default closed to the public. The chairperson of a council committee may open a workshop to the public unless the matters being workshopped are considered confidential ([GB/2019/136](#)).

23. Workshops are typically used to enable discussion between elected members, and between elected members and staff on complex and wide-ranging topics. They enable questions and the understanding of issues to develop so that elected members can arrive at the public meetings prepared for debate and decision-making.
24. All requests for workshops are reviewed by staff to determine appropriateness. Staff will continue this practice and consider more critically whether a workshop is needed at all, or if the matter could or should go straight to a Governing Body or committee meeting.
25. Feedback from elected members is that workshops are effective by providing the opportunity to engage informally with each other and staff and consider that these make them better prepared for the public decision-making meetings.
26. Through each term's induction process, elected members are reminded of their obligations to be open and transparent in decision-making. It is made clear to elected members that closed workshops do not replace the decision-making meetings.

## Tātaritanga me ngā tohutohu Analysis and advice

27. In their report, the Ombudsman highlights the requirement under the LGA for a local authority to “conduct its business in an open, transparent, and democratically accountable manner” and the requirement in LGOIMA that anything taking place or provided to any meeting is “official information” and subject to the principle of availability unless there is a good reason to withhold it.
28. Except for the Governing Body's closed by default position, the council's existing practice is generally consistent with, or working towards, the Ombudsman's best practice recommendations. Current workshop and meeting management practices include:
  - i) live streaming and recording of Governing Body and Committee meetings. Some local boards also record their meetings.
  - ii) meeting agendas are posted on the council's website with as much advance notice as possible before meeting dates
  - iii) there are clear and robust practices for keeping of meeting minutes and drafting of public exclusion resolutions
  - iv) keeping workshop records and publishing them on the council's website, (as part of upcoming meeting agenda), as soon as practicable after the workshop
  - v) actively releasing confidential information as soon as practicable, when the reason for withholding has passed, and
  - vi) restating information in subsequent open meetings.
29. Following receipt of the Ombudsman's report last November, staff implemented further improvements to our operational practices including requiring all Governing Body confidential workshop agendas to include a clear statement of the reasons for confidentiality.
30. In addition, staff will ensure that the council's website makes it easier to find meeting and workshop agendas and update the council's complaints page to add workshops as being an option for the public to take any administration concerns to the Office of the Ombudsman.
31. The Ombudsman also recommends surveying constituents to establish the type of information about meetings and workshops that they would like to see on the website and undertaken an accessibility audit to identify any access issues or barriers. Staff will investigate these further.

### From 'closed by default' to 'open by default'

32. While the Ombudsman acknowledges that LGOIMA doesn't require non-decision-making meetings to be open, they consider that as a matter of best practice, and so as to be consistent with the principles of transparency, openness, and accountability, workshops should be open by default.
33. If the Governing Body decides to change the default setting for workshops to open by default, staff will:
  - i) Assist the chairpersons of each meeting in reviewing the purpose and information for future workshops to determine if there are reasonable grounds to hold a closed session
  - ii) Continue to publicise all information reviewed in open session workshops and any non-confidential information reviewed in closed sessions of workshops
  - iii) Facilitate public attendance at future workshops within existing constraints, ensuring that efficiency and effectiveness are not compromised by accommodating in-person attendance
  - iv) Support and enable the livestreaming and/or recording of meetings where it is not reasonably practicable to accommodate public attendance (or large numbers of the public)
  - v) Provide any other support that is required by chairpersons and elected members.

### Workshops can be closed on reasonable grounds

34. The Ombudsman's recommendations recognise that in some instances it will be reasonable to close workshops to the public and that this should be considered on a case-by-case basis. The Ombudsman notes that what might be considered reasonable is a truly open category depending on each individual case and may include situations where the reasons for withholding information under sections 6 and 7(2) of the LGOIMA might apply, as well as other situations. What is reasonable in a particular case will vary, however the decision to close a workshop should be made on the individual merits of each workshop, rather than being based on a blanket rule.
35. Staff will prepare guidance to support chairpersons in making decisions closing a workshop to the public where it is reasonable to do so. What is reasonable will depend on the particular subject matter but examples of possible grounds for deciding not to hold the workshop in public might be where topics to be discussed are confidential because they are commercially sensitive, involve discussion of personal information, or require the giving of legally privileged advice. In certain cases, it may also be reasonable to hold a workshop to enable the free and frank provision of advice.
36. The Ombudsman highlighted the requirement in LGOIMA that anything taking place or provided to any meeting is 'official information' and subject to the principle of availability unless there is a good reason to withhold it. Currently all non-confidential workshop information is proactively released, and confidential information is released as soon as the withholding reason is no longer valid.
37. With regards to content of workshops, the Ombudsman has also cautioned against using workshops to include a significant component of determination, such as a substantial narrowing of options prior to public consultation. They have noted that it is important that closed workshops not be used (or be seen to be used) to do "everything but" make a decision.
38. Of particular concern to the Ombudsman were general policies of not advertising workshops - in their view this practice is likely to be unreasonable. Staff will be advertising upcoming workshops from 1 September 2024.

### Enabling public attendance

39. Accommodating the public at workshops introduces additional administrative requirements and can also lead to disruptions. Staff will prepare guidance for chairpersons and lead officers of workshops to help manage any disruptions, similar to how they would handle a council meeting. When open workshops are made available through online public observation rather than in-person attendance, the risk of disruption is eliminated.
40. The Ombudsman’s recommendations are essentially about providing additional layers of transparency that are accessible to the public. The Ombudsman does consider this can also be achieved through livestreaming and recordings.
41. If the Governing Body decides to change its workshop setting to open by default, there is a combination of approaches we can deploy to meet the Ombudsman’s goal of increased transparency. These approaches are flexible and can be scaled depending upon what is reasonable practicable. The pros and cons of the possible approaches are shown in the table below.

**Table 1. Ways to facilitate Open workshop sessions**

Approach	Pros	Cons
a) Public attend and observe the workshop <u>in person</u>	<ul style="list-style-type: none"> <li>• May appear most aligned with the Ombudsman’s recommendations and any public expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Higher degree of administrative support required – staff, security arrangements</li> <li>• May require changes in venue: Currently, majority of workshops are held in 135 Albert St closer to the offices of Mayor and councillors - it may not be reasonably practicable to accommodate public attendance, especially large groups, unless the venue is Town Hall</li> <li>• A change in venue (to Town Hall) may make schedules inefficient.</li> <li>• Unlikely to reach as many people as an online recording.</li> </ul>
b) Public observe the workshop <u>online – Livestream</u>	<ul style="list-style-type: none"> <li>• Enables openness and transparency</li> <li>• Eliminates risk of disruption from public</li> <li>• Accessible to more Aucklanders including those who live rural and on islands</li> <li>• Recording can also be viewed later</li> <li>• No travel requirements for the public (climate friendly)</li> </ul>	<ul style="list-style-type: none"> <li>• Some administration support required (livestreaming etc)</li> <li>• May not be accessible to those without internet</li> <li>• May not align with preferences of some members of the public (who prefer to attend in person)</li> </ul>



Approach	Pros	Cons
<p>c) Public observe the workshop <u>online</u> – <u>recording to be made available after the workshop</u></p> <p><b><u>Recommended option</u></b></p>	<ul style="list-style-type: none"> <li>• Less administrative support required (when compared to (a) and (b))</li> <li>• Eliminates risk of disruption from public</li> <li>• Accessible to more Aucklanders including those who live rural and on islands</li> <li>• No travel requirements for the public (climate friendly)</li> <li>• Provides ability to manage risk of any inadvertent LGOIMA breach.</li> </ul>	<ul style="list-style-type: none"> <li>• Some administration support required – (recording, reviewing if required)</li> <li>• May not be accessible by those without internet</li> <li>• May not align with preferences of some members of the public (who prefer to attend in person)</li> </ul>

### Logistics

42. Governing Body workshops are held either in one of two meeting rooms (Level 26 of Auckland House, and the Town Hall Reception Lounge) and online using MS Teams. Whilst the Town Hall is fitted out to cope with a large public presence and a web streaming service, Level 26 of Auckland House is not. It has limited space for the public and will need to be configured to allow for a live stream service comparable to that of the Town Hall. In addition, Auckland House requires card to access at all times so members of the public will need to be issued with a visitor's card and escorted to the relevant floor.
43. In the first instance and to minimise cost, the use of MS Teams can be quickly deployed to enable the public to observe the workshop online.
44. Staff acknowledge that there are some practical issues to resolve when the public are present and/or live streaming services are provided such as physical security and additional media equipment. These will be managed on a workshop-by-workshop basis.

### Climate impact statement

45. The decisions in this report are not expected to have any significant impact on our climate objectives or targets. Staff have not quantified the impact of increased administrative requirements or the likely impact of increased travel requirements for in-person workshop observers.
46. The MS Teams, live streaming approach alongside the uploading of audio-visual recordings on the council's YouTube page and/or website will provide a more climate-friendly option for workshop observers.

### Council group impacts and views

47. As staff are seeking a political decision from the Governing Body on its approach, there has not been comprehensive consultation with the council group.
48. Staff have acknowledged and supported the recommendations of the Ombudsman but have noted concerns about the potential for public disruption at workshop proceedings, the potential for preliminary discussions on complex or controversial issues causing misinformation about important issues and future decisions. There also appears to be a concern about the potential of exposing staff, as well as elected members, to an increased risk of harassment over 'free and frank' exchange of opinions and/or that this may discourage robust discussions on controversial issues. These are not necessarily reasons to close workshops but indicate areas we would need to carefully monitor.

49. The Ombudsman's investigation had canvassed a few concerns and potential risks and concluded that while there are good reasons that exist for closing workshops, they did not consider controversy, complexity or the potential embarrassment to be good reasons in themselves.
50. If the decision to open workshops is approved there will be an implementation period to ensure that staff, including our council-controlled organisations, Houkura-Independent Māori Statutory Board are properly briefed and supported.

### Financial implications

51. There are financial implications of opening up the Governing Body and committee workshops but these have not been quantified and will depend on the number of open workshops that are held. Staff consider that any initial costs can be accommodated in current budgets.
52. The most cost-efficient way to enable public to observe workshops is through the use of existing technology (MS Teams) to record them. Recordings can be uploaded to the council website. Using existing technology limits any additional cost and ensures the change in approach can be managed within existing budgets.
53. Staff anticipate an increase, likely to be very small, in advertising and security costs. Again, the increase will depend on the number of open workshops the Governing Body and its committees hold.
54. There will be additional support required from the communications teams if this new approach generates increased media and promotional interest in the workshops.
55. Staff will review the operation of open workshops after a bedding in period to assess what additional resources are required so that more accurate advice can be provided in the future about the financial implications.

### Risks and mitigations

56. The Ombudsman's recommendations are non-binding. However, there may be reputational and/or political consequences arising from a failure to act where needed to respond to recommendations from the Ombudsman.
57. It is difficult to make a fair and qualified assessment of risks that may arise from open workshops at this stage. It is reasonable to anticipate increased public scrutiny on matters of interest to the community that are not yet ripe for decision-making. This can increase public knowledge and trust but may or may not lead to public misunderstanding or misinformation.
58. At the same time, staff are concerned about the potential impact on the ability to have robust discussions between staff and elected members. The risk here is that staff may feel more guarded in their advice if it is publicly available.
59. The experience of local boards that do already have open workshops suggest that in-person attendance is low. There is also a desire to ensure that we are vigilant of misinformation forming as a result, public disruption and the impact on staff. Staff consider that we can manage any risks through the ability to close a workshop session.
60. There is a risk that workshops can be called or cancelled at very short notice. This may impact on members of the public that may plan to attend. Staff will do all they can to keep advertised information about workshops current.
61. It is also open to the Governing Body to review its approach in the future if it should lead to unintended adverse consequences.

