

10-year Budget 2021-2031 Overview and proposed capex budgets

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Kaipatiki Local Board**

23 February 2021

Purpose

To provide an update on the 10-year Budget 2021-2031 process and explain the proposed allocation of capex budgets for customer and community and impact at local board level

Consultation on the draft 10-year Budget 2021-2031

Consultation Document



Feedback form

10-YEAR BUDGET 2021-2031 CONSULTATION DOCUMENT

Auckland Council
Te Tahua Pūtea Tau

10-year Budget 2021-2031
We want your feedback
Feedback must be received by 10pm midday Monday 22 March 2021. Please read the Consultation Document available at akhaveyoursay.nz/recoverybudget or at any library, service centre, or by phoning **09 301 0101** before you give feedback. It has more information about the issues and choices that we want your feedback on. Please refer to the online rates guide at akhaveyoursay.nz/recoverybudget and glossary of terms on page 78 of the Consultation Document.

As a questionnaire option, we encourage you to give feedback online at akhaveyoursay.nz/recoverybudget or you can complete the form and return it to us using one of these options:

- By email** - Email your completed form and email it to recoverybudget@akcouncil.govt.nz or a service centre.
- In person** - Drop your completed form off at your local library or service centre.
- By post** - Complete form in an envelope and return it to: Feedback Address: AK Have Your Say, Auckland Council, Finance Authority, 122/132, Plover Bay 202 200, Auckland 1042.

Your feedback will be included in public documents. All other personal details will remain private.

First name: _____
Last name: _____
Email or postal address: _____
Home of organisation or business: _____
Your local board: _____

Is your feedback on behalf of an organisation or business? If yes, the contact you have authority to submit on the organisation's behalf? Yes No

The following information is optional but will help us know whether we are hearing from all Aucklanders.

Are you: Female Male Gender diverse

What age group do you belong to?
 Under 18 18-24 25-34 35-44
 45-54 55-64 65-74 75+

Which of the following describes your ethnicity? (Please select as many as apply)
 Pākehā/NZ European
 Māori - which whānau do you affiliate with?
 Chinese South East Asian
 Japanese Pasifika
 Indian Korean
 Cook Islands Māori
 Other (please specify): _____

All personal information that you provide in this submission will be held and processed by Auckland Council in accordance with our privacy policy available at aucklandcouncil.govt.nz/privacy and all our financial and personal services are subject to the Privacy Act 2014. Our privacy policy explains how we use and share your personal information in relation to any transaction you have with the council and how you can access and correct that information. We encourage you to familiarise yourself with the policy.

Proposed 10-year budget
To answer the following question please refer to pages 17 to 29 of the Consultation Document.
Our proposed 10-year budget would see capital investment of \$21 billion in Auckland over the next 10 years. This would allow us to deliver key services Aucklanders rely on, renew our aging assets, have a focused approach to building infrastructure to support population growth, and make progress on addressing the challenges of climate change and environmental sustainability.
As a result of COVID-19, it is projected that our revenue will be impacted by around \$1 billion. In light of this, and to provide the investment outlined above, we are proposing a one-off 3 per cent average general rates increase for 2021/22, rather than the previously planned 2.0 per cent increase. The increase would return to 2.5 per cent each year thereafter. We are also proposing to increase our borrowing in the short term, continue to make cost savings and sell more surplus property.
Without the greater use of rates and debt, around \$100 million of much needed investment in Auckland would be delayed from the next three years to later in the decade. This would slow Auckland's recovery and our services and assets at risk, lose hundreds of millions of dollars in matching government subsidies, and limit our response to our climate and environmental challenges.
What is your opinion on the proposed 10-year budget?
 Support Do not support Other Don't know
 Tell us why: _____

Supporting Information



Documents to be approved by Finance and Performance Committee on the 18th February

Whakaahua o ngā take matua

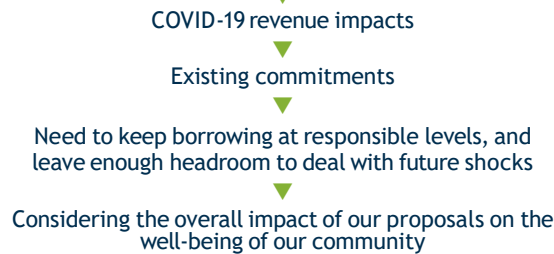
Snapshot of key issues

WE NEED TO BALANCE...

