

# Auckland's Emergency Budget 2020/2021

## Online Community Webinars

### Transcript



#### Online Community Webinar

#### Accommodation Provider Target Rate Focus

Tuesday 16 June, 2020

6.30pm-8pm

**Mayor Phil Goff:** Good evening and welcome to Auckland Council's webinar tonight on the emergency budget for 2020. Why emergency budget? Because COVID-19 has affected the whole of our city. And Auckland Council, together with many of the people that support us, have been pretty dramatically affected by a loss of income caused by the lockdown. And, of course, with the COVID-19 related recession.

So what we had to do with our emergency budget is to create assistance for those that were suffering the effects of COVID-19. One of those groups was the accommodation industry. And tonight we'll be focused on the accommodation, provide a targeted rate. Another group affected by COVID-19 are those people who, through no fault of their own, have lost their job or lost their business because of COVID-19. They're not in a position to meet their rates payment. And another issue that we're consulting on for our emergency budget is, of course, the ability to allow people to postpone their rates without penalty supplying.

COVID-19 - we're all very proud that this country has come through relatively unscathed with a small loss of life compared to many others. But we will be affected by the economic impact of the consequences of the virus. In our budget consultation for our emergency budget, we're looking at a number of different issues. One is the level of rates that will apply for this year. And we're asking people to give us feedback on whether that rate rise should be 2.5 per cent or three and a half percent. And just to set that in context. A 2.5 per cent rate rise for somebody paying the average level of residential rates would mean another dollar 35 a week in rates. A three and a half per cent rate increase would mean a dollar, 82 a week rate increase. Of course, the level of the rates impacts immediately on the level of services and the level of building construction work for infrastructure that the council can do. So the lower rate level would cut our income by about 17 million dollars, which is less that we could spend on services provided to the public of Auckland and would cut our ability to invest in our infrastructure for transport, environment and for housing by about fifty nine million dollars

All of those issues are open for question and discussion tonight and you're actually welcome to ask us about anything on those issues. But the focus tonight, first of all, is on the accommodation provider targeted rate. This is a rate that a levy that applies to people providing commercial accommodation. And the proceeds from that rate are used to market our city, particularly internationally, to attract tourists here which, of course, is of direct benefit to the accommodation industry and the tourism industry generally. Because of COVID-19, our borders are closed. That means that our people providing accommodation are suffering a pretty dramatic loss

of income. And the proposal in our budget is to suspend the targeted rate until at least the thirty first of March 2021. For the last quarter, the current quarter of the 2019 2020 financial year, we have remitted the rates that have been paid by the accommodation industry.

So we have a number of people here to discuss the issue with you. To answer your questions. I'd like to welcome all the way from Orere Point in Auckland City, the deputy mayor, Bill Cashmore. Welcome, Bill. And Pippa Coom, our Ward Councillor for the Waitemata and Gulf Ward. She is in her own patch tonight at the council building here. And I'd also like to have warm welcome to Andrew Duncan, who is our manager for finance policy from Council. And Steve Armitage, the manager for I think we call it this Destination Auckland, just to fill it out from the Auckland Tourism Events and Economic Organisation. Tonight will start with a brief presentation by Andrew Duncan, I won't invite, but maybe our MC who I should introduce also Eddie Tuiavii. He is an extraordinary person and he's adding his talents to the success of tonight's event. But after Andrew has presented maybe Steve, you'd like to say a few words about how you use that rate and what this will mean for ATEED.

So welcome to everybody here, to all of our support staff that are here and support. We started slightly late because I had computer problems that's been fixed. And we're now we're now live with you. So Andrew, I will ask you to make your presentation.

**Andrew Duncan:** Thank you, Your Worship. Council makes a major investment every year in promoting Auckland to the rest of New Zealand and the rest of the world. Big investment in attracting visitors and promoting major events in the city. We fund part of this expenditure with an accommodation provider targeted rate. This is paid for by accommodation providers, hotels, motels, Air B&B type properties and Bookabach. And we'd planned to raise fourteen million dollars from the rate this year. Next slide, Kirsty.

However, due to COVID-19 we've had major of each suspended and cancelled, the borders are closed 's, International tourism and overseas students coming to New Zealand's halted. And we remain uncertain when our borders will be open. Our response to that has been, as the mayor said, to waive the fourth quarter payment of the accommodation provider targeted rate, that's three point three million dollars, and that's been absorbed by savings and reductions in expenditure made by ATEED over that time period and looking forward to the coming year and that is what we're consulting with you on now because of the ongoing restrictions on visitors able to come to New Zealand. We're looking to cut our spending on visitor attraction and major events by 10 million dollars down to eight million dollars. And accordingly, to cut the accommodation provider targeted rate by 10 million down to about three and a quarter million.

Given our uncertainty as to where the borders are going to reopen, and we'll be able to get visitors coming back and we're only going to charge that the fourth quarter of next year.

So usually you have to pay your rates from the thirty first of August. But because of the impact we see this having on the accommodation sector, we're not going to charge up till the fourth quarter of next year by which time we hope our borders will be open and visitors will be coming back to Auckland. We still are going to be doing some spending in this area because we recognize that investment in these activities is going to be key to revitalising the tourism sector.

And I'll now like to ask Steve to talk about some of the activities that ATEED is undertaking now and plans for the future to provide that stimulus. Thanks, Steve.

