

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

Annual Budget 2023/ 2024 Feedback form

**AK
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YOUR
SAY**



► We want your feedback

Feedback must be received by Tuesday 28 March. Please read the consultation document available at akhaveyoursay.nz/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, 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 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:



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](https://www.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:



4 Storm response

➤ For more information on this proposal, read Proposal G, page 24-25 of the supporting information.

The impacts of the recent storm events beginning on Auckland Anniversary weekend could be substantial over time and we don't yet know the full costs.

Changes to our investment in land, infrastructure, buildings and equipment will be needed. Some new investments will be delayed so we can undertake urgent repairs and replacements.

Additionally, from 2023/2024, we are proposing to increase our operating budgets by around \$20 million each year to improve our ability to prepare for and respond to future storms. This would likely require rates to increase for 2023/2024 by around an additional 1 per cent (on top of the 4.66 per cent increase proposed to address our budget shortfall).

What is your preference on our proposal to manage the impact of future storms?

- Proceed** with the proposal to increase our operating budget by around \$20 million each year
- Do not** proceed with the proposal
- Other
- Don't know

5 Local board priorities

➤ For more information on this proposal, read page 62-83 of the consultation document

Find your local board here: aucklandcouncil.govt.nz/findmylocalboard

Which local board area(s) do you want to give feedback on?

A It is proposed to reduce funding by \$16 million across all local boards which will impact the activities and services delivered by local boards. Given this possible reduction in funding, what do you think of our proposed priorities for services and activities in this local board in 2023/2024?

- I support all priorities
- I support most priorities
- I do not support most priorities
- I do not support any priorities
- Other
- Don't know

Tell us why:

B If funding for local board activities is reduced, which three of our services do you not want to reduce funding for? (i.e. which are most important to you?)

Tell us why:



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,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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?