Rising investment demand...



...with...



...reduced investment capacity

OUR PROPOSED RESPONSE

ISSUE KEY **\$31 billion** package

1 of capital investment that will enable continued delivery of key services and strong investment in new and renewed assets, supported by:

-  \$90 million of ongoing savings
-  \$70 million asset recycling target for the next 3 years
-  Increased council borrowing in the short term
-  A one-off 5 per cent increase in average general rates
— see page 19 for more info

OTHER KEY PROPOSALS:

(within the \$31 billion capital investment package)

KEY ISSUE **2** New climate action to reduce greenhouse gas emissions and adapt to the impact of climate change.
— see page 30 for more info



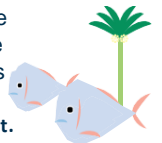
KEY ISSUE **3** More focused approach to providing infrastructure to support growth.
— see page 32 for more info



KEY ISSUE **4** Explore how community services can be provided differently to better meet the needs of our diverse and changing communities.
— see page 33 for more info



KEY ISSUE **5** Extend Natural Environment Targeted Rate from 2028 to 2031 and both extending and increasing the Water Quality Targeted Rate to continue making progress with protecting and enhancing our environment.
— see page 35 for more info



As you read through this document, we invite you to think about:

Have we got the balance right?

Do you support our key proposals?

Are there any other better ways?

There are also some specific questions we want your feedback on the back page of this document

Further information

- Elected members handbook – released 18 February
- Video from Cllr Simpson and Mayor Goff outlining key messages for consultation
- Videos on Nexus of key topics presented pre-Christmas
- Engagement Advisors - key contact for consultation

10 Year Budget context

Council group budget situation:

- COVID-19 impacts projected to reduce revenue by around \$1 billion
- A \$31 billion 10-year capital investment is proposed
- Includes \$900 million additional investment in next three years enabled by:
 - A one-off 5% average general rates increase, then reverting to 3.5%
 - Increased borrowing in the short-term
- \$65 million of the \$900 million is proposed to support high-priority community investment

10 Year Budget context

Proposed new approach to community investment:

- The cost of operating, repairing or rebuilding our aging community assets over the next 10-years means minimal budget for anything new or upgraded
- A new approach for community services, such as leasing or shared facilities that does not rely as much on us building and maintaining physical assets
- Over time we will consolidate the number of our community facilities and services and instead focus on multi-use facilities and online services to provide for our diverse communities.



Ngā papa rēhia
me te hapori

Parks and community

We support strong and diverse Auckland communities by providing a wide range of arts, sports, recreation, library, and community services.

The recovery budget is proposing a move away from an asset-dominated approach to community services, to consider how to make more use of partnerships, grants, digital and non asset-based approaches tailored to community needs. Over time, this will allow us to divest aging community assets that aren't fit for purpose and reinvest in services and facilities that meet the greatest needs of our communities.

\$674m
CAPEX OVER
3 YEARS

With **no additional funding** we would be able to:

- deliver the highest priority renewals
- invest in growth and development projects that are contractually committed
- deliver the highest priority projects, including Avondale Library and Community Centre, phasing out of boilers at aquatic facilities to reduce emissions, and some park development in higher deprivation areas
- undertake technology and digital investment to support the move away from an asset-dominated approach.



The implications of no additional funding would expose us to more risk:

- increased degradation of facilities with risk of failures due to reduced asset renewals
- limited capacity for Community Facilities Network Plan projects
- reduced capacity to deliver locally driven initiatives
- new residential areas will not be provided with adequate community infrastructure, and growth and development investments are pushed out to future years
- sports field redevelopments would be postponed
- reduced breadth and availability of library and art collections.