## Tauākī whakaaweawe Māori

### Māori impact statement

62. No decision is sought in this report that has a direct impact on Māori. However, Māori along with all Aucklanders will have the opportunity to be better informed about council operations and policy discussions that may impact them, facilitating trust, transparency, and more effective participation.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

### Local impacts and local board views

63. This report did not seek the views of the local boards as the decision requested is a Governing Body matter. The Governing Body and local boards each have their own meeting practices and separate Standing Orders and are encouraged to maintain consistency in approaches.
64. Six local boards already hold open workshops. Devonport-Takapuna, Kaipātiki, Waitākere Ranges, Hibiscus and Bays, Rodney and Waitemātā currently allow public observation at their workshops. Reports from staff do indicate however that public attendance at these workshops have been low.
65. Those local boards that run open workshops have provided some feedback that the benefits of open workshops include transparency, increased community connection, boosts media and public awareness of local board business, helps local board members gain recognition, and reduces reliance on social media. In addition, there is greater access to information even if public attendance is low, people appreciate the option which fosters a better understanding of decision-making and the ability to follow topics of interest.
66. Those local boards also acknowledge that there is a risk of heightened media interest can hinder effective governance by swaying decisions based on a few vocal individuals rather than the broader community. In addition, they comment on the potential for public disruption, and say that the presence of the public can alter interactions between board members and staff leading to potential harassment of staff and reducing the willingness of staff to participate. Public interjections can derail workshop progress and disrupt important relationships, such as those with local iwi and community groups.
67. With regards to other recommendations from the Ombudsman, the current local boards' practices are generally consistent although there are some variations. For instance, only eight local boards have adopted the practice of proactively releasing all workshop materials. They are Devonport-Takapuna, Hibiscus and Bays, Kaipātiki, Puketāpapa, Rodney, Waiheke, Waitākere Ranges and Waitemātā.

## Ngā koringa ā-muri

### Next steps

68. If the Governing Body decides to change its approach and open workshops by default, staff recommend delaying implementation of this decision to for 1 September 2024 to enable staff will ensure that all practices, procedures, training, communications and information technology systems to support this decision are reviewed and in place.

## Ngā tāpirihanga Attachments

No.	Title	Page
A	Summary of Ombudsman's recommendations and status updates	

## Ngā kaihaina Signatories

Author	Andrew Simon Pickering - Governance Support Manager
Authorisers	Anna Bray - Acting Director - Governance and CCO Partnerships Phil Wilson - Chief Executive

## Adoption of the Revenue and Financing Policy

File No.: CP2024/06901

### Te take mō te pūrongo Purpose of the report

1. To adopt the amended Revenue and Financing Policy in Attachment A to this report.

### Whakarāpopototanga matua Executive summary

2. As part of the Long-term Plan 2024-2034, the council consulted on removing the Long-term Differential Strategy (LTDS) to manage the impact of rates increases over time on non-business (residential and farm/lifestyle) ratepayers. As the LTDS is set out in the council's Revenue and Financing Policy, removing the LTDS would require an amendment to the Revenue and Financing Policy.
3. The council also proposed amendments to the Revenue and Financing Policy to remove references to the Urban Rating Area general rates transition differentials and the Accommodation Provider Targeted Rate, and to update the description on how waste management targeted rates will be applied. The proposed amendments to the Revenue and Financing Policy were consulted on between February and March 2024 as part of consultation on the Long-term Plan 2024-2034.
4. Feedback was received from six submitters on the proposed amendments to the Revenue and Financing Policy, two in support and four who made other comments. 14,423 submissions were received on the proposal to remove the LTDS with 47 per cent in support, 33 per cent against, 18 per cent responded, "I don't know", and 2 per cent "Other". 13 of 14 business organisations were opposed. Māori feedback was split evenly. 14 of 20 local boards were in support and six were opposed.
5. On 16 May 2024 the Governing Body agreed to discontinue the LTDS and hold the business differential at the current level of around 31 per cent each year and to update the Revenue and Financing Policy to reflect this. The decision to discontinue the LTDS is reflected in the final Long-term Plan 2024-2034 documents and the proposed rates for 2024/2025 that are being presented to the Governing Body for adoption and agreement under separate reports on today's agenda.

### Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whai / adopt the Revenue and Financing Policy in Attachment A of the agenda report.

### Horopaki Context

6. The council is required to adopt a Revenue and Financing Policy under s102 of the Local Government Act 2002. The purpose of the Revenue and Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of selecting, various tools to fund the operating and capital expenditures of the council.

7. On 16 May 2024, the Governing Body agreed to discontinue the LTDS and hold the business differential at the current level of around 31 per cent each year and to update the Revenue and Financing Policy to reflect this.
8. Adopting the updated Revenue and Financing Policy, as attached, will ensure that the policy is consistent with the decisions made in respect of the Long-term Plan 2024-2034 and will enable rates to be set for the 2024/2025 financial year.

## Tātaritanga me ngā tohutohu Analysis and advice

9. As part of the Long-term Plan 2024-2034, the council consulted on:
  - removing the Long-term Differential Strategy (LTDS) from council's rating policy
  - removing references to the Urban Rating Area general rates transition differentials and Accommodation Provider Targeted Rate, as these are no longer required
  - an updated description on how waste management targeted rates will be applied, to reflect changes in the roll out of the Waste Minimisation and Management Plan.
10. Section six of the feedback form in the Long-term Plan 2024-2034 consultation document included the following question "Do you have any other feedback on the proposals in question 6a, the changes to our Revenue and Financing Policy, or other changes to fees and charges?".

### Feedback on the proposed amendments to the Revenue and Financing Policy

11. Feedback was received from six submitters. Of the feedback received:
  - two supported the proposed amendments
  - six made other comments, mainly about the difficulty in accessing detailed information on the proposed amendments.

### Feedback on the proposed change to the LTDS

12. There were 14,423 responses to this proposal with 47 per cent in favour, 33 per cent against, 18 per cent don't know and 2 per cent other. The most common themes were:
  - businesses increase the demand on council services and can afford more rates
  - general support for the proposal
  - businesses don't increase the demand on council services and are less able to afford rates increases, particularly small business.
13. Other less common themes included:
  - comments on other rating or funding policy settings
  - concern about the incentive this may have on businesses.
14. Feedback was received from 14 organisations that represent business groups, of which 13 did not support the proposal. Key points raised were that the business differential is too high, they disagreed with council's assessment of greater impacts from business for some services, and that business did not have increased affordability to pay rates.
15. Four iwi provided feedback on this proposal: two were in support (Ngāti Rehua - Ngātiwai ki Aotea Trust Board and Ngāti Tamaterā Treaty Settlement Trust). Two did not support the proposal (Ngāti Tamaoho and Ngātiwai Trust Board).
16. Five matawaka entities provided feedback on this proposal: two were in support (Te Kotahi a Tāmaki Makaurau Marae Collective and Wāhine Relative Limited (Wāhine Māori), Te Kaha O Te Rangatahi and Whanau Hauā CCS Disability Action selected "Other". Mad Ave Community Trust – Rangatahi Ora selected "I don't know".

17. Twenty local boards provided feedback on the proposed to change to the LTDS. Fourteen local boards (Albert-Eden, Aotea / Great Barrier, Devonport-Takapuna, Henderson-Massey, Hibiscus and Bays, Kaipātiki, Māngere-Ōtāhuhu, Manurewa, Ōrākei, Papakura, Rodney, Waiheke, Waitākere Ranges, and Whau) supported the proposal. Devonport-Takapuna and Waiheke noted local support for the proposal. Six local boards (Franklin, Howick, Maungakiekie-Tāmaki, Puketāpapa, Upper Harbour, and Waitemātā) did not support the proposal. Franklin and Howick noted the importance of local business to local social and economic well-being.

### Response to feedback

18. Submitters did not identify any new issues that have not already been considered which might require amendments to the proposed Revenue and Financing Policy.
19. On 16 May 2024, feedback on the proposal to discontinue the LTDS was considered as part of the council's decision-making on the Long-term Plan 2024-2034, when the proposal was agreed by the Governing Body. The updated Revenue and Financing Policy attached to this report (Attachment A) reflects the decisions made for the Long-term Plan 2024-2034.
20. Staff do not recommend any changes to the updated Revenue and Financing Policy in response to feedback. A small number of minor editorial changes have also been made to clarify wording. The updated Revenue and Financing Policy complies with the relevant requirements of the Local Government Act 2002.

### Climate impact statement

21. Discontinuing the LTDS has a neutral climate impact as the change relates to how council makes funding decisions, rather than decisions on activities to be undertaken.

### Council group impacts and views

22. The issues in this report do not impact on the wider council group.

### Financial implications

23. There are no financial implications for council from the recommendations in this report. Amending the Revenue and Financing Policy to discontinue the LTDS does not affect the amount of rates revenue council collects. Decisions on the LTDS only change the balance of rates assessed between business and non-business properties.

### Risks and mitigations

24. The council's final Long-term Plan 2024-2034 documents and proposed rates decisions (as set out in separate reports on today's agenda) reflect the decision made at the 16 May 2024 meeting of the Governing Body to discontinue the LTDS.
25. Legally, rates must be set in accordance with the Long-term Plan (including the Revenue and Financing Policy) and the Funding Impact Statement for the respective year. If the proposed amendments to the Revenue and Financing Policy are not adopted, then this will create inconsistencies with some of the rates proposed to be set for 2024/2025.
26. This report has been reviewed by Legal Services to check compliance with relevant legislation.

## Tauākī whakaaweawe Māori

### Māori impact statement

27. The council does not hold information on the ethnicity of ratepayers so is not able to identify the exact impact of the proposed changes on Māori. The impact of the recommended rates on Māori will be similar to that on other residents in Auckland.
28. Feedback received from Māori on the proposed change to the LTDS has been included under the Analysis and Advice section of this report and was considered as part of the Governing Body's decision-making on 16 May 2024.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

### Local impacts and local board views

29. Local boards did not provide any feedback on the proposed amendments to the Revenue and Financing Policy. Local board feedback on the proposal to discontinue the LTDS is noted above and was considered as part of the Governing Body's decision-making on 16 May 2024.

## Ngā koringa ā-muri

### Next steps

30. The amended Revenue and Financing Policy will be effective from its adoption.
31. Following the adoption of the amended Revenue and Financing Policy, at the same meeting the Governing Body will be asked to adopt the Long-term Plan 2024-2034 (which must include the adopted Revenue and Financing Policy) and set rates for the 2024/2025 financial year.

