

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

Date: **Wednesday, 19 February 2025**
Time: **10.00am**
Meeting Room: **Reception Lounge**
Venue: **Auckland Town Hall**
301-305 Queen Street
Auckland

Komiti mō te Tahua Pūtea / Budget Committee

OPEN AGENDA

MEMBERSHIP

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

(Quorum 11 members)

Duncan Glasgow
Kaitohutohu Mana Whakahaere Matua /
Senior Governance Advisor

14 February 2025

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ITEM	TABLE OF CONTENTS	PAGE
1	Ngā Tamōtanga Apologies	5
2	Te Whakapuaki i te Whai Pānga Declaration of Interest	5
3	Ngā Petihana Petitions	5
4	Ngā Kōrero a te Marea Public Input	5
5	Ngā Kōrero a te Poari ā-Rohe Pātata Local Board Input	5
6	Ngā Pakihi Autaia Extraordinary Business	5
7	Annual Plan 2025-2026: Adoption of consultation materials	7
8	Te Whakaaro ki ngā Take Pūtea e Autaia ana Consideration of Extraordinary Items	

1 Ngā Tamōtanga | Apologies

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

3 Ngā Petihana | Petitions

There is no petitions section.

4 Ngā Kōrero a te Marea | Public Input

There is no public input section.

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

There is no local board input section.

6 Ngā Pakihi Autaia | Extraordinary Business

Annual Plan 2025-2026: Adoption of consultation materials

File No.: CP2025/00356

Item 7

Te take mō te pūrongo Purpose of the report

1. To seek adoption of the Consultation Document and Supporting Information for the Annual Budget 2025/2026.

Whakarāpopototanga matua Executive summary

2. Under the Local Government Act 2002, all councils are required to adopt an annual plan for each financial year (except once every three years when the long-term plan acts as the annual plan).
3. The Annual Plan for 2025/2026 (this annual plan) represents year two of the Long-term Plan 2024-2034 (the LTP).
4. The process to develop this annual plan began in September 2024 with two facilitated sessions with Governing Body members. The outcomes from these sessions were captured in the *Mayoral and Councillor Direction to Council Group* document.
5. On 4 December 2024, the Budget Committee received and considered the Mayoral Proposal for the Annual Plan 2025/2026, and subsequently agreed items for consultation – see resolutions [BCCCC/2024/14](#).
6. The decisions made at the 4 December Budget Committee provided the direction for staff to produce the Consultation Document and Supporting Information (together, the consultation material) which is now presented for adoption. Draft consultation material was provided to Governing Body members ahead of a drop-in session on 11 February 2025.
7. In December 2024, all local boards held workshops and meetings to finalise their local consultation matters and key priorities for inclusion in the consultation material for adoption.
8. The Tūpuna Maunga Operational Plan must be prepared and adopted concurrently with the council's annual plan and must be included in summary form in the annual plan consultation documentation. The Draft Tūpuna Maunga Operational Plan 2025/2026 was approved by the Tūpuna Maunga Authority 9 December 2024 and adopted by the Governing Body on 12 December 2024.
9. The consultation material also seeks public views on a bed night visitor levy to fund major events and destination marketing activity, subject to necessary legislation being enacted. The material notes that a levy of 2.5 per cent to 3 per cent paid by those in short-stay accommodation would address the budget gap of \$7 million for the 2025/2026 financial year and raise approximately \$27 million each year to fund destination management, marketing, and major events in Auckland.
10. In December 2024, the Budget Committee agreed that the council consult on the expansion of the Glen Eden Business Improvement District (GEBA) and the Business Improvement District (BID) targeted rate as part of the Annual Plan 2025/2026. However, the GEBA has since decided to delay the ballot. Officers have therefore not included this proposal in the consultation material. It is likely that the expansion will be consulted on as part of the council's Annual Plan 2026/2027.

Ngā tūtohunga Recommendation/s

That the Budget Committee:

- a) whai / adopt the Supporting Information for the Annual Plan 2025/2026
- b) whai / adopt the Consultation Document for the Annual Plan 2025/2026
- c) whakaae / agree to delegate responsibility to the chair of the Budget Committee, and the group chief financial officer to approve any minor or technical edits required to the Consultation Document and Supporting Information for the Annual Plan 2025/2026 in order to finalise the documents for uploading online and physical distribution.