\$739m
CAPEX OVER
3 YEARS

With **proposed additional funding** of \$65m we could also:

- deliver \$26 million of additional high-priority asset renewal investment. This would not meet all asset renewal requirements, refer to page 29 and page 33 for more information on our proposed approach for community investment.
- undertake some seismic strengthening of community facilities
- deliver high priority growth projects, such as Scott Point's sustainable sports park, Flatbush's multi-use library and community centre, new open space in greenfield areas and Kāinga Ora development areas
- deliver sports park capacity in areas of greatest need
- deliver coastal protection projects, such as the Orewa Seawall.

Note: the proposed investment level is not enough to adequately maintain all existing community assets. Refer to Key issue 4 on page 33 for information on how we propose to address this.

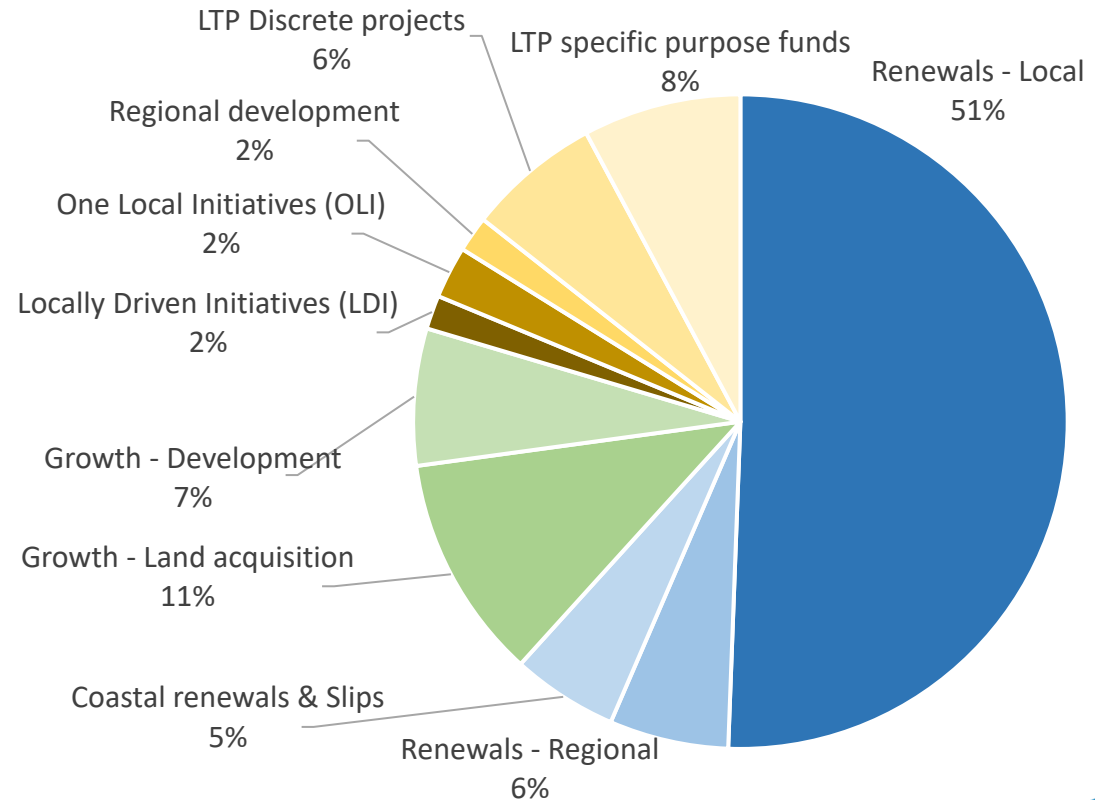


Principles of allocation

- Aligns with consultation document
- Continue contractually committed projects
- Provide sufficient budget to deliver priority renewals to mitigate asset risk
- Progress highest priority new development based on
 - need
 - risk/implications of deferral
 - alignment with LTP lenses and Service and Asset Management Plan key shifts
- Maintain a base level of investment across other programmes
- Provide sufficient budget to explore/provide non asset services