## Ngā tāpirihanga

### Attachments

No.	Title	Page
A	Revenue and Financing Policy	

## Ngā kaihaina

### Signatories

Authors	Aaron Matich - Principal Advisor – Financial Policy Andrew Duncan - Manager Financial Policy
Authorisers	Ross Tucker - General Manager, Financial Strategy and Planning Nicola Mills - Acting Group Chief Financial Officer Phil Wilson - Chief Executive



## Adoption of the Long-term Plan 2024-2034

File No.: CP2024/07496

### Te take mō te pūrongo Purpose of the report

1. To formally adopt Auckland Council's Long-term Plan (LTP) 2024-2034, including 21 local board agreements.

### Whakarāpopototanga matua Executive summary

2. Consultation on the LTP 2024-2034 ran from 28 February to the 28 March 2024. Consultation feedback was then presented to the Budget Committee on 24 April 2024 to help inform final decisions.
3. On 16 May 2024, on the recommendation of the Budget Committee earlier on the same day, the Governing Body agreed the key decisions needed to finalise the [LTP 2024-2034](#).
4. The LTP documents have been prepared reflecting these decisions. They include:
  - Prospective financial statements and other financial information based on the budget decisions made on 16 May 2024.
  - A funding impact statement and rating policy.
  - Financial Strategy
  - Infrastructure Strategy
  - The Summary of the Tūpuna Maunga Authority Operational Plan 2024/2025 agreed on 16 May 2024.
  - Local board agreements adopted by the 21 local boards.
  - Policies relating to the establishment of the Auckland Future Fund (AFF)
    - Auckland Future Fund Policy
    - Auckland Future Fund Distribution Policy
    - Auckland Airport Shareholding Policy (amended)
  - Council Controlled Organisation (CCO) Accountability Policy (amended, as required, to reflect the establishment of the AFF)
  - Revenue and Financing Policy
  - Local Board Funding Policy.
5. The Audit and Risk Committee has a key oversight role over control processes and risks associated with the development of the LTP 2024-2034.
6. On 24 June 2024, the Audit and Risk Committee received a report on the key controls and risks relating to the preparation of the final LTP documents. Resolutions from the Audit and Risk Committee will be provided to the Governing Body ahead of the 27 June meeting.
7. Final LTP documents will be provided to the Governing Body ahead of the 27 June meeting and will be formally tabled at the meeting, to be attached to the minutes for public record.
8. Adopting the LTP 2024-2034 will enable the setting of rates for the 2024/2025 year which is the topic of a separate report on this meeting's agenda. Following adoption, staff will finalise documentation for publication and distribution.

9. At the time of writing this report, final documents were expected to receive legal sign-off and be compliant with audit requirements. Therefore, only limited minor changes to the documents can be made at this stage of the process.

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whai / adopt the Auckland Council Long-term Plan 2024-2034, as tabled, as the council's long-term plan for 2024-2034, including 21 local board agreements
- b) tautapa / delegate authority and responsibility for jointly agreeing any required editorial changes to the Auckland Council Long-term Plan 2024-2034 documents to the Mayor and the Group Chief Financial Officer.

## Horopaki Context

10. Once every three years, the council is required by legislation to adopt a long-term plan. In the intervening years, the council is required to adopt an annual plan. These plans set out intended service levels and agreed budgets and provide the basis on which the council's rates are set.
11. For each financial year, the council must have a local board agreement (as agreed between the Governing Body and the respective local board) for each of the 21 local board areas. These local board agreements set out priorities and intended levels of service for local activities, and the capital and operating expenditure budgets required to fund these activities. The local board agreements for the 2024/2025 financial year have been developed as part of the long-term plan process, and content relating to the proposed local board agreements was included in the consultation on the LTP 2024-2034.
12. For each financial year, the Tūpuna Maunga Authority and the council must agree an annual operational plan to provide a framework in which the council will carry out its functions for the routine management of the maunga and administered lands. The Tūpuna Maunga Authority Operational Plan must be prepared and adopted concurrently with the council's long-term plan and be included in summary form.

## Consultation process

13. On 20 February 2024, the Budget Committee adopted the Consultation Document and Supporting Information for consultation on the LTP 2024-2034.
14. Public consultation on the LTP 2024-2034, using the special consultative procedure as set out in the Local Government Act 2002, ran between 28 February and 28 March 2024.
15. We received a total of 27,978 pieces of feedback, including 2,142 pieces of feedback at in-person events. We heard from 391 organisations (including 38 attending one of three organisation / interest group Have Your Say events), and 23 mana whenua and Māori entities. This is the largest number of responses we have received during any long-term plan consultation.
16. A summary of feedback received during the consultation process was presented at a Budget Committee workshop on 24 April 2024. The executive summary of the feedback report, the full consultation summary report and its attachments be found on the council's website [here](#).
17. 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.

## Risk management oversight

18. The Audit and Risk Committee plays a key role in providing oversight on control processes, including the audit review, for the finalisation of the LTP 2024-2034.

19. On 24 June, the Audit and Risk Committee considered a report on the final status update on key controls employed and management of risks related to the preparation of final documents for the LTP.
20. Resolutions from the Audit and Risk Committee will be provided to the Governing Body ahead of today's meeting.

### Final decision making

21. On the 16 May 2024, both the Budget Committee and Governing Body met to make final decisions on the LTP 2024-2034. The final LTP 2024-2034 documentation has been prepared reflecting these decisions.
22. Following these decisions, agreements were prepared for each local board that reflected the impact of the decisions made by the Governing Body on 16 May 2024. The local board agreements for the 2024/2025 financial year that have been adopted by the local boards are included in the final LTP documentation for agreement by the Governing Body.
23. On 16 May 2024, the Governing Body also approved the Tūpuna Maunga Authority Operational Plan 2024/2025 and the Summary of the Tūpuna Maunga Authority Operational Plan for inclusion in the Long-term Plan 2024-2034.
24. Draft documents were provided to Governing Body members ahead of a workshop on the content relating to the Auckland Future Fund, and a drop-in session to discuss the remaining sections that were held on 19 June 2024.

### Tātaritanga me ngā tohutohu Analysis and advice

25. Following the decisions on 16 May 2024, three volumes have been prepared that make up the final documents for the LTP 2024-2034.
26. The contents of these three volumes are:
  - **Volume 1** – provides a summary of the plan, key deliverables, prospective financial statements, highlights and priorities for this long-term plan.
  - **Volume 2** – includes councils' strategies, policies and detailed plans by group of activity.
  - **Volume 3** - contains the local board agreements for 2024/2025 (which outline local activity initiatives and budgets for each of the 21 local boards) and the fairer funding allocations.
27. When preparing, consulting on, and making decisions on the long-term plan, council has followed a thorough process, including consulting using the special consultative procedure, and considering:
  - the significance and materiality of council's proposals
  - the extent of the council's resources
  - decision-making obligations in Part 6 of the Local Government Act 2002
  - content requirements for a long-term plan
  - prudent financial management requirements.
28. At the time of writing this report, council's internal legal team was in the process of reviewing the final documents for legislative compliance. That review will be completed ahead of this meeting and an update will be given at Governing Body to confirm that the LTP documents presented for adoption comply with the relevant requirements in the Local Government Act 2002, the Local Government (Auckland Council) Act 2009, and other related legislation.

29. The Governing Body agreed to establish a regional wealth fund, the Auckland Future Fund (AFF or the Fund), on 16 May 2024 ([resolution number GB/2024/46](#)), that will be initially capitalised with council's shareholding in Auckland International Airport Limited.
30. To enable the Auckland Future Fund trust to be established and commence operations as soon as possible after 1 July 2024, new policies have been developed and existing policies updated for inclusion in the final LTP documents for adoption today:
- **Auckland Future Fund Policy** – this new policy outlines how the Fund is to be established and protected, how distributions will be managed, and how this policy relates to other key policies. It sets out the strategy for the governance and management of the Fund to ensure that it meets its intended purposes, for the benefit of current and future Aucklanders, and includes the protections that must be maintained to protect the long-term value of the Fund.
  - **Auckland Future Fund Distribution Policy** - sets out the guidelines for distributions from the Auckland Future Fund. This policy states, under what circumstances distributions may be made from the Fund, limits on those distribution amounts and the frequency with which distributions may be made.
  - **Auckland Airport Shareholding Policy** - sets out the strategy for managing the council's investment in Auckland International Airport Limited (AIAL). This policy has been amended to reflect the Governing Body's decision on 16 May 2024 to provide for the council to transfer its shareholding in AIAL to the Auckland Future Fund (once established), and to enable the subsequent sale of those shares by the fund manager to achieve the purposes of the Fund.
  - **CCO Accountability Policy** - sets out the council's expectations of and additional reporting requirements for the council's substantive CCOs. It must be included in the council's LTP in accordance with section 90 of the Local Government (Auckland Council) Act 2009. The policy has been updated to reflect changes in legislation, and updated council policies and plans and for currency. The policy has also been amended to include provisions that relate to the Auckland Future Fund Trust, which will, once established, be a substantive CCO of the council.
31. Further decision-making on the establishment of the Auckland Future Fund is covered in a separate report on this meeting agenda.

### Climate impact statement

32. A climate assessment of the proposals included for consultation was provided to the Budget Committee as part of a wider trade-off discussion during a workshop on 1 May 2024. This assessment considers impacts to resilience and emissions.
33. Climate considerations feature throughout the final documents and key strategies, like the financial and infrastructure strategies. Climate outcomes and measures and have also been included, as well as corporate climate risks the organisation will need to consider.

### Council group impacts and views

34. Staff from the CCOs and council departments have been directly involved in the development of the final LTP 2024 - 2034 documents where appropriate.
35. CCO boards, executives and senior management have reviewed and signed-off on their relative budgets and detail that are included in final documents.

### Financial implications

36. The LTP 2024-2034 sets the council's budget for the 10-year period. The financial decisions made on 16 May 2024 have been reflected in the final LTP documents.
37. The LTP 2024-2034 project has been funded as part of existing operational budgets.

### Risks and mitigations

38. Legal Services' review of the final documentation will be completed ahead of the Governing Body meeting to confirm legislative compliance prior to the adoption by the Governing Body.
39. The Audit and Risk Committee has had an important oversight role for the monitoring of risks associated with the long-term plan process and has received updates on key risks and mitigations as part of the process.
40. The Long-term Plan 2024-2034 has been subject to an audit by Audit New Zealand on behalf of the Office of the Auditor General. The outcome of this audit will be communicated to the Governing Body at today's meeting.

## Tauākī whakaaweawe Māori Māori impact statement

41. On 16 May 2024, both the Budget Committee and the Governing Body met to make final decisions on the LTP 2024-2034, noting that the Budget Committee includes two Houkura members. The additional step of the Budget Committee recommending final decisions to the Governing Body was included to provide Houkura with an opportunity to consider advice and take part in decision-making.
42. The LTP 2024-2034 includes an increase to the budget for Māori outcomes from \$150 million to \$171 million across the 10 years.
43. Delivering better outcomes for Māori features as a key focus for the group throughout the final documents.

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

44. Local boards have been involved throughout the process of developing the LTP 2024-2034. Prior to making final decisions, local boards had the opportunity to provide input to the final decision-making process at a Budget Committee workshop on 8 May 2024.
45. On 16 May 2024, the Budget Committee was also provided with a summary report which included all resolutions on advocacy and regional issues passed by local boards regarding decision making for the LTP.
46. The local board agreements for the 2024/2025 financial year have been developed as part of the long-term plan process and have been adopted by the local boards. These are included in the final documents for adoption today.

## Ngā koringa ā-muri Next steps

47. Adoption of the LTP 2024-2034 is required before the council can set rates for 2024/2025, which will be considered in a separate report following adoption on this meeting agenda.
48. Following adoption, staff will prepare the final LTP 2024-2034 documentation for publication. A digital version of the document will be available on the council's website and printed copies will be available to view at libraries and local board offices. Hard copies will also be available on request.

## Ngā tāpirihanga Attachments

There are no attachments for this report.

