

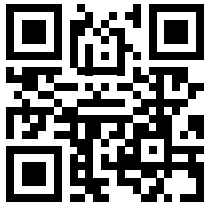
**AK
HAVE
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**Tahua Pūtea ā-Tau
2023/2024**

Puka Whakawhiti Kōrero

Annual Budget 2023/2024

Consultation Document





About this document

This consultation document supports the decision-making processes of Auckland Council, a unitary authority with both regional and local functions, in relation to our annual plan for 2023/2024.

Also known as the annual budget, it is based on the best information currently available. The financial outlook for the council group remains highly uncertain. We have based our financial projections on a set of key assumptions, in particular about inflation and interest rates.

We are also consulting on a proposal to amend the Airport Shareholding Policy in the 10-year Budget 2021-2031, to provide for a proposed sell down of the council's shareholding in Auckland International Airport Limited.

Thank you for taking the time to review and give feedback.



The financial outlook for the council group remains highly uncertain



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Storm Events

The recent storm and cyclone events will mean some changes to our budget. These boxes highlight key impacts.

It is too early to calculate the specific financial impacts, so we have focused on identifying the key things that might change.



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Te Wāhanga Tuatahi:
Te tirohanga whānui

Part One: Overview



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➤ Help us develop our budget

As illustrated below and discussed over the following pages, Auckland Council is facing major financial challenges, requiring some tough choices. We need to overcome a forecast budget shortfall that has grown to \$295 million for the 2023/2024 financial year.

We have some options to address the shortfall but need to make some tough choices.

This is your opportunity to have a say and help us develop our annual budget that will cover the third year of the current 10-year Budget 2021-2031.

Consultation closes at 11pm on 28 March 2023.

For more information, including the supporting information for this consultation document, you can visit [akhaveyoursay.nz/budget](https://www.aucklandcouncil.govt.nz/akhaveyoursay/budget) or refer to the **Part Eight: Have your say** section on page 95 of this document.

Final decisions will be made in June 2023 and the final budget will be available on [aucklandcouncil.govt.nz](https://www.aucklandcouncil.govt.nz)



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Auckland Council is facing major financial challenges requiring some tough choices. We need to overcome a budget shortfall of \$295 million

▶ Consultation timeline



Storm Events

The storm events could make overcoming the budget shortfall even harder.



\$295m
budget
challenge

He kupu nā te Koromatua

Message from the Mayor

The recent devastating floods in the Auckland region have tragically cost lives and left thousands of families facing material hardship.

This is just the latest problem facing Auckland that we need to fix. My Budget Proposal is setting the groundwork for overhauling Auckland Council group finances to make Auckland a resilient and prosperous city.

Soon after the election, I learned I had inherited a \$295 million budget hole. It was not of my making but a structural problem 12 years in the making. It was not helped by council taking \$127 million of central government money for Three Waters in this financial year to plug previous budget holes. There is a high chance this hole could get worse in light of recent events. The law requires us to fill the current budget hole with a balanced budget.

In my proposal, we have used a combination of levers to do just that. These include cutting unnecessary and inefficient spending, demanding better performance from ratepayer-owned organisations, reducing our debt servicing costs by selling non-essential assets that aren't covering their cost of capital, increasing rates, and budgeting for some limited extra borrowing, just in case it is needed.

Therefore, this budget proposal is primarily about cutting excess spending and getting our debt under control so that we have the financial ability to fix Auckland's infrastructure.

We have worked hard to resist the temptation of adding excessive rates costs to your household at a time when you are already under severe cost-of-living strain, interest-rates pressures and for a large number of Aucklanders, financial impacts from our devastating floods. We have aimed to keep our proposed average rates rise to just 4.66%, below forecast inflation.

We have made clear to Auckland Council's management that they must reduce management cost and spending on nice to have services, and prioritise projects that will make Auckland a resilient city. The same goes for CCO's.

Auckland Transport has been told to stop wasting money on projects that Auckland ratepayers don't want and speed up Auckland's transport system, while making it more resilient. Similarly, Ports of Auckland Ltd is a very poor financial performer,

offering among the lowest returns of any port company in the world. It has been told to do better and to deliver lower debt and higher dividends to ratepayers.

I am also putting pressure on City Rail Link Ltd to get the City Rail Link finished with only limited cost overruns, given ratepayers and taxpayers are expected to share costs 50/50. The final cost of the project is a big unknown for future years. We also need to make flood risk mitigation a priority. We may have no choice but to borrow in future years to meet these costs so we need to get debt down now.

With this in mind, my Budget Proposal also recommends we sell Auckland Council's residual 18% minority stake in Auckland International Airport Ltd (AIAL).

In my view, the AIAL shares should really have been sold at least three years ago. Over that time, ratepayers have paid \$300 million in interest that they would not have paid had the shares been sold to repay debt, while receiving nothing in dividends. If we do not sell the shares now, we project that over the next eight years ratepayers could pay another \$187 million more in interest than is received in dividends. We don't even own enough shares to have a director on the board to influence the company's future direction. I don't think anyone in our position could regard it as a genuinely strategic asset. We can only speculate what we might have done for Auckland had we not wasted that \$300 million in interest over the last three years, but we should not make it \$487 million.

I believe this is a responsive Budget Proposal. We have now reflected following the devastating floods recently and all agreed to some changes in this consultation document. We now need to hear from you before we make our final decisions on the Budget.

Wayne Brown
Mayor of Auckland



Nā te Tumu Whakarae

From the Chief Executive

As Mayor Brown notes, Auckland Council must respond to a range of factors that have seen the ongoing gap between our revenue and spending widen to a \$295 million forecast shortfall.

This shortfall has been driven in part by an expanding range of council services and assets provided over successive decades, which has required money to invest in, maintain and operate those assets and services. The situation has been worsened by the rapid jump in interest rates and inflation over the past year, which have not only pushed our costs higher, but are expected to stay higher for longer.

The devastating and tragic storm and cyclone events that hit Tāmaki Makaurau beginning on January 27 make dealing with the financial situation an even more significant challenge. We know many Aucklanders have been severely affected by the storm and flooding, and our immediate priority is to focus on recovery activities and keeping Aucklanders safe. We are grateful for the work of mana whenua and mataawaka, community and business sectors, government and the communities of Tāmaki Makaurau who have all helped through this time.

It will take some time to detail the exact costs of the storm event, and we know this will include spending to support the flood response and recovery work, as well as costs to repair or renew some assets we own or manage. It is possible not all assets can or should be repaired or replaced. It reinforces the need for us to have flexibility in our budgets to manage such unforeseen events.

Auckland Council also has an opportunity to focus on the services that matter to Aucklanders and to provide those services in the most effective and efficient ways. Some of the services we have been providing may no longer be relevant to Aucklanders or may already be provided or funded by agencies such as central government, non-government, or private-sector groups.

This budget therefore includes tough, but necessary, measures. It proposes significant reductions in council spending and starts to systemically simplify what we do.

Some of that change is underway. We are progressing savings of \$40 million in areas like simplifying management portfolios and structures

at Auckland Council, implementing group shared services, reducing our corporate offices footprint, simplifying, and consolidating strategy and policy activity, and streamlining facility maintenance contracts.

What we want you to have your say on now is a proposed mix of options to close the budget shortfall. This includes further spending reductions of \$125 million across the Auckland Council group.

We acknowledge some options are demanding and difficult. Implementing the proposal will reduce some of our work and investments in the community, as well as reduce our back-office workforce.

As detailed in this document, the proposed budget includes the spending cuts, increasing general rates while reducing some targeted rates for a year, selling airport shares to reduce our interest costs, and allowing for a slight increase in our use of debt to fund some investment in assets. It provides for a wide range of crucial everyday services for Aucklanders, as well as \$2.8 billion of capital investment in the likes of transport assets, parks and community facilities, city centre and local developments, urban regeneration and cultural development, and environmental management. We might need to bring forward some asset-renewal spending for storm-damaged assets, and we can do this by reprioritising and delaying some of this new capital investment.

By using this range of measures, we believe we have a credible plan that sets us on the path to be a simple, efficient, and serviced-based organisation.

We have some tough choices ahead, so please share your thoughts through this consultation on what you think of the proposals.



Jim Staback
Chief Executive





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Te Wāhanga Tuarua:
Tā mātou wero mō te
tahua pūtea

Part Two: Our budget challenge



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Ngā uauatanga o te tahua pūtea

Budget pressures

Auckland Council has faced ongoing budget challenges for several years.

A widening shortfall between council revenue and spending has been driven in part by successive councils growing the range of assets and services provided for Aucklanders. This has included investing to address the city's growth and to counter a legacy of underinvestment in infrastructure.

This has meant a rise in the costs of investing in, maintaining and operating those assets and services. Additional funding pressure has come from the need to put aside money to fund future asset replacement (we call this depreciation).

This situation has been worsened by ongoing broad economic factors such as rising inflation, higher interest rates, supply chain difficulties and a labour market squeeze as well as the COVID-19 pandemic impacts of the past couple of years.

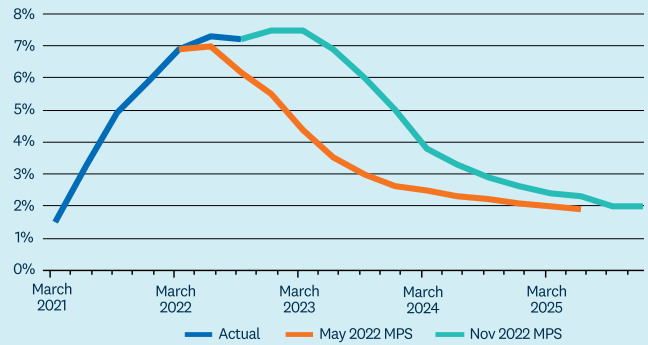
While council has addressed some of this through cost savings, it has become harder to do this without taking a systemic look at the services we provide to the community, including how services are delivered and the council's role in delivering them.

Interest Rate and Inflation Challenge

Over the past year, economic conditions have been more challenging than ever.

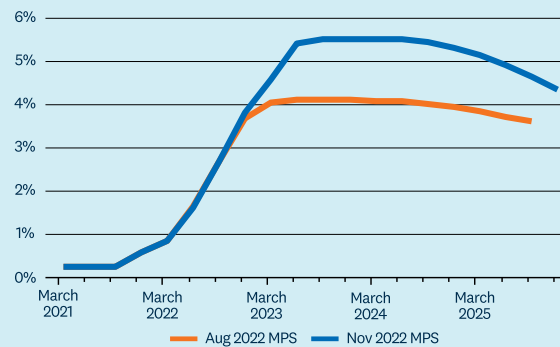
The change in New Zealand's inflation rate (as measured by the consumer price index- CPI) has been extraordinary, with the CPI rising from less than 2 per cent to more than 7 per cent in a year. It is also forecast to stay higher for longer.

Inflation outlook



The Reserve Bank uses interest rates as its main means of reducing inflation. Last year, the central bank increased the Official Cash Rate (OCR) on seven separate occasions to control inflation. In addition, interest rates are forecast to stay higher for longer. This is illustrated in changes in the Reserve Bank inflation forecasts and its monetary policy statement (MPS).

Official cash rate (quarterly average)



Council is required to balance its budget and proposes a mix of options to achieve that

We have a \$295 million budget challenge that we must solve

The changes in inflation and interest rate projections are the key drivers in pushing up the council's overall operating budget gap to a forecast of \$295 million for the 2023/2024 financial year.

The main areas of impact for the council are in contracts linked to inflation increases (for public transport, roading and facilities maintenance), interest costs and workforce costs.

The council is required by law to balance its budget and we are proposing a mix of options to achieve that.



Storm Events

The storm events will add some additional costs. Increased spending to deal with the immediate impacts will mean higher debt going into 2023/2024 and therefore higher interest costs. Insurance premiums will rise and there will be additional costs to repair and replace damaged council-owned assets. Some of these costs could be substantial. We also need to consider increasing our operational budgets to better prepare for future storm events.



Why a mix of options?

Given the size of the budget challenge, the council needs a mix of different levers or options to manage it.

That said, our options are limited, especially given that we need to make a meaningful difference to our 2023/2024 operating budgets and this financial year will begin on 1 July 2023.

It is also important that our budget choices are credible and sustainable and avoid unreasonable shocks for Aucklanders both now and in the future. For example, relying solely on increased borrowing to cover annual budget shortfalls each year would be unsustainable and build a much bigger problem for the future.

Over the longer-term, we can consider a broader range of options, including reviewing capital investment and finding new ways to collaborate with central government and other external partners. This approach can involve a systemic look at the services we provide to the community, how they are delivered and council's role in delivering the services.

For now, the options we believe are available to us are:

- **reducing our operating spending** across Auckland Council and our Council Controlled Organisations
- **increasing general rates** (with some adjustments to the rates differential strategy between residential and business rates) and using reserves to lower some of our targeted rates temporarily
- selling all or some of our **shareholding in Auckland International Airport** to reduce our debt costs
- **modest use of debt** but still staying well within policy limits to ensure we protect the council from further financial uncertainty.



**\$295m
budget
challenge**



Credible, sustainable, affordable, implementable

It is important to balance the need for long-term solutions against the need for fixes that can be put in place immediately.

Temporary solutions might create larger budget challenges for future years, whereas solutions that provide ongoing benefits, such as revenue growth or permanent cost reductions, best support long-term financial sustainability.

The proposed mix of options

We have several options to manage the budget challenge.

Each option has different limitations and impacts on community outcomes, affordability and long-term financial sustainability. Therefore, they need to work with each other, like the gears of an engine, to balance the budget.

The four criteria we have used in considering the mix of solutions are:

► Credible

Build confidence in the council’s financial management with ratepayers, residents, communities, businesses and investors.

► Sustainable

Provide ongoing solutions so we do not contribute to a larger budget challenge for next year and the years after.

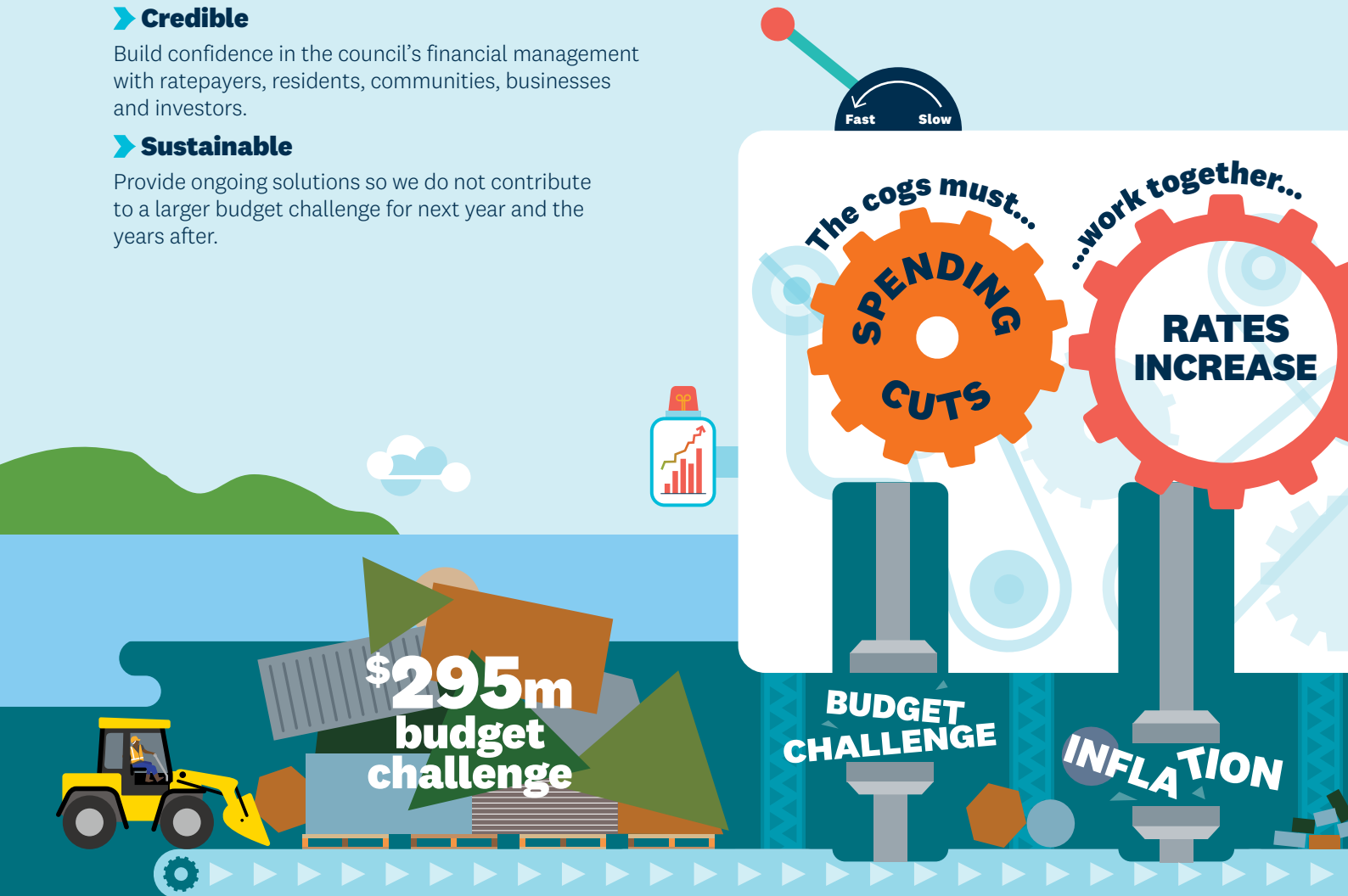
► Affordable

Avoid unreasonable costs or shocks for ratepayers and service users, now and in the future. Substantial rates increases for the next year could create affordability challenges for some ratepayers, but other actions may just delay this impact and may result in larger rates increases within the next couple of years.

► Implementable

Deliver benefits from the beginning of the new financial year on 1 July 2023 to close the budget gap and create a better foundation for the next long-term plan.

Using any one option on its own would not meet our criteria and if we use any lever at a lower level than proposed, we will need to use another option to a greater degree. The options have many limits, and our choices are restricted. Policy limits can restrict our debt, and the lead time to make changes for the next financial year could restrict our cost reductions.



Our proposed budget package for 2023/2024 proposes we close the \$295 million operating gap through the following.

- Reducing our operating spending by an additional \$125 million across Auckland Council and our Council Controlled Organisations. We have already started implementing some of the changes which will have little or no impact on front-line services. However, achieving the full \$125 million would impact some services that we currently deliver.
- Increasing the average general rates by 7 per cent, pausing the rates differential strategy between residential and business rates and using reserves to lower some of our targeted rates temporarily. This would result in an estimated 4.66 per cent overall rates increase, or \$154 annually for the average value residential property (or around \$3 per week).
- Selling our 18.09 per cent shareholding in Auckland International Airport to reduce our annual borrowing costs.
- Modest use of debt of up to \$75 million to ensure we will be well within policy limits and protect us from future financial uncertainty by maintaining borrowing headroom.



Storm Events

The budget options remain valid, but some cost reductions may now take longer to implement.

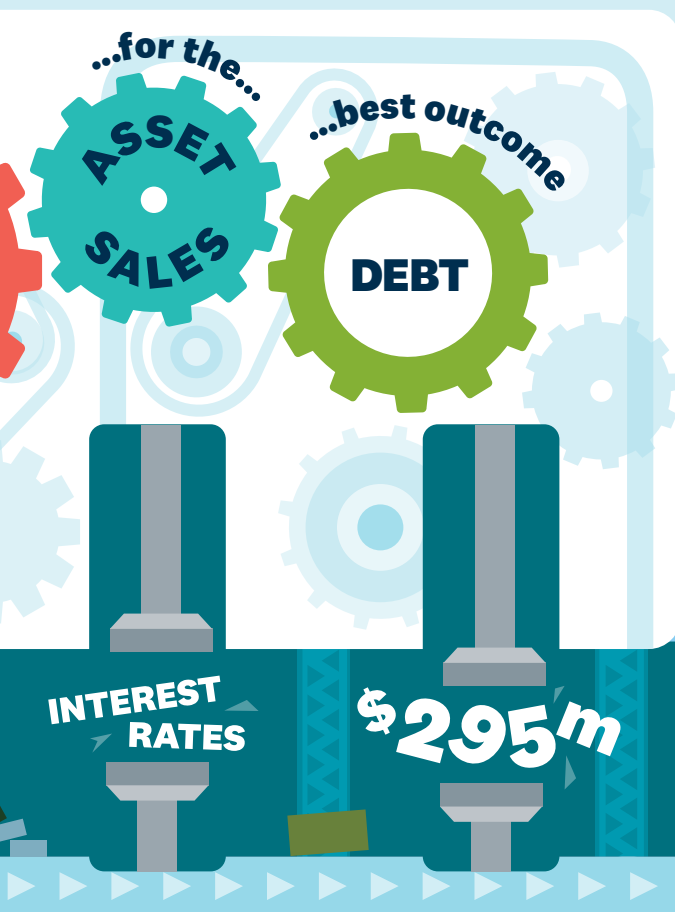


If some budget levers are not used to the extent proposed, or further financial challenges emerge, we will need to make up the shortfall another way. We have limited options for doing this for 2023/2024, given the short timeframe and the criteria to be credible, sustainable, affordable, and implementable.

The alternatives are likely to be limited to:

- increasing general rates by up to 13.5 per cent, or a total increase of \$336 annually for the average value residential property (around \$6.50 per week)
- increasing debt further, within the limits of our prudential borrowing policy.

Each option needs to work together like the cogs of an engine. If we reduce the size of one then another will need to be larger



A balanced budget...

Operating spending cuts

We have already made decisions to proceed with some spending reductions such as simplifying and rationalising management portfolios and structures, improving the efficiency of our processes, reducing internal back office budgets, implementing group shared services and consolidating group strategy and policy activity.

The proposal to save \$125 million of annual operating expenditure would also require us to proceed with other reductions including:

- maintaining the current number of public transport services (as of December 2022) for 2023/2024 to save \$21 million
- reducing the council operating expenditure funding provided to Tātaki Auckland Unlimited by \$27.5 million with some implications for service delivery and pricing at the Zoo, Art Gallery, stadiums and venues and some reductions in events and economic development activity
- reducing or stopping regional services such as community and education programmes, regional events, economic development, and other social services activities such as homelessness funding, community empowerment and funding for youth centres to save \$20 million
- reducing local board funded activities across all boards by \$16 million
- reducing regional contestable grants by \$3 million
- withdrawing from the direct provision of early childhood education services to save \$1 million.



We plan to make \$125 million through spending cuts across Auckland Council group

In terms of where these savings sit across council entities, the cost reductions comprise:

- \$55 million from Auckland Council, on top of \$30 million still required to meet the current 10-year Budget 2021-2031 \$90 million annual savings target
- \$25 million in savings or revenue increases from Auckland Transport
- \$27.5 million in savings or revenue increases from Tātaki Auckland Unlimited
- \$5 million savings from Eke Panuku.

The Expenditure Control and Procurement Committee has been tasked with finding a further \$7.5 million in savings from Auckland Transport and \$5 million in savings from Auckland Council and other Council Controlled Organisations.

Given the scale of the proposed changes there will inevitably be implications for staff across the council group. Consultation will be required with potentially affected staff.

Rates

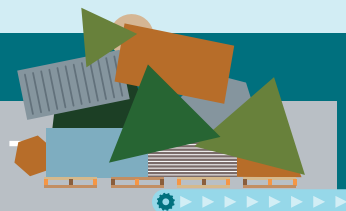
We are proposing some changes that will result in a total rates increase for the average value residential property of 4.66 per cent or \$154 a year (around \$3 a week).

This includes a 7.0 per cent increase in general rates across all existing properties in 2023/2024 rather than the 3.5 per cent set out in the 10-year Budget 2021-2031. To help manage the impact of the general rates increase, (i.e. it will reduce the increase for the average value residential property) we are also proposing the following changes to our current rates charges:

- reducing the Natural Environment Targeted Rate and Water Quality Targeted Rate by around two-thirds and utilising the money we have already collected from these targeted rates to continue to deliver these work programmes in 2023/2024



The proposed rates increase for an average residential property is 4.66%, or \$154 a year



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Storm Events

A higher rates increase may now be required to enable us to better prepare for and respond to future storm events.



- pausing the long-term differential strategy for one year to reduce the impact this strategy has on non-business ratepayers in 2023/2024.

Airport share sale

The proposed budget includes a planned change to the Auckland International Airport Limited (AIAL) shareholding policy to allow us to sell some or all our shares in AIAL and use the money to repay debt.

Selling all our 18.09 per cent shareholding would reduce our debt by an estimated \$1.9 billion. This is projected to reduce interest costs by around \$87 million per year, which is greater than our estimated future dividend revenue.