Horopaki Context

11. The Local Government Act 2002 requires the council to prepare and adopt an annual plan for each financial year, except once every three years when the long-term plan acts as the annual plan.
12. This annual plan represents year two of the recently adopted LTP and it outlines the budgets, priorities and funding envelopes for the 2025/2026 financial year. Any significant or material changes to the budget or service levels from that set out in the LTP require consultation.
13. Auckland Council is also required to include local board agreements and the Tūpuna Maunga Authority Operational Plan in summary form in its annual plan. The proposed content of local board agreements and the summary of the Tūpuna Maunga Authority Operational Plan must be included in annual plan consultation material.
14. The consultation material seeks public views on a bed night visitor levy to fund major events and destination marketing activity, subject to necessary legislation being enacted. The material notes that a visitor levy of 2.5 per cent to 3 per cent on short-stay accommodation would address the \$7 million budget shortfall for funding destination management, marketing, and major events in Auckland, for the 2025/2026 financial year.

Tātaritanga me ngā tohutohu Analysis and advice

Developing the annual plan

15. The process to develop council's Annual Plan 2025/2026 began with the mayor's direction setting which was discussed at two facilitated sessions with Governing Body members in September 2024. The output of these sessions was outlined in the *Mayoral and Councillor Direction to Council Group* document.
16. Briefings and workshops were held with the Budget Committee between September and December 2024. Chairs and representatives from each local board were invited to attend all workshops and briefings on the annual plan during this time.
17. On 20 November 2024, the Budget Committee received and workshopped the Mayoral Proposal for consultation on the annual plan. On 4 December 2024, the Budget Committee considered this proposal and agreed the items for consultation in the Annual Plan 2025/2026.

18. The decisions made by the Budget Committee on 4 December 2024 have formed the basis for the drafting of consultation material, with the following topics established as key areas of focus for the Annual Plan 2025/2026:
- Funding major events, destination marketing and visitor attraction
 - Implementing fairer funding for local boards
 - Budget package
 - Financial policy.

Developing local board agreements and consulting on local issues

19. Each year a local board agreement is developed for each of the 21 local boards that sets out priorities, budgets and intended levels of service for local activities, and the capital and operating expenditure required to fund these activities. Local board agreements are agreed between each local board and the Budget Committee as part of the annual plan or LTP process.
20. For this annual plan, local boards have prioritised their activities and services based on the new fairer funding approach which was approved by the Governing Body in the Long-term Plan 2024-2034.

Developing the Draft Tūpuna Maunga Operational Plan 2025/2026

21. Each year the council and the Tūpuna Maunga Authority must agree a Tūpuna Maunga Operational Plan to provide a framework in which the council, under direction of the Tūpuna Maunga Authority, will carry out its functions for the routine management of the maunga and administered lands for that financial year. The Tūpuna Maunga Operational Plan must be prepared and adopted concurrently with the council's annual plan and must be included in summary form in the annual plan consultation documentation.
22. The Draft Tūpuna Maunga Operational Plan 2025/2026 has been prepared and was approved by the Tūpuna Maunga Authority in December 2024, which is consistent with year two of the Long-term plan 2024-2034. On 12 December 2024, the Governing Body agreed the Draft Tūpuna Maunga Operational Plan 2025/2026 and a summary of the draft plan (for inclusion in the consultation material for the Annual Plan 2025-2026). A summary of the Draft Tūpuna Maunga Operational Plan is included in the Supporting Information.

Funding major events, destination marketing and visitor attraction

23. Auckland Council has long advocated to central government for a legislative change to enable a bed night visitor levy on short-stay accommodation like hotels, motels and bnbs to fund major events, destination management and marketing activities.
24. The introduction of a levy of 2.5 per cent to 3 per cent would raise around \$27 million each year for Auckland to deliver a full destination management and major event programme which are vital to developing Auckland's economy.
25. As signalled in the LTP, without a bed night visitor levy the council group would have a \$7 million budget shortfall for funding major events that are expected to attract visitor expenditure for the 2025/2026 financial year.
26. While central government has indicated it might consider introducing legislation that would enable a bed night levy, it is uncertain whether this will be implemented in this Annual Plan 2025/2026. If a levy is not enabled and introduced before the 2025/2026 financial year, then the council will need to consider a range of options via this annual plan to address the budget gap.

Delay in proposed expansion to the Glen Eden Business Improvement District (BID)

27. In December 2024, the Budget Committee agreed that the council consult on the expansion of the Glen Eden BID and BID targeted rate as part of the Annual Plan 2025/2026, following proposal by the Glen Eden Business Association (GEBA) to expand the boundary of the BID to cover 47 additional business properties. A ballot on the proposed expansion was scheduled for March 2025. The GEBA has since decided to delay the ballot, due to ongoing engagement work indicating insufficient support for the proposal to guarantee a successful ballot in March. This means a ballot on the proposed Glen Eden BID expansion will not occur in time to inform decision making for Annual Plan 2025/2026. Officers have therefore excluded the proposal from the consultation material for adoption. It is likely that the expansion will be consulted on as part of the council's Annual Plan 2026/2027.