Proposed budget allocation first three years

- 62% allocated to renewals of current asset portfolio
 - regional, local and coastal
- 18% allocated to new assets to meet the needs of growth
 - land acquisition and development of new assets
- 20% allocated to other new development
 - OLIs, LDI, discrete LTP projects, specific purpose funds



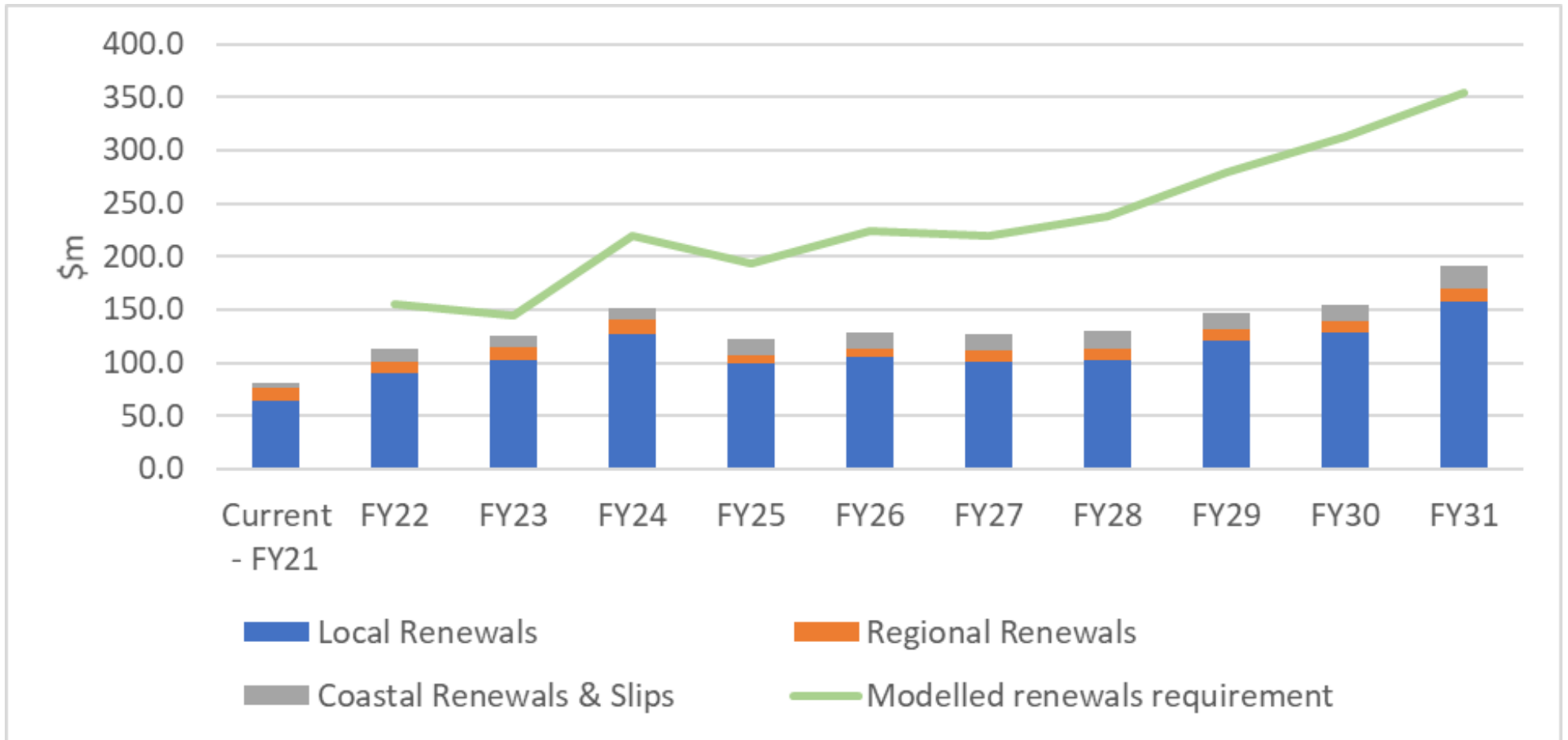
Implications for first three years

- Renewals budget broadly in-line with 2018 LTP expectations but less than modelled requirement
- Growth budgets less than 2018 LTP expectations and provide minimum levels of investment to meet the needs of growth
- OLI programme deferred apart from two projects
- Many discrete projects anticipated in 2018 LTP are deferred
- Reduced development in regional parks, cemeteries and landslide remediation
- LDI budget partially deferred (including budget previously allocated to boards but unspent)
 - proposed flexibility for boards to increase LDI budget (up to 2018 LTP level) by reducing renewals budget
 - advice would be provided to boards to understand the implications of deprioritising renewals investment in the existing portfolio

Proposed budget summary – Community Facilities

Community Facilities	First three years FY2022 - 2024		Full Ten years FY2022 - 2031	
	Budget \$ million	% of total	Budget \$ million	% of total
Renewals - Local	318.7	51%	1,134.9	28%
Renewals - Regional	37.1	6%	106.5	3%
Coastal renewals & Slips	33.0	5%	146.1	4%
Growth - Land acquisition	70.0	11%	870.0	22%
Growth - Development	42.6	7%	762.0	19%
Locally Driven Initiatives (LDI)	10.5	2%	151.0	4%
One Local Initiatives (OLI)	16.2	3%	361.1	9%
Regional development	11.1	2%	365.6	9%
LTP discrete projects	41.5	7%	86.6	2%
LTP specific purpose funds	49.2	8%	59.1	1%
Total	629.8	100%	4,043.0	100%

Proposed Renewals in 2021-2031 (10 year Budget)



Proposed Budget Summary – Other Budgets

Other Budgets	First three years FY2022 - 2024		Ten years FY2022 - 2031	