We have also considered other options, including the status quo and a partial sale that reduces our shareholding while maintaining at least a 10 per cent so-called blocking stake. These options would contribute less towards our budget mitigation target and require other actions, most likely by further increasing rates or debt (within existing policy limits).



Debt

We are proposing to slightly increase our use of debt by up to \$75 million for 2023/2024 to fund some capital expenditure that is currently planned to be funded by operating revenue. This will free up that operating revenue to help address our budget gap.



We propose selling Airport shares to repay debt and save an estimated \$87 million a year in interest costs

Our current financial settings would allow us to use up to \$140 million of additional debt. However, using debt will not address the underlying operating cost challenge each year and merely postpones the need for a long-term solution to the ongoing budget gap. Greater use of debt also increases future interest costs. It reduces the debt headroom available to address any unexpected financial shocks.

For these reasons, our view is that debt should be used sparingly and only as a last resort to address the operating budget gap.

Maintaining flexibility

The ongoing nature of the challenges we are facing, mean some of the financial impacts could change when the Annual Budget 2023/2024 is finalised and takes effect later this year.

We also want to respond to your feedback on this proposal.

If some budget levers are not used to the extent proposed, or further financial challenges emerge, we will need to make up the shortfall another way. The options we will consider, if needed, include:

- using debt up to levels as per the policy settings in our 10-year Budget 2021-2031
- general rates increases up to 13.5%

In considering the mix of options we will continue to make sure the budget is credible, sustainable, affordable and implementable.

We propose to use debt sparingly

A balanced budget...



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Te Wāhanga Tuatoru:
Te pūtea e marohitia ana

Part Three: The proposed budget



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Budget snapshot

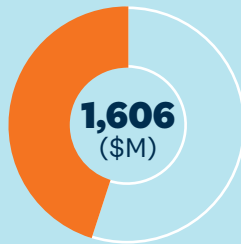
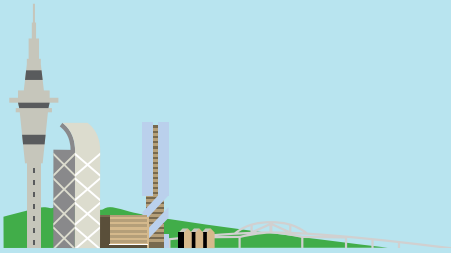
KEY

● Expenditure/investment percentage against total

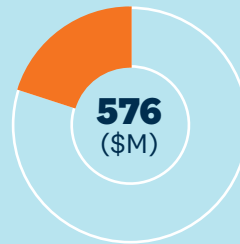
OPEX
Direct operating
expenditure 2023/2024

CAPEX
Capital investment
2023/2024

Auckland Council



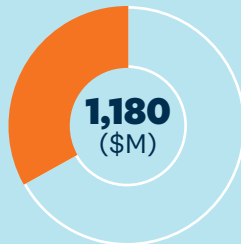
45% of total direct operating expenditure



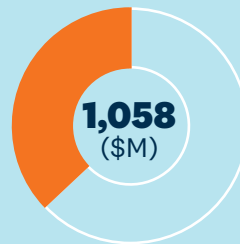
20% of total capital investment

▶ See pages 24-32 for more information

Auckland Transport



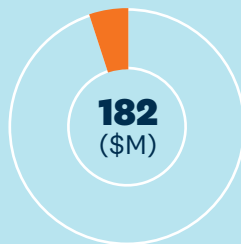
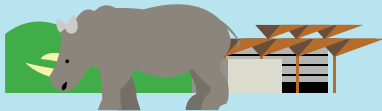
33% of total direct operating expenditure



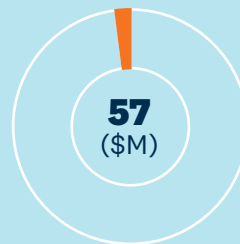
37% of total capital investment

▶ See pages 33-35 for more information

Tātaki Auckland Unlimited



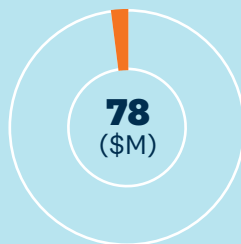
5% of total direct operating expenditure



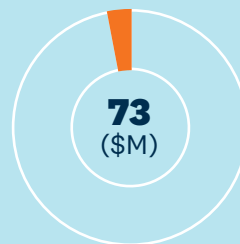
2% of total capital investment

▶ See pages 36-38 for more information

Eke Panuku Development Auckland



2% of total direct operating expenditure



3% of total capital investment

▶ See pages 39-41 for more information

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Storm Events

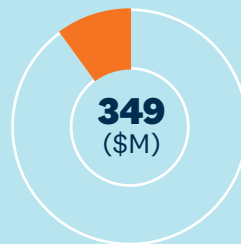
Some additional operating costs may need to be included, and capital investment may need to be redirected to urgent asset renewals.



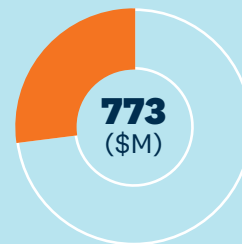
OPEX
Direct operating
expenditure 2023/2024

CAPEX
Capital investment
2023/2024

Watercare



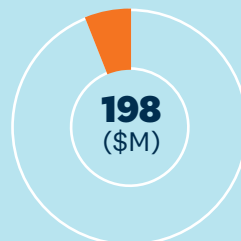
10% of total direct
operating expenditure



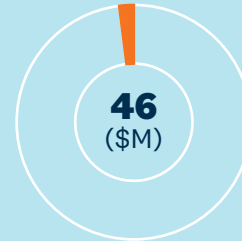
27% of total capital
investment

▶ See pages
42-44
for more
information

Ports of Auckland Limited



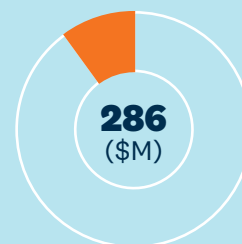
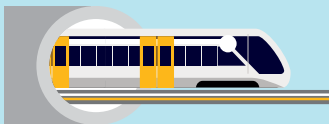
6% of total direct
operating expenditure



2% of total capital
investment

▶ See page
45 for
more
information

City Rail Link Limited



10% of total capital
investment

▶ See page
45 for
more
information

Under-delivery assumption

(78)
(\$M)

TOTAL

\$3,593M

\$2,791M



Ngā whakawhanaketanga matua i te tau 2023/2024

Major developments in 2023/2024

North Auckland



Northern seawall, Orewa Beach

To prevent erosion at the northern end of Orewa Beach



Tuff Crater Path

Renew track and signage at Tuff Crater Path including boardwalk replacement, new gravel and bank stabilisation



Mahurangi community building

Comprehensive renewal including library reconfiguration, toilet facilities and seismic remediation



Orewa library

Comprehensive renewal of roof, interior and fitout

West Auckland



Te Pae o Kura / Kelston Community Centre

Comprehensive renewal



West Wave Aquatic Centre

Comprehensive renewal



Community Centre replacement in Avondale

Development of Te Hono, and integrated library and community centre hub partially funded from asset sales

Region wide



City Rail Link (CRL)

Work to transform Auckland's public transport system continues. With the significant tunnelling now complete the project will move into the systems, control, integration, testing and commissioning phase and the stations will begin construction



Central Interceptor

Watercare's super-sized tunnel will reduce wastewater overflows into central Auckland waterways



Sports field capacity development programme

Developing, upgrading and renewing sports field to increase sports field capacity across Auckland



[➤ Go to Contents](#)

➤ Central Auckland and Gulf Islands



Central Library
Comprehensive renewal and improvements



Ponsonby Park
Staged development of a civic park space, Ponsonby Park, at 254 Ponsonby Road. This project is funded in part from the sale of properties in the Waitemata Local Board area.



City Centre Programme
Delivering on the outcomes of the City Centre Masterplan to create a vibrant, accessible and inclusive city centre that contributes significantly to the Auckland region

➤ East Auckland



Eastern Busway
Stage two – Pakuranga to Botany



Jubilee Bridge, Panmure
Comprehensive upgrade and renewal



Michaels Avenue Reserve
Stage two – Renewal of carparks and playspace

➤ South Auckland



Clendon Village
Improvements to public open space and amenities



Totara Park, Manurewa
Extensive renewal of bike tracks, pedestrian tracks and bridle trails



Recreation facility upgrades
Manukau Sports Bowl field lighting and security, Allan Brewster Leisure Centre extensive roof replacements, Te Puke o Tara Sports Park change rooms



Urban regeneration
Mixing residential and commercial opportunities to optimise the use of council land



Vision Zero – ethics-based transport safety approach
Developing new travel solutions and improving public transport to maintaining current infrastructure and facilities



Haumarua Housing portfolio – housing for older people
Partnering with the Selwyn Foundation to provide social rental housing for older people



Land acquisitions
Acquiring land for parks and open spaces to contribute to Aucklanders' quality of life, as well as make better use of the parks we already have



Te Kaunihera o Tāmaki Makaurau
Auckland Council

Auckland Council delivers a range of activities and services from managing and developing open spaces, parks and reserves across the region, running public libraries, community venues, swimming pools and recreation centres, providing consenting, licensing and waste collection services, to managing stormwater and environmental services.



Storm Events

We are now proposing to increase our operating budgets for proactive and reactive storm response by around \$20 million each year. The allocation of this expenditure will be informed by investigations that are now underway and will be prioritised based on the areas of highest risk. This could include increases to our drain clearance work as well as increased provision for emergency management, waste disposal, building inspections and support for affected people. This may require the rates increase for 2023/2024 to be 1 per cent higher than proposed. Refer to page 24 and 25 of the supporting information for more details.



Customer and Community Services

We manage local and regional parks, streetscapes and litter bins, community venues, libraries, local arts centres, digital and customer services, local and regional events, social and economic development programmes, cemeteries and community grants and leases.

Many of these services are operated within council buildings or delivered via contractors or partners. While most services are rates funded, some services generate revenue that is used to fund council services.



▶ What we are planning to deliver in 2023/2024

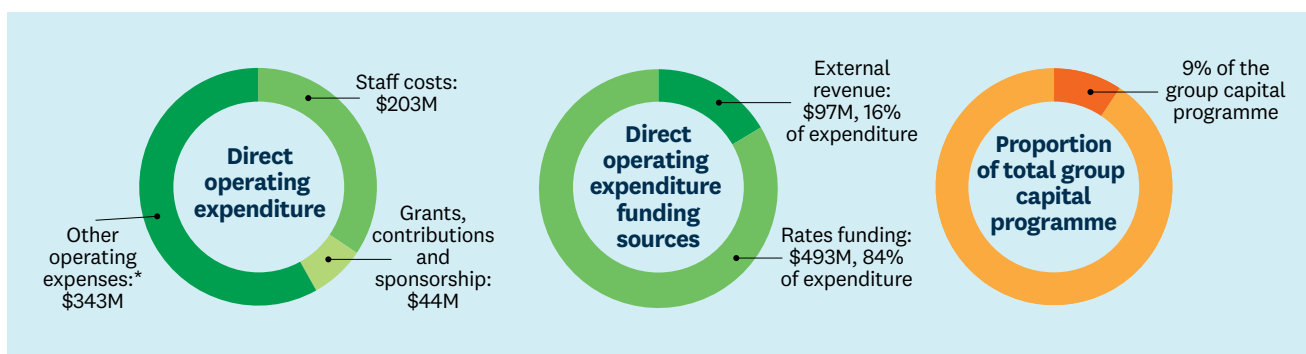
Most of the services provided by Customer and Community Services are anticipated to continue in 2023/2024, including:

- the maintenance of our community assets and open spaces
- the provision of libraries, pools and recreation centres, digital and telephone customer services
- the support for climate change initiatives, including the urban ngahere strategy and helping implement change initiatives as funded by the Natural Environment Targeted Rate.

We will continue to invest in improving the customer experience via digital channels and process improvements, further investigate alternative ways of delivering services (including through partnerships and multi-use facilities) and continue the Governance Framework Review workstream that supports increased local board decision making. Some key capital works programmes listed below will continue.

- Renew and maintain our community assets and facilities, such as Orewa Library and West Wave Aquatic Centre.
- Improve the network of sportfields and parks for growth.
- Develop Te Hono – Avondale Community Hub.

▶ Financial information



*Other operating expenses primarily include repairs and maintenance, outsourcing costs, utility and other administration expenses.

Capital investment list

Programme/project (\$million)	Draft Annual Plan 2023/2024
Community facilities renewals - Local	130
Community facilities renewals - Regional	29
Growth - Land Acquisition	21
Library collection renewals and other	17
Multi-year projects (incl. climate response sustainability, Ponsonby Park, Avondale and Manurewa community centre, and Haumaru Housing renewals)	32
Improvement of network sportfields and parks for growth	11
Improvement of regional parks, cemeteries, and crematoria	6
Locally Driven Initiatives (LDI) capex	4
Public art and culture	4
Pools and leisure centre renewals	2
Coastal Renewals & Slips	1
Other projects	4
Customer and Community Services	261



Infrastructure and Environmental Services

We manage regional stormwater and waste services. We maintain and enhance the quality of Auckland's natural, cultural and built environment. We ensure Auckland grows sustainably and will meet the opportunities and challenges of the future.

Note that Auckland Council will continue to be responsible for delivering stormwater for 2023/2024, but this responsibility is expected to change from 1 July 2024 as part of central government's Three Waters Reform with the establishment of a new water services entity, separate from the council. See page 45 for more information on the Three Waters Reform.

► What we are planning to deliver in 2023/2024

Continue the Water Quality Targeted Rate programme

- Western and eastern isthmus water quality improvement programmes.
- Safe Networks – investigate and eliminate sources of wastewater entering our popular swimming beaches.
- Safe septic – a proactive regional compliance monitoring for private onsite wastewater systems, such as septic tanks.
- Restore the health and mauri of the Kaipara Harbour through the Kaipara Moana Remediation programme.

Continue maintenance and upgrades of the stormwater network including piped and natural assets such as streams, ponds and wetlands.

Continue the Natural Environment Targeted Rate programme and implementation of the Regional Pest Management Plan.

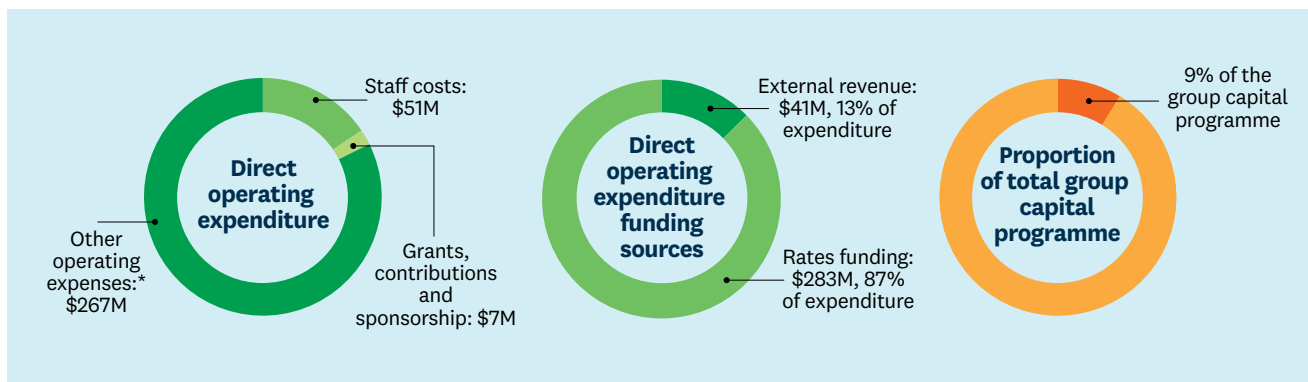
- Carry out plant and animal pest control to protect high value ecosystems on parkland and region wide pest control programmes for possums, goats and deer.
- Support community-led conservation programmes and Enviroschools.
- Maintenance of upgraded kauri tracks to reduce the risk of kauri dieback spread.
- Continue surveillance and responses to maintain pest-free Hauraki Gulf Islands.

Working with Eke Panuku to continue the City Centre Targeted Rate programme including public space upgrades, placemaking and activation and the Midtown programme.

Deliver on the Waste Management and Minimisation Plan by reducing Auckland's waste to landfills.

- Rollout food scraps collection to mainland urban households across the region
- Continue rollout of community recycling centres across the region
- Enforce litter and illegal dumping and continue to partner with industry to support minimisation of construction and demolition waste going to landfills.

► Financial information



*Other operating expenses primarily include repairs and maintenance, outsourcing costs, utility and other administration expenses.

[▶ Go to Contents](#)**Capital investment list**

Programme/project (\$million)	Draft Annual Plan 2023/2024
Healthy Waters	135
Renewals	40
Water quality improvement	35
Growth	24
Flooding control	21
Catchment & Asset Planning	12
Environmental mitigation	2
Environmental Services	8
Natural environment and climate change response programme	8
Waste Solutions	14
Resource Recovery Network	7
Food scrap service bins	5
Waste service bins	2
Refuse transfer centre & other	0.1
Resilient land and coasts	26
Closed landfill and coastal landfill remediation	13
Response to natural and coastal hazards	12
Development Programme Office	63
City Centre Targeted Rate funded initiatives	34
Victoria Street Linear Park	22
Town Centre Revitalisation	3
Climate change response and other	4
Infrastructure and environmental services	245



Regulatory services

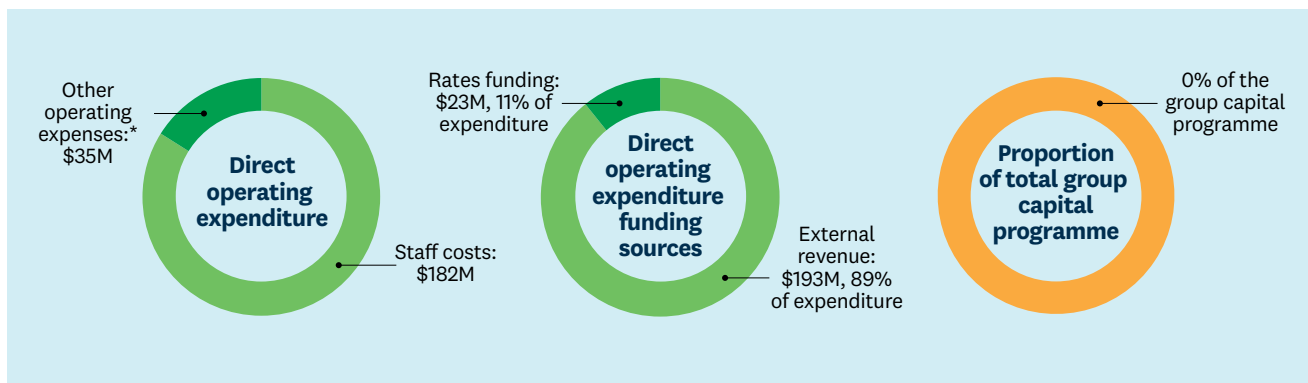
We protect our communities, and the built and natural environment through the fair and effective application of regulation. We are focussed on keeping Aucklanders safe and well through our consenting, licensing and compliance functions such as building consents, resource consents, alcohol licensing, and noise and animal management.

➤ What we are planning to deliver in 2023/2024

Continue the Regulatory Services transformation strategy, Kōkiri Whakamua.

- Improve customer and stakeholder experience by optimising our services through process reengineering, simplification and automation.
- Improve delivery, focus on timeliness, value for money, transparency and digitisation of our consenting services.
- Upskill and develop our kaimahi (employees) to provide a seamless and consistent customer experience.

➤ Financial information



*Other operating expenses primarily include outsourcing costs, software cost and other administration expenses.

Capital investment list

Programme/project (\$million)	Draft Annual Plan 2023/2024
Consenting system enhancements and other	2

Council support and others

We support Auckland Council to deliver services and elected representatives to make governance decisions. We ensure our policies are compliant with national standards. We provide emergency management for the city and grants for regional amenities such as Auckland War Memorial Museum, MOTAT and other cultural organisations covered in the Auckland Regional Amenities Funding Act.

► What we are planning to deliver in 2023/2024

Administer and coordinate the responsibilities of the Auckland Civil Defence Emergency Management (CDEM) Group under the CDEM Act 2002.

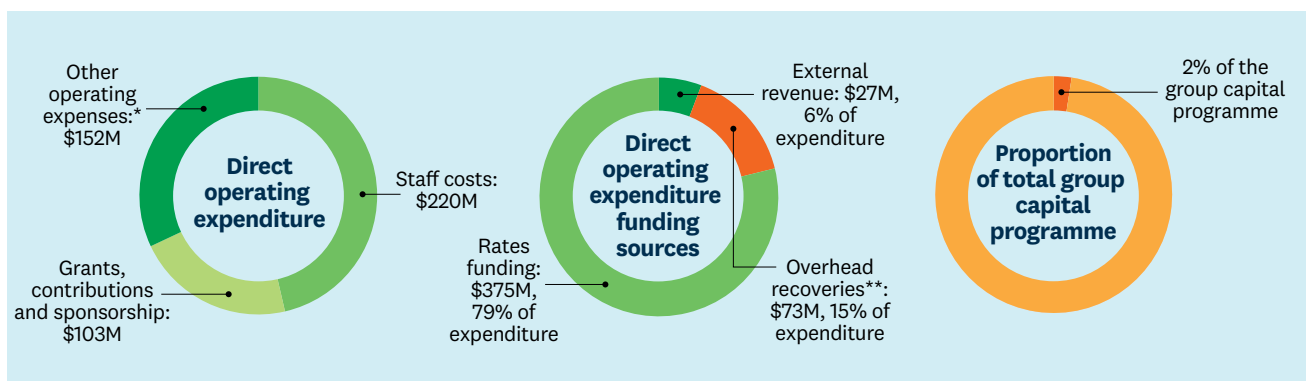
Implement and ensure Auckland's interests are represented in central government reforms including the Three Waters Reform programme, Resource Management Reform, National Policy Statement for Freshwater Management and Future for Local Government Review.

Implement Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan through forming regional partnerships and by embedding climate change into the council's planning and decision-making processes.

Look for sustainable cost savings from stopping or doing services differently with a long-term view to enable further changes through the 2024-2034 10-year Budget.

Support the functional activities of the council to deliver the best value by progressing the Worksmart programme to create equitable and fit-for-purpose workspaces, enhancing the design of customer and community spaces and delivering significant financial savings.

► Financial information



*Other operating expenses primarily include computer software costs, outsourcing costs, utility and other administration expenses.

**Overhead recoveries are corporate overheads allocated to other services and funded with revenue from that service.

Capital investment list

Programme/project (\$million)	Draft Annual Plan 2023/2024
Corporate property (incl WorkSmart programme, property and building renewals)	31
Information and communications technology	25
Vehicle renewal and decarbonisation	7
Others including Built Heritage Protection Fund	5
Council Support and others	68

Auckland Council cost reductions to mitigate budget challenges

This section outlines the proposed \$55 million of cost reductions in Auckland Council activities, including proposals we want your feedback on. This is on top of significant savings achieved in previous budgets and continuing work to fully achieve the \$90 million savings target set in the 10-year Budget 2021-2031.



Storm Events

Given the need to focus efforts on immediate storm response and recovery, the implementation of some of these cost reductions may now take a bit longer.



► What we are doing now

- Simplify the way we work, including our management structure, to be more efficient.
- Address unnecessary duplication while improving service and efficiency for customers. This comprises reducing back-office support as well as administrative activities and workforce across Auckland Council, including centralising and reducing Marketing/Communications and Technology (ICT) budgets, reducing vehicle fleet and consolidating corporate property locations.
- Reduce support for elected members (local and regional) and reduce costs in other targeted aspects within governance, legal and community engagement activities.
- Simplify Auckland Council processes (for example automate some processes in regulatory, libraries, rates administration and community engagement). Also change processes in credit control and procurement.
- Organisational structure changes to address unnecessary duplication (for example, capabilities like business improvement and data management).
- Accelerate shared services (and other back-office activities) across the group, including consolidation of corporate office space.
- Streamline group strategy and policy activities, including reducing the number of strategies, policies and plans and focus on the highest priority long-term activities.
- Integrate up to a further six service centres into other Auckland council locations such as nearby libraries.
- Continuing with spending and recruitment constraints on the current cost base.
- Reducing open space maintenance to contribute \$5 million for savings. This will include reducing:
 - 30 per cent of litter bins across the region – primarily bins that are near each other or in low use
 - Garden maintenance for 80 per cent of gardens
 - Grass mowing, with grass reaching a slightly longer length (25mm longer).

High profile display gardens, sportsfields, arboriculture, annual gardens in town centres and cemeteries as well as the Urban Ngahere strategy are out of scope and are unaffected by these changes.