## Ngā kaihaina Signatories

Author	Tamsyn Matchett - Programme Manager
Authorisers	Ross Tucker - General Manager, Financial Strategy and Planning Nicola Mills - Acting Group Chief Financial Officer Phil Wilson - Chief Executive

## Rates setting 2024/2025

File No.: CP2024/07661

### Te take mō te pūrongo Purpose of the report

1. To set the Auckland Council rates for the 2024/2025 financial year.

### Whakarāpopototanga matua Executive summary

2. Legislation requires that rates are set by resolution of the Governing Body after the adoption of the long-term plan (also referred to as the Long-term Plan 2024-2034) and that they must be set in accordance with the:
  - relevant provisions of the council's long-term plan (which includes the Revenue and Financing Policy); and
  - Funding Impact Statement (FIS) for the 2024/2025 financial year (contained in the long-term plan).
3. The FIS and rates setting recommendations have been prepared to reflect the decisions made by the Governing Body at its 16 May 2024 meeting. Separate reports recommending the adoption of the amended Revenue and Financing Policy and the Long-term Plan 2024-2034 documents have been included as other items on the agenda for this meeting. This report and its rates setting recommendations have been prepared on the basis that the Governing Body has agreed to the adoption of those documents.
4. The Governing Body also noted at its meeting on 16 May 2024 that:
  - officers were reporting to the Ōtara-Papatoetoe Local Board at their 21 May meeting on a proposal to not set the Hunters Corner Business Improvement District (BID) targeted rate for 2024/2025 due to potential non-compliance with the BID Policy
  - officers would advise the Governing Body at its 27 June 2024 meeting on the local board's decision and recommendation with regard to the targeted rate.
5. The Hunters Corner BID programme was first identified to be non-compliant with the council's BID policy in March 2023. The Hunters Corner Town Centre Society Inc (HCTCS), the entity responsible for administering the BID programme, was given 12 months to address the non-compliance. As of the date this report was written, the programme remained non-compliant.
6. At its business meeting on 21 May 2024, the Ōtara-Papatoetoe Local Board resolved to recommend to the Governing Body that the Hunters Corner BID targeted rate be set at zero for 2024/2025.
7. Officers recommend that the Governing Body give effect to the substance of the local board recommendation, but with a minor and technical modification. Instead of "setting the rate at zero", officers recommend that the Governing Body "not set" the rate for 2024/2025. Officers consider that this is the more technically robust approach. Not setting the rate also means that the council will not be providing a BID targeted rate grant to the programme for 2024/2025.
8. This report also recommends setting the instalment dates, early payment discount, and penalties to be applied for late payment of rates for the 2024/2025 financial year.

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whakatau / resolve under the Local Government (Rating) Act 2002 to set rates and due dates for the 2024/2025 financial year and to authorise the addition of penalties as follows:
- i) that a Uniform Annual General Charge be set, for all rateable land, at \$567 (including GST) per separately used or inhabited part of a rating unit (SUIP)
  - ii) that a general rate be set for all rateable land on the capital value of the land and at different rates in the dollar for different categories of land (as defined for rating purposes in the Funding Impact Statement in the council's Long-term Plan 2024-2034) as set out in the table below:

Property category	Rate in the dollar for 2024/2025 (including GST) (\$)
Urban business	0.00509462
Urban residential	0.00192863
Rural business	0.00458516
Rural residential	0.00173577
Farm and lifestyle	0.00154291
No road access	0.00048216
Zero-rated	0.00000000
Urban moderate-occupancy online accommodation provider	0.00351163
Rural moderate-occupancy online accommodation provider	0.00316046
Urban medium-occupancy online accommodation provider	0.00272013
Rural medium-occupancy online accommodation provider	0.00244812

- iii) that a Water Quality Targeted Rate be set on the capital value of all rateable land except land categorised as zero-rated, as defined for rating purposes, of an amount of \$0.00001568 (including GST) per dollar of capital value applied to all rateable land categorised as business (Urban business and Rural business), and \$0.00000687 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, urban medium-occupancy online accommodation provider, rural medium-occupancy online accommodation provider, urban moderate-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and No road access) as defined for rating purposes



- iv) that a Natural Environment Targeted Rate be set on the capital value of all rateable land except land categorised as zero-rated, as defined for rating purposes, of an amount of \$0.00007013 (including GST) per dollar of capital value applied to all rateable land categorised as business (Urban business and Rural business), and \$0.00003071 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, urban medium-occupancy online accommodation provider, rural medium-occupancy online accommodation provider, urban moderate-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and No road access) as defined for rating purposes
- v) that a Climate Action Transport Targeted Rate be set for all rateable land except land categorised as zero-rated, as defined for rating purposes, on the capital value of the land at different rates in the dollar for different categories of land as defined for rating purposes as set out in the table below:

Property category	Rate in the dollar for 2024/2025 (including GST) (\$)
Urban business	0.00010849
Urban residential	0.00004819
Rural business	0.00009764
Rural residential	0.00004337
Farm and lifestyle	0.00003855
No road access	0.00001205
Urban moderate-occupancy online accommodation provider	0.00008774
Rural moderate-occupancy online accommodation provider	0.00007897
Urban medium-occupancy online accommodation provider	0.00006797
Rural medium-occupancy online accommodation provider	0.00006117

- vi) that waste management targeted rates be set differentially for different categories of land at different fixed amounts, as set out in the table below:

Service	Differential group	Amount of targeted rate for 2024/2025 (including GST) (\$)	Charging basis
Standard recycling (240-litre bin or equivalent)	Rating units with approved opt-out arrangement in place	106.64	Per service provided
	All other rating units, where a service is available, except those owned or used by, and for the purposes of a school	106.64	Per SUIP
Minimum base charge	All rating units	63.07	Per SUIP

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Service	Differential group	Amount of targeted rate for 2024/2025 (including GST) (\$)	Charging basis
<b>Standard refuse (120/140 litre bin or equivalent)</b>	Rating units in the former Auckland City and Manukau City, with approved opt-out arrangement in place	174.77	Per service provided
	All other rating units in the former Auckland City and Manukau City, where a service is available	174.77	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service
	Rating units in the former Waitakere City with approved opt-out arrangement in place	101.95	Per service provided
	All other rating units in the former Waitakere City, where a service is scheduled to be available	101.95	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service
	Rating units in the former North Shore City with approved opt-out arrangement in place	58.26	Per service provided
	All other rating units in the former North Shore City, where a service is scheduled to be available	58.26	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service
	Rating units in the former Papakura District with approved opt-out arrangement in place	29.13	Per service provided
	All other rating units in the former Papakura District, where a service is scheduled to be available	29.13	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service
<b>Small refuse (80 litre bin)</b>	Rating units in the former Auckland City and Manukau City	145.24	Per service provided
	Rating units in the former Waitakere City	84.72	Per service provided
	Rating units in the former North Shore City	48.41	Per service provided
	Rating units in the former Papakura District	24.21	Per service provided

Service	Differential group	Amount of targeted rate for 2024/2025 (including GST) (\$)	Charging basis
<b>Large refuse (240 litre bin)</b>	Rating units in the former Auckland City and Manukau City	290.09	Per service provided
	Rating units in the former Waitakere City	169.22	Per service provided
	Rating units in the former North Shore City	96.70	Per service provided
	Rating units in the former Papakura District	48.35	Per service provided
<b>Additional recycling</b>	All rating units	106.64	Per service provided
<b>Food scraps</b>	Rating units with approved opt-out arrangement in place	81.19	Per service provided
	All other rating units, where a service is available	81.19	Per SUIP

**Notes to table:**

- For these purposes the various waste services are as set out in the Auckland Waste Management and Minimisation Plan and the Funding Impact Statement in the council's Long-term Plan 2024-2034.
  - For these purposes the definition of school is set out in the Funding Impact Statement in the council's Long-term Plan 2024-2034.
- vii) that a City Centre Targeted Rate be set differentially for all rateable land in the urban business, rural business, urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider differential categories, as defined for rating purposes, and in the city centre area, of an amount of \$0.00122640 (including GST) per dollar of the capital value of the rating unit for urban business and rural business rating units and of a fixed amount of \$71.85 (including GST) per separately used or inhabited part (SUIP) of a rating unit for urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider rating units
- viii) that a Rodney Local Board Transport Targeted Rate be set for all rateable land in the Rodney Local Board area except land categorised as zero-rated as defined for rating purposes, of an amount of \$150 (including GST) per separately used or inhabited part of a rating unit (SUIP)
- ix) that a Franklin Local Board Paths Targeted Rate be set for all rateable land in the Franklin Local Board area except land categorised as zero-rated as defined for rating purposes, of an amount of \$52 (including GST) per separately used or inhabited part of a rating unit (SUIP)
- x) that an Electricity Network Resilience Targeted Rate of \$13,991,350.80 (including GST) be set on Vector's electricity network utility rating unit where tree management service is provided

- xi) that a Rodney Drainage District Targeted Rate be set for all land located entirely or partially within the Te Arai drainage district or the Okahukura drainage district (as identified for rating purposes) respectively, as set out in the table below:

Drainage district	Rate for each square metre of Class A land for 2024/2025 (including GST) (\$)	Rate for each square metre of Class B land for 2024/2025 (including GST) (\$)	Rate for each square metre of Class C land for 2024/2025 (including GST) (\$)
Te Arai	0.00211629	0.00105815	0.00021163
Okahukura	0.00298524	0.00149262	0.00029852

- xii) that Business Improvement District (BID) targeted rates be set for all rateable land in the urban business and rural business differential categories, as defined for rating purposes, within the defined Business Improvement District areas, of a fixed amount per rating unit and/or a rate in the dollar of capital value of the rating unit, as set out in the table below:

BID area	Fixed rate per rating unit for 2024/2025 (including GST) (\$)	Rate in the dollar for 2024/2025 (including GST) (\$)
Avondale	0.00	0.00096793
Birkenhead	0.00	0.00084584
Blockhouse Bay	0.00	0.00167236
Browns Bay	0.00	0.00045280
Central Park Henderson	250.00	0.00009312
Devonport	250.00	0.00066819
Dominion Road	0.00	0.00047692
Ellerslie	0.00	0.00178469
Glen Eden	0.00	0.00079143
Glen Innes	0.00	0.00082818
Greater East Tāmaki	195.00	0.00002855
Heart of the City	0.00	0.00034486
Howick	0.00	0.00089858
Karangahape Road	0.00	0.00046559
Kingsland	0.00	0.00035879
Mairangi Bay	250.00	0.00137382
Māngere Bridge	0.00	0.00111295
Māngere East Village	0.00	0.00017331
Māngere Town	0.00	0.00326792
Manukau Central	0.00	0.00025764

BID area	Fixed rate per rating unit for 2024/2025 (including GST) (\$)	Rate in the dollar for 2024/2025 (including GST) (\$)
Manurewa	0.00	0.00085540
Milford	0.00	0.00064029
Mt Eden Village	0.00	0.00058170
New Lynn	0.00	0.00058660
Newmarket	0.00	0.00055965
North Harbour	150.00	0.00008672
North West District	250.00	0.00013252
Northcote	0.00	0.00212788
One Mahurangi	575.00	0.00000000
Onehunga	0.00	0.00063428
Orewa	0.00	0.00081473
Ōtāhuhu	0.00	0.00062439
Ōtara	0.00	0.00128062
Panmure	0.00	0.00122329
Papakura	0.00	0.00062970
Papatoetoe	0.00	0.00077471
Parnell	0.00	0.00057181
Ponsonby	0.00	0.00081274
Pukekohe	0.00	0.00041939
Remuera	0.00	0.00113364
Rosebank	0.00	0.00026256
Silverdale	400.00	0.00017446
South Harbour	0.00	0.00029731
St Heliers	0.00	0.00109853
Takapuna	0.00	0.00038133
Te Atatu	0.00	0.00116446
Torbay	0.00	0.00093461
Uptown	0.00	0.00034996
Waiuku	0.00	0.00086601
Wiri	0.00	0.00011601