	Budget \$ million	% of total	Budget \$ million	% of total
Arts and Events	9.2	8%	34.6	8%
Co-governance	37.0	34%	145.0	32%
Active recreation equipment and technology	7.5	7%	30.7	7%
Libraries and Information	44.0	40%	209.9	47%
AIM Services	11.4	10%	30.5	7%
Total	109.0	100%	450.7	100%

Proposed budget summary – Kaipatiki Local Board

	FY22	FY23	FY24	FY25-FY31	Full Ten years FY22-FY31
Community Facilities	Budget \$million	Budget \$million	Budget \$million	Budget \$million	Budget \$million
Renewals - Local	8.587	6.585	6.962	68.403	90.536
Coastal renewals & Slips		0.166		0.043	0.208
Growth - Development	TBD	TBD	TBD	TBD	TBD
Locally Driven Initiatives (LDI)	0.165	0.165	0.165	7.092	7.587
One Local Initiatives (OLI)				8.014	8.014
LTP discrete projects			0.153	1.964	2.116
Total	8.752	6.916	7.280	85.515	108.462

Next steps

- Consultation period (22 February – 22 March)
- Regional land transport plan consultation (March/April)
- Develop work programmes and analyse consultation feedback (March/April)
- Local boards finalise advocacy and present to the Finance and Performance Committee (May)
- Finalise Local Board work programmes and local board agreements (June)

Questions and discussion

Kaipātiki
Local Board

Panuku
Development
Auckland

Auckland
Council
Te Kaunihera o Tamaki Makaurau



Kaipātiki Project
share in nature's revival

Para Kore Zero Waste Northcote





► Overview of today's session

- Where we have come from
- Where things are at
- Where we are going



Where we have come from

The logo for Zero Waste Kaipatiki is displayed on a green rectangular background. The word "ZERO" is in large, white, bold, sans-serif capital letters. The letter "O" in "ZERO" is stylized to resemble a recycling symbol. Below "ZERO" is the word "WASTE" in the same white, bold, sans-serif capital letters. At the bottom of the logo is the word "KAIPATI KI" in a smaller, white, sans-serif font, with a space between "KAIPATI" and "KI".