► What we are proposing

In addition to the savings above, the following proposals would contribute a further \$43 million to the \$55 million target.

Proposal A - Reducing \$20 million across a range of regional, community and social services

If no alternative funding is obtained, the activities affected the most by this proposal include:

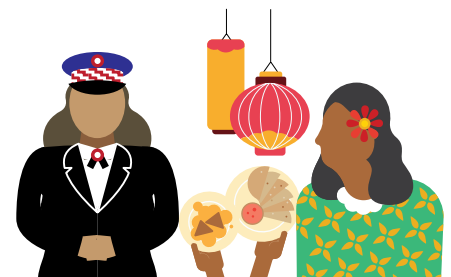
- Arts and culture programmes – including stopping council funding of the Pacific Arts programming, Proud Centres and UNESCO City of Music along with support for exhibitions in council art facilities.

- ii. Education services – impacting:
 - regional in-person research services at libraries and environment/sustainability education programmes
 - support for school engagement on environmental issues
 - experience centres, such as Arataki and Ambury Farm, needing to increase fees or reduce offerings.
- iii. Regional events – such as stopping funding of Music in Parks, CultureFest, Mahurangi Regional Park events, Arataki Visitor Centre events and Botanic Garden events. In some cases stopping funding, or our organisational support, might make the events no longer viable. Other events supported by marketing and/or staff time (e.g. Auckland Heritage Festival) would also be impacted.
- iv. Community programmes and social services – such as stopping grant funding to the Citizens Advice Bureau.
- v. Outdoor experiences supporting young people.
- vi. Stopping council coordination and funding of homelessness initiatives.
- vii. Regional coordination or support of community focused initiatives, including community gardens, staff support for marae development (excluding direct funding and staff support for the Marae Infrastructure Programme), and the development of groups working with Māori, Pasifika, youth, refugee, new migrant and rainbow communities.
- viii. The Southern Initiative and The Western Initiative – programmes and central government partnerships to improve social and economic outcomes for areas and populations in Auckland, particularly for Māori & Pasifika people.
- ix. Climate action related programmes funded by general rates – including stopping or reducing the Climate Action Grant, the Live Lightly programme, and work on council land and marae.
- x. Ceasing the funding provided to COMET, a council-controlled organisation that supports education and skills.
- xi. Other reductions in regional services including in environmental services, waste, and regional planning.

Our ability to achieve savings outside these areas is limited in the 2023/2024 financial year due to contractual constraints and compliance matters.

Where possible, the council will support affected partners to seek alternative funding or service provision, such as through central government or other agencies. Where alternatives are not identified the affected services may be reduced or stopped all together.

Opportunities to deliver council services differently given councils aging asset base will be explored as part of the 10-year Budget 2024-2034. Potential savings in contractual arrangements can be explored when contracts are renewed or changed.



Proposal B – Reducing regional contestable community grants to save \$3 million

Contestable community grants help support community groups to deliver services to Aucklanders through an application process each year. Typically grant funding is leveraged to provide greater value to Aucklanders than the grant by itself could achieve. Activities impacted by this proposal include:

- i. Community development – including Ngā Hapori Momoho Thriving Communities Grants.
- ii. Events, arts & culture – Regional Arts and Culture Grants Scheme and Regional Events Grants Programme.
- iii. Regional Sport & Recreation Programme Grant and Recreation Facilities Operating Grant
- iv. Environment and Historical Heritage – including regional environment, natural heritage and historic heritage grants.

Other grant funding such as for the Auckland Regional Amenities Funding Act (ARAFA), cultural initiatives fund, marae assessment and existing multi-year funding agreements will not be impacted under this proposal.

Proposal C – A \$16 million reduction to local board funding per annum for 2023/2024

This could have a significant impact on local events (e.g. Movies in the Parks), community grants, council facility opening hours, and community and environmental programmes. For some local boards this could include further reductions in maintenance of open space.

For information on what is proposed in relation to each local board area, see Part Six: Local board information of this consultation document.



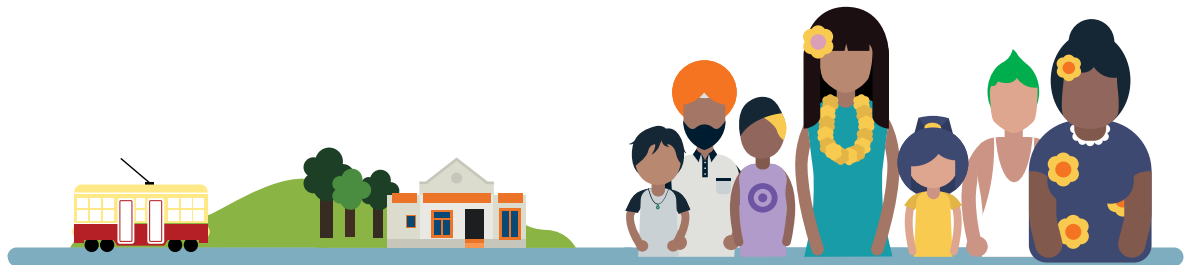
Proposal D - Withdrawal from the direct provision of Early Childhood Education (ECE) services

Our existing role in this sector is quite limited, with only 300 children enrolled in Auckland Council delivered services across six of the 21 local boards. In Auckland there are over 60,000 children receiving services from over 1400 other providers in Auckland. By withdrawing from this direct provision of service, the council would save around \$1 million of net operating cost per annum.

Recovering \$3 million by increasing fees and charges in line with inflation

More information around fees and charges can be found in the rates/other matters section on page 58.

➤ To read more about these proposals, please go to Supporting Information pages 9-25.



➤ Financial information for Auckland Council

Direct operating performance and capital expenditure

(\$million)	Draft Budget 2023/2024
Direct expenditure	1,606
Employee benefits	655
Grants, contributions and sponsorship	154
Outsourced works	277
Repairs and maintenance	248
Other expenditure on activities ¹	227
Consultancy and professional services	45
Direct revenue	431
Fees and user charges	352
Operating grants and subsidies	21
Other revenue	58
Capital expenditure	576

¹Note: other expenses on activities primarily include computer software expense, rates and utility, property rental and corporate costs.

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An Auckland Council Organisation

CAPEX
\$1,058m

OPEX
\$1,180m

Auckland Transport

Auckland Transport's (AT) everyday activities keep Auckland moving by planning, delivering, operating and maintaining Auckland's transport system (excluding State Highways - managed by Waka Kotahi, the transport agency of New Zealand Government, and the rail network - managed by KiwiRail) to meet the needs of current and future Aucklanders.

AT are the custodians of \$27 billion worth of the region's publicly owned assets, including over 7,500 km of road and footpaths, nearly 350 km of cycleways and two airfields on Great Barrier and one on Waiheke Island. AT operate the region's public transport system including the management of facilities, provision of customer information and operation of the region's integrated ticketing system, AT HOP.

▶ What we are planning to deliver in 2023/2024

The council is seeking a fundamental change in approach from AT to ensure the decisions on transport activities are much more closely informed by how Aucklanders live their lives, the transport decisions they make, and their aspirations and priorities regarding the transport system.

There will be a greater focus on the things that matter to Aucklanders, such as travel times, convenience, personal safety, the availability of travel choices, accessibility, affordability, health, and climate and environmental considerations.

We will increase our focus on managing the infrastructure assets we already have and the public transport services we operate.

In the current economic and fiscal environment, a focus on completing existing projects on time and on budget will be more important, while low priority projects that are not underway will be paused.

Projects and initiatives that we are planning to deliver next year include:

- working with KiwiRail to minimise disruptions from the planned rail closures
- purchasing additional trains to support opening of the City Rail Link
- the urban and rural road safety programmes
- progressing the Eastern Busway – Pakuranga to Botany
- progressing the North Western Busway improvements
- roading asset renewals
- progressing the delivery of public transport improvements as part of the Climate Action Targeted Rate (CATR) programme to reduce carbon emissions

The council is also proposing to partially reprioritise \$10.5 million of bus service expenditure planned to be funded by CATR for the 2023/2024 year. More information can be found in Part 4 of this Consultation Document and Supporting Information.



Storm Events

Auckland Transport has already started work on redirecting capital investment towards urgent asset renewals. This could see some new projects delayed.



Cost reductions to mitigate budget challenges

► What we are already doing

Auckland Transport (AT) have an existing \$24 million savings target (to be addressed through internal cost and efficiency savings, including optimisation of new rail contracts) in 2023/2024 to mitigate budget pressures projected due to lower parking and enforcement revenues and higher maintenance costs reflecting both a growing asset base and cost increase.

The proposed budget seeks a further \$25 million in operating savings from AT. AT will achieve most of the savings by reducing costs. However, additional revenue is expected following the decision by AT to increase public transport fares by 6.5 per cent which will take effect from April 2023. This fare increase is projected to increase revenue by \$4 million. The balance of \$21 million in cost reductions will be achieved through the proposal below.

► What we are proposing – cost reduction opportunities that we need your feedback on

With public transport patronage currently at around 67 per cent of pre COVID-19 levels, we are proposing to retain public transport services around current levels to deliver \$21 million of savings next year. The services that have been cancelled recently due to bus driver shortages and those planned for next year will not be reinstated until demand increases and more bus drivers are recruited.

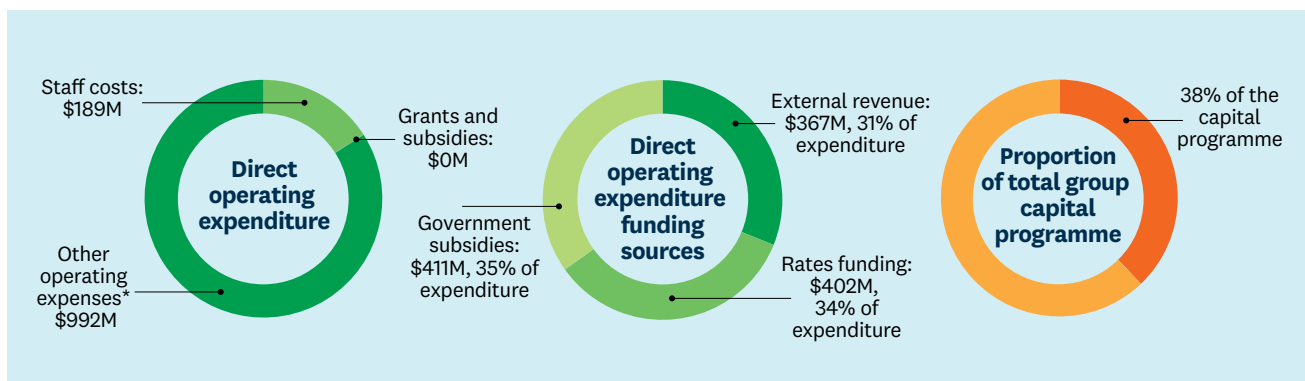
We are implementing a network recast, which involves a review of routes and timetables to ensure services are allocated to areas of the network with the greatest demand to improve bus driver shifts and timetables to meet new travel patterns post-COVID-19 and deliver better connectivity of services.

We will continue to seek further efficiencies to limit the timetable and service frequency impacts. The specific public transport services impacted include:

- Overall, 138 fewer bus trips will be operating in 2023/2024, compared to what had previously been planned for that year reflecting:
 - 588 fewer bus trips per week following a Network Recast in February 2023, which includes an adjustment to trips removed from November 2022 due to driver shortages
 - up to 450 more bus trips following Northwest Busway Improvement service changes in West Auckland planned for November 2023 utilising planned capital investment in Northwest Busway.
- Ferry services will remain the same, with weekend Pine Harbour ferry services which was added in Jan 2023
- Train services will be impacted by KiwiRail staged tracked closures, but alternative transport options will be provided.

If further savings are required, this will likely require a significant reduction in public transport services compared to the currently committed schedule.

► Financial information



*Other operating expenses primarily include repairs and maintenance, outsourcing costs, utility and other administration expenses.

Direct operating performance and capital expenditure

\$ (million)	Draft budget 2023/2024
Direct expenditure	1,180
Employee benefits	189
Public transport contracts	596
Other expenses on activities ¹	204
Contractors-maintenance	108
Track and ferry access charges	45
Professional Services	39
Direct revenue	779
Fees and user charges	309
Grants and subsidies from Waka Kotahi	411
Other revenue	59
Capital expenditure	1,058
Capital revenue subsidies from Waka Kotahi	559

¹Note: other expenses on activities primarily include operating lease expense, software costs, security, rates, utility and other administration expenses.

Capital investment list

PROGRAMME/PROJECT (\$MILLION)	Draft budget 2023/2024
Asset Management (Renewals)	288
Network renewals	288
Eastern Busway	216
Climate Action Targeted Rate Programme (including Ferries and Cycling)	47
Ferry Investment not funded by Climate Action Targeted Rate	8
CRL Day one – Level Crossing Removal	13
Public Transport Safety, Security and Amenity	10
Rapid transit and ferry	294
Lincoln Road Corridor Improvements	6
Lake road/Esmonde Road Improvements	6
Connected Communities Programme	20
Midtown Bus Improvements	17
Urban Cycleways Programme	29
On-going Cycling Programme	4
Corridors and places	81
Hill Street Intersection Improvement	15
Safety Programme	60
Minor Improvements	6
Local board Initiatives	11
Local safety and amenity	92
Supporting Growth Alliance (including property acquisition)	14
Customer and Business Technology	22
EMU Rolling Stock and Stabling Tranche for CRL	89
Northwest Bus Improvements	36
Rosedale and Constellation Bus Stations	24
Meadowbank Kohimarama Connectivity Project	14
Decarbonisation of the Ferry Fleet Stage 1	9
Airport to Botany Rapid Transit Route Protection	9
Wynyard Quarter Integrated Road Programme	9
Wainui Improvements	8
Minor Cycling and Micromobility (Pop-Up Cycleways)	7
Network Performance	7
Other projects and programmes ¹	55
Other	303
Auckland Transport	1,058

¹Includes projects funded by Rodney Transport Targeted Rate, Medallion Drive Link, Supporting Electric Vehicles, Technology, Seismic Strengthening, and a number of smaller programmes.



CAPEX
\$57m

OPEX
\$182m

Tātaki Auckland Unlimited

Tātaki Auckland Unlimited (TAU), as Auckland's economic and cultural agency, manages and operates 18 regional facilities such as the Zoo, Art Gallery, Maritime Museum, Stadiums and Aotea Centre. TAU also creates a dynamic city by delivering a unified major events programme and regional events and festivals such as Elemental AKL, Lantern, Pasifika and Diwali festivals. In addition, TAU plays a role in economic development by delivering programmes to support tourism, business events, investment and international education.

► What we are planning to deliver in 2023/2024

The council's funding to TAU, as well as its strategic, investment and operational decision-making, will be focused on providing events and facilities that Aucklanders highly value.

TAU will continue to support a programme of major events for Auckland including:

- the 2023 FIFA women's World Cup from 20 July – 11 August
- the Weightlifting World Masters Cup, and the inaugural month-long Ocean festival, which is a series of on and off water events, including SailGP in early 2024.

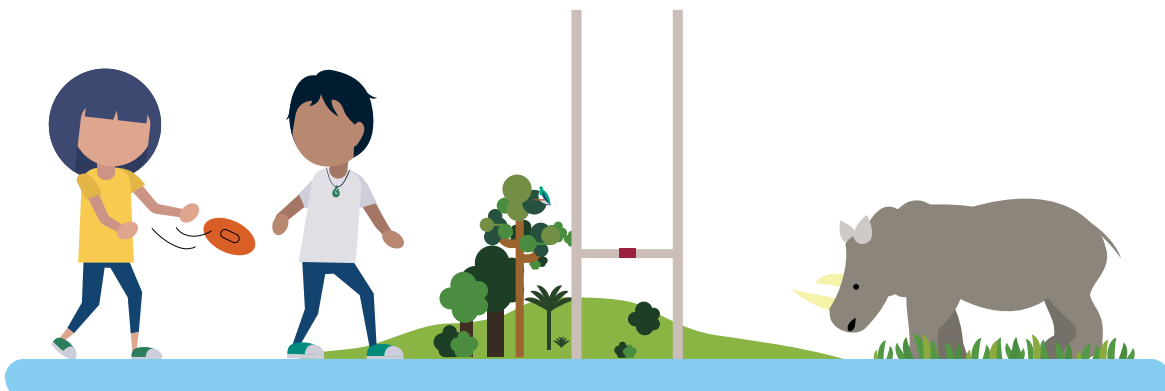
TAU will also deliver other highly valued cultural festivals and events for the people of Auckland such as the Lantern Festival, Pasifika, Diwali and Tāmaki Herenga Waka Festival.

TAU has already progressed a business case for the development of a single stadium operator model for Auckland's four stadiums. TAU will focus on implementing a plan in partnership with Eden Park Trust and others to optimise Auckland's significant stadium operations.

TAU will also progress the ongoing integration of Auckland's cultural institutions, including the institutions managed by TAU, plus the independent Auckland War Memorial Museum, MOTAT and Stardome Observatory.

Maintenance and renewal of our portfolio of regional assets will continue across the Auckland Art Gallery, Zoo, Maritime Museum and Stadiums with a focus on revitalisation and enhancement of heritage assets and decarbonisation initiatives.

We will also continue to deliver key initiatives such as those outlined in our Māori outcomes plan, Te Mahere Aronga, and Climate Connect Aotearoa, which focuses on examining pathways towards de-carbonising and building resiliency for Auckland's economy.



Cost reductions to mitigate budget challenges

► What we are already doing

TAU have an existing \$17 million savings target. The proposed budget seeks a further \$27.5 million in operating savings from TAU in response to the financial challenge faced by the council group.

Work is already underway to achieve some initial savings through a comprehensive post-merger efficiency programme including driving revenue opportunities.

► What we are proposing

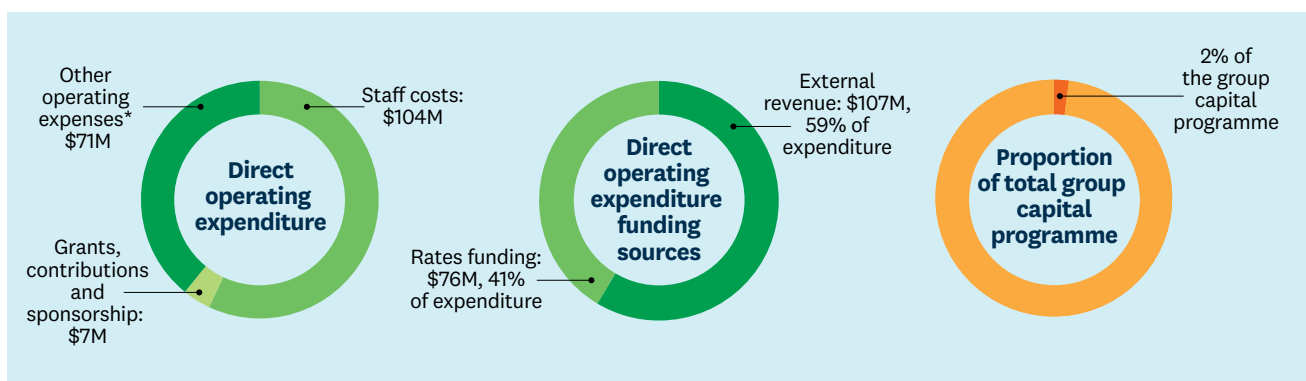
Achieving the full savings of \$27.5 million in addition to the existing \$17 million savings target will require the activities and services currently provided by TAU to be significantly reduced.

The wide range of service implications to achieve the total savings include:

- Reducing Auckland Council's role in marketing Auckland internationally to attract investment, business and visitors
- A material reduction in the economic growth and visitor attraction activities, including reduced spend in support for business events and major events attraction and bidding, and the marketing of Auckland as a tourist destination
- Removing rates funding of economic development activities, so these activities will only be able to proceed if fully funded by central government or external partners
- A review of pricing, opening hours, staffing costs and programming at regional facilities, which may involve the introduction of user pays in areas previously not charged for both Aucklanders and international visitors
- Reducing subsidised access provided to regional facilities and community events that are currently free to the public
- Developing industry funding models to support ongoing destination activity.

The funding for visitor attractions and major events for 2023/2024 will be substantially reduced by \$15.1 million as the revenue from the Accommodation Provider Targeted Rate (APTR), which previously funded 50 per cent of this expenditure, is no longer available (refer to Part Four: Your rates for 2023/2024 for more information on the APTR). Without any further government funding which offset some of this loss in the past two financial years, programmes in many areas of the business will be affected. There will be no budget available to attract and bid for major events for Tāmaki Makaurau that will occur from 2024 onwards. There will also be impacts on a range of activities such as international visitor attractions, business event attractions and international student programmes.

► Financial information



*Other operating expenses primarily include repairs and maintenance, outsourcing costs, utility and other administration expenses.



Direct operating performance and capital expenditure

(\$millions)

Draft budget 2023/2024

Direct expenditure	182
Employee benefits	104
Grants, contributions and sponsorship	7
Other expenditure on activities	27
Event cost of sales	17
Rates and Property rental expense	12
Consultancy and professional services	9
Repairs and maintenance	6
Direct revenue	107
Fees and user charges	65
Grant and subsidies	11
Other revenue	31
Capital expenditure	57

Capital investment list

Programme/Project (\$m)

Draft budget 2023/2024

Auckland Zoo Renewals	16
Maritime museum	4
Auckland Live and other facilities	10
Auckland Stadiums	8
Auckland Art Gallery building heritage restoration	11
Capital Grants to TAU and partner entities	2
Corporate support projects	3
Visitor security	3
Digital	2
Tātaki Auckland Unlimited	57

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Eke Panuku Development Auckland

Eke Panuku leads urban regeneration across the region, focusing on 13 locations agreed upon with the council. It creates vibrant, liveable places with high-quality housing and well-designed town centres with good transport connections.

Eke Panuku also provides tenancy management and property maintenance for more than 1,200 properties and leases that are not currently being used to deliver services to the community but are owned by Auckland Council for a wide range of reasons. Of that total, around 400 properties are managed on behalf of Auckland Transport. In addition, Eke Panuku manages and operates the three council-owned marinas - Westhaven, Viaduct and Silo, carrying out operational activities such as leasing of berths, mooring of vessels, repairing and renewals of assets and carrying out new developments.

▶ What we are planning to deliver in 2023/2024

Eke Panuku will continue delivering urban regeneration projects that are the highest priority. The projects will have the greatest tangible benefits for ratepayers and provide value for money.

We plan to complete the following.

- Waiwharariki Anzac Square in the heart of Takapuna and progressing development agreements for two significant development sites in the Takapuna town centre.
- Te Ara Awataha – a greenway for Northcote. The new greenway and ‘day-lighted’ stream will manage stormwater, enhance connections and create an amenity for the rapidly growing community.
- The new Kotuitui neighbourhood of around 30 homes just south of the Manukau centre.

We will acquire land to enable the stream, wetland and pathway network regeneration as a key component of the broader Te Whakaoranga o te Puhinui (Puhinui Stream regeneration). The stream regeneration seeks to strengthen the health and wellbeing of the people, place and nature of South Auckland.

We will also progress and support development projects with current and new development partners in Papatoetoe, Manukau, Panmure, Onehunga, Henderson, Avondale, Northcote and Takapuna by using surplus council sites.





The planning of the next stage of Wynyard Quarter’s Transformation north of Silo Park on Wynyard Point will also be progressed. The plan, Te Ara Tukutuku, guides this work. It will involve mixed-used development and a large urban park.

Other key programmes of work will include:

- ensuring the effective delivery of the city centre programme, including the integration of City Rail Link stations
- developing a plan for the Future Urban Regeneration programme for the next 2024-2034 10-year Budget
- working as part of a council-led team on conceptual plans for the future use of port land as it is released from port purposes as part of a staged withdrawal of port-related activity over 2024-2039.
- progressing the partnership with NZ Super Fund to support urban regeneration outcomes.
- developing a model for internal local project oversight groups for projects in priority locations. This is to achieve better project oversight within Eke Panuku, greater community involvement and more engagement with local experts in future urban generation programmes.
- work with council to consider future financing and development options for Haumaru Housing, which provides social rental housing for older people, and agree the next steps for the portfolio.

➤ Cost reductions to mitigate budget challenges

Eke Panuku will slow down the delivery of lower priority urban regeneration programmes in the town centres and waterfront to deliver \$5 million of ongoing annual savings. We will defer \$20 million of the proposed capital spend from the current 2022/2023 financial year, and \$36 million out of the planned \$109 million capital spend for the 2023/2024 financial year. The capital deferral will impact projects that have not started or are in the early stages. The deferral will result in a significant reduction in planned urban regeneration investment in waterfront, including events, activation, planning and design for future development activities.