- xiii) that the Ōtara-Papatoetoe and Māngere-Ōtāhuhu swimming pool targeted rates be set for all rateable land in the urban residential, rural residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider differential categories, as defined for rating purposes, located in the respective Māngere-Ōtāhuhu Local Board or Ōtara-Papatoetoe Local Board area, of a fixed amount per separately used or inhabited part of a rating unit (SUIP), as set out in the table below:

Local board area	Fixed rate for each separately used or inhabited part of a rating unit for 2024/2025 (including GST) (\$)
Māngere-Ōtāhuhu	38.52
Ōtara-Papatoetoe	36.54

- xiv) that the Swimming/Spa Pool Fencing Compliance targeted rate be set for all rateable land on the council's register of pool fence and barrier inspections, set differentially based on whether the council provides inspection, as a fixed amount per rating unit as set out in the table below:

Inspection service provided	Fixed rate per rating unit for 2024/2025 (including GST) (\$)
Council inspection required	66.33
No council inspection required – successful inspection carried out by an Independently Qualified Pool Inspector (IQPI)	33.00

- xv) that the Riverhaven Drive targeted rate be set on land in Riverhaven Drive, Rodney, in respect of which the council has provided financial assistance for the construction of a road that gives access to the rating units, of an amount of \$10,045.09 (including GST) per rating unit
- xvi) that the Waitākere Rural Sewerage targeted rate be set for all rating units in the non-reticulated wastewater area of the Waitākere Ranges Local Board which have private on-site wastewater systems and which are scheduled to be pumped out by the council within a three-yearly cycle, of an amount of \$336.80 (including GST) for each such on-site waste management system utilised in conjunction with the rating unit
- xvii) that the Retro-fit Your Home targeted rate be set on land in respect of which the council has provided financial assistance under the Retro-fit Your Home scheme, at different levels based on the extent of the outstanding assistance by reference to the year that the ratepayer started repaying the financial assistance by this targeted rate, of an amount set out in the table below:

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer's outstanding balance as at 30 June 2024 (including GST) (\$)
3	0.17271600
4	0.19631600
5	0.22945800
6	0.27929800
7	0.36253800

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer's outstanding balance as at 30 June 2024 (including GST) (\$)
8	0.52928000
9	1.03001800

- xviii) that the Kumeu Huapai Riverhead Wastewater targeted rate be set on land in respect of which the council has provided financial assistance to connect to the Kumeu Huapai Riverhead pressurised wastewater scheme, at different levels based on the extent of the outstanding assistance by reference to the year that the ratepayer started repaying the financial assistance by this targeted rate, of an amount set out in the table below:

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer's outstanding balance as at 30 June 2023 (including GST) (\$)
10	0.22515160
12	0.32059700

- xix) that the On-site Wastewater Systems (Septic Tank) Upgrades targeted rate be set on land in respect of which the council has provided financial assistance for the replacement or upgrade of failing on-site wastewater systems (septic tanks) in the west coast lagoons (Piha, Te Henga and Karekare) and Little Oneroa (Waiheke Island) catchments, at different levels based on the extent of the outstanding assistance by reference to the year that the ratepayer started repaying the financial assistance by this targeted rate, of an amount set out in the table below:

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer's outstanding balance as at 30 June 2023 (including GST) (\$)
7	0.16262993

- xx) that for the purposes of the above rates, the definitions of the city centre area, the various Business Improvement Districts, the expression "separately used or inhabited part of a rating unit" and the differential categories for rates charged on a differential basis are as set out in the Funding Impact Statement in the council's Long-term Plan 2024-2034
- xxi) that for the 2024/2025 financial year, all rates be payable in four equal instalments, on the following due dates:

Instalment	Due Date
1	30 August 2024
2	29 November 2024
3	28 February 2025
4	30 May 2025

- xxii) that a penalty of 10 per cent of any portion of any instalment of rates assessed in the 2024/2025 rating year that is not paid by the due date for payment of that instalment be added to the amount of unpaid rates. The penalty will be added on the day following the due date, being 31 August 2024, 30 November 2024, 1 March 2025, and 31 May 2025 respectively
- xxiii) that a further penalty of 10 per cent of any rates assessed in any financial year prior to 1 July 2024 that remain unpaid on 5 July 2024, be added on 8 July 2024

- xxiv) that a further penalty of 10 per cent of any rates to which a penalty has been added under resolution (xxiii) above if those rates are unpaid on 8 January 2025, be added on 9 January 2025.
- b) whakaae / agree that in accordance with the council's Early Payment Discount Policy the discount for the early payment of rates be set at 2.06 per cent of the 2024/2025 rates, if those rates, together with any outstanding prior years' rates and penalties, are paid in full on or before the due date of the first instalment (30 August 2024).
- c) whakaae / agree not to provide a BID targeted rate grant to the Hunters Corner BID programme for 2024/2025 for the reasons described in paragraphs 10 to 15 of this report.

## Horopaki Context

9. The FIS and the recommendations in this report reflect the following long-term plan decisions made by the Governing Body at its meeting on 16 May 2024:
- i) agreeing that the budgets for the final Long-term Plan 2024-2034 be based on the central proposal that was consulted on and updated as set out in the final Mayoral Proposal and supporting staff advice, requiring overall rates increases for the average value residential property of 6.8 per cent, 5.8 per cent, and 7.9 per cent respectively in the first three years and then no more than 3.5 per cent each year after that
  - ii) resuming the Natural Environment Targeted Rate at the previously planned level to raise around \$32.6 million in 2024/2025, and increasing by 3.5% a year from FY26, including \$200,000 for dealing with Caulerpa
  - iii) funding the full programme of water quality stormwater projects of \$779 million, by setting the Water Quality Targeted Rates so that it covers the annual programme operating and interest costs in each year, and financing the capital expenditure through debt
  - iv) discontinuing the Long-term Differential Strategy and holding the business differential at the current level of around 31 per cent each year, and updating the Revenue and Financing Policy to reflect this
  - v) extending the Water Quality, Natural Environment and Climate Action Transport Targeted Rates to 2033/2034 and setting the business differential for these rates at around 31 per cent in line with the differential applied to the general rate
  - vi) adopting the changes to the waste management targeted rate charges as specified in the officer report, to ensure cost recovery for the relevant services
  - vii) adopting the extension of the refuse targeted rate to the former districts of North Shore City, Waitākere City and Papakura District, from 1 July 2024 and Franklin District and Rodney District in 2025/2026, as specified in the officer report, to be applied to
    - all residential and lifestyle Separately Used and Inhabited Parts (SUIPs) to which the service is made available
    - all other SUIPs to which a council refuse bin is assigned as per council records
  - viii) continuing to provide recycling services to schools without charge
  - ix) adopting a broader description of the bus programme funded by the Climate Action Transport Targeted Rate to reduce the need to reconsult each year via the annual budgeting process for minor changes to the bus programme, noting that consultation on delivery of bus services is undertaken in the Regional Public Transport Plan (RPTP)
  - x) adopting the changes to the Electricity Network Resilience Targeted Rate as set out in the officer report, to allow for engineering solutions to protect trees that have significant public interest and to cover cost increases



- x) adopting the updated Rodney drainage district land class boundaries and targeted rates for the Okahukura Drainage District and Te Arai Drainage District, as specified in the officer report
  - xii) adopting the expansion of the Onehunga Business Improvement District (BID) Targeted Rate from 2024/2025
  - xiii) increasing the Waitākere Rural Sewerage Targeted Rate from \$296.75 to \$336.80 (inclusive of GST) per year for 2024/2025, 2025/2026 and 2026/2027 to maintain cost recovery.
  - xiv) adjusting the City Centre Targeted Rate, the Mangere-Otahuhu Pool Entry Targeted Rate, the Otara-Papatoetoe Pool Entry Targeted Rate and the Swimming/spa Pool Compliance Targeted Rate by the forecast rates of cost inflation as specified in the officer report
  - xv) approving the Franklin Local Board Paths Targeted Rate to be included in the Long-term Plan 2024-2034.
10. The Governing Body also noted at its meeting on 16 May 2024 that
- officers were reporting to the Ōtara-Papatoetoe Local Board at their 21 May meeting on a proposal to not set the Hunters Corner BID targeted rate for 2024/2025 due to potential non-compliance with the BID Policy
  - officers would advise the Governing Body at its 27 June 2024 meeting on the local board's decision and recommendation with regard to the targeted rate.
11. The Hunters Corner BID programme was first identified to be non-compliant with the council's BID policy in March 2023. The Hunters Corner Town Centre Society Inc (HCTCS), the entity responsible for administering the BID programme, was given 12 months to address the non-compliance. During this time, HCTCS proposed a BID grant of \$132,920 for 2024/2025. As at the time the draft Long-term Plan 2024-2034 was being developed for consultation, officers were working with HCTCS to resolve the non-compliance, in anticipation that the programme would be compliant by early March 2024. On this basis, the draft long-term plan consulted on in February and March 2024 included a Hunters Corner BID Targeted Rate of \$132,655 for 2024/2025 to fund the proposed grant<sup>6</sup>.
12. As of the date this report was written, the programme remained non-compliant. The main issues identified were:
- failure to provide copies of audited accounts for the BID grant for 2022/2023 as required by the BID policy
  - inadequate accountability reporting for discretionary grants received from the local board and Tātaki Auckland Unlimited (the BID Policy requires adequate accountability reporting for all grants received from the council and its controlled organisations)
  - the presence of two separate parties both claiming that they are the duly elected executive committee of the business association.
13. At its business meeting on 21 May 2024, the Ōtara-Papatoetoe Local Board considered the options for the Hunters Corner BID Targeted Rate and resolved to recommend to the Governing Body that the targeted rate be set at zero for 2024/2025.
14. Officers recommend that the Governing Body give effect to the substance of the local board recommendation, but with a minor and technical modification. Instead of "setting the rate at zero", officers recommend that the Governing Body "not set" the rate for 2024/2025. Officers advise that this is the more technically robust approach. Not setting the rate also means the council will not be providing a BID targeted rate grant to the programme for 2024/2025.

<sup>6</sup> A small amount of over-collection from the previous year's targeted rate was used to reduce the targeted rate requirement for 2024/2025, in accordance with the BID policy.

15. For completeness, officers note that not setting this rate and not providing the BID targeted rate grant to the programme would be inconsistent with the FIS. Officers consider this to be appropriate given the circumstances. The council is required to manage its revenues and expenses in a financially prudent manner that promotes the current and future interests of the community, and must exercise its rating powers reasonably and fairly. If the council set this rate for 2024/2025 and collected it from ratepayers, there is considerable risk that the ratepayers would be paying a rate for a programme which they receive little to no benefit from. Further, targeted consultation carried out with ratepayers was almost exclusively in favour of not setting the rate.
16. If the BID resolves relevant issues prior to next year's annual budget timeframes, it would be open to the council to set the rate for that year. If it does not do this, council will look to remove the rate from the FIS as part of that annual budget. Officers will report back in December with recommendations on the removal or continuation of this targeted rate for consultation as part of Annual Budget 2025/2026.

## Tātaritanga me ngā tohutohu Analysis and advice

17. The Long-term Plan 2024-2034 sets out how Auckland Council will work to improve the daily lives of Aucklanders, and how this will be paid for over the next 10 years. In developing this long-term plan, the council received extensive advice on the options available as well as public feedback from around 28,000 submissions. The rate setting recommendations in this report have been prepared to reflect the decisions made by the Governing Body at its 16 May meeting following careful consideration of those options and feedback.