ZERO
WASTE
KAIPATI KI

- ▶ Prototype networking initiative with Community houses and KCFT
- ▶ Results eg Pilot food waste audit (WMIF \$5000) including Northcote's Food City showing 65% food waste from businesses could be diverted from landfill with support
- ▶ Reduce/ repair/ reuse map in KCFT resident info leaflet
- ▶ Growing interest

Where we have come from- Te Ara Awataha

- 'Take Mauri, Take Hono – Awataha' tool is a work of joint authorship between the 'Awataha Project Team'.
- Lead instigators and co-authors are the Mana Whenua representatives (via the Panuku Kaitiaki Project Working Group)
- The tohu/ key indicators provide an aspirational healthy environment for all stakeholders and partners to uphold.
- Para Kore/ Zero Waste is one of 10 tohu



Core Purpose

- To create an action plan and manifesto for a 'Para Kore Zero Waste Northcote'
- In a way that supports relationships and advocates to bring the plan to life through action
- So that as Northcote evolves, we all have a role in creating and living in a better future that is zero waste

Objectives

- The Northcote community becomes an exemplar for a circular economy maximising resource recovery and having little or no waste going to landfill
- Waste is seen as a resource and/or designed out at every stage of the development of future Northcote
- The plan integrates with, and helps realise the vision of Auckland Council's Waste Management and Minimisation Plan ([WMMP 2018](#)) and the Take Mauri Take Hono Cultural Health Indicators
- The plan will form the basis for embedding zero waste actions within Northcote, with our community of partners and stakeholders

Para Kore Zero Waste Northcote

Jul 2019	Panuku seed funding towards development of Action Plan
Feb 2020	First hui with stakeholders & community partners
Feb onwards	Workstream meetings
Jul 2020	Follow up hui with stakeholders & community partners
Sept-Nov 2020	Action Plan development and first actions
Oct 2020	Local Board funding to support project
Dec 2020	Recruitment of Zero Waste coordinator
Dec 2020	Confirmation WMIF funding for food waste business support
2021 onwards	Implementation begins in earnest

Para Kore Zero Waste Northcote is aligned with Kaipātiki Local Board Plan Outcome 2:

Te Taiao – Environment

*Zero waste: We support the council's aspirational goal of **zero waste to landfill by 2040**. This can be achieved by recycling, composting food waste, re-using items and repurposing materials. It also means preventing waste in the first place.*

We intend to support residents and businesses in this area, such as through implementing the Zero Waste Action Plan for Northcote. This plan promotes upcycling and reuse initiatives that could develop into social enterprises and small businesses. (p.19)

2020/21 Project scope

The Para Kore Zero Waste Northcote project aims to:

- Reduce waste to landfill and illegal dumping by promoting and upskilling residents in reuse and upcycling of materials
- Strengthen collaboration, community pride and develop and implement community-led strategies to support Northcote's diverse communities to reduce waste
- Raise awareness of waste minimisation and grow a thriving network of local zero waste champions