As a result of this slowdown in the capital programme, Eke Panuku can reduce the consequential corporate costs, staff, and other resources used to plan and implement urban regeneration by \$3.1 million, along with \$1.9 million in interest savings. The programme’s scope, scale and speed will reduce across all priority locations. Public realm projects and local events in town centres, such as Matariki festivals, weekend workshops for kids, Christmas and cultural new year celebrations and waterfront security costs, will be affected.

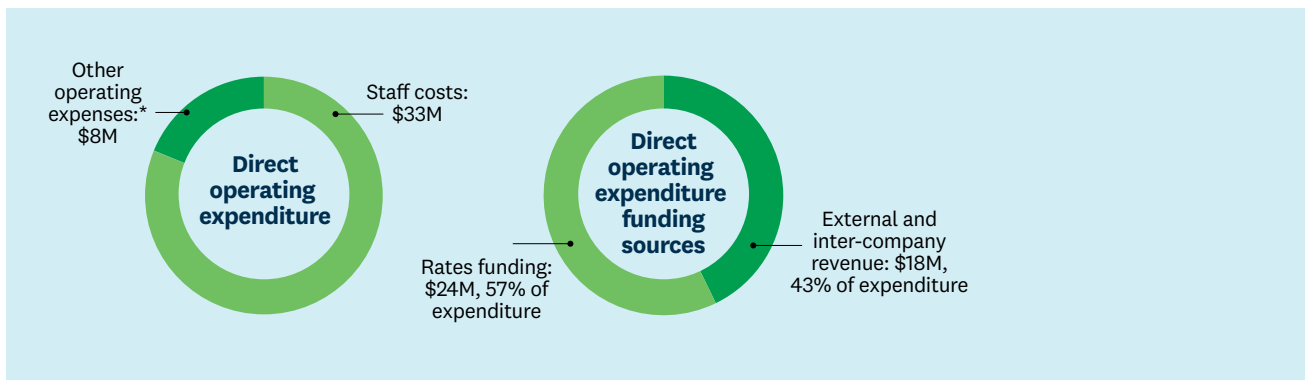
In addition to these urban regeneration savings, Eke Panuku will put on hold some work to optimise council-owned land for development under the Transit Oriented Development Programme with Auckland Transport.

This means there will be less staff support for identifying future urban regeneration and optimisation opportunities.

If further cost reductions are required, Eke Panuku would need to significantly reduce the scope of the Waterfront regeneration programme and potentially exit urban regeneration activities between 9 and 11 priority locations from the current agreed programme.

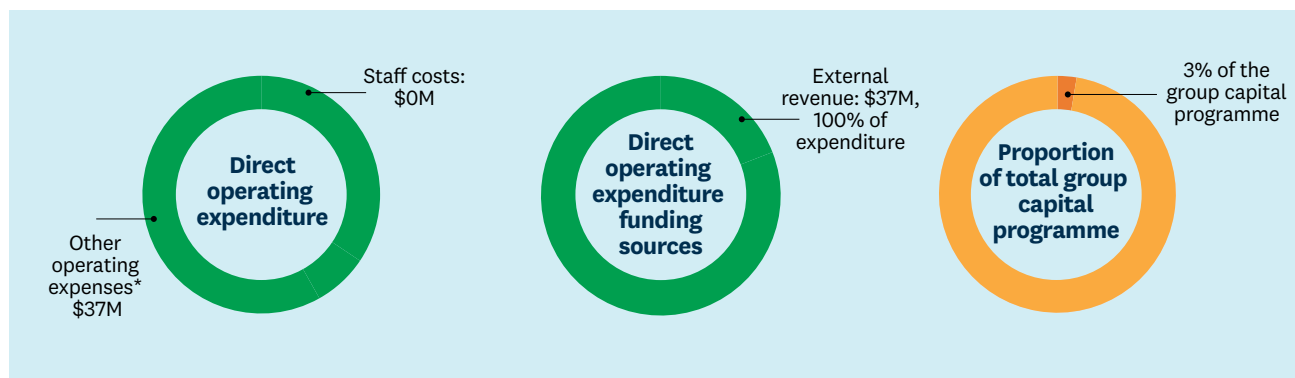
➤ Financial information

Eke Panuku Development Auckland Limited financial information for 2023/2024



*Other operating expenses primarily include property rental costs, insurance, consultancy and marketing costs.

Eke Panuku Managed Activities information for 2023/2024



*Other operating expenses primarily include repairs and maintenance, outsourcing costs, utility and other administration expenses.

Direct operating expenditure and capital expenditure

(\$millions)

Draft budget 2023/2024

	Draft budget 2023/2024
Direct expenditure	78
Employee benefits	33
Grants, contributions and sponsorship	0
Rates and property rental expense	12
Other expenditure on activities ¹	13
Repair and maintenance	8
Inter-entity time charge	7
Planning, Design and Placemaking Services	5
Direct revenue	55
Fees and user charges	2
Other revenue	53
Capital expenditure	73

Note: operating financials above include both Eke Panuku's entity budgets as well as budgets for property portfolio management activities Eke Panuku undertakes on behalf of Auckland Council, which haven't been adjusted for inter-company eliminations.

¹Other expenses on activities primarily include operating lease expense, software costs, security, rates, utility and other administration expenses.

Capital investment list

Programme/Project (\$m)

Draft Annual Plan 2023/2024

Asset renewals	10
Urban regeneration across town centres such as Avondale, Northcote ¹	42
Waterfront development	15
Other development and optimisation projects	6
Eke Panuku Development Auckland	73

¹ Further breakdown for the urban regeneration programme across town centres will be provided for the final annual budget document



CAPEX
\$773m

OPEX
\$349m

Watercare

Watercare is New Zealand's largest water utility company, providing water and wastewater services to 1.7 million Aucklanders. It supplies safe drinking water to homes and businesses in the Auckland region and returns high-quality treated wastewater back to the environment.

Apart from managing and maintaining approximately \$12 billion of water and wastewater assets, Watercare also plans and builds infrastructure to support the growth of Auckland.

Note that Watercare Services Limited will continue to be responsible for delivering water and wastewater services for 2023/2024, but this responsibility is expected to change from 1 July 2024 as part of the central government's Three Waters Reform with the establishment of a new water services entity, separate from the council. See page 45 for more information on the Three Waters Reform.

► What we are planning to deliver in 2023/2024

The focus of Watercare will be to continue delivering safe drinking water and wastewater services to Auckland at minimum cost.

In terms of capital investment, as planned in the 10-year budget, Watercare will continue to invest heavily in the growth and renewal of Auckland water infrastructure next year. Significant projects underway are:

- Central Interceptor – a 5m diameter tunnel that will carry wastewater from central Auckland to Māngere Wastewater Treatment Plant. The interceptor represents a major upgrade to Auckland's wastewater transmission system. It will reduce outflows into the harbour by 80 per cent.
 - Tunnelling was completed under the Manukau Harbour to Hillsborough, with a total of 4.1km of tunnel and over 2500 concrete tunnel rings installed.
 - We are readying the main Tunnel Boring Machine to start the next tunnelling phase, a 2km stretch from Hillsborough to Keith Hays Park in Mount Roskill.
- Wellsford/Waiuku/Helensville
 - Substantial upgrades are occurring in many city locations to cater to Auckland's rapid growth.
 - Areas of focus for 2023 include new water and wastewater facilities for Helensville, Waiuku and Warkworth.

Watercare is also reviewing its policy on funding local capacity network growth. We will consult stakeholders, including Iwi, developers and other interested parties, in 2023.



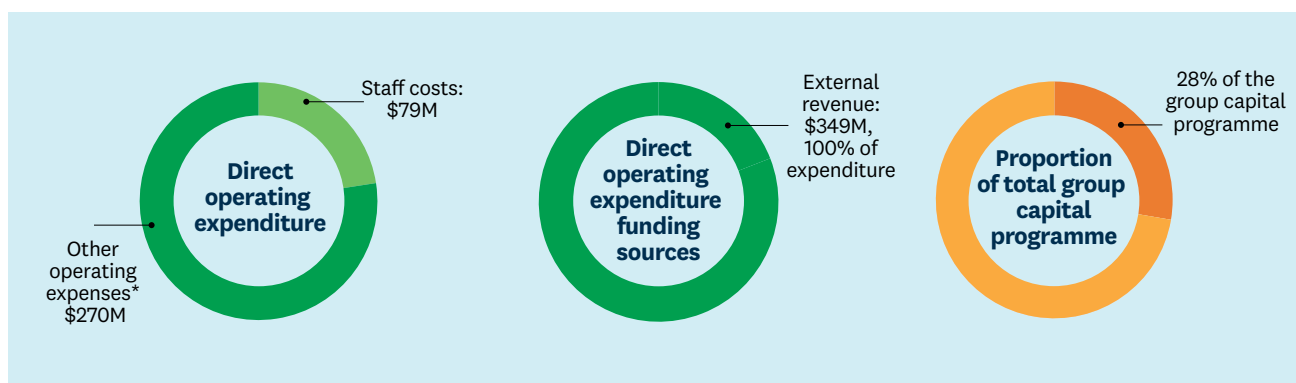
Watercare will continue implementing its climate change initiatives and targets. This includes:

- specific climate targets to reduce greenhouse gas emissions by 50 per cent by 2030 and achieve the long-term goal of net zero emissions by 2050
- actions to monitor and prepare for climate impacts.

Cost reductions to mitigate budget challenges

The operating costs for Watercare are fully funded by water and wastewater charges as opposed to general rates funding, therefore, cost reductions from Watercare will not contribute to mitigating the group operating funding gap. However, Watercare have established an efficiency programme internally based on the Water Industry Commission for Scotland (WICS) benchmarking review recommendations and included ongoing cost reduction targets in relation to staffing levels, contract labour and professional service fees.

Financial information



*Other operating expenses primarily include repairs and maintenance, outsourcing costs, utility and other administration expenses.

Direct operating performance and capital expenditure

(\$millions)

Draft Annual Plan 2023/2024

Direct expenditure	349
Employee benefits	79
Water & wastewater asset operating costs	179
Repairs and maintenance	77
Cleaning and hygiene expense	12
Consultancy and Professional Services	3
Direct revenue	985
Fees and user charges	659
Other revenue	326
Capital expenditure	773



Capital investment list

Programme/Project (\$m)	Draft 2023/24 budget
Water sources other programmes	5
Water Tāmaki Regeneration Ltd and Kainga Ora Programme	20
Waikato 50 and Waikato A water treatment plant	42
Wellsford water supply	1
Water treatment other programmes	33
Local water network renewals	23
North Harbour 2 watermain	9
Other water networks	63
Huia 1 watermain replacement	0.2
Other water projects	21
Water supply	218
Central interceptor	144
Local sewer network renewals	9
Northern interceptor	50
Southern interceptor augmentation	20
Western isthmus programme	58
Wastewater network other programmes	51
Ōtara catchment upgrades	1
North Shore trunk sewer and pump station upgrades	23
North East Sub-regional wastewater servicing	61
South West Sub-regional wastewater servicing	60
Rosedale Waste Water Treatment Plant upgrade	5
Wastewater treatment other	25
Pukekohe trunk sewer upgrades	12
Other wastewater projects	7
Wastewater treatment	526
Shared service programmes	29
Watercare	773



City Rail Link

City Rail Link (CRL) is a rail link that will connect Britomart and Mt Eden stations with two new stations at Aotea and Karangahape Road via two 3.5km rail tunnels. It will provide a critical piece of infrastructure to support Auckland's economic growth, unlock development areas and support future population growth.

The CRL will enable the Auckland rail network to at least double rail capacity when it is completed, with trains running every 7 to 10 minutes at peak times for most stations, carrying up to 30,000 people an hour. This improvement to Auckland's transport network will enable improved economic growth for Auckland.

Auckland Council expects to invest \$286 million in 2023/2024 for CRL to progress construction of the underground stations at Aotea and Karangahape Road Square, redevelopment of the Mt Eden Station, and construction of the western rail link connection and rail systems.

The total cost to deliver the project is expected to be higher than the current budget due to disruptions to supply chains and pressures on the cost of materials. CRL is also likely to continue to have difficulties getting enough expertise from overseas to support the work because of competition from other infrastructure projects in New Zealand and overseas. City Rail Link Limited advise that active negotiations have been underway with the Link Alliance and once updated costs and timeframes are clearer this information will be made available.

Any additional council investment that may be required is not expected to fall due in the 2023/2024 year. However, it is important to keep debt as low as possible to provide enough financial capacity to cover any such requirement.

Ports of Auckland

Ports of Auckland Limited (POAL) is 100% owned by Auckland Council and provides services such as container terminal handling, bulk cargo handling, freight hubs and cruise industry facilities.

The council's financial return from its investment in POAL has dropped in recent years. The current operating margins are below expected levels and POAL compares poorly to other ports on this measure.

POAL's focus now will be on turning this around, targeting a return on assets of 10 per cent. These higher returns will need to be realised through increased productivity and sales revenue.

For the annual budget 2023/2024, POAL is committed to a \$10 million improvement to net operating performance, increasing the projected net profit to \$52 million compared with \$42 million in the current Statement of Corporate Intent. The additional \$10 million will be achieved through:

- pricing adjustment to improve margins
- cost reductions across the organisation
- insurance / funding synergies from working with Auckland Council.

The Mayor, council and Eke Panuku Development Auckland will also develop a plan for the progressive return of waterfront land for the use of all Aucklanders which will require POAL to plan for a phased consolidation of port operations. This is necessary to provide certainty to the port, businesses, the government and Aucklanders. It is a key part of delivering an integrated transport plan for Auckland and will inform government decision-making on the New Zealand freight and supply chain strategy

Three Waters reform

As part of its Three Waters Reform the government has passed legislation to create new water entities that will operate drinking water, wastewater and stormwater networks. Services in these areas currently delivered by Auckland Council and Watercare will be delivered by the Northern Water Services Entity from 1 July 2024.

In line with our requirements under the legislation the council group are supporting the reform programme where necessary and working to assess the impacts. As these impacts become more clear, particularly through further legislation, any impacts on the Annual Budget 2023/2024 will be incorporated.

▶ www.dia.govt.nz/Three-Waters-Reform-Programme



Auckland Council Group budget overview

Auckland Council Group's financial strategy, as set out in our 10-year Budget 2021-2031, seeks to achieve the right balance between investing in assets and services for Auckland's progress and ensuring that the costs of supporting those investments are acceptable to the community.

With rising interest rates and inflation, the current fiscal environment has resulted in material challenges. As a result, our budget needs to change to ensure we maintain an appropriate balance.

We currently project the impact of these challenges to be an operating funding gap of \$295 million for the 2023/2024 financial year. To ensure the council maintains appropriate borrowing levels and remains fiscally responsible, we have proposed a range of mitigation options, which we consider to be credible, sustainable, affordable, and implementable.

This section provides a high-level overview of our key financial projections for the 2023/2024 financial year. It explains how recent changes, including the above financial challenges and mitigations, have impacted our financial position and performance. Detailed financial projections and key assumptions are included in section 1.3 of the supporting information.

Key proposed financial parameters for the annual plan

\$ millions	Annual Plan 10-year Budget 2022/23	Annual Plan 10-year Budget 2023/24	Proposed Annual Plan 2023/24	Variance 2023/24
Total capital investment	2,800	2,977	2,791	(186)
Total operating expenditure (see next page for details)	5,110	5,008	5,286	278
Average general rates increase	3.50%	3.50%	7.00%	3.50%
Rates revenue	2,281	2,385	2,456	71
Total operating funding sources	5,046	5,125	5,262	137
Total assets	65,863	67,467	73,804	6,337
Total borrowing	12,077	13,340	10,808	(2,532)
Total equity	49,283	48,188	57,883	9,695
Debt to revenue ratio	253%	269%	213%	-56%

Operating budgets

In spite of the operating funding challenges the council is facing, and the actions it proposes to mitigate these, the Auckland Council group will spend almost \$5.3 billion in operating expenditure in 2023/2024. This covers the council's day-to-day operations and services, from collecting rubbish to maintaining parks and issuing building consents. It includes costs related to the capital expenditure programme such as interest, maintenance and depreciation (a non-cash cost).

The \$5.3 billion of operating revenue sources covers \$4 billion of cash operating expenditure (which excludes depreciation, a non-cash item), leaving a cash surplus of over \$1 billion to fund capital expenditure.

The 10-year Budget projections were set in May 2021. The increases in our overall operating costs since the adoption of the 10-year Budget are primarily as a result of changes in the economy, with cumulative inflation being around 10% higher than projected at that time.

Many of our contracts and agreements, including workforce, facility maintenance, public transport and waste, are directly tied to inflation. Costs have also increased where we have provided more services to more customers. Some of these cost increases, such as in regulatory or waste, are recovered through additional revenue.

Increases have also been partially offset through cost reductions set for the group as part of the package of mitigation actions to address the budget challenge.

Summary prospective operating statement

\$ millions For the period to 30 June	Annual Plan 2022/23	10-year Budget 2023/24	Proposed Annual Plan 2023/24	Variance 2023/24	Notes
Revenue:					
Rates	2,277	2,381	2,452	71	1
Fees and user charges	1,477	1,781	1,686	(95)	2
Grants and subsidies	1,096	1,031	1,015	(17)	
Development and financial contributions	265	269	269	(0)	
Other revenue	1,137	1,033	1,120	87	
Total revenue	6,252	6,495	6,542	47	
Expenses:					
Employee benefits	1,087	1,063	1,169	107	3
Depreciation and amortisation	1,141	1,157	1,268	111	4
Grants, contributions, and sponsorship	177	173	161	(12)	
Other operating expenses	2,200	2,105	2,215	110	3
Finance costs	505	511	473	(39)	5
Total expenses	5,110	5,008	5,286	278	
Operating Surplus before gains and losses	1,143	1,487	1,255	(231)	

Key notes to the profit and loss

1. Rates

Rates income is projected to be higher than was planned in the 10-year Budget as a result of the introduction of the Climate Action Targeted Rate from 2022/2023 and the 7% general rates increase proposed for 2023/2024 as a part of the mix of mitigations to address the budget challenge. This is partially offset by the temporary reduction proposed to the Water Quality Targeted Rate and Natural Environment Targeted Rate for 2023/2024.

2. Fees and user charges

While fees and user charges revenue is projected to grow year-on-year primarily through price increases, the ongoing impacts on public transport fares from COVID-19 result in projections below those in the 10-year Budget.

3. Employee benefits and other operating costs

Employee benefits across the council group are projected to be materially higher than forecast in May 2021 primarily as a result of cumulative inflation. Many employment agreements are directly tied to annual increases in the Consumer Price Index. Additional staff have also been required to accommodate increased customer demand or new service delivery requirements, in part funded by additional revenue.

Other expenditure includes costs related to contracted services and maintenance, which are also projected to increase relative to May 2021 projections due to cumulative inflation.

For details of spending by the entities that make up the council group please refer to the pages 24 to 45 of this document.

4. Depreciation and amortisation

The asset revaluations noted below are reflected in higher projected depreciation costs.

5. Finance costs

Large recent increases in interest rates are putting pressure on the financing cost for the council. This pressure is mitigated by:

- the council's hedging policy that has around 80-100% of borrowing at fixed rates over the short-term. This means that only around 20% of our debt is exposed to short-term market fluctuations
- the proposed sale of the council's shares in Auckland International Airport Limited which would enable the repayment of about \$2 billion of debt, saving the council around \$87 million in interest costs.



Capital investment

Capital expenditure is for purchasing, building, replacing or developing the city's assets (for example roads, libraries, parks and sports fields).

Our total capital expenditure programme for 2023/2024 is \$2.5 billion, in addition we plan to invest \$286 million in City Rail Link Limited. The total capital investment for Auckland over 2023/2024 is projected to be \$2.8 billion.

The following table shows how we plan to fund our capital expenditure and other capital outflows in 2023/2024.

Capital expenditure and other outflows \$ million	Proposed Annual Plan 2023/2024	Funding sources \$ million	Proposed Annual Plan 2023/2024
Growth	924	Capital subsidies	573
Service level improvement	720	Development contributions	269
Renewals	860	Asset sales	174
Investment in City Rail Link Limited	286	Operating cash surplus	1,245
Weathertightness claims	25	Proceeds from Airport share sale	1,887
Other	-95	Borrowings	-1,428
Total	2,720	Total	2,720

Summary prospective balance sheet

\$ million As at 30 June	Annual Plan 2022/23	10-year Budget 2023/24	Proposed Annual Plan 2023/24	Variance 2023/24	Notes
Assets:					
Financial assets	2,157	2,006	197	(1,809)	1
Property, plant, and equipment	58,899	60,515	69,176	8,661	2
Intangible assets	802	824	262	(562)	
Investment property	704	603	729	126	
Investment in associates and joint ventures	1,838	2,107	1,930	(178)	
Other assets	1,462	1,412	1,511	99	
Total assets	65,863	67,467	73,804	6,338	
Liabilities:					
Council debt	12,077	13,340	10,808	(2,532)	3
Other liabilities	4,503	5,938	5,113	(825)	
Total liabilities	16,579	19,278	15,922	(3,357)	
Ratepayer equity:	49,283	48,188	57,883	9,694	

Key notes to the balance sheet

1. Financial assets

The council is proposing to sell its shares in Auckland International Airport Limited (AIAL) and use the proceeds to reduce existing debt. This is projected to result in a reduction in borrowing costs that exceeds the estimated future dividends that these shares would earn. For more information, please refer to page 84.

2. Property, plant, and equipment

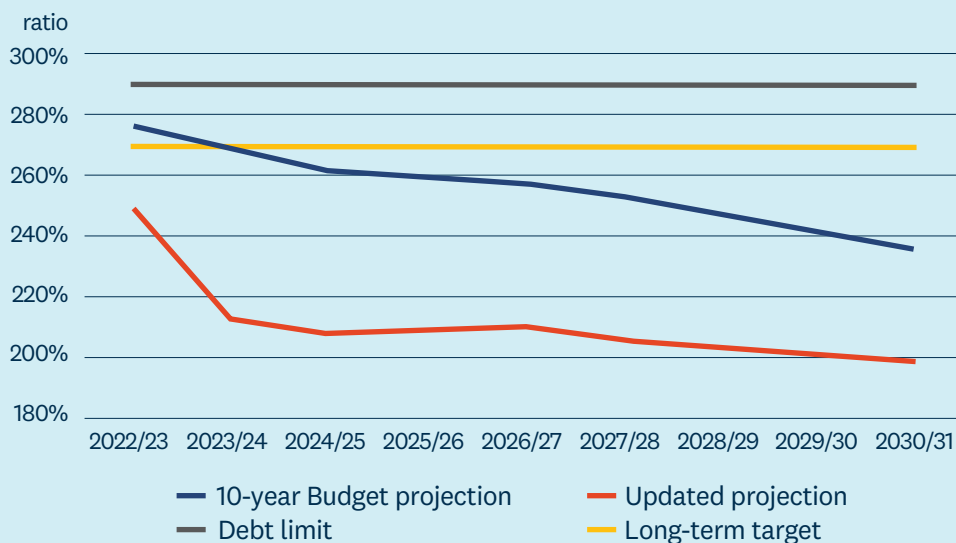
The value of these assets is projected to be notably higher than projected in the 10-year Budget 2021-2031 due to revaluations (based on replacement cost) conducted in the 2021/2022 financial year.

3. Council debt

The projected level of borrowing is significantly below that included in the 10-year Budget 2021-2031. This is primarily due to the debt repaid from the proceeds of the proposed AIAL share sale, along with delays in capital investment.

The debt-to-revenue ratio is currently capped at 290 per cent and currently sits at around 250 per cent. We expect the ratio to shift below 220 per cent with the sale of AIAL shares. This provides additional capacity to deal with future fiscal challenges that may arise in the medium to long term.

Debt-to-revenue ratio



Next steps

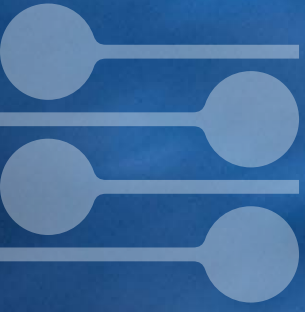
The council will continue to monitor key economic indicators and financial assumptions such as inflation and interest rate projections. Additionally staff will update all revenue, capital and operating expenditure budgets and identify any further emerging pressures or savings opportunities. This information will be provided to decision-makers to inform final Annual Budget 2023/2024 decisions.



Storm Events

Budgets for the final Annual Budget 2023/2024 will be updated for the latest information on financial impacts of the storm events. Looking ahead, we will need to consider some more fundamental medium-term issues through our next 10-year budget, which could involve some substantial additional costs. This could include looking at how we forecast storm frequency and intensity, rethinking our approach to planning and building climate resilient infrastructure.