### Rates resolution

18. For the council to assess rates for the 2024/2025 financial year, section 23 of the Local Government (Rating) Act 2002 (LG(R)A) requires the council to set the rates by resolution. The draft resolutions contained in the recommendations in this report are consistent with the relevant legislation and the Long-term Plan 2024-2034.
19. The LG(R)A requires that the instalment due dates and any penalties must also be set in the same resolution as those used to set the rates. The resolutions necessary for the Governing Body to set the rates, instalment due dates, penalties, and early payment discount for the 2024/2025 financial year are included in the recommendations in this report.

### Early payment discount, late payment penalties and instalment dates

20. This report recommends that all rates be payable in four equal instalments on:
  - instalment 1: 30 August 2024
  - instalment 2: 29 November 2024
  - instalment 3: 28 February 2025
  - instalment 4: 30 May 2025.
21. Officers recommend that a 10 per cent penalty be payable for late payment of rates for each rates instalment due date, and that a 10 per cent penalty on the previous years' rates arrears be added at the beginning of the financial year (or five working days after the rates resolution, whichever is the later) and then again six months later. It is recommended that the council set the penalty rate at 10 per cent to discourage the use of the council as a bank by ratepayers. Costs incurred by the council from the late payment of rates must inevitably be met by those ratepayers that pay on time. Most councils use a 10 per cent penalty.

22. The early payment discount policy is available to ratepayers who pay their full year's rates before the due date of the first rates instalment. Under this policy, the council provides a discount based on the council's forecast short-term borrowing cost, 5.5 per cent for 2024/2025. This passes on council's interest cost saving to those ratepayers who pay early. For the early payment discount to remain cost neutral, the early payment discount rate should be set at 2.06 per cent.
23. Officers recommendations on rates instalments, penalties on unpaid rates and the early payment discount, as outlined above, are consistent with legislative requirements and council's current policies.

#### Climate impact statement

24. Recommendations in this report have a primarily neutral climate impact as they relate to the setting of charges rather than decisions on activities to be undertaken.
25. The setting of the Climate Action Transport Targeted Rate will assist in funding an accelerated regional climate action programme to help mitigate the impact of climate change.

#### Council group impacts and views

26. This report has been reviewed by Legal Services and the CCO/External Partnerships team.
27. Revenue from rates funds activities undertaken by both the council and its controlled organisations.

#### Financial implications

28. The financial implications of the rates set through this report are reflected in the long-term plan document. It is projected that the total rates revenue for 2024/2025 will be around \$2.8 billion after adjusting for rates on properties owned by the council and council-controlled organisations (CCOs).

#### Risks and mitigations

29. Rates may be set any time after the Long-term Plan 2024-2034 is adopted. However, the budget has been prepared based on the assumption that rates will be invoiced in early August. Delays in setting the rates, or setting rates that are inconsistent with decisions made by the Governing Body at its meeting on 16 May 2024 may cause late delivery of the first instalment rates assessment/invoice and delay when penalties can be applied. This would result in increased interest costs through the late receipt of rates revenue and result in increased administrative costs.
30. The recommendations in this report have been checked by Legal Services for legislative compliance.

### Tauākī whakaaweawe Māori

#### Māori impact statement

31. The council does not hold information on the ethnicity of ratepayers, so is not able to identify the exact impact of the policy options on Māori. The rates recommendations in this report will have a similar impact on Māori as it will on other ratepayers.
32. The views of Māori on the rating policy proposals were considered as part of the decision-making for the long-term plan, and as part of the adoption of the Long-term Plan 2024-2034 at this meeting.
33. As part of the public consultation process for the long-term plan, 1,365 submissions (7 per cent of all submissions) were received from individuals who identified as Māori. We also received feedback from 23 Māori entities, of which, 12 presented feedback at a Town Hall Have Your Say event specifically for mana whenua and mātāwaka entities.
34. Responses from Māori submitters and mana whenua were similar to the overall feedback.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

### Local impacts and local board views

35. The Governing Body has decision-making authority for setting rates. Local boards' views on the rating policy proposals were considered as part of the decision-making for the long-term plan, and as part of the adoption of the Long-term Plan 2024-2034 at this meeting.

### Ngā koringa ā-muri

#### Next steps

36. A copy of the rates resolution will be publicly available on council's website within 20 working days of adopting the rates resolution.
37. Ratepayers will receive the first instalment invoice from 1 August 2024.

### Ngā tāpirihanga

#### Attachments

There are no attachments for this report.

### Ngā kaihaina

#### Signatories

Authors	Andrew Duncan - Manager Financial Policy Eric Wen - Senior Advisor - Financial Policy
Authorisers	Ross Tucker - General Manager, Financial Strategy and Planning Nicola Mills - Acting Group Chief Financial Officer Phil Wilson - Chief Executive

## Auckland Future Fund Establishment

File No.: CP2024/07771

### Te take mō te pūrongo Purpose of the report

1. To consider further decision-making required to enable the Auckland Future Fund to be established and commence operations as soon as possible after 1 July 2024, following adoption of the Long-term Plan 2024-2034.

### Whakarāpopototanga matua Executive summary

2. On 16 May 2024, the Governing Body resolved to create an Auckland Future Fund (AFF or the Fund) as part of the Long-term Plan 2024-2034 (LTP) and to establish a Trust to administer the Fund.
3. The purposes of the Trust are to ensure the protection of the real value over time of the intergenerational assets put into the Fund and provide an enhanced return to Auckland Council to fund services and infrastructure.
4. The Trust will be established with strict protections requiring it be managed and applied with the intent of maintaining or increasing the real value of its capital over time.
5. The Auckland Future Fund Trustee Limited, a wholly owned subsidiary of Auckland Council, will be established to be trustee of the Fund.
6. Governance of the Fund will be guided by the Trust Deed along with key policies to which the Trust Deed refers, including the AFF Policy, the AFF Distribution Policy, the Responsible Investment Policy and AFF Statement of Investment Policies and Objectives.
7. The Auckland Future Fund Trust will operate as a council-controlled organisation (CCO) of Auckland Council under the Local Government Act 2002, and a substantive CCO under the Local Government Act (Auckland Council) 2009, providing additional governance and accountability over the Fund. As a substantive CCO, the Auckland Future Fund Trust will be subject to the CCO Accountability Policy which is adopted as part of the LTP.
8. The specific structure, governance and management of Fund have been designed to operate as efficiently as possible. The ongoing operational budget has been set at \$400,000 per year in the Long-term Plan.
9. On 16 May 2024, the Governing Body further resolved to initially capitalise the Fund with the council's shareholding in Auckland International Airport Limited (AIAL) and to amend the Auckland Airport Shareholding Policy to enable the sale of those shares by the Fund Manager to achieve the purposes of the Fund.
10. The AFF Policy, AFF Distribution Policy and amended Auckland Airport Shareholding Policy and CCO Accountability Policy have been presented to the Governing Body for adoption as part of the final Long-term Plan 2024-2034 documents in a separate report on today's agenda. The Governing Body will consider the draft Trust Deed (to be circulated ahead of the meeting) and Responsible Investment Policy (Attachment A) for approval at this meeting
11. There are a number of actions and decisions that will need to be made once the establishment policies and Trust Deed are approved. These include the incorporation of the Trustee, establishment of the Trust, transfer to and management of assets within the Fund, including any major transaction shareholder resolutions relating to the subsequent sale of shares.

12. As a result, delegation of decision-making authority will be required. This will be a combination of delegations to the Chief Executive and Mayor and Deputy Mayor as set out in the recommendations.

Item 17

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) tuhi ā-taipitopito / note the agreement, on 16 May 2024 (refer [GB/2024/45](#)) as part of decision-making on the Long-term Plan 2024-2034 (which is presented for adoption under the item on this agenda titled 'Adoption of the Long-term Plan 2024-2034'), to establish the Auckland Future Fund as a trust initially capitalised with council's shareholding in Auckland International Airport Limited, with strict protections requiring it to be managed and applied with the intent of maintaining or increasing the real value of its capital over the medium term (refer [GB/2024/45](#)),
- b) tuhi ā-taipitopito / note the strict protections over the Fund assets agreed to on 16 May 2024 (refer [GB/2024/45](#)) are to include:
  - i) the categorisation of the Fund as a strategic asset
  - ii) the inclusion of key policies in the Long-term Plan 2024-2034 that restrict decision-making in respect of the Fund and distributions from the Fund
  - iii) key provisions in the draft Trust Deed
  - iv) the appointment of professional independent directors and exercise of CCO accountability measures
  - v) seeking legislative protection.
- c) whakaae / approve, subject to the adoption of the Long-term Plan 2024-2034 providing for the decisions referred to in clause a) above, the following:
  - i) the draft Auckland Future Fund Deed of Trust (to be circulated ahead of this meeting) to be finalised by the Chief Executive and signed by the Mayor and Deputy Mayor, substantially on the terms attached and consistent in all respects with this report and the adopted Long-term Plan 2024-2034.
  - ii) the Responsible Investment Policy in Attachment A of the agenda report to apply to the Auckland Future Fund, the Self Insurance Fund and any subsequently formed council investment funds.
  - iii) the transfer of the council's remaining shareholding in Auckland International Airport Limited to the Trust (once it is established), as provided for in the adopted Long-term Plan 2024-2034, on terms to be approved by the Chief Executive acting under delegation in accordance with clause d) below.
- d) whakaae/agree to:
  - i) promote an Auckland Council (Auckland Future Fund) Bill to ensure the Auckland Future Fund is a long-term financial investment for the benefit of the current and future communities of the Auckland Region, substantially as set out in the draft Bill at Attachment B of the agenda report
  - ii) tautapa / delegate authority to the Chief Executive to prepare and finalise the draft Bill and carry out procedural requirements, including those under Parliamentary Standing Orders, to enable the Bill to be introduced to the House.
- e) tautapa /delegate to the Chief Executive the power to sign all documents, initiate and undertake all preparatory work, and do all things on behalf of council reasonably required for the incorporation of the Trustee (including finalisation and adoption of its company constitution), establishment of the Trust and Fund, and transfer and management of assets within the Fund, including any major transaction shareholder resolutions relating to the subsequent sale of shares.

- f) whakaae / agree to delegate authority to the Chief Executive to amend the council's Significance and Engagement Policy to include "the Auckland Future Fund as a whole" in the list of strategic assets in that policy.