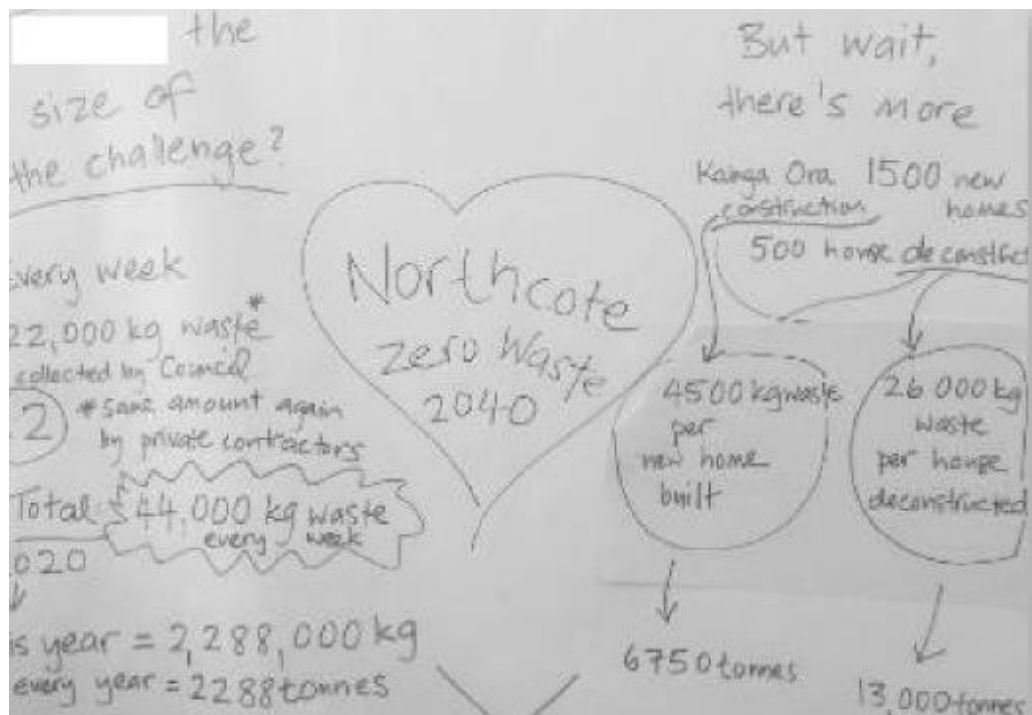
FY 20/21 funding from Kaipātiki Local Board: \$20,000.00

FY 20/21 support from Panuku Development Auckland: \$25,000.00

This is a long long-term project commencing in 2019 - delivery throughout Unlock Northcote town centre redevelopment till 2024 (funding dependent)

Key contributors

- Community Environmental Development — Kaipātiki Project
- Auckland Council — Waste Solutions, Panuku, Community Empowerment Unit, Sustainable Schools, Parks and Community Services, Libraries
- Community Development - Kaipātiki Community Facilities Trust, St Luke's Methodist Church
- Homes - Kāinga Ora, Piritahi
- Mana Whenua Forum (Governance forum with Panuku, meets regularly)
- Business — Northcote Business Improvement District (BID)
- Schools expansion and renovation - Ministry of Education, Onepoto Primary and Northcote Intermediate
- Subject Matter Experts - Envision / Zero Waste Network



► Action Plan - Key workstreams

- Leadership, Advocacy and Empowerment
- Activation and Communication
- Food Systems
- Development Planning
- De/Construction



Progress to date

- ▶ Action Plan complete! Activator on board, **welcome Robyn!**
- ▶ Teacher cluster training - Northcote Intermediate and Onepoto Primary planning visit to Zero waste zone
- ▶ Event postponed till further notice - One Night in Northcote - Showcasing what can be done with packaging and opportunities to support business and customer behaviour change

Developing champions and telling stories of change

- ▶ Stakeholder and community collaboration –strong will and energy for project
- ▶ Building a network of ‘zero waste champions’ to lead community action and share their experiences
- ▶ Stories of zero waste in action will be shared throughout Northcote



KCFT delivered
waste packs to
new
Kainga Ora
tenants



Ongoing activation and engagement

- Already seeing movement eg Embedding zero approach in Masterplanning, Community Facilities bins approach open to innovation, Growing the Plants initiative- KCFT plantcare 101 with Kainga Ora residents, Kainga Ora supporting Kaipātiki Project school/ community garden activation
- Exploring potential of pop-up spaces to facilitate community-driven activities such as repair cafes- meantime use of empty shops.
- Community gatherings to share and develop zero waste ideas, food and garden scrap composting systems
- Working with community, Library and other diverse groups to educate the public and promote behaviour change.
- Supporting changes and zero waste education in local schools (with support from Sustainable Schools team)

Looking forward

- Collaborative approach $1+1 = 3$
- Bringing aspirations of action plan to life
- Ongoing resourcing of Para Kore Zero Waste Northcote Activator
- WMIF Funding – food business focus
- Para Kore Zero Waste Northcote (Post 2021)

Thankyou for your support!

**Kaipātiki
Local Board**

**Panuku
Development
Auckland**

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Council**
Te Kaunihera o Tamaki Makaurau



Kaipātiki Project
share in nature's revival