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Te Wāhanga Tuawhā:
Ō reiti 2023/2024

Part Four: Your rates for 2023/2024



**AK
HAVE
YOUR
SAY**

Ō reiti 2023/2024

Your rates for 2023/2024

We are proposing a package of budget changes that will result in a total rates increase for the average value residential property of 4.66 per cent or \$154 a year (around \$3 a week).

➤ For an indication of the proposed rates for your property go to www.aucklandcouncil.govt.nz/ratesguide

To help with the budget challenge, the average increase in general rates across all existing properties is proposed to be 7.0 per cent in 2023/2024 rather than the 3.5 per cent set out in the 10-year Budget 2021-2031. To help manage the impact of the general rates increase (i.e. reduce the increase for the average value residential property) we are also proposing the following changes to our current rates charges:

- reducing the Natural Environment Targeted Rate (NETR) and Water Quality Targeted Rate (WQTR) by around two thirds for one year and utilising the money we have already collected from these targeted rates to continue to deliver these work programmes in 2023/2024
- pausing the Long-term Differential Strategy (LTDS) for one year to reduce the impact that this strategy has on non-business ratepayers in 2023/2024.

The overall impact of our proposals on individual ratepayers will vary but we have worked out what it will mean for a range of ratepayers in 2023/2024. For the average value residential property, this is very close to the previously planned 4.6 per cent total rates increase.



Storm Events

The rates increase may now need to be around 1 per cent higher to enable us to provide in our operating budget for proactive and reactive responses so we are better prepared for future storm events. This would be on top of the proposed 4.66 per cent increase.



Total rates changes

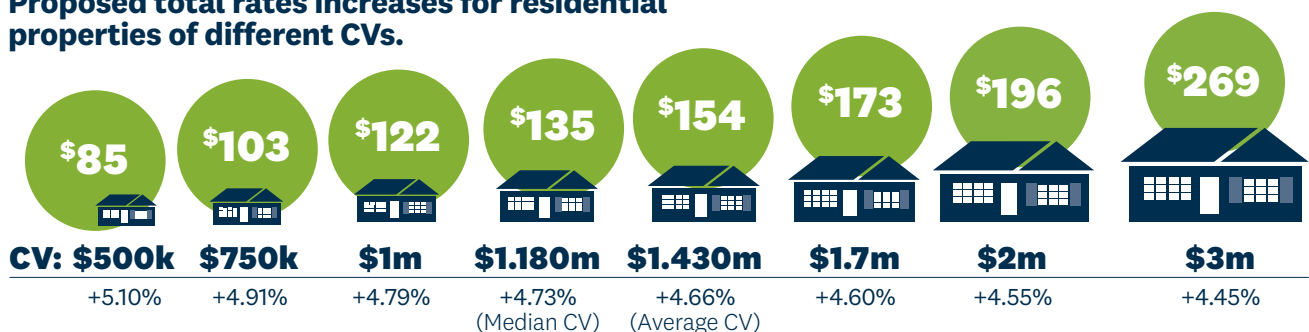
The total proposed rates changes for the average value properties in the residential and the business categories respectively are set out in the tables below.

The total proposed rate change includes general rates, the WQTR, the NETR, the Climate Action Targeted Rate (CATR) and rates for waste management,

➤ Proposed rates for the average value residential property (\$1,429,500)*

	2022/2023	2023/2024	Change in individual rate (as % of total rates)		\$ incr per week
			\$ change	% change	
General rates	\$2,795.72	\$3,008.57	\$212.85	6.46%	\$4.10
Water Quality Targeted Rate	\$70.87	\$24.58	-\$46.29	-1.40%	-\$0.90
Natural Environment Targeted Rate	\$46.43	\$15.56	-\$30.87	-0.94%	-\$0.60
Waste base charge	\$140.45	\$155.29	\$14.84	0.45%	\$0.30
Standard refuse	\$172.89	\$173.14	\$0.25	0.01%	\$0.00
Climate Action Targeted Rate	\$69.09	\$71.88	\$2.79	0.08%	\$0.10
Total rates	\$3,295.45	\$3,449.02	\$153.57	4.66%	\$3.00

Proposed total rates increases for residential properties of different CVs.



[➤ Go to Contents](#)

including the waste base service charge and the standard refuse charge. It excludes the food scraps targeted rate as this service is not yet fully rolled out across Auckland.

The proposed general rates increase would result in a higher overall rates change for 2023/2024 than indicated in the council's Financial Strategy as set out in the 10-year Budget 2021-2031.

The numbers for the waste base service targeted rate and the standard refuse targeted rate are calculated based on the cost information (including inflation assumptions) available at the time the consultation materials were developed. They are subject to change. The final rates will be adopted in June after taking into consideration any cost changes since consultation including more up-to-date forecasts on inflation.

We have included the standard refuse rate for residential properties as it provides a useful proxy for these costs across the region including areas where this rate is not applied. It has not been included for business properties as it only applies to some business properties in the former Auckland City Council area.

If some of the non-rates options, or levers, are not used then the alternatives include increasing general rates by up to 13.5 per cent, or a total rates increase of \$336 per annum for the average value residential property (around \$6.50 per week). This alternative is detailed on page 36 of the Supporting Information.

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

In 2018 we introduced the NETR to tackle the spread of Kauri dieback disease and the predators that are killing our native birds and trees. At the same time, we also introduced the WQTR to bring forward our 30-year plan to invest in cleaning up Auckland's beaches, harbours, streams, and aquifers. To date, revenue collected from these rates has been more than what we have spent due to different phasing of revenue and expenditure and the impacts that COVID has had on our planned investments. This has resulted in the WQTR and NETR accumulating reserve funds of \$33m and \$20m respectively as at 30 June 2022.

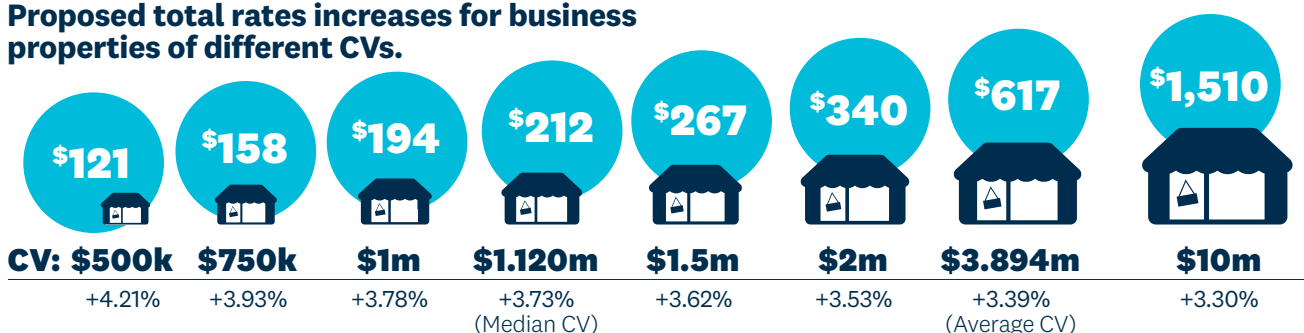
Temporarily reducing these rates and using funding from reserves enables us to continue delivering these programmes as planned while providing temporary support to ratepayers. This will reduce rates for an average residential property by around \$77 (\$46 for the WQTR and \$31 for the NETR) and \$376 for an average value business property.

We would need to return these targeted rates to their full level in 2024/2025 to ensure that these programmes continue within the planned timeframes. This will mean higher overall rates increases in 2024/2025 than would otherwise be the case.

➤ Proposed rates for the average value business property (\$3,893,500)*

	2022/2023	2023/2024	Change in individual rate (as % of total rates)		\$ change per week
			\$ change	% change	
General rates	\$17,162.20	\$18,134.51	\$972.31	5.34%	\$18.70
Water Quality Targeted Rate	\$342.20	\$116.37	-\$225.83	-1.24%	-\$4.30
Natural Environment Targeted Rate	\$224.19	\$73.66	-\$150.53	-0.83%	-\$2.90
Waste base charge	\$140.45	\$155.29	\$14.84	0.08%	\$0.30
Climate Action Targeted Rate	329.16	\$335.66	\$6.50	0.04%	\$0.10
Total rates	\$18,198.20	\$18,815.49	\$617.29	3.39%	\$11.90

Proposed total rates increases for business properties of different CVs.



* The numbers presented above may change due to ongoing property valuation updates.

Pausing the Long-term Differential Strategy (LTDS)

Under our rating policy, businesses pay a greater share of rates than residential properties. However, we have previously decided that while business should pay more, the level of rates they pay is too high and, in order to support economic growth, they should be reduced gradually over time. The Long-term Differential Strategy (LTDS) is how we implement this decision. It gradually lowers the total amount of general rates collected (UAGC and value-based general rate) from businesses from 31 per cent to 25.8 per cent by 2037/2038.

The strategy is designed so that the impact is that the:

- increase in rates for residential and farm/lifestyle properties above the underlying general rates increase is around 0.5 per cent more each year
- decrease in rates for business properties below the underlying general rates increase is around 1.0 per cent less each year.

Pausing the LTDS for 2023/2024 would mean that:

- the general rates increase is applied evenly across all ratepayers in 2023/2024, reducing the average amount of rates increase that non-business ratepayers would pay (residential by around \$15) and increasing the average amount of rates that business would otherwise pay in 2023/2024 by around \$198
- the LTDS and its impacts on the distribution of rates between business and non-business ratepayers would resume in 2024/2025 and it would take an additional year to reach the target share of 25.8 per cent from business ratepayers. We will not accomplish this target share until 2038/2039.

Other changes to rates for 2023/2024

The changes below are mainly to ensure we are recovering the necessary costs. If we do not proceed with the changes then the general rates increase may need to be higher than we have proposed.

Changes to waste management targeted rates and charges

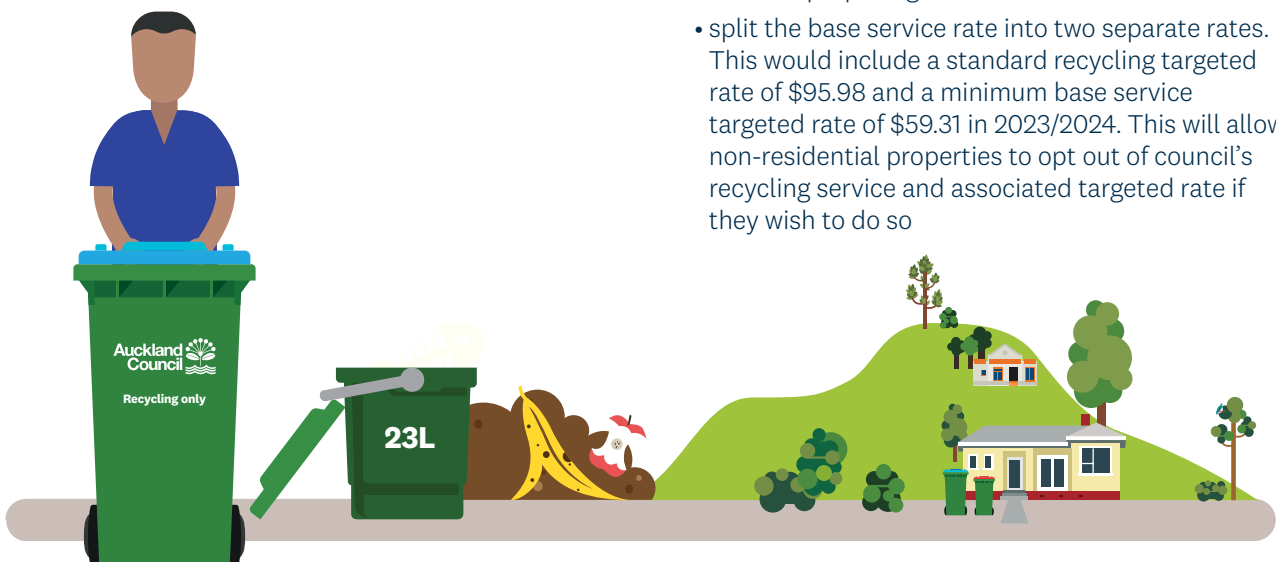
Despite some material cost increases, we are proposing only minor adjustments to rates for the standard rubbish collection service as we expect a reduction in household rubbish volumes following the roll-out of the food scraps service. However, the cost of waste management base services, which includes recycling and regional initiatives, is expected to increase by 10.6 per cent due to significant increases in labour costs and road transport related costs. The combined increase in the refuse rate and base waste management rates is a 4.8 per cent increase for a standard waste management service, representing a 0.5 per cent increase in total rates.

Our targeted rate funded food scraps service is available in Papakura and parts of North Shore. We are rolling out the service to the rest of the North Shore and Waitākere during the current 2022/2023 financial year. From July 2023, the food scraps service will roll out to Auckland's remaining urban and semi-urban parts.

We are proposing that the food scraps targeted rate be extended to those areas where the service is being introduced. Where the service commences part way through the 2023/2024 financial period the targeted rate will be charged on a pro rata basis, reflecting the approximate number of months the service is available in each area.

We are also proposing to:

- split the base service rate into two separate rates. This would include a standard recycling targeted rate of \$95.98 and a minimum base service targeted rate of \$59.31 in 2023/2024. This will allow non-residential properties to opt out of council's recycling service and associated targeted rate if they wish to do so



- introduce the option of 80 litre bin service to properties in the former Auckland City Council (ACC) and Manukau City Council (MCC) districts, funded by a targeted rate of \$143.71. This will allow ratepayers who have low refuse needs to reduce their rates charges
- increase the targeted rate for the 240 litre bin service in the former ACC and MCC districts to \$287.41 (166 per cent of the proposed standard refuse targeted rate of \$173.14 for a 120 litre bin). This is to more closely align the charge for this service with actual costs
- introduce a \$40 fee for swapping to a different size bin. It currently costs us around \$310,000 a year to administer bin swaps. This cost is currently funded from the waste management base service targeted rate which is paid by every bin user. Introducing a fee will ensure more efficient use of our resources and that costs are paid for by those who choose to use the service. When the rates funded service is rolled out to new areas customers will be offered a choice of bin size without charge
- extend our waste management services to the commercial areas in the former Manukau City, with Howick, Hunter's Corner and Papatoetoe starting to receive our services from 2023/2024 on an opt-in basis for commercial properties
- adjust other targeted rates for waste management services to reflect movement in the costs of providing these services.

Accommodation provider targeted rate

The Accommodation Provider Targeted Rate (APTR) previously funded 50 per cent of Tātaki Auckland Unlimited's destination expenditure particularly on visitor attraction and major events. The rate was suspended, and associated expenditure reduced, in response to the impact of COVID-19. The rate was then removed from the rating policy following the Court of Appeal decision in 2021. We have appealed the Court of Appeal decision to the Supreme Court who have not yet released their decision.

The 10-year Budget 2021-2031 assumed that \$15.1 million from the APTR and associated expenditure would be reinstated from 2023/2024. However we cannot consider reinstating the APTR until the Supreme Court delivers its decision on our appeal. Tātaki Auckland Unlimited's expenditure for visitor attraction and major events for 2023/2024 will be substantially reduced as the funding from the APTR is no longer available. Additional general rates funding for expenditure on visitor attraction and major events is not a priority given the significant budget pressures that we are facing. The impact of the reduction in funding on Tātaki Auckland Unlimited's spending is set out on pages 36-38 of this document.

Climate action targeted rate programme

We propose to partially reprioritise \$10.5 million of additional bus service expenditure that was planned to be funded by the Climate Action Targeted Rate (CATR) for the 2023/2024 year.

Operational constraints mean that CATR funded bus services, originally planned for delivery in the first half of 2023/2024, are now planned for delivery in the second half of the year. This creates savings in the CATR bus services budget in 2023/24 that are now proposed to be used to fund the North West bus service improvements and bring forward funding for two new frequent bus routes in East Auckland. The proposal does not impact on the level of the CATR charged in 2023/2024 or the plans for CATR funded services beyond 2023/2024.

The proposal ensures that we can continue to deliver the climate and service outcomes for which the CATR was established while helping manage the financial challenges that we are now facing.

▶ **For more information, see page 43 of the supporting information.**

Other changes to rates policy

We are proposing the following other rating policy changes:

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



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Te Wāhanga Tuarima:
Ētahi atu take hei whakahoki
kōrero mai

Part Five: Other matters for feedback

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Ētahi atu take hei whakahoki kōrero mai

Other matters for feedback

Changes to fees and charges

In addition to most fees and charges being adjusted in line with inflation, the following specific changes are proposed.

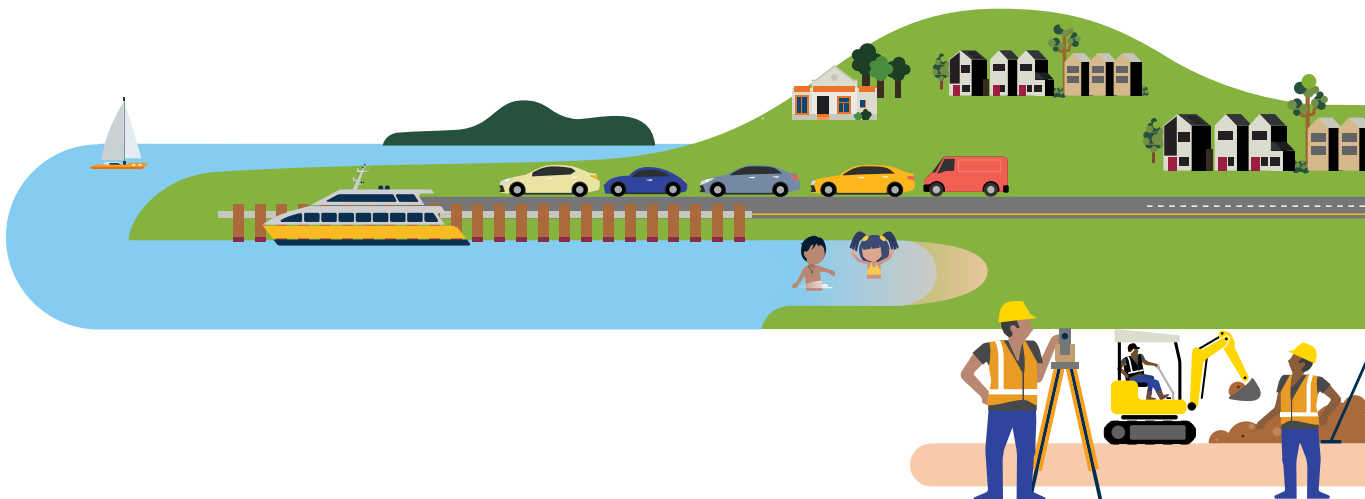
We are proposing to make the following changes to regulatory fees to better reflect the costs associated with managing these services.

- Increase to dog registration fee by \$1 above inflation adjustment for additional promotion of responsible dog ownership and desexing in areas with high volume dog attacks.
- Increase Building Consent separation application base fee - for multiple dwellings into individual records at customer request from \$575 to \$1,050.
- Increase to Building Consent Qualified Partner workstream fee from \$150 to \$200.
- Increase Independent Qualified Persons registration fee from \$362 to \$400 with 3-yearly renewal proposed to increase from \$204 to \$250.
- Increase Resource Consent Premium Qualified Partner applications from between \$230 and \$575 to \$805.
- Increase Producer statement author fees – registration as author from \$362 to \$750, high risk registration from \$210 to \$250, and 3-yearly renewal from \$210 to \$250.
- Change Building Warrant of Fitness renewal from a base fee of \$157 to a fixed fee of \$255.
- Increase in the three yearly Swimming pool inspection fee from \$150 to \$190.
- Replace current Resource Consent pre-application deposit fee of \$505 with new fees for Specialist only (\$540) and Planner led (\$860) services.
- Increase in fees for other regulatory services to reflect the time and cost to undertake the activity, such as Building Consenting, Resource Consenting, Engineering Applications, Environmental Health, Land Information Memorandum and micro-mobility operator fees.

We are also proposing:

- to adjust cemetery fees with a refinement to the framework of charges for burial plots and adjustments to the charges for cremation services and chapel hire
- to standardise fees for the use of bookable spaces in council-controlled pool and leisure facilities.
- an amendment to the Community Occupancy Guidelines to further enable our 21 local boards to adjust the maintenance and administration costs recovered in community leases

➤ For more information, see page 64–81 of the supporting information.



Proposed changes to key policies

We are seeking feedback on changes to two of our financial policies set out below. The proposed amendments to these policies are being consulted on separately but at the same time as the Annual Budget 2023/2024. Please see [akhaveyoursay.nz/budget](https://www.aucklandcouncil.govt.nz/your-council/what-we-do/financial-policies/akhaveyoursay.nz/budget) for more information on the details of these proposed changes.

Revenue and Financing Policy

We are proposing amendments to provide for the proposals that we are consulting on as part of the Annual Budget 2023/2024.

Māori Land Rates Remission and Postponement Policy

We are proposing a minor expansion of remissions for papakāinga on land held in general title. This will ensure these properties are treated consistently with papakāinga on Māori Freehold Land. The remission will only apply where the land is protected from alienation and is for the sole use of iwi/hapu.

Tūpuna Maunga Authority Operational Plan

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) came into effect on 29 August 2014. The Act vested the Crown-owned land in 14 Tūpuna Maunga (ancestral mountains) in 13 iwi/ hapū with interests in Auckland (Ngā Mana Whenua o Tāmaki Makaurau). The Act also established the Tūpuna Maunga o Tāmaki Makaurau Authority (an independent statutory board comprising the council and Ngā Mana Whenua) to administer the Tūpuna Maunga.

The Act requires that the Tūpuna Maunga Authority prepare an Annual Operational Plan to provide a framework in which the council must carry out the routine management of the 14 Tūpuna Maunga, under the direction of the Tūpuna Maunga Authority. This must be prepared and adopted concurrently with the council's annual budget (or 10-year Budget) and included in a summary form.

▶ **For more information, see page 108–114 of the supporting information.**





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Te Wāhanga Tuarono:
Aronga mātāmua a ngā
poari ā-rohe

Part Six: Local board information

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Ngā Poari ā-Rohe Local Boards

Below is our proposal on how to use our local board funding.



Storm Events

Our 21 local boards will need to consider whether the storm events mean the priorities for their local area now need to change. These issues will also need to be considered through the upcoming local board plan process.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024*	\$323.8 million	\$6.8 million	\$24.1 million	\$21.7 million	\$376.4 million
PLANNED CAPITAL SPEND 2023/2024	\$142.5 million	\$0	\$604,847	\$0	\$143.1 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$16 million for 2023/2024.

In response to the \$295 million budget shortfall, we propose a mix of actions that includes operating cost reductions that would see total local board operating funding reduced by \$16 million. This represents 5 per cent of the total budgets that local boards oversee, although some parts of this budget are more discretionary than others.

Local boards might choose to reduce their allocated funding for Locally Driven Initiatives (LDI) operating expenditure as these projects are the most discretionary in nature. Alternatively, local boards could consider reductions to their Asset Based Services (ABS) budgets through changes in levels of service (e.g. reduced facility opening hours) or increases to revenue through amendments to fees and charges under their delegation. If some local boards do not decide to make any ABS budget reductions in 2023/2024, the proposed reduction could represent between 45 – 60 per cent of LDI budgets. Such a change could result in a significant reduction in spending on local services such as arts and culture, environment and climate response, community and youth programmes and local events.

Individual reduction targets for local boards have been allocated based on our Local Board Funding Policy and have been presented to local boards to assist in the development of local consultation material and draft work programmes for 2023/2024.

On top of the \$16 million local board operating funding reduction, the proposed budget includes other reductions in funding that might have a local impact. These reductions include:

- A \$20 million reduction to regional services such as community and education programmes, regional arts and culture programmes, regional events, economic development, and other social services activities

such as homelessness funding and community empowerment.

- A \$3 million reduction in regional contestable grants.

Information on these proposed changes and implications at a local board level will be presented to local boards as part of their work programme development. This will also inform development of Local Board Plans (strategic three-year plans that are developed based on community feedback) which will be adopted in October 2023.

Local Board	Proposed operating funding reduction
Albert-Eden	\$765,688
Devonport-Takapuna	\$810,491
Franklin	\$796,487
Henderson-Massey	\$959,279
Hibiscus and Bays	\$837,753
Howick	\$1,113,208
Kaipatiki	\$666,261
Māngere-Ōtāhuhu	\$1,230,024
Manurewa	\$816,615
Maungakiekie-Tāmaki	\$671,200
Ōrākei	\$649,609
Ōtara-Papatoetoe	\$890,941
Papakura	\$865,824
Puketāpapa	\$467,120
Rodney	\$920,755
Upper Harbour	\$533,610
Waitākere Ranges	\$765,786
Waitematā	\$840,497
Whau	\$669,459
Aotea Great Barrier	\$346,900
Waiheke	\$382,493
Total	\$16,000,000

Supporting community-led initiatives

To find out about our grants programme to support community-led initiatives and how to apply visit: www.aucklandcouncil.govt.nz/whataregrants



Te Poari ā-Rohe o Albert-Eden

Albert-Eden Local Board

Our proposal for the Albert-Eden Local Board's operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$14.1 million	\$198,000	\$603,000	\$1.2 million	\$16.1 million*
PLANNED CAPITAL SPEND 2023/2024	\$4.6 million	\$0	\$0	\$0	\$4.6 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$766,000 to this planned operating spend for 2023/2024.

Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- Increasing community resilience and connection, helping people feel welcome, safe and supported.
- Ensuring our community centres and libraries meet the changing needs of our community, including looking at options for Pt Chevalier library building which is currently closed.
- Planning for how our parks need to respond to growth, such as residential developments at Carrington (ex-Unitec site) or in Epsom (Auckland University Epsom campus 'teachers college').
- Continuing our climate action through tree planting, parks restoration and funding community action with our new Climate Activator.

Responding to our budget challenge

The council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally driven Initiatives budget and Asset Based Services budgets. As only a small portion of Asset Based Services budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this means that the proposed reduction will likely represent a cut of up to 46 per cent to the board's discretionary budgets. This will result in a significant reduction in spending on local services such as arts and culture, environment, climate response, community programmes, events and youth. The Albert-Eden Local Board would need to reduce its planned operating spend by \$766,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Reduce spending for, or discontinue:
 - Community development and support
 - Arts
 - Events
 - Sports and activities in parks
 - Parks planning
 - Environmental restoration, volunteers and pest control
 - Community climate action and sustainability
 - Water quality initiatives
 - Top ups – community centre
- Reduce spending for:
 - Parks maintenance (including mowing)
 - Library hours
 - Community centres
- Temporarily or permanently close council venues
- Increase fees for community lease buildings maintenance and administration

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 115-119 of the supporting information.



Te Poari ā-Rohe o Aotea / Great Barrier

Aotea / Great Barrier Local Board

Our proposal for the Aotea / Great Barrier Local Board’s operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$1.7 million	\$204,000	\$3,000	\$645,000	\$2.5 million*
PLANNED CAPITAL SPEND 2023/2024	\$220,000	\$0	\$0	\$0	\$220,000

*The proposal to reduce local board operating funding would mean an overall reduction of \$347,000 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- continued delivery of core council operational services, such as mowing, track maintenance, waste, and the library.
- grant funding to assist community-led services for elderly, youth, businesses, and the environment.
- food and water resilience projects and Ahu Moana marine protection.
- reduction to the capital grants budget to enable delivery of some local grant rounds, and community-led projects and environmental programmes.

We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Aotea / Great Barrier Local Board to reduce its planned operating spend by \$347,000.

To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:


- Community grants – both contestable and non-contestable
- Environmental restoration and pest control programmes
- Water quality programmes
- Waste minimisation programmes

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 120-122 of the supporting information.

Te Poari ā-Rohe o Devonport-Takapuna

Devonport-Takapuna Local Board

Our proposal for the Devonport-Takapuna Local Board's operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$13.8 million	\$135,000	\$1.9 million	\$885,000	\$16.8 million*
PLANNED CAPITAL SPEND 2023/2024	\$5.0 million	\$0	\$520,000	\$0	\$5.5 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$810,000 to this planned operating spend for 2023/2024

▶ Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 are as follows and we will keep these in mind when we are responding to our budget challenge.

- Investing what we can in water quality improvements, particularly in the Wairau Estuary, environmental protection, and climate response.
- looking for ways to better connect with our diverse communities to ensure they are engaged, and represented in our local board area
- supporting placemaking and initiatives across the local board to build great community connections and a sense of belonging
- managing our available budgets to ensure our facilities, parks and sportsfields are well maintained and fit for purpose
- supporting collaboration between our key community organisations to ensure they are sustainable by taking advantage of opportunities to share knowledge, skills, and expertise and to minimise duplication in delivery and costs to meet the changing needs in our communities
- engaging with Maori and mataawaka in our area to better understand their priorities and aspirations to ensure these are considered when developing work programmes and services

▶ Responding to our budget challenge

This year, the council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally Driven Initiatives (LDI) budget and Asset Based Services (ABS) budgets. As only a small portion of the ABS budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this means that the proposed reduction will likely represent a cut of up to 60 per cent to the board's discretionary budgets. This will result in a significant reduction in spending on local services such as arts and culture, environment and climate response, library services and opening hours, community programmes, events, and youth. The Devonport-Takapuna Local Board would need to reduce its planned operation spend by \$810,000. To do this, we would have to discontinue, reduce spending or increase fees within some of these activities:

- Contestable and non-contestable grants
- funding for community events delivered by community organisations and business associations
- Opening hours and services of libraries
- Operational funding support for art centres and community groups and organisations
- Environmental volunteers in local parks
- Operational funding support for youth services
- Ecological restoration and pest management programmes
- Water quality improvements through riparian planting
- Low mow / no mow areas
- Changes to charges relating to community leases and licences

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 123-125 of the supporting information.



Te Poari ā-Rohe o Franklin Franklin Local Board

Our proposal for the Franklin Local Board’s operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$15.3 million	\$216,000	\$904,000	\$1.3 million	\$17.8 million*
PLANNED CAPITAL SPEND 2023/2024	\$9.6 million	\$0	\$0	\$0	\$9.6 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$796,000 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- Fund the Local Economic Development broker-led Kai Franklin and Pukekohe Skills Hub projects, the Te Ara Rangatahi led Mahi Gains (skills development) programme and the Clevedon Community and Business Association led business development initiatives
- A place-based approach to youth engagement and empowerment across Franklin’s geographically and culturally diverse communities
- Continued contribution to the restoration of Papakura Stream and Manukau Harbour in partnership with others
- Honour year 3 Community Partnership funding commitments
- Fund Local Coastal Rescue Services and Coastal (seasonal) safety messaging campaigns

Pending your feedback, we will prioritise these activities when we are responding to our budget challenge.

► Responding to our budget challenge

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding. This would require the Franklin Local Board to reduce its planned operating spend by \$796,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:


- Discretionary community grants, school pool grants, (legacy) rates remissions grants. Operational grants e.g. to rural halls
- Waterway Protection funding and community-led environmental initiatives e.g. Pest Free Franklin, Environmental Volunteers activities and mangrove removal
- Community programmes such as the Community Gardens programme, the Franklin Local Māori Outcomes programme, Community Hub (library) programmes
- Implementation of the Franklin Recreational Facilities Plan (reduced funding toward development of facilities) and free organised recreational activities at our parks
- Facility maintenance e.g. mowing heights on reserves or on-charging maintenance costs to community leaseholders.

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 126-128 of the supporting information.

Te Poari ā-Rohe o Henderson-Massey

Henderson-Massey Local Board

Our proposal for the Henderson-Massey Local Board's operating and capital spend in 2023/2024



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$29.6 million	\$374,000	\$520,000	\$1.2 million	\$31.7 million*
PLANNED CAPITAL SPEND 2023/2024	\$19.3 million	\$0	\$0	\$0	\$19.3 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$959,000 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

- Focus on supporting community organisations and initiatives that strengthen social and economic resilience and prosperity.
- Support community-led environmental activities and enable community-led climate action through initiatives identified in the Climate Action Plan
- Continue to support the Māori responsiveness plan Waitākere ki Tua and Te Kete Rukuruku project, developing relationships across Māori communities and returning Māori names and narratives to the whenua.
- Continue support for Pasifika and ethnic focused initiatives.
- Continue to support collaboration between key agencies and intercultural activities with minority, migrant and refugee communities to increase inclusion and participation.

We will also continue to provide quality parks, playspaces, libraries, community and recreation facilities. We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge

The council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Henderson-Massey Local Board to reduce its planned operating spend by \$959,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Discretionary community grants
- Community and civic events, including ANZAC events
- Programmes and activations in community facilities
- Library hours
- Funding and grants for arts centres and partners
- Community-led environmental and water quality initiatives and environmental volunteer activities
- Mowing in specific areas and allow grass and plants to grow to be meadow-like.

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 129-131 of the supporting information.



Te Poari ā-Rohe o Hibiscus and Bays
Hibiscus and Bays Local Board

Our proposal for the Hibiscus and Bays Local Board’s operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$20.8 million	\$412,000	\$533,000	\$1.1 million	\$22.8 million*
PLANNED CAPITAL SPEND 2023/2024	\$10.4 million	\$0	\$0	\$0	\$10.4 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$838,000, to this planned operating spend for 2023/2024

► **Our key priorities in your local board area in 2023/2024**

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board.

Our key priorities for 2023/2024 include:

- Providing assistance to those local groups that assist youth by encouraging connections, collaborations, and resilience amongst these organisations; a luxury that many of these groups individually cannot afford but results in an integrated set of services for local young people
- Continuing to provide funding to ANZAC day events in the local board area
- Renewing the Ōrewa Library, to ensure one of the most valuable public assets in Ōrewa is fit for purpose, and continues to be able to offer free recreational reading and learning
- Continuing to fund pest plant and animal control, and the coordination of environmental volunteers, without which our native bush would be quickly degraded
- East Coast Bays Community Centre refurbishment, to upgrade and extend the lifetime of this Browns Bay community asset

We will keep these in mind when we are responding to our budget challenge.

► **Responding to our budget challenge**

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Hibiscus and Bays Local Board to reduce its planned operating spend by \$838,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Arts and Culture
- Community Climate action and sustainability
- Community delivery / programmes
- Environmental Education
- Events
- Grants
- Open space low mow and no mow areas
- Opening hours, and services of libraries
- Waste management
- Water quality

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 132-134 of the supporting information.

Te Poari ā-Rohe o Howick

Howick Local Board

Our proposal for the Howick Local Board's operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$26.6 million	\$549,000	\$1.9 million	\$1.2 million	\$30.3 million*
PLANNED CAPITAL SPEND 2023/2024	\$3.4 million	\$0	\$0	\$0	\$3.4 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$1.1 million to this planned operating spend for 2023/2024

Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board.

Our key priorities for 2023/2024 include:

- Implement safety initiatives, including dedicated grant / fund to enable increased safety in public places (e.g. lighting) and supporting community groups such as neighbourhood watch and community patrols.
- Explore opportunities for partnerships with the community on projects such as (but not limited to) business awards and provision of play spaces
- Continue to support community empowerment and provide more awareness around funding and ongoing sustainability and self-sufficiency
- Continue to focus on ecological and /or environmental initiatives, for example, extending the Howick Stream Improvement Programme for greater stream restoration and protection of native species habitats.
- Continued focus on renewal and maintenance to ensure assets are fit for purpose.

We will keep these in mind when we are responding to our budget challenge.

Responding to our budget challenge

The council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding - which is made up of our Locally Driven Initiatives budget and Asset Based Services budgets. As only a small portion of Asset Based Services budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this would require the Howick Local Board to reduce its Locally Driven Initiatives budget of \$2.5 million (2022/2023 budget) by up to \$1.1 million (a reduction of approx. 44 per cent). To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Community grants, events and volunteer programmes
- Environmental programmes such as education, water quality, restoration and pest control
- Waste minimisation initiatives
- Closure of community facilities
- Reduction of library hours
- Open space mowing contracts

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 135-139 of the supporting information.



Te Poari ā-Rohe o Kaipātiki
Kaipātiki Local Board

Our proposal for the Kaipātiki Local Board’s operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$21.3 million	\$473,000	\$377,000	\$1.2 million	\$23.3 million*
PLANNED CAPITAL SPEND 2023/2024	\$7.1 million	\$0	\$0	\$0	\$7.1 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$667,000 to this planned operating spend for 2023/2024

► **Our key priorities in your local board area in 2023/2024**

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- supporting our local community organisations, within available budgets, to deliver services that meet the needs of our community
- supporting our environmental groups, within available budgets, to deliver pest reduction and other initiatives to improve the natural environment
- continuing delivery of our extensive track upgrade programme to improve the user experience and protect our kauri against dieback disease
- working with council staff and community groups to address the flooding and seawater inundation at Little Shoal Bay by implementing the shoreline adaptation plan actions

We will keep these in mind when we are responding to our budget challenge.

► **Responding to our budget challenge**

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Kaipātiki Local Board to reduce its planned operating spend by \$667,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:


- Arts and Culture
- Community delivery / programmes
- Community facility services
- Community leasing
- Events
- Grants
- Library opening hours and services
- Parks - volunteers
- Parks and open space management
- Youth programmes
- Community climate action and sustainability
- Environmental restoration and pest control
- Water quality initiatives
- Waste minimisation initiatives
- Business Support

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 140-143 of the supporting information.

Te Poari ā-Rohe o Māngere-Ōtāhuhu

Māngere-Ōtāhuhu Local Board

Our proposal for the Māngere-Ōtāhuhu Local Board's operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$18.4 million	\$430,000	\$1.5 million	\$978,000	\$21.3 million*
PLANNED CAPITAL SPEND 2023/2024	\$5.8 million	\$0	\$85,000	\$0	\$5.8 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$1.2m to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. For 2023/2024 we are proposing to:

- Invest in initiatives to reduce the impact of climate change, including tree planting, education programmes and environmental volunteers
- Continue to provide residents with better quality facilities, parks and open spaces
- Promote activities to showcase our local culture and talents into career pathways
- Continue to identify procurement, quality employment and social enterprise opportunities for our residents
- Improve the well-being of our locals by supporting our local economy to become more efficient, resilient, and sustainable through our reduced budget

We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge


This year, the council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally Driven Initiatives (LDI) budget and Asset Based Services (ABS) budgets. As only a small portion of the ABS budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this means that the proposed reduction will likely represent a cut of up to 60 per cent to the board's discretionary budgets. This will result in a significant reduction in spending on local services such as arts and culture, environment and climate response, library services and opening hours, community programmes, events, and youth. The Māngere-Ōtāhuhu Local Board would need to reduce its planned operating spend by \$1.2m. To do this, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Environmental restoration and pest control programmes e.g. Pest Free Urban South
- Water quality programmes
- Waste minimisation programmes
- Environmental volunteers
- Grants e.g. Community Grants programme and contestable grants
- Events e.g. Movies in Parks, ANZAC and local civic events
- Community delivery / programmes e.g. community activations and placemaking
- Youth programmes
- Parks activations and programmes
- Opening hours and services of libraries
- Community lease charges
- Open Space low mow and no mow areas.

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 144-149, responding to our budget challenge of supporting information.

Te Poari ā-Rohe o Manurewa Manurewa Local Board

Our proposal for the Manurewa Local Board’s operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$16.0 million	\$193,000	\$1.2 million	\$1.1 million	\$18.5 million*
PLANNED CAPITAL SPEND 2023/2024	\$9.1 million	\$0	\$0	\$0	\$9.1 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$817,000 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- maintain delivery of our contestable Community Grants, Rangatahi Youth Grants and Lifelong Learning Fund
- work with mana whenua, Manurewa Marae and Māori organisations to showcase and celebrate Māori culture, aspirations, stories and identity
- progress renewals including the interior and exterior of the grandstand at Gallaher Park, and upgrades at Manurewa Aquatic Centre
- progress plans to renew play spaces at Tington and Rowandale Reserves
- work with community groups to deliver more social and recreational activities that connect people across generations and cultures
- fund local economic initiatives that support local enterprise, work with our business associations, and connect local people including young people with employment opportunities
- support initiatives that improve our environment, clean our waterways, manage our waste and prepare our communities to respond to climate change.

We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Manurewa Local Board to reduce its planned operating spend by \$817,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:


- Reduction in service levels for community centres and arts centres (Nathan Homestead)
- Potential closure of facilities
- Open space no mow and low mow areas
- Community lease charges
- Grants
- Events
- Community delivery / programmes
- Placemaking
- Activation/Building capacity /Strategic partnerships
- Environment - volunteers
- Youth
- Parks activations
- Environmental restoration and pest control
- Water quality and Environmental education and Community climate action and sustainability
- Waste minimisation
- Local economic initiatives

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 150-153 of the supporting information.

Te Poari ā-Rohe o Maungakiekie-Tāmaki

Maungakiekie-Tāmaki Local Board

Our proposal for the Maungakiekie-Tāmaki Local Board's operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$12.8 million	\$247,000	\$1.0 million	\$928,000	\$15.0 million*
PLANNED CAPITAL SPEND 2023/2024	\$8.9 million	\$0	\$0	\$0	\$8.9 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$770,000 to this planned operating spend for 2023/2024

Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. This year, in the constrained financial environment, we will prioritise:

- Initiatives that support the sustainability of our communities and provide the greatest long-term impacts, such as:
 - Building the capacity of local community groups,
 - Supporting community-led and co-funded activities,
 - Volunteer-based activities that encourage community involvement,
 - Enabling greater Māori participation in local decision-making,
 - Helping communities to mitigate and adapt to a changing climate, including preparing for and responding to emergencies,
 - Maintaining the infrastructure we have today and future-proofing for tomorrow,
 - Planning for the future so we can be ready to leverage funding as it becomes available.
- Programmes and activities that promote wellbeing, belonging, and connectedness, such as:
 - Community events that bring our growing neighbourhoods together,
 - Ensuring people have access to recreation and wellbeing options.

We will keep these front-of-mind when we are responding to our budget challenge.

Responding to our budget challenge


The council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Maungakiekie-Tāmaki Local Board to reduce its planned operating spend by \$770,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Mowing service levels on reserves
- Library Opening Hours
- Programming at Te Oro, Oranga and Onehunga Community and Arts Centres
- Local community grants fund
- Local community events
- Council-led community programming (ie. Out and About activations in parks)
- Support and capacity building for community-led activities (Strategic Partnerships Programme)
- Community climate action and sustainability activities
- Environmental education activities
- Environmental restoration and pest control activities
- Protection and restoration of local waterways

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 154-157 of the supporting information.

Te Poari ā-Rohe o Ōrākei Ōrākei Local Board

Our proposal for the Ōrākei Local Board’s operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$12.4 million	\$297,000	\$562,000	\$969,000	\$14.2 million*
PLANNED CAPITAL SPEND 2023/2024	\$4.6 million	\$0	\$0	\$0	\$4.6 million

*The Governing Body’s proposal for public consultation to reduce local board operating funding would mean an overall reduction of \$650,000 to this planned operating spend for Ōrākei Local Board for 2023/2024.

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. We will endeavour to deliver on our key priorities while managing substantial cuts to our budget, should they occur, in a way that allows us to:

- continue to improve water quality, including in Newmarket/Middleton stream, Hobson Bay and Ōrākei Basin
- continue to develop, maintain and enhance our parks and sports fields
- deliver the new Meadowbank Community Centre
- continue advocating for solutions to prevent crime and anti-social behaviour to support our local businesses and community and continue supporting community patrols
- investigate the potential for targeted rates and other sources of funding
- continue to work with Ngāti Whātua Ōrākei to progress local initiatives and community development
- continue work to enhance Pourewa Valley and efforts to purchase Kohimarama Forest
- continue to advocate for local transport improvements

► Responding to our budget challenge

The Mayoral Proposal, supported by the Governing Body, to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million in local board operational funding – this would require the Ōrākei Local Board to reduce its planned operating spend by \$650,000. This will come out of the previously budgeted \$1.4 million local discretionary spend available to the board to invest in our community. To do this, we will need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we will likely have to discontinue, reduce spending, or increase fees within some of these activity areas:


- Community grants
- Local events
- Community delivery / programmes
- Environmental volunteers
- Arts and culture
- Active communities
- Environmental education
- Restoration and pest control
- Water quality
- Youth initiatives
- Open space maintenance levels
- Community leasing charges
- Facility hours
- Library hours
- Service levels for community and art centres

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 158-161 of the supporting information.

Te Poari ā-Rohe o Ōtara-Papatoetoe

Ōtara-Papatoetoe Local Board

Our proposal for the Ōtara-Papatoetoe Local Board's operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$21.4 million	\$348,000	\$1.1 million	\$1.1 million	\$23.9 million*
PLANNED CAPITAL SPEND 2023/2024	\$7.1 million	\$0	\$0	\$0	\$7.1 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$891,000 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. For 2023/2024 we are proposing to:

- Explore initiatives and actions raised through the safety networks to improve safety in our town centres and neighbourhoods.
- Invest in closing the digital divide by supporting community groups to upskill all residents with technology to enable work, schooling, and connection.
- Fund programmes aimed at upskilling our residents, particularly youth, for emerging sectors.
- Continue to improve our sports fields and facilities to encourage active participation and access to sports and athletic activities for organised and informal use.
- Continue to support environmental activities and initiatives, including community-led activities, to respond to climate change, reducing waste and protecting our environment

We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge


This year, the council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally Driven Initiatives (LDI) budget and Asset Based Services (ABS) budgets. As only a small portion of the ABS budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this means that the proposed reduction will likely represent a cut of up to 60 per cent to the board's discretionary budgets. This will result in a significant reduction in spending on local services such as arts and culture, environment and climate response, library services and opening hours, community programmes, events, and youth. The Ōtara-Papatoetoe Local Board would need to reduce its planned operating spend by \$891,000. To do this we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Grants e.g. Community Grants programme and contestable grants
- Events e.g. Movies in Parks, ANZAC and local civic events
- Community delivery / programmes e.g. community activations and placemaking
- Parks activations and programmes
- Opening hours and services of libraries
- Community lease charges
- Open Space low mow and no mow areas
- Environmental restoration and pest control programmes e.g. Pest Free Urban South
- Water quality programmes
- Waste minimisation programmes
- Environmental volunteers
- Youth programmes

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 162-166 of the supporting information.

Te Poari ā-Rohe o Papakura Papakura Local Board

Our proposal for the Papakura Local Board’s operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$13.6 million	\$148,000	\$310,000	\$957,000	\$15.1 million*
PLANNED CAPITAL SPEND 2023/2024	\$4.8 million	\$0	\$0	\$0	\$4.8 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$866,000 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priority areas are:

- With the number of businesses growing in the Takanini Area, the board intends to continue to support the Takanini Business Association towards a possible establishment of a Business Improvement District (BID) programme
- Provide free large community events supporting greater community cohesion after the COVID-19 lockdowns over recent years
- The board intends to continue to fund the Papakura Anzac Day dawn service and Drury Anzac event
- Continue funding the removal of juvenile mangroves in the Pahurehure Inlet
- Partnerships with Mana whenua and Mataawaka are valued, the board intends to continue funding Māori aspirations, supporting Papakura Māori Wardens, Māori-led initiatives and valuing Mātauranga to improve social and economic outcomes.

We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Papakura Local Board to reduce its planned operating spend by \$866,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Economic Development
- Environmental education, Environmental restoration, pest control, community climate action, sustainability, water quality and waste minimisation, Environment volunteers
- Grants and events, plan development, community delivery / programmes, placemaking, Activation/ Building capacity /Strategic partnerships, Arts and Culture (Venues and orgs), Arts broker and Arts programme, Youth, Parks activation
- Community Facility Closures, Community Lease Charges, Open space low or no mow areas, Reduction of programme, activation and staff presence at council operated arts and community centres

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 167-170 of the supporting information.

Te Poari ā-Rohe o Puketāpapa

Puketāpapa Local Board

Our proposal for the Puketāpapa Local Board's operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$9.2 million	\$209,000	\$3000	\$1.1 million	\$10.5 million*
PLANNED CAPITAL SPEND 2023/2024	\$2.6 million	\$0	\$0	\$0	\$2.6 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$467,000 to this planned operating spend for 2023/2024

▶ Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board.

Our key priorities for 2023/2024 include:

- responding to the changes in our growing neighbourhoods, by working with key developers like Kāinga Ora, looking for gaps in our community provision and by supporting initiatives that make newcomers feel welcome.
- use our parks and buildings effectively, by providing programmes and services
- continuing to support community resilience, with partnerships and programmes that support communities and local businesses
- climate mitigation and adaptation, through activities such awareness raising
- a focus on community engagement, by encouraging a wide range of people to participate in the creation of the 2023 Puketāpapa Local Board Plan, so that it reflects local needs

We will keep these in mind when we are responding to our budget challenge.

▶ Responding to our budget challenge

The council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Puketāpapa Local Board to reduce its planned operating spend by \$467,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Community development and support
- Events
- Arts
- Mt Roskill library hours
- Community centres
- Community leasing charges
- Activities in parks and parks planning
- Parks maintenance (including mowing)
- Environmental restoration and pest control
- Water quality initiatives
- Community climate action and sustainability

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 171-174 of the supporting information.