Tauākī whakaaweawe āhuarangi Climate impact statement

28. The Annual Plan 2025/2026 includes climate related action across the seven areas of council activities and investments such as climate change, storm recovery and resilience. It outlines how council will improve its response to reducing its council's contribution to climate change and addressing its impact.
29. The funding for these climate action initiatives comes from various targeted rates, including the Water Quality Targeted Rate (WQTR), Climate Action Transport Targeted Rate (CATTR) and the Natural Environment Targeted Rate (NETR).

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

30. The annual plan will include budgets at a consolidated group level.
31. Consultation items and updates to budgets to reflect decisions and new information reflect input from across the group.
32. Further information and input will be sought from across the council group as the Annual Plan 2025/2026 is finalised following public consultation.

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

33. Local board chairs and representatives were invited to all annual plan workshops with the Budget Committee between September and December 2024.
34. Local boards approved their local content for inclusion in the consultation material in December 2024. This included the proposed key priorities for each local board for 2025/2026, to be included in each local board agreement.
35. Local boards will continue to have input on the Annual Plan 2025/2026 following consultation and prior to any final decisions made by Governing Body, including as part of decision-making on each local board agreement.

Tauākī whakaaweawe Māori Māori impact statement

36. Targeted engagement with mana whenua and mataawaka is being planned for the consultation period, including pre-consultation hui held in mid-February 2024.
37. For the Annual Plan 2025/2026, Finance has worked with Ngā Mātārae to identify key areas of the consultation material where greater inclusion of Te Reo Māori would enhance accessibility and engagement with Māori and further our use of Te Reo Māori as an organisation.

38. Reporting on the Annual Plan 2025/2026 submissions will take a split view approach to ensure that feedback from Māori entities is clear and distinct from general population feedback.

Ngā ritenga ā-pūtea Financial implications

39. The financial implications of proposed budget changes are set out in the consultation material recommended for adoption.
40. The annual plan is a statutory plan which must be completed annually. The council budget provides for the resourcing to deliver this project.

Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

41. Adopting the Annual Plan 2025/2026 by 30 June 2025 will enable rates to be set for the 2025/2026 financial year. Not completing the Annual Plan 2025/2026 in accordance with statutory requirements could impact on the council's revenue, and its ability to continue to deliver the services and projects that Auckland needs.
42. The council is currently undertaking its three-yearly revaluation of properties in accordance with the Rating Valuations Act 1998. The outcome and timing of the revaluation may impact rates setting and assessment for the 2025/2026 financial year. Rates analysis within the consultation material is based on 2021 values, with appropriate caveats included where applicable.
43. Another risk is compliance with the requirements of the Local Government Act 2002. The legal team have reviewed the consultation material for legislative compliance, prior to the adoption of consultation material by the Budget Committee on 19 February 2025. Approval of the Consultation Document and Supporting Information will enable the timetable for consultation and subsequent decision-making to be met.

Ngā koringa ā-muri Next steps

44. Following decisions today, all consultation material will be finalised for print and distributed to libraries, service centres, local board offices and made available online in time for the start of the consultation process on 28 February 2025.
45. The key steps for finalising the Annual Plan 2025/2026 are:

Annual Budget Timeline	2025
Public consultation period	28 February – 28 March
Budget Committee workshop – regional feedback is presented including feedback from Advisory Panels	30 April
Budget Committee workshop – local boards invited to provide feedback on regional topics	14 May
Budget Committee workshop – Mayoral Proposal	21 May
Budget Committee/Governing Body meetings – decisions on annual plan content and Mayoral proposal	28 May
Local boards - adopt local board agreements	9 – 13 June
Governing Body workshop/drop-in session – final annual plan documents	18 June
Governing Body meeting – adoption of final Annual Plan 2025/2026	26 June

Ngā tāpirihanga Attachments

No.	Title	Page
A⇒	Consultation Document	
B⇒	Supporting Information	

Item 7

Ngā kaihaina Signatories

Authors	Hanna Woon – Programme Manager Tracey Wisnewski - Project Manager, Financial Strategy
Authorisers	Michael Burns - General Manager Financial Strategy Ross Tucker - Group Chief Financial Officer