## Horopaki Context

13. On 16 May 2024, the Governing Body resolved (GB/2024/45):

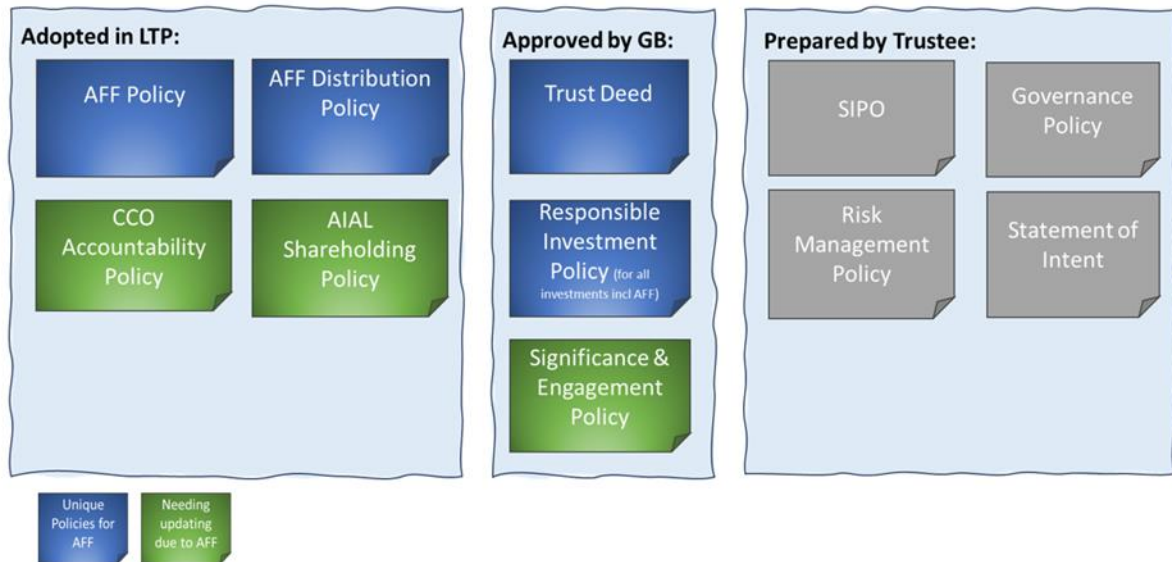
*...the establishment of a regional wealth fund, the Auckland Future Fund (AFF), to improve council's financial and physical resilience initially capitalised with council's shareholding in Auckland International Airport Limited, with an amendment to the Airport Shareholding Policy to enable the sale of those shares by the fund manager to achieve the purposes of the fund, noting that:*

- A. *the purposes of the fund will be to protect the real value of council's intergenerational assets so they can continue to benefit future generations, and to provide an enhanced return to the council to fund services and infrastructure.*
  - B. *the fund will be established as a trust with strict protections requiring it to be managed and applied with the intent of maintaining or increasing the real value of its capital over the medium term, and council will also seek legislative protection as set out in the Mayoral Proposal.*
  - C. *the CCO Accountability Policy will be amended to provide for this trust which will be a substantive council-controlled organisation.*
  - D. *\$20 million of the enhanced returns from the Auckland Future Fund in 2024/2025 will be set aside in a reserve fund to fix and finish community projects in legacy Manukau City and Auckland City areas.*
  - E. *work will progress over the next 12 months to identify opportunities to make further capital contributions to the fund.*
  - F. *the Chief Executive will undertake preparatory work to enable the Auckland Future Fund trust to be established and commence operations as soon as possible after 1 July 2024, including developing policies to reflect these decisions for inclusion in the Long-term Plan 2024-2034.*
14. Since the 16 May 2024 Governing Body meeting, staff have been undertaking the required preparatory work to enable the Auckland Future Fund Trust to be established and commence operations as soon as possible after 1 July 2024, and to put in place multiple layers of protection including seeking legislative protection.
15. The Auckland Future Fund Trustee Limited, a wholly owned subsidiary of Auckland Council, will be established as a Trustee to hold and manage the Fund.
16. The purposes of the Trust as set out in the AFF Policy are to:
- a) protect the real value of the Trust's assets over time, so they can continue to benefit future generations, and:
  - b) provide a strong return to council to fund services and infrastructure to ensure the protection of the real value of the intergenerational assets put into the Fund and provide an enhanced return to Auckland Council to fund services and infrastructure.
17. The Auckland Future Fund Trust will operate through the Trustee as a council-controlled organisation (CCO) of Auckland Council under the Local Government Act 2002 and be a substantive CCO under the Local Government (Auckland Council) Act 2009, providing additional governance and accountability over the Fund. As a substantive CCO, the Auckland Future Fund Trust will be subject to the CCO Accountability Policy to be adopted as part of the LTP.

## Tātaritanga me ngā tohutohu

### Analysis and advice Policy Framework

18. A policy framework (see pictorial below) has been developed to enact the governance framework for the Fund. This governance of the Fund will comprise the Trust Deed along with key policies to which the Trust Deed refers, including the AFF Policy, the AFF Distribution Policy, the Responsible Investment Policy and the AFF Statement of Investment Policies and Objectives.



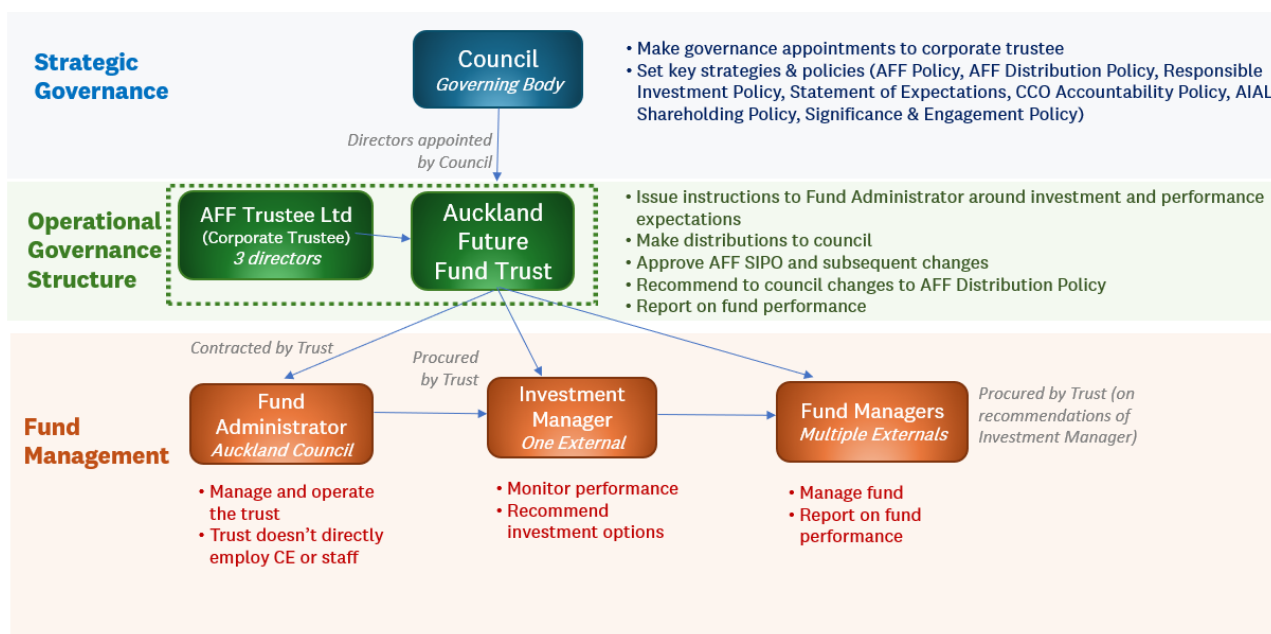
19. The AFF Policy, AFF Distribution Policy and the amended Auckland Airport Shareholding Policy and CCO Accountability Policy have been presented to the Governing Body for adoption as part of the LTP documents in a separate report titled 'Adoption of the Long-term Plan 2024-2034' on today's agenda.
20. The new AFF Policy to be adopted as part of the LTP sets out key restrictions under the Local Government Act 2002 on changes to ownership and control of the Fund. It also establishes further key controls by reference to the other policies in the LTP.
21. The new AFF Distribution Policy, also to be adopted as part of the LTP, restricts how and when distributions can be made from the fund to Auckland Council. It does this by only permitting the Trustee to make regular distributions if it is confident that over the long-term the Fund will be able to comply with a guiding principle of preserving the real value of the Fund over time. This policy does not provide for any kind of special or exceptional distributions.
22. Once the LTP has been adopted, these policies can only be changed by undertaking the statutory process to amend or adopt an LTP, which includes full public consultation using the Special Consultative Procedure.
23. The Governing Body will consider the draft Trust Deed (to be circulated ahead of this meeting) and Responsible Investment Policy (Attachment A) for approval as part of this agenda report. These are discussed in more detail in the next section.
24. The AFF Statement of Investment Policies and Objectives and other related documents will be prepared by the Trustee once established. Each year a Statement of Intent (SOI) will be prepared by the Trustee and approved by the Governing Body.
25. These elements are necessary to promote good governance and ensure that the strict protection of the Fund assets will work as intended. Once establishment phase has been completed, it is anticipated that the governance and oversight of the Fund can operate very efficiently with minimal additional staff cost and overhead required.



26. In practice, the key activities of the Trustee will be to seek advice from an Investment Manager, make investment decisions, oversee investment operations, and then transparently report on investment performance. As such, the ongoing CCO oversight and monitoring arrangements will be narrower in scope and less complicated than other substantive CCOs.

### Proposed Structure

27. The Auckland Future Fund Trustee Limited, a wholly owned subsidiary of Auckland Council, will be established as the Trustee to hold and own and manage the Fund on the terms of the Trust Deed and relevant policies.
28. The Auckland Future Fund Trust will operate through the Trustee as a council-controlled organisation (CCO) of Auckland Council under the Local Government Act 2002 and be a substantive CCO under the Local Government (Auckland Council) Act 2009, providing additional governance and accountability over the Fund. As a substantive CCO, the Auckland Future Fund Trust will be subject to the CCO Accountability Policy to be adopted as part of the LTP.
29. This is a similar structure to that used for Tātaki Auckland Unlimited, except that in that instance the trust happens to be a charitable trust and has other functions (e.g., economic development). The arrangements for the AFF are in many ways analogous to how a household might use a family trust to better protect their assets.
30. The specific structure for proposed governance and fund management is shown below:



### Trust Deed

31. The draft Trust Deed (to be circulated ahead of this meeting):
- will be signed by council (under delegation) and establishes the entity that owns and manages the Fund [Auckland Future Fund Trustee Limited] as the corporate trustee with independent directors.
  - defines the purpose of the Trust, and the powers and duties of the Trustee, and references the relevant policies that will govern the management and operation of the Fund, including the AFF Policy and AFF Distribution Policy.
  - identifies Auckland Council as sole and final beneficiary.
  - appoints the corporate trustee, with independent directors.

- provides that the corporate trustee is the decision-maker on distributions within policy parameters set out in the AFF Distribution Policy.
  - provides additional thresholds (over and above the LTP protections) against amendment of the key protective provisions of the Trust Deed, including the purposes of the Trust and the provisions that ensure the Fund assets remain held in trust to preserve the real value of the Fund.
  - requires the Trustee's independent approval (with regard to the purposes of the Trust and terms of the Trust Deed) for any capital distributions outside the policy parameters of the AFF Distribution Policy even if the LTP is amended to permit this.
  - provides protection against amendment to key provisions including the purposes of the Trust and the ability to make capital distributions outside the policy parameters set out in the AFF Distribution Policy.
32. As the Trust will be a substantive CCO, it must adhere to the existing CCO governance and accountability mechanisms such as the Statement of Intent and quarterly reporting.
33. The constitution of the Auckland Future Fund Trustee Limited will reference the Appointments and Remuneration Policy for Board Members of Council Organisations for the appointment of the directors of the Trustee. This policy sets out the process for appointing board members (and in this case, the Corporate Trust Auckland Future Fund Trustee Limited directors), defines the competencies, skills and knowledge required, and defines how their commensurate remuneration will be set.
34. Subject to the adoption of the LTP, a process will be initiated to appoint three directors to Auckland Future Fund Trustee Limited at the Performance and Appointments Committee meeting on 25 June 2024. It is envisaged that the directors will be in place by the end of August 2024. The draft Trust Deed will provide for up to five directors to be in place at any one time to manage any overlap as directors are rotated. The intention however is to only have three directors in normal circumstances.
35. The draft Trust Deed (to be circulated ahead of this meeting) will be presented to the Governing Body for approval as part of this agenda report. The Chief Executive will have a delegation to finalise any points of detail (in accordance with this report and the relevant LTP policies for the Fund) before the Mayor and Deputy Mayor sign the Trust Deed with the Trustee.