Te Poari ā-Rohe o Rodney
Rodney Local Board

Our proposal for the Rodney Local Board’s operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$14.1 million	\$252,000	\$335,000	\$1.2 million	\$15.9 million*
PLANNED CAPITAL SPEND 2023/2024	\$8.5 million	\$0	\$0	\$0	\$8.5 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$921,000 to this planned operating spend for 2023/2024

► **Our key priorities in your local board area in 2023/2024**

Each year we deliver activities and services in your local board area. These are based on our local board plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- Develop a new park in Milldale in partnership with a developer to support the needs of the growing new community. Works may include open green space, playground, pump track, basketball half court with youth spill out area, bridges, seating, boardwalk, and toilets
- Renew the Goodall Reserve skate ramp while replacing fencing, seating and access paths
- Renew Helensville River Walkway viewing platform, wharf structure & deliver walkways improvements
- Renew major assets at the Wellsford Centennial Park, including the carpark, lighting, toilet and changing room block, tennis courts including associated drainage, cricket nets and pitches and the storage facility
- Deliver Warkworth town centre improvements guided by the Warkworth Centre Plan developed in 2022 and continue with the Helensville town centre improvements

We will keep these in mind when we are responding to our budget challenge.

► **Responding to our budget challenge**

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Rodney Local Board to reduce its planned operating spend by \$921,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Grants for art centres and community groups or organisations
- Community opening events for completed projects
- Opening hours and services of libraries
- Programmes in community centres
- Investigations and plans / policy development to future-proof the development of local assets
- Environmental volunteers in local parks
- Ecological restoration programmes
- Low mow / no mow areas
- Construction and demolition waste minimisation programme

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 175-177 of the supporting information.

Te Poari ā-Rohe o Upper Harbour

Upper Harbour Local Board

Our proposal for the Upper Harbour Local Board's operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$13.7 million	\$376,000	\$766,000	\$927,000	\$15.8 million*
PLANNED CAPITAL SPEND 2023/2024	\$4.5 million	\$0	\$0	\$0	\$4.5 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$534,000 to this planned operating spend for 2023/2024

▶ Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our key priorities for 2023/2024 include:

- Invest in projects that improve the environment and address climate change including planting trees as outlined in the Upper Harbour Urban Ngahere Strategy, continuing to fund volunteer environmental work, development and implementation of a pest free strategy.
- Support library and local community organisations to continue to deliver outcomes that provide a sense of belonging, wellbeing and resilience for residents.
- Continue to deliver on stage 1a of Scott Point Sustainable Sports Park and Caribbean Drive sports field upgrade and toilet facility.
- Investigate opportunities to implement actions from the Water Access Assessment to improve access to the Waitemata Harbour.
- Progress delivery of the track upgrades at Sanders Reserve to provide for better tracks for walkers, mountain bikers and horse riders.
- Invest in projects that allow communities to continue to enjoy open spaces such as renewal of playgrounds including Bushlands Reserve and Starlight Park, updating the Upper Harbour Walking guide and renewal and upgrades of walkways and paths.

▶ Responding to our budget challenge


This year, the council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally Driven Initiatives budget and Asset Based Services budgets. As only a small portion of Asset Based Services budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this means that the proposed reduction will likely represent a cut of up to 45 per cent to the local board's discretionary budgets. This will result in a significant reduction in spending on local services such as environmental restoration and pest control, environmental education and sediment control, library services and opening hours, community outcomes and community spaces, sports and recreation groups and youth development. The Upper Harbour Local Board would need to reduce its planned operation spend by \$534,000. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Environmental education e.g. Our Local Streams (Sustainable Schools) programme
- Environmental restoration and pest control e.g. Ecology initiatives assistance programme
- Water quality e.g. Īnanga spawning sites – survey and restoration programme
- Waste minimisation and sediment education e.g. Construction Waste Education and Leadership programme
- Grants e.g. Community Grants programme and rate remission grants
- Events e.g. Movies in Parks and event partnership fund.
- Community delivery / programmes e.g. connected community programmes
- Environment volunteers
- Library opening hours and services
- Increased parks maintenance level of service
- Community lease charges
- Open Space low mow and no mow areas.

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 178-181 of the supporting information.

Te Poari ā-Rohe o Waiheke Waiheke Local Board

Our proposal for the Waiheke Local Board’s operating and capital spend in 2023/2024.



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$5.6 million	\$173,000	\$3,000	\$809,000	\$6.6 million*
PLANNED CAPITAL SPEND 2023/2024	\$2.7 million	\$0	\$0	\$0	\$2.7 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$382,493 to this planned operating spend for 2023/2024

► Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board.

Our key priorities for 2023/2024 include:

- core council operational services, such as mowing, track maintenance, and the library
- advocating to central government and the Governing Body to meet key needs e.g. transport, housing, environmental, economic
- prioritise funding towards programmes which protect, restore, and enhance the island’s natural environment, and initiatives that provide opportunities for community connectedness, capability and resilience.
- working with our community and businesses to progress actions within the Waiheke Island Climate Action Plan
- commencing the growing stage of the Waiheke Ngahere (Forest) Strategy to enhance biodiversity, increase canopy cover and improve Waiheke Island’s carbon footprint
- working with mana whenua and mataawaka to identify and respond to their needs and aspirations
- continuing delivery of the Tawaipareira Reserve Concept Plan
- progressing the Mātiatia Strategic Plan

We will keep these in mind when we are responding to our budget challenge.

► Responding to our budget challenge

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Waiheke Local Board to reduce its planned operating spend by \$382,493. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Low-mow or no-mow open space areas
- Reduced library hours
- Community delivery / programmes (currently 31% of planned discretionary operational spend)
- Events (currently 8% of planned discretionary operational spend)
- Community Grants Programme (currently 13% of planned discretionary operational spend)
- Environmental programmes and volunteers (currently 24% of planned discretionary operational spend)
- Community climate action and sustainability (currently 4% of planned discretionary operational spend)
- Environmental education (currently 6% of planned discretionary operational spend)
- Environmental contestable grants and pest control (currently 6% of planned discretionary operational spend)
- Water quality (currently 4% of planned discretionary operational spend)
- Waste minimisation (currently 3% of planned discretionary operational spend)

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 182-184 of the supporting information.

Te Poari ā-Rohe o Te Ika Whenua o Waitākere Waitākere Ranges Local Board

Our proposal for the Waitākere Ranges Local Board's operating and capital spend in 2023/2024.

Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024*	\$9.4 million	\$1.1 million	\$272,000	\$791,000	\$11.6 million
PLANNED CAPITAL SPEND 2023/2024	\$2.1 million	\$0	\$0	\$0	\$2.1 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$766,000 for 2023/2024

Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board. Our priorities are:

- maintaining our parks and facilities, including renewing the Parrs Park artificial turf sports field, and refurbishing Titirangi War Memorial Hall.
- advocating for increased funding to make our local community and roading infrastructure resilient in the face of increasing severe weather events in the Waitakere Ranges.
- keeping as many local community services going as possible in the face of our budget challenge.
- keeping as many local environmental services going as possible in the face of our budget challenge.
- developing a new local board plan in consultation with our communities

We will keep these in mind when we are responding to our budget challenge.

Responding to our budget challenge


This year, the Governing Body's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally Driven Initiatives budget and Asset Based Services budgets. As only a small portion of Asset Based Services budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024 financial year, this means that the proposed reduction will likely represent a cut of 57 per cent to the local board's discretionary budgets. This will result in a significant reduction in spending on local services such as arts and culture, environment and climate response, community programmes, events and youth. The Waitākere Ranges Local Board would need to reduce its planned operational spend by \$766,000.

- Arts and Culture: local galleries and art centres, theatres, and arts events.
- Community services: community houses and community hall providers; community activities including support for community partners.
- Events, local community grants
- Natural Environment: control of invasive weeds in significant ecological areas; community environmental action, such as co-ordinating community efforts, animal pest control, and providing resources like weedbins; protecting wildlife on West Coast beaches.
- Climate action and sustainability initiatives
- Parks: environmental volunteer work; community managed parts of Project Twin Streams.
- Parks planning and investigations

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 185-187 of the supporting information.

Te Poari ā-Rohe o Waitematā Waitematā Local Board

Our proposal for the Waitematā Local Board’s operating and capital spend in 2023/2024



Key areas of spend	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$19.9 million	\$284,000	\$9.2 million	\$1.1 million	\$30.5 Million*
PLANNED CAPITAL SPEND 2023/2024	\$9.1 Million	\$0	\$0	\$0	\$9.1 million

*The Governing Body’s proposal for public consultation to reduce local board operating funding would mean an overall reduction of \$840,000 to this planned operating spend for 2023/2024

Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board.

This year, our proposed priorities are:

- Continue our most effective water quality and stream restoration projects
- Adopt the final design for Leys Institute Library and progress towards physical restoration of the building and associated outdoor space
- Continue our most effective ecological contracts, climate change mitigation, volunteer programming, and plantings
- Maximise our capital renewals to enhance our public spaces, such as aquatic facilities, playgrounds, and open spaces
- Prioritise programmes that support community connection, safety, wellbeing, and empowerment.
- Investigate additional areas suitable for low-mow/ no-mow programming to reduce emissions and maintenance costs and improve soil quality and biodiversity for non-recreational open spaces.

We will keep these in mind when we are responding to our budget challenge.

Responding to our budget challenge

The council’s proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding – this would require the Waitematā Local Board to reduce its planned operating spend by \$840,000. To do this, we would need to make tough decisions, prioritising what we do and where we invest. To meet this reduction, we would have to discontinue, reduce spending, or increase fees within some of these activities:

- Opening hours and services at libraries
- Programmes in art facilities and community centres
- Events e.g. Parnell Festival of Roses and Event Partnerships
- Community delivery/ programmes e.g. community networks, youth and arts
- Grants e.g. Community Grants and Accommodation Grants
- Water quality e.g. Te Wai Ōrea lake and wetland restoration
- Environmental education e.g. Schools treasuring Waiōrea
- Environmental restoration and pest control e.g. Waipapa Stream restoration
- Community climate action and sustainability e.g. Low Carbon Lifestyles
- Waste minimisation e.g. Waitematā waste away

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 188-191 of the supporting information.

Te Poari ā-Rohe o Whau Whau Local Board

Our proposal for the Whau Local Board's operating and capital spend in 2023/2024.

Key areas of spend					
	COMMUNITY SERVICES	ENVIRONMENTAL SERVICES	PLANNING SERVICES	GOVERNANCE	TOTAL
PLANNED OPERATING SPEND 2023/2024	\$13.9 million	\$195,000	\$953,000	\$1.1 million	\$16.1 million*
PLANNED CAPITAL SPEND 2023/2024	\$13.0 million	\$0	\$0	\$0	\$13.0 million

*The proposal to reduce local board operating funding would mean an overall reduction of \$669,000 for 2023/2024

▶ Our key priorities in your local board area in 2023/2024

Each year we deliver activities and services in your local board area. These are based on our Local Board Plan, which sets our three-year direction for the local board.

- We will look for inclusive and accessible ways to engage with our hard to reach communities
- We will broaden our environmental work to include the Manukau Harbour foreshore and waterway that is within our area
- We will aim to progress implementation of the Urban Ngahere (forest) Strategy as much as practicable
- We will undertake more governance-level engagement and collaboration with mana whenua and the other West Auckland local boards
- We will work with the local BIDs where possible, to support the local economy.

We will keep these in mind when we are responding to our budget challenge.

▶ Responding to our budget challenge

This year, the council's proposed response to mitigate the budget pressures for 2023/2024 includes a proposed reduction of \$16 million to local board operational funding, which is made up of our Locally Driven Initiatives (LDI) budget and Asset Based Services (ABS) budgets. As only a small portion of our ABS budget is available to be considered for savings due to existing contractual commitments and the inability to realise savings for 2023/2024, this means that the proposed reduction will likely represent a cut of up to 46 percent to Whau Local Board's discretionary budgets. This will result in a significant reduction in spending on local services such as arts and culture, environment and climate response, library services and opening hours, community programmes, events and youth. The Whau Local Board would need to reduce its planned operating spend by \$669,000. To do this, we would have to discontinue, reduce spending or increase fees within some of these activities:

- Parks and Community Facilities
- Community delivery / programmes
- Environment
- Arts and Culture
- Libraries
- Events
- Grants
- Local Planning and Development
- Community Leases

To help us make these decisions, we would like to hear from you on your priorities, for more information see page 192-194 of the supporting information.



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Te Wāhanga Tuawhitu:
Te kaupapa here mō te pupuri
hea i te Taunga Rererangi o
Tāmaki Makaurau

Part Seven: Auckland Airport Shareholding Policy — Amendment to the 10-year Budget 2021-2031



**AK
HAVE
YOUR
SAY**

Te kaupapa here mō te pupuri hea i te Taunga Rererangi o Tāmaki Makaurau

Auckland Airport Shareholding Policy

Overview

Sale of the shares we hold in Auckland Airport could improve the council group's operating funding position by delivering interest savings that are greater than the dividends we are projecting to receive.

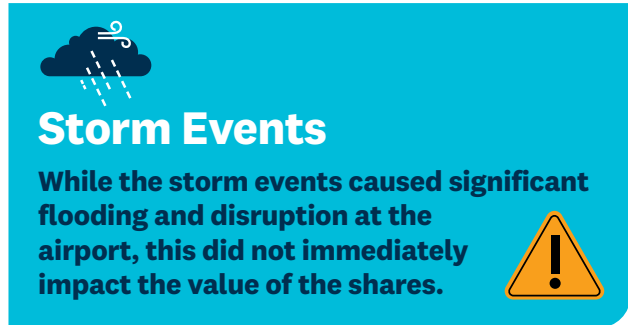
Auckland Council proposes to amend the Auckland Airport Shareholding Policy set out in our 10-year Budget 2021-2031 to enable the sale of all of our current 18.09 per cent shareholding in Auckland International Airport Limited (AIAL), which is the NZX listed company that owns and operates Auckland International Airport. We also propose that the proceeds from this sale are used to reduce the council's debt.

The proposed sale (also called a “divestment” or “sell down”) of our AIAL shareholding will help reduce the council's operating budget pressures over both the short and long-term by reducing debt which reduces council's annual interest costs. This benefit is projected to be greater than any dividends we are forecast to receive. So the council would be in a better cash position each year.

The council's Airport Shareholding Policy does not identify any strategic outcomes it seeks from its investment in AIAL and with a minority interest the council currently has no real ability to control or influence the strategic direction of the company. While the council has not identified specific imperatives for its shareholding in AIAL, an assessment has been made on different potential reasons for ownership. The assessment has found that these outcomes can be satisfactorily achieved through mechanisms other than ownership, such as commercial incentives or regulation from central or local government. Given this, the council considers that in practical terms the AIAL holding is simply a financial investment and therefore decisions around ownership should be made in this context, including the opportunity costs of ownership.

On this basis, a full sell down of the council's total AIAL shareholding is our preferred option (rather than a partial sell down), as the interest savings through paying down debt are projected to outweigh future dividend income and result in an improved operating funding position for the council.

We are confident that the absence of Auckland Council's minority ownership interest will not lessen any incentive for



Storm Events

While the storm events caused significant flooding and disruption at the airport, this did not immediately impact the value of the shares.

AIAL to continue to act in the wider public interest under appropriate regulatory oversight. AIAL and Auckland Council will continue to be able to work constructively to deliver economic benefits to the region and the future wellbeing of our community.

Why are we consulting on this proposal?

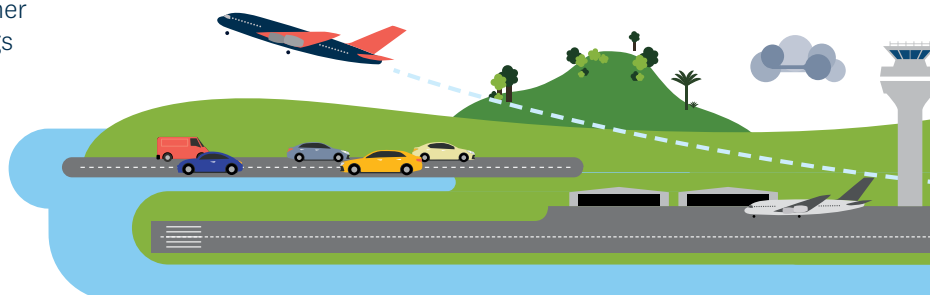
This action comprises a key component of the package of options the council is proposing for the Annual Budget 2023/2024.

The Local Government Act 2002 requires any proposed change in ownership or control of any Auckland Council equity securities in an airport company to be consulted on and expressly provided for in the council's long-term plan. The purpose of consultation on this proposal is to explain the proposal, to seek your views, and to explain how the council's current long-term plan, known as the 10-year Budget 2021-2031, would be amended to provide for the proposal.

In order for us to make our decision, we want to hear your thoughts on this proposal.

What we are proposing

We propose to amend the Auckland Airport Shareholding Policy set out in the Auckland Council's 10-year Budget 2021-2031 to enable a full sell-down of the council's investment in AIAL, and that the proceeds from this sale are used to reduce the council's debt.



Why are we proposing this?

The proposed sell-down of AIAL shareholding will help improve the council's operating funding position over both the short and long-term through lower interest costs.

Strategic assessment

While Auckland's airport is clearly a key piece of strategic infrastructure for the region and the country, consideration of the strategic value in holding shares in the airport company should be based on the specific outcomes sought by the council.

The council has never identified the strategic outcomes that it seeks from the investment. The current shareholding policy states that "the objectives are to maintain a strategic stake in Auckland Airport as an important national and regional asset".

With its current shareholding of 18.09 per cent of the shares in AIAL the council has no real ability to control or influence the strategic direction of the company.

In the absence of stated ownership imperatives, analysis looked at likely imperatives and assessed the strategic value against them.

Potential imperative for ownership	Assessment
Key regional asset It is important to the council that airport infrastructure is provided to the region, and as a gateway to New Zealand, and these are fit for purpose and meet Aucklanders' needs.	The commercial incentives inherent in private ownership will align with these outcomes.
Monopoly asset It is important to the council that the monopoly powers of AIAL are not abused.	Regulatory oversight of the aeronautical business at a national level provides protection against this without council involvement.
Externalities It is important to the council that in the conduct of its business AIAL does not negatively impact the lives of residents and other businesses.	The council provides protection against this through its regulatory roles in terms of land use planning, licensing and consenting.
New Zealand ownership It may be important to the council that ownership and control of AIAL remain in local hands.	Protection against this is provided at a national level through Overseas Investment Office oversight.

With its current shareholding the council has no real ability to control or influence the strategic direction of the company

This assessment demonstrates that the council has not identified any specific reasons to maintain ownership of shares in AIAL and that outcomes can be satisfactorily achieved through other mechanisms.

Financial assessment

Due to the impact of COVID-19 and closed borders on the airport's operations over the past three years, the council has paid \$300 million in interest on capital tied up in shares that have not delivered any dividends.

The council has projected the interest savings that could be realised if the shares were sold and debt reduced and has assessed this against the potential dividends it might receive if the shareholding was maintained. The difference between these is the impact on the council's operating funding.

Key forecasting assumptions

By its nature this assessment is based on a number of uncertain factors. The potential value realised through a sale, and savings made will depend on the market price when we sell, market interest rates going forward, and the future profitability of the company.

The assumptions we have used to make this financial assessment are based on estimates at a particular point in time. The sale proceeds are based on the market price of the shares at the time advice was prepared for the council (\$7.46 per share, delivering proceeds of around \$1.9 billion). The potential interest savings are calculated using our assessment of market interest rates after hedging. The potential dividend returns on the shareholding are based on independently published broker estimates (i.e. not any projections from AIAL). We have also made the assumption that the sale, and debt reduction, will occur on 1 July 2023.

Full details of the assumptions we have made, and sensitivity around them, are included in Part 5 of the Supporting Information.



If the council had sold the shares at the start of 2020, prior to the pandemic, we could have reduced debt, avoided paying \$300 million interest and would not have missed out on any dividends

Financial projections

Based on these assumptions, over the remaining eight years of the current long-term plan it is projected that the council could save \$719 million in interest costs if the shares were sold to reduce debt.

Over the same period, it is estimated that the council could receive dividend revenue of \$532 million. This represents an average dividend yield of 3.35 percent on the current market value of the shareholding.

It is also possible that movements in share prices over this period could increase or decrease the value of the shareholding for the council. It is not possible to reliably predict this potential impact and any increase could only be realised on sale and would not provide a funding benefit that could be used annually to support the delivery of services. For these reasons the council has not taken average potential future capital gains or losses into account in its financial assessment.

(\$millions)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
Interest cost savings	87	87	88	89	90	91	93	94	719
Potential dividend foregone	39	49	63	73	75	76	78	79	532
Net funding benefit	48	38	25	16	16	15	15	15	187

Overall, as shown in the table above, there is a projected net benefit of \$48 million in the 2023/2024 financial year and \$187 million over eight years if the shares were to be sold and debt reduced.

Sensitivity testing of this assessment has been undertaken looking at variability in the assumptions and the output ranges are shown in the tables below.

Interest saving sensitivity

Assumption tested	Testing range	Output range
Share price	-10% to +10%	\$647m to \$791m
Interest rate	-1% to +1%	\$568m to \$870m

Potential dividend sensitivity

Assumption tested	Testing range	Output range
Rate of dividend growth	-2% to +2%	\$497m to \$570m
Size of year 1 dividend	-10% to +10%	\$479m to \$585m

Based on the above strategic and financial assessments the council is proposing to amend its Auckland Airport Shareholding Policy to provide for the sale of its shareholding in AIAL and to use the proceeds of sale to reduce the council's debt.

**What are the implications?
Strategic**

Based on the assessment included above the council's shareholding has no implication for the strategic outcomes it can deliver with respect to AIAL and the airport itself.

The influence the council has through its land-use planning and consenting, and regulatory roles will continue without any shareholding. The current shareholding is not sufficient for the council to have control over the strategy and business plans of AIAL.

The current shareholding is sufficient to stop someone compulsorily acquiring 100 per cent of the shares in AIAL. However, it is not sufficient to stop someone gaining effective control of the company. Further, someone could still compulsorily acquire 100 per cent of the shares via the high court under the provisions in the Companies Act 1993 relating to schemes of arrangement. Additionally strategic concerns around any foreign takeover of AIAL are covered by the oversight of the Overseas Investment Office, and National Interest approval from the Minister of Finance.

Balance Sheet implications

A sale of shares will reduce the Other Financial Assets line in the council's balance sheet by the book value of the shareholding (\$1.91 billion as a 30 June 2022), decrease the level of total debt by the full realised value, with any gain or loss flowing through to equity. As the council's borrowing capacity is measured against revenues rather than assets a sale of shares would have little impact on debt limits. The reduction in debt would provide significant additional borrowing headroom below these limits.

Operating statement implications

A reduced level of council debt will result in a decrease in interest costs the council incurs in each year.

If the council no longer holds shares in AIAL it will no longer be entitled to dividends and therefore there will be a reduction in the projected level of income from this source.

The projected interest savings are greater in each year than the estimated dividends and therefore the council operating funding position is improved.

Without a shareholding the council will also no longer have annual fair value adjustments to reflect through its income statement.

Options analysis

The table below sets out the reasonably practicable options for Auckland Council in terms of its shareholding in AIAL and our analysis of those options.

	Preferred option: The proposal – full sell-down	Alternate option 1: Status quo	Alternate option 2: Immediate Partial sell-down – maintain a minimum 10%
Overview	<p>Our preferred option is to amend the AIAL Shareholding Policy set out in the Auckland Council’s 10-year Budget 2021-2031 to enable the full sell down of the shareholding.</p> <p>This would enable the council to divest the total shareholding held and use the sale proceeds to repay debt.</p>	<p>No change to the Airport Shareholding Policy and Auckland Council retains ownership of the current number of shares in AIAL.</p>	<p>Auckland Council to amend Shareholding Policy to specify a minimum 10% “blocking stake” shareholding in AIAL.</p> <p>This would enable the council to divest around 8% of the shareholding with the sale proceeds used to repay debt.</p>
Advantages	<p>Projected to deliver \$48m of funding benefit in 2023/2024.</p> <p>The estimated net funding benefit would be \$187m from FY24-FY31.</p> <p>The council’s projected borrowing position at the end of the 2023/2024 year would reduce from around \$13 billion to around \$11 billion.</p> <p>Would avoid any potential loss of value if share price or dividend were to fall in the future, and dilution of share holding percentage via any future capital raising or dividend reinvestment policies.</p>	<p>The council would continue to be entitled to dividend distributions from AIAL in line with the number of shares held and may receive asset valuation benefit from any increases in share value.</p> <p>The council would continue to hold a “blocking stake” against a takeover of AIAL under the takeovers code, but not necessarily against a scheme of arrangement.</p>	<p>Would provide \$22m of funding benefit in 2023/2024.</p> <p>The estimated net funding benefit would be \$90m from FY24-FY31.</p> <p>The council’s projected borrowing position at the end of the 2023/2024 year would reduce by \$852 million.</p> <p>The council would receive reduced dividends from AIAL in line with the number of shares held.</p> <p>The council would continue to hold a “blocking stake” against a takeover of AIAL under the takeovers code, but not against a scheme of arrangement.</p> <p>Would partially reduce exposure to any potential loss of value if share price or dividend fall in the future.</p>
Disadvantages	<p>The council would not benefit from any potential increase in dividend levels above those projected. It would also not benefit from any increase in valuation of the investment as share prices move.</p> <p>The council will no longer hold a “blocking stake” in AIAL against a takeover under NZX rules, however this is not a complete block as a takeover could in some cases be achieved through a scheme of arrangement.</p>	<p>This option would not contribute towards addressing the financial challenge and the council will need to turn to other levers, likely including higher rates and/or more use of debt.</p> <p>Without further investment the council’s share of the total issued shares would gradually be eroded as other investors participate in dividend reinvestment plans and any other capital raising initiatives.</p> <p>Based on current projections, the council would be holding a financial asset/investment on its balance sheet with an expected dividend return below its weighted average cost of debt.</p>	<p>The council would need to rely more on other levers (e.g. higher rates and/or more use of debt) to address the budget challenge.</p> <p>If the council were to set a minimum 10% shareholding policy, it would need to participate in AIAL dividend reinvestment plan (DRP). In 2019, 22.3% of shareholders participated in the DRP. To avoid any dilution, Council would have needed to reinvest 22.3% of the dividends it received (\$13.2m).</p> <p>The Council would also need to commit to any other capital raising initiatives by AIAL. This could require significant investment which would likely need to be funded through additional council borrowing and higher rates.</p> <p>The potential would be reduced for the council to benefit from any increase in dividend levels above those projected or from any increase in share value.</p>

The council's preferred option is a full sale of the AIAL shareholding to reduce debt. This option provides the maximum financial benefit with no change to control over strategic direction, and avoids future dilution of shareholding stake, reduces exposure to future risk of lower valuation or dividends, and reduces reliance on rates revenue.

In the absence of Auckland Council's ownership, AIAL will continue to act in the wider public interest and under appropriate regulatory oversight. AIAL and Auckland Council can continue to work constructively to deliver economic benefits to the region and the future well-being of the community.

How would the long-term plan be amended?

If the proposal proceeds, the 10-year Budget 2021-2031 would be amended in the following ways:

1. The Airport Shareholding Policy
The policy would be updated to remove the requirement to maintain the current number of shares and to explicitly provide for the sale of shares under appropriate delegations.
2. Prospective Financial Statements
The prospective financial statements included within the LTP would be amended to reflect the financial implications noted in the above section. This will impact both Auckland Council and Auckland Council Group statements.
3. Group of Activity Statements
The Regionally Delivered Council Services statement (section 2.7 of Volume Two) would be amended to remove references to the airport shareholding and to reflect the financial implications in the Prospective Funding Impact Statement for the Group of Activities.
4. Consolidated funding impact statement
The Prospective Funding Impact Statement (section 3.2 of Volume Two) would be updated to reflect the financial implications noted above.

The full drafts of the proposed amendments can be found in part 5 of the Supporting Information.

Implementation

It is important that through any future implementation of this proposal, the council focuses on the maximisation of value. To achieve this, it is proposed that the execution of a transaction would be delegated to a small group consisting of a mixture of elected members and council management to ensure flexibility, responsiveness and confidentiality.

To support the implementation of this proposal the council would engage specialist expert advice on implementation options and then a separate advisor to actually implement a transaction or series of transactions, if adopted.

The implementation date and methodology chosen would be based on what is expected to provide maximum value.

Accountability and monitoring measures

Legislation requires the council to describe any accountability or monitoring arrangements to be used to assess the performance of others in respect of the council's shareholding following any sale. Given shares in AIAL are publicly traded equities the council does not propose any such arrangements.

Existing oversight and monitoring arrangements with respect to the operations and governance of AIAL will remain in place. These include rules and reporting requirements with the NZX, Commerce Commission oversight with respect to competition law and pricing, and the Overseas Investment Office oversight with respect to levels of foreign ownership. The influence the council has through its land-use planning and consenting, and as a regulator will remain unchanged.

Conflicts of interest assessment

The presence of conflicts of interest will depend on the exact implementation of any share sale. These conflicts will be managed in accordance with the council's current processes. In particular, we will ensure any specialist expert advisor on implementation options will not stand to benefit financially from any transaction.

To the readers of Auckland Council's consultation document

Independent Auditor's Report on the proposed amendment of the 2021-31 long-term plan

I am the auditor for Auckland Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document for an amendment of a long-term plan. Sections 93D and 93E of the Act set out the content requirements of such a consultation document and requires an audit report thereon. I have audited the information in the consultation document on pages 85 to 90 of the proposed amendment of the 2021-31 long-term plan (the plan) relating to the Auckland Airport Shareholding policy, using the staff and resources of Audit New Zealand. I completed my audit on 15 February 2023.

Opinion

In my opinion:

- the information in the consultation document for the proposed amendment of the plan provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
 - fairly represents the reasons for and implications of the proposed amendment of the plan; and
 - identifies and explains the main issues and choices facing the Council and the region, related to the proposed amendment of the plan; and
- the information and assumptions underlying the information in the consultation document related to the proposed amendment of the plan are reasonable.

Basis of opinion

Using my staff, and the staff and resources of Audit New Zealand, I carried out my work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, I took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information that were consistent with those requirements*.

I assessed the evidence the Council has to support the information and disclosures in the consultation document related to the proposed amendment of the plan. To select appropriate audit procedures, I assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the proposed amendment of the plan.

I did not, as part of my audit work, evaluate the security and controls over the publication of the consultation document related to the proposed amendment of the plan.



Responsibilities of the Council and auditor

The Council is responsible, when it is proposing to amend its plan, for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document related to the proposed amendment of the plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document related to the proposed amendment of the plan, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

In carrying out my work, I complied with the Auditor-General's:

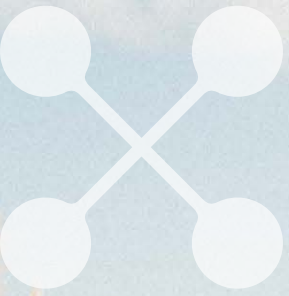
- independence and other ethical requirements, which incorporate the independence and ethical requirements of *Professional and Ethical Standard 1 (Revised)* issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of *Professional and Ethical Standard 3 (Amended)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our work in carrying out all legally required external audits, my staff and appointed auditors and their staff have carried out a range of assurance engagements, which are compatible with those independence requirements. These matters have not impaired my independence as auditor of the Council or any of its subsidiaries, associates or joint ventures. Other than these engagements, and in exercising my functions and powers under the Public Audit Act 2001, I have no relationship with, or interests in, the Council or any of its subsidiaries, associates or joint ventures.

Greg Schollum
Deputy Auditor-General
Wellington, New Zealand

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Te Wāhanga Tuawaru:
Tukuna mai ō whakaaro

Part Eight: Have your say



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Te Pūtea ā-Tau mō te tau 2023/2024 He puka urupare

Annual Budget 2023/2024 Feedback form

► We want your feedback

Feedback must be received by Tuesday 28 March. Please read the consultation document available at [akhaveyoursay.nz/budget](https://www.aucklandcouncil.govt.nz/akhaveyoursay/budget) or at any library or service centre. It has more information about the issues and choices that we want your feedback on.

All of the questions below are optional. We encourage you to give feedback online at [akhaveyoursay.nz/budget](https://www.aucklandcouncil.govt.nz/akhaveyoursay/budget), or you can complete this form and return it to us using one of these options:

✉ Email

Scan your completed form and email it to akhaveyoursay@aucklandcouncil.govt.nz.

👤 In person

Drop your completed form off at your local library or service centre.

✉ By post

Place your completed form in an envelope and send it to freepost address: AK Have Your Say, Auckland Council, Freepost Authority 182382, Private Bag 92 300, Auckland 1142.

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

First name: _____ Last name: _____

Email address or postal address: _____

Your local board or suburb: _____

Is your feedback on behalf of an organisation or business? (If yes, this confirms you have authority to submit on the organisation's behalf) Yes No Name of organisation or business: _____

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

What is your gender: Female Male Another gender (please specify): _____

What age group do you belong to?

Under 15 15-17 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 Chinese South East Asian Samoan Tongan Indian Korean

Cook Islands Māori Other (please specify) _____

All personal information that you provide in this submission will be held and protected by Auckland Council in accordance with our privacy policy (available at [aucklandcouncil.govt.nz/privacy](https://www.aucklandcouncil.govt.nz/privacy) and at our libraries and service centres) and with the Privacy Act 2020. Our privacy policy explains how we may use and share your personal information in relation to any interaction you have with the council, and how you can access and correct that information. We recommend you familiarise yourself with this policy.



Context - Managing ongoing budget pressures

▶ **For more information on this proposal, read pages 12-17 of the consultation document**

Auckland Council has faced ongoing budget challenges for some time and, following recent rapid increases in inflation and interest rates, we now need to address a forecast budget shortfall that has grown to \$295 million for the 2023/2024 financial year.

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We have limited options available to manage our budget challenge in the next financial year, which begins on 1 July 2023.

Over the longer-term, we can consider a broader range of options including reviewing what council invests in, and finding new ways to work with central government and other external partners. This could involve looking at the services we provide to the community and how they are delivered.

In the meantime, our proposed budget package for 2023/2024 includes:

- Reducing our operating costs by an additional \$125 million across Auckland Council and Council Controlled Organisations. This would impact some services that we currently deliver
- A rates package that would see a total rates increase for the average value residential property of around 4.66 per cent or \$154 a year (around \$3 a week)
- Selling our shareholding in Auckland International Airport (currently around 18% of the Airport's shares) to reduce our borrowing
- Borrowing no more than \$75 million of additional debt, so that we can cope with any future financial uncertainty (current policy allows us to further borrow up to \$140 million).

Following public feedback, if this proposed budget package is not supported or if our financial challenge worsens, we would need to make up the shortfall another way. We would need to consider:

- A higher rates package that could see a total rates increase for the average value residential property of up to 13.13 per cent or \$433 a year (\$8.30 a week)
- Increasing debt further.

However, more debt will increase interest costs and doesn't address the need to spend within budget. It also makes it harder to respond to any unexpected financial shocks.



Storm Events

There will be additional costs associated with the storm events, but the proposed budget options remain valid.





1 Operating spending reductions

Auckland Council have already decided to reduce costs by simplifying management structures and sharing resources more across the Council group (including Auckland Transport, other Council Controlled Organisations and Ports of Auckland), with implications including staff reduction.

Our proposal to save \$125 million would also require other reductions, including:

- Maintaining the currently reduced number of public transport services (as of December 2022) for 2023/2024 to save \$21 million
- Reducing our funding to Tātaki Auckland Unlimited to save a further \$27.5 million, with effects on service delivery (including economic development and tourism promotion) and pricing at venues it manages such as Auckland Zoo, Auckland Art Gallery, and stadiums and venues in Auckland
- Reducing regional services such as community and education programmes, arts and culture programmes, regional events, economic development, and other social services activities such as homelessness funding, community empowerment and funding for youth centres to save \$20 million
- Reducing local board funded activities across all boards to save \$16 million
- Reducing regional contestable grants to save \$3 million
- No longer directly providing early childhood education services to save \$1 million.

Note that a 1 per cent change in general rates is equivalent to around \$20 million of revenue for the council

➤ **For more information on this proposal, read page 24-45 of the consultation document**

What is your preference on the proposed operating cost reductions?

- Proceed with the proposed reductions
- Do not proceed with **some** reductions and instead further increase rates **and/or** debt
- Do not proceed with **any** reductions and instead further increase rates **and/or** debt
- Other
- I don't know

Tell us why, and which reductions you would not proceed with, if any:



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2 Amending Auckland International Airport Limited (AIAL) Shareholding Policy

Our proposed budget includes a planned change to the AIAL shareholding policy. This will allow us to sell some or all our shares in AIAL.

Selling all our shareholding (currently around 18% of shares in Auckland Airport) would reduce our debt by an around \$1.9 billion. This is projected to reduce interest costs on our debt to save an estimated \$87 million per year, which is greater than what we'd expect to earn from the dividends if we kept the shares.

We have also considered other options, including both keeping all our shares, and a partial sale that reduces our shareholding while maintaining at least a 10 per cent shareholding (a so-called "blocking stake" – refer to page 89 of the consultation document). These options would contribute less towards our budget reduction target and require other actions – most likely by further increasing rates or debt (within existing policy limits).

▶ **For more information on this proposal, read page 86-92 of the consultation document**

What is your preference on this proposal to change the AIAL shareholding policy to enable the sale of all Auckland Council's shares?

- Proceed with the proposal to enable the **sale of all** our shares in AIAL and use the proceeds to reduce debt and therefore annual interest costs by around \$87 million per year
- Enable a **partial sale** of our shares, maintaining a 10 per cent shareholding in AIAL (reducing our interest costs by around \$40 million per year), and further **increase** rates and/or debt
- Don't change the policy, **keep all** our shares and further **increase** rates and/or debt
- Other
- I don't know

Tell us why:



3 Managing rates and debt

➤ For more information on this proposal, read page 52-54 of the consultation document

To help with our budget challenge, we propose a total rates increase for the average value residential property of around **4.66 per cent or \$154 a year** (around \$3 a week) and to increase our use of debt by up to **\$75 million** in 2023/2024.

Rates

Our proposed 4.66 per cent total rates increase would be achieved by:

- An average increase in general rates of 7.0 per cent across all existing properties, including non-residential
- Reducing the Natural Environment Targeted Rate (NETR) and Water Quality Targeted Rate (WQTR) by around two thirds and using the money we have already collected from these targeted rates to continue delivering these work programmes as planned in 2023/2024
- Pausing our change to the split between business and residential rates. Under our current policy, annual increases to general rates for business properties are less than for non-business (residential and farm/lifestyle) properties, so that over time the share of general rates paid by business properties is fairer. Our proposal is to put this change on hold for one year (see page 54 of the consultation document for more details).

➤ Check our online calculator to see how the proposal would change your rates: akhaveyoursay.nz/ratesguide

Debt

We propose to increase our use of debt by up to \$75 million for 2023/2024. This will be used to fund some capital expenditure (assets such as roads, pipes and buildings) that is currently planned to be funded by operating revenue (such as rates and user charges). This will free up that operating revenue to help address our budget shortfall.

➤ For more information on this proposal, read page 17 of the consultation document

What is your preference on our proposal to manage rates and debt?

- Proceed with the proposed increases to rates (4.66 per cent overall for the average value residential property) and debt (up to \$75 million of additional debt)
- Set a **higher** general rates increase
- Make **greater** use of debt
- Set a **lower** general rates increase and make **greater** use of debt
- Make **less** use of debt and set a **higher** general rates increase
- Other
- I don't know

Tell us why:



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6 Changes to other rates and fees and charges

▶ For more information on this proposal, read page 54-58 of the consultation document

We are proposing some changes to targeted rates as set out in the following table. The changes are mainly to ensure we are covering the necessary costs. If we do not proceed with the changes then the general rates increase may need to be higher than we have proposed.

What do you think of these proposals?

Proposal	Support	Do not support	Other	I don't know
Waste management rates changes				
Cost changes in waste management, including:				
a) a 10.6 per cent base rate increase,				
b) an option for a new 80L bin in the former Auckland City Council and Manukau City Council areas (80L bin price will be \$143.71), and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) an increase to the 240L refuse bin price (from \$254.15 to \$287.41).				
Introduce a one-off fee of \$40 for those residents wishing to change their bin size.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Extend the food scraps targeted rate to the new areas that will receive the service this year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Changes to other rates				
Swimming Pool/Spa Pool Fencing Compliance Targeted Rate: increases to reflect the actual costs of the service, and an increase in the fee for follow up inspections.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change which bus services are funded by the Climate Action Targeted Rate from what was planned, to ensure that we can continue to deliver the climate and service outcomes for which the CATR was established.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Do you have any feedback on the proposed changes in the table above, or the other proposed changes to rates, fees and charges in the consultation document (pages 55,58)

(Please be clear which proposal you are talking about)

7 What else is important to you?

Do you have feedback on any other issues, including the Tūpuna Maunga Authority Operational Plan 2023/2024 (page 59 in the consultation document)?

Or is there anything else you would like to give feedback on?

Papakupu kupu

Glossary of terms

10-year Budget/Recovery Budget/Long-term Plan

A document that sets out the council's vision, activities, projects, policies, and budgets for a 10-year period. Also commonly referred to as the LTP.

Activity or service

The services the council provides to the community. This includes things like running buses, collecting rubbish and maintaining parks.

Annual Plan or Annual Budget

The plan that sets out what the council seeks to achieve in a financial year, the services we will provide, how much money will be spent and where that money will come from.

Asset

An item of value, usually something of a physical nature that you can reach out and touch, that will last for more than one year. Infrastructure assets are physical items such as roads, pipes and council buildings that are needed to provide basic services.

Asset recycling

This means letting go of some of our less well used assets to help pay for new ones that will help us deliver better services to the community. Usually this means selling assets to somebody else, but sometimes it is possible to instead agree that someone else will use the asset for a period of time before handing it back to us in the future.

Auckland Council or the council

The local government of Auckland established on 1 November 2010. The council is made up of the Governing Body, 21 local boards, and the council organisation (operational staff).

Auckland Transport

The organisation that is responsible for Auckland's transport system, including the road and footpaths and public transport.

Capital Investment, capital expenditure or capital programme (CAPEX)

Building (or buying) assets such roads, pipes and buildings that are we use to provide services to Aucklanders.

Council-controlled organisation (CCO)

A company (or other type of organisation) that is at least 50 per cent owned by the council or for which the council has at least 50 per cent control through voting rights or the right to appoint directors. These organisations each have their own board of directors (or equivalent) and their own staff who manage day- to-day operations.

Council group

Auckland Council and the Council-controlled organisations, along with the council's investments in Ports of Auckland and Auckland Airport.

Deferral

Delaying the building or buying of assets until a later time.

Development contributions

A charge paid by developers to the council when they build or subdivide property. The council uses this money to help pay for the new assets such as roads, pipes and parks that are needed to support the new households or businesses that will occupy the new properties that have been developed.

Early Childhood Education (ECE)

Early Childhood Education (ECE) centres provide care and education for tamariki (children) in Auckland up until they are old enough to start primary school at five or six years old.

Eke Panuku Development Auckland

The organisation that provides property management and development services to the council and Aucklanders.

Facilities

Buildings or other structures used to provide services to Aucklanders.

Financial year

The year from 1 July to 30 June the following year. The council budgets and sets rates based on these dates rather than calendar years which end on 31 December.

General rates

Paid by all ratepayers to fund general council services. These include the value-based general rate which is calculated based on your property's capital value and the Uniform Annual General Charge (UAGC) which is a fixed rate applied to every Separately Used or Inhabited Part (SUIP) of a rating unit.

Governing Body

The Governing Body is made up of the mayor and 20 councillors. It shares its responsibility for decision-making with the local boards. The Governing Body focuses on the big picture and on Auckland-wide strategic decision. Currently, the Governing Body makes decisions on, and funds most community assets. Under these proposals decisions on local assets would largely be made by local boards, and existing funding would be provided to local boards to do so.

Grants and subsidies

Money that someone pays to the council to cover (or help cover) the cost of providing a service to Aucklanders. Sometimes grants also refers to money the council pays to a community organisation to provide services to Aucklanders, rather than council providing those services directly.

Local boards

There are 21 local boards, which represent their local communities and make decisions on local issues and services.

Long-term Differential Strategy (LTDS)

The Long-term differential strategy (LTDS) lowers the total amount of general rates (UAGC and value-based general rate) for businesses in equal steps from 31 per cent of the total general rate requirement in 2022/2023 to 25.8 per cent by 2037/2038. The rate of reduction is set so that the increase in rates for residential and farm/lifestyle properties above the underlying general rates increase is around 0.5 per cent more each year and the increase in rates for business properties is around 1.0 per cent below the underlying general rates increase each year.

LTP Amendment

A significant change to the 10-year plan that must go through a formal public consultation for no less than one calendar month.

Monetary Policy Statement (MPS)

The Monetary Policy Statement (MPS) sets out how the Monetary Policy Committee of the Reserve Bank of New Zealand will achieve its objectives. It has an assessment of current and projected future economic conditions, including inflation and employment.

Operating budget or operating expenditure (OPEX)

Money that the council spends on providing services in the current financial year, as opposed to building things that will provide services for years to come. This includes spending money on staff and contractors to do things like process building consents, open libraries, run buses and maintain parks. It also includes things like paying grants to community organisations and paying interest on money the council has borrowed.

Rates

A tax against the property to help fund services and assets that the council provides.

Revenue or income

Money that the council receives (or is due to receive) to pay for the cost of providing services to Auckland. Cash revenue specifically refers to the money received during the year and excludes things like postponed rates which will be received later.

Savings

Reducing the amount of money that the council pays out in a particular financial year. This could refer to being more efficient (paying less money to get the same service) or to saving money by delivering less services to the community. It also sometime refers to spending money later than we previously planned.

SUIP

The council defines a separately used or inhabited part of a rating unit (SUIP) as 'any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or any other agreement'. An example would be a rating unit that has a shop on the ground floor (which would be rated as business) and a residence upstairs (rated as residential).

Targeted rates

A rate that is paid by only a particular group of ratepayers or is used to fund only a particular set of activities. This is used when the council wants to make sure that those ratepayers who benefit from an activity pay for it (as opposed to spreading the cost across all ratepayers) or where the council wants to make sure that money collected for a particular purpose is only spent for that purpose.

Tātaki Auckland Unlimited (TAU)

The organisation that manages Auckland Zoo and the Auckland Art Gallery along with venues used for conventions, shows, concerts and major sporting events. Auckland Unlimited also delivers major events for council and provides tourism promotion and economic development services on the council's behalf.

Transport

Local roading, parking and public transport services provided for Aucklanders. These services are usually provided by Auckland Transport, except for the City Rail Link project which is delivered separately in partnership with central government.

Waste

Generally refers to household and business rubbish, along with recycling and things like food scraps which can be reused for other purposes.

Waste Management and Minimisation Plan (WMMP)

The first Auckland-wide plan, aiming at an aspirational goal of Zero Waste, helping people to minimise their waste and create economic opportunities in doing so.

Watercare

Watercare Services Limited, the organisation that provides water supply and waste water services to Aucklanders.



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Tukuna mai ō whakaaro

Give us your views on our budget

There are a number of ways you can share your views with us on the Annual Budget 2023/2024. Please take the time to get involved.



Written and online feedback

You can provide feedback online at akhaveyoursay.nz/budget

Or you can complete the feedback form included in this consultation document,

Or you can request documents at libraries and service centres and then send it back to the freepost address provided, or download a copy online and send it to the freepost address provided, or email it to: akhaveyoursay@aucklandcouncil.govt.nz



Face-to-face

A range of face-to-face events will be held across the region, unless further COVID-19 restrictions are in place. The details of these events will be published on the website at akhaveyoursay.nz/budgetevents.



Phone feedback

If you would prefer to give your feedback over the phone you can register for this by phoning **09 301 0101**.



Online information sessions

We will also be holding some online information sessions where Auckland Council staff will be discussing and presenting information on the annual budget. You will have an opportunity to listen and ask questions. These sessions will also be recorded and be available to view after the live event. For more information and to register for these sessions, go online to akhaveyoursay.nz/budgetevents



Translations

We want as many people from Auckland's communities as possible to have their say in this process. To help with this, translated summaries of this consultation document as well as the feedback form are available in Te Reo Māori, Korean, Hindi, traditional and simplified Chinese, Samoan, Tongan, New Zealand Sign Language video as well as accessible versions. The translated documents are available:

- online at akhaveyoursay.nz/translations for downloadable translations and feedback forms
- on request in libraries and service centres or

→ Where to find more information:

You can find everything you need to know at akhaveyoursay.nz/budget including the supporting information, an online feedback form and a schedule for Have Your Say events. The full supporting information that supports this consultation document will also be available at libraries, service centres and local board offices. Please call us on **09 301 0101** or email akhaveyoursay@aucklandcouncil.govt.nz to discuss alternative options.

All feedback received during the consultation period will be processed and made available to decision makers. A final summary report of all categories of feedback (including summaries of feedback from individuals, organisations, Māori entities and proforma/petitions) will be made publicly available. Noting that it will only be your feedback included in public documents. All other personal details provided will remain private.



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