### Responsible Investment Policy

36. The Responsible Investment Policy Policy is based on the existing policies (dated 2017 and 2022) previously approved by the Governing Body.
37. It defines council's guidance for investments including Environmental, Social and Governance and climate change considerations. It also sets out activities that council would expect to be excluded from any investment portfolio to the extent practical, being:
- activities that would be illegal under New Zealand law if undertaken in New Zealand
  - the production of fossil fuels
  - the manufacturing or development of anti-personnel mines, cluster munitions and nuclear weapons
  - tobacco manufacturing
  - generating revenue from the operation of gambling.
38. The Statement of Investment Policies and Objectives for the AFF, Self-Insurance Fund, and any subsequently formed investment funds, will reference this document for their responsible investment policies.
39. The Responsible Investment Policy is attached to this report (Attachment A) for approval.

## AFF Statement of Investment Policies and Objectives (AFF SIPO)

40. Following establishment of the Fund, the Trustee will approve a Statement of Investment Policies and Objectives for the Auckland Future Fund and report this to the Governing Body. The AFF Statement of Investment Policies and Objectives will cover the intended investment strategies and objectives for the Auckland Future Fund, including:
- Strategic asset allocation
  - Asset classes and benchmarks
  - Rebalancing and hedging settings.
41. The AFF Statement of Investment Policies and Objectives will be reviewed at least annually, however the Trustee may approve a revision of the Statement of Investment Policies and Objectives on an ad hoc basis in the event of a significant change in market conditions.

### Climate impact statement

42. This report does not seek any decisions that would impact climate or would be impacted by climate change. However, it should be noted that the creation of the Auckland Future Fund is in part in response to the impacts of climate change and seeks to protect the intergenerational assets invested in the fund from further shocks as a result of future climate-related events.
43. The Responsible Investment Policy integrates Environmental, Social and Governance and climate change considerations where possible. It is expected that the investment manager of any council investment fund will seek to improve Environmental, Social and Governance practices of the companies they invest in through proactive engagement.

### Council group impacts and views

44. The Auckland Future Fund establishment preparatory work is being led by council's Group Chief Financial Officer and the development of artefacts covered in this report has involved extensive input from Group Treasury, Financial Strategy and Planning, Legal and CCO/External Partnerships functions.
45. The views of the CCOs and Port of Auckland Limited have not been sought as the Auckland Future Fund does not directly impact on any of their activities.

### Financial implications

46. The cost of establishing and operating the Fund has been provided for in the operational budgets for the LTP. The ongoing operational budget has been set at \$400,000 per year.
47. The Long-term Plan 2024-2025 includes a \$20 million fund for priority legacy projects in the 2024/2025 year which is intended to be funded from the enhanced returns from the Fund being achieved from 1 January 2025. Material delays in the timeframe for establishing the Fund and investment operations commencing could result in less than \$20 million being available for this purpose.
48. The planned rates increase for year two of the LTP relies on \$40 million per annum of enhanced return from the Fund. If that cannot be achieved, the average rates increase for the average value residential property for that year would need to be 1.7 percent higher, all else being equal.

### Risks and mitigations

49. The establishment of the Auckland Future Fund is a direct response to perceived increased risk from climate change and other geographically concentrated threats that could undermine the value of council's assets and seeks to mitigate that risk through diversification.

50. The risk of misuse of the Fund is addressed through the creation of the Trust and governance provided through the various policies, the legal duties of the trustees and directors that will apply to the Trustee and its directors and will be further bolstered through legislative protections through a draft local bill that council is pursuing in parallel (as set out in Attachment B).

## Tauākī whakaaweawe Māori

### Māori impact statement

51. Houkura-Independent Māori Statutory Board has been involved in the decision making for the creation of the Auckland Future Fund.
52. As a substantive CCO, Auckland Future Fund Limited will prepare an Achieving Māori Outcomes Plan.
53. In the recruitment of directors for Auckland Future Fund Limited, common priorities for director briefs include that they will uphold the principles of the Treaty of Waitangi, promote improved outcomes for Māori and have knowledge of Te Ao Māori and established Māori networks.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe

### Local impacts and local board views

54. The proposed decisions have no identified local impacts. The views of local boards were not required for the preparation of this report's advice; however, local boards have been involved throughout the process of developing the LTP including providing input to the proposal to establish the Auckland Future Fund and to transfer the council's remaining shareholding in Auckland International Airport Limited to the Fund.

## Ngā koringa ā-muri

### Next steps

55. Once the LTP is adopted, the Auckland Future Fund Trust structure will be implemented. This will include the incorporation of the Trustee, appointment of its directors, execution of the Trust Deed, adoption of the Trustee's own policies, engagement of its investment managers and transfer of assets to the Fund. Tasks are outlined in the table below.

AFF Trust - Implementation Tasks	Target Date (or earlier)
Establish AFF Trust and CCO	
Agree criteria and selection panel for Director positions (Performance & Appointments Committee)	24 Jun 2024
Establishment of Trust, including incorporation of the trustee company, director recruitment and appointments, and execution of the Trust Deed	Jul - Sept 2024
Establish CCO administrative functions including fund administrator role;	Jul - Aug 2024
Commence procurement of Investment Manager (Request for Proposal)	Jul - Aug 2024
Draft Statement of Intent (SOI) for approval (CCO Direction & Oversight Committee)	1 Sept 2024
Establish Fund Administrator role	1 Sept 2024
Appointment of Investment Manager by the Trustee	30 Sept 2024
AFF Trust and CCO to be operational	30 Oct 2024

AFF Trust - Implementation Tasks	Target Date (or earlier)
<b>Establish Auckland Future Fund</b>	
Transfer AIAL Shares to Fund	TBD once Trust is operational
Fund to be operational	TBD once Trust is operational
<b>Legislation</b>	
Draft legislation	Jun 2024
Identify sponsor and engage Parliamentary Counsel Office/Office of the Clerk	Jun - Jul 2024
Give public notice of intention to promote Local Bill	Jul 2024
Formal Governing Body resolution to promote Local Bill	Aug 2024
Support Bill passage to legislation	TBD
<b>Subsequent Steps</b>	
Amend Significance & Engagement Policy (update strategic asset listing)	Aug 2024
Establish reserve fund for Fix and Finish community projects	1 Jul 2025

56. The Auckland Future Fund trustee, as a CCO, will also need to prepare a Statement of Intent covering the period from establishment to 30 June 2025. This will be considered and approved by the CCO Direction and Oversight Committee.
57. As the Trust will be a substantive CCO, the CCO Accountability Policy has been updated accordingly and has been presented to the Governing Body for adoption as part of the final Long-term Plan 2024-2034 documents in a separate report on today's agenda.
58. In order to meet the timelines for establishment of the Auckland Future Fund as shown in the table above, delegation of decision-making authority is required to the Chief Executive to sign all documents, initiate and undertake all preparatory work, and do all things on behalf of council reasonably required to establish the Fund. This includes the incorporation of the Trustee, establishment of the Trust and transfer and management of assets as contemplated by this report and the Long-term Plan 2024-2034, including any major within the Fund, including any major transaction shareholder resolutions relating to the subsequent sale of shares.
59. All decisions made under delegation will be reported back to Governing Body at the next available meeting after exercise of those delegations.
60. After approval of the draft Auckland Future Fund Trust Deed, the Trustee will be incorporated, and establishment of the Trust organisation can proceed, including appointment of directors.
61. Auckland Council's shareholding in AIAL will be transferred to the AFF Trust at a time based on advice from the Investment Manager.

## Ngā tāpirihanga Attachments

No.	Title	Page
A	Responsible Investment Policy	
B	Draft Auckland Council (Auckland Future Fund) Bill	

## Ngā kaihaina Signatories

Authors	Bram VanMelle – Associate General Counsel, Manager Property and Commercial Ross Tucker - General Manager, Financial Strategy and Planning
Authorisers	Nicola Mills – Acting Group Chief Financial Officer Phil Wilson - Chief Executive

## Summary of Governing Body and Committee information memoranda and briefings (including the Forward Work Programme) - 27 June 2024

File No.: CP2024/06561

### Te take mō te pūrongo Purpose of the report

- To receive a summary and provide a public record of memoranda or briefing papers that may have been distributed to the Governing Body or its committees.

### Whakarāpopototanga matua Executive summary

- This is a regular information-only report which aims to provide greater visibility of information circulated to Governing Body members via memoranda/briefings or other means, where no decisions are required.
- The following memos or information were circulated to members of the Governing Body:

Date	Subject
31.5.24	Memorandum: Litter Bin Optimisation
10.6.24	Memorandum: Auckland Council's Provisional Local Alcohol Policy 2015
11.6.24	Memorandum: Renewal of the Henry Atkinson statue, Titirangi
14.6.24	Auckland Council Submission on the Local Government (Water Services Preliminary Arrangements) Bill

- The following workshops/briefings have taken place for the Governing Body:

Date	Subject						
12.6.24	Representation Review – Initial Proposal						
19.6.24	CONFIDENTIAL Long-term Budget 2024-2034: Review of proposed key policies related to the Auckland Future Fund (no attachment) <table border="1" data-bbox="430 1541 1452 2047"> <tr> <td><b>Reason:</b></td> <td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td> </tr> <tr> <td><b>Interests:</b></td> <td>s7(2)(g) The withholding of the information is necessary to maintain legal professional privilege. In particular, the workshop provides an opportunity for the Governing Body to receive legal advice in respect of the establishment of the Auckland Future Fund.</td> </tr> <tr> <td><b>Grounds:</b></td> <td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td> </tr> </table>	<b>Reason:</b>	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.	<b>Interests:</b>	s7(2)(g) The withholding of the information is necessary to maintain legal professional privilege. In particular, the workshop provides an opportunity for the Governing Body to receive legal advice in respect of the establishment of the Auckland Future Fund.	<b>Grounds:</b>	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
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5. This document can be found on the Auckland Council website, at the following link:  
<http://infocouncil.aucklandcouncil.govt.nz/>
- at the top left of the page, select meeting/Te hui “Governing Body” from the drop-down tab and click “View”;
  - under ‘Attachments’, select either the HTML or PDF version of the document entitled ‘Extra Attachments’.
6. Note that, unlike an agenda report, **staff will not be present to answer questions about the items referred to in this summary.** Governing Body members should direct any questions to the authors.

## Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) whiwhi / receive the Summary of Governing Body information memoranda and briefings (including the Forward Work Programme) – 27 June 2024.

## Ngā tāpirihanga Attachments

No.	Title	Page
A	Forward Work Programme	
B	Memorandum: Litter Bin Optimisation	
C	Memorandum: Auckland Council’s Provisional Local Alcohol Policy 2015 (Under Separate Cover)	
D	Memorandum: Renewal of the Henry Atkinson statue, Titirangi (Under Separate Cover)	
E	Workshop: Representation Review – Initial Proposal (Under Separate Cover)	
F	Auckland Council Submission on the Local Government (Water Services Preliminary Arrangements) Bill (Under Separate Cover)	

## Ngā kaihaina Signatories

Author	Sarndra O’Toole - Kaiarataki Kapa Tohutohu Mana Whakahaere / Team Leader Governance Advisors
Authoriser	Phil Wilson - Chief Executive



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

That the **Governing Body**

- a) whakaae / agree to 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: Referred from the Performance and Appointments Committee - Chief Executive's Performance Objectives FY25-FY27 (Covering report)**

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)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, the report contains information that relates to the performance objectives for the chief executive, and the committee may discuss matters relating to the chief executive's current performance.</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>