**Steve Armitage:** Thanks very much, Andrew. Pleasure to be here. I just make some opening comments about the proportional spend of the APTR across the destination related activity as it's been outlined, the APTR effectively represents 50 per cent of the budget allocation that we put towards destination related activity. And every calendar year. What that destination portfolio encompasses is our major event attraction and delivery activity. Our business event, attraction and delivery activity through our convention bureau. It relates to our international student attraction program and their experience while they are here in Auckland on the basis that we can convert them into long term migrants or repeat visitors. And it also relates to the work that we do with

Iwi and with tourism operators around product development, as well as our domestic and international marketing activities. So it's quite broad. Off the back of COVID, obviously, there was an immediate impact on our event activity. In fact, as we as we live headed into lockdown, both Pasifica and the World Surf League event were immediately postponed.

And of course, over the course of the next few months, we understood the full extent of the range of cancellations that we had to front and to which included a significant number of business events which Auckland was due to host over that six month period from March through to September. We have also suspended a lot of our marketing activity. We did stand up an organic viral campaign, which performed very well. That was that was made in-house with no expense, as a positioning piece for the city and to provide a lift to Aucklanders as well that were going through some tough times through that initial part of the lockdown period while we've been in this lockdown period.

And as we've understood the full extent of the cancellations and postponements that we've had to implement, we have started to look ahead to recovery. And we've been working with a destination industry leaders' group, which includes representatives from central government organisations including Tourism New Zealand, M.B and Education New Zealand, through to other key sector players such as Air New Zealand, Auckland Airport, Sky City, Accore Hotels and so on.

That engagement has helped us to pull together a recovery plan which has been signed off by our ATEED board and which we are now looking to implement. It provides a clear focus for our organisation, but also for those who participate in Auckland's visitor economy to help ensure that we are aligned. As we look to build back in an appropriate way. But we are looking at this as an opportunity to embed some of the fundamentals that we had outlined in our destination Auckland 2025 strategy around sustainability and all its forms, not just environmental but social sustainability, how do we work more closely with Auckland communities to ensure that the future of the visitor economy is viewed as a positive and is providing significant benefits to those local communities rather than just to a few?

So that work is underway, that the plan has been signed off and we are now working towards implementation. We have also started to look at our forward event calendar. I think it's important to be very clear that although the APTR is primarily expended in the year that it is drawn the way that the major event and business event landscape works is that you bed out into future years. So we are actively looking for event activities for Auckland to host right out to 2028. So part of the offset of this and the acceptance that the visitation has dropped in the short term, we just need to be very clear that that has an ongoing impact on our ability to be able to continue to attract events and stimulate demand for Auckland and the mid to long term as well. So those are those are some initial opening comments. I'm happy to front end any questions as appropriate.

**Eddie Tuiavii:** Thank you for your comments this evening. You'll appreciate that this is the seventh webinar that we've had. So the questions have varied from evening to evening. But essentially what our community likes to find out is what is at stake. There would have been many considerations given to the different events because we are an incredibly culturally diverse city. So I might start by posing this question to you, Councillor Cashmore to begin with. There are some really big landmark hallmark events that we have and Tamaki Makaurau. And it's essential for you as elected members to hear from our community in terms of what ones they want to see, priorities and so on and so forth.

Councillor Cashmore, what underpins or what guides the considerations that you have to make? Is it who makes the loudest noises that the ones that are more popular and have all the bells and whistles? How do you apply that sort of equity or equality lens when you're considering all of these different events that are potentially at stake, depending on what level the submissions come in. And so a question, but also an opportunity for you to share some top of mind. Thoughts, please, Councillor Cashmore.

**Deputy Mayor Bill Cashmore:** Thanks Eddie, and thanks for the opportunity. Good evening, Steve. Mr Mayor, it was good to see you, sir and Pippa. When I was as a young fellow and the mayor was slightly older than me, Auckland was shut on the weekends, nothing happened. And all of a sudden, we actually start to get a bit more vibrancy. And what the great work that ATEED has done over the past decade is that it's lifted that level of vibrancy and celebration of Auckland, but it surrounds its environment, its wonderful harbours to a whole new level. So when we look at things like the Lantern Festival, Pacifica, Polyfest, Diwali, the writer's festival, the arts festival, the busker's festival, the book writer's festival. All of these wonderful events that happened. Some are small scale, but really targeted. Others a really huge deal like the lantern festival has over a quarter of a million visitors. So these particular events create vibrancy and a wonderful sense of belonging and loving. And attract visitors from within Auckland, from within the region, from within the rest of the country, but also offshore. Now, sure, our borders are closed now, but we still have an opportunity to make Auckland vibrant, to make Auckland fun and to make Auckland a destination for people to go to. I know COVID might have sucked some lifeblood out of us, but we are we're a level one now. We're bouncing back and we need to bounce back as strongly as we can with as much capability and capacity as we can. And that's where Steve and his team at ATEED are doing such great work and it's glad to see that continue.

I feel for the hospitality sector, hotels, restaurants, bars, but it's coming back now. It will take some time and it's coming back. And we all need to celebrate that and partake in helping that to happen. So Eddie you asked me how we make priorities? I think we just give as many things a go as we possibly can. Listen to what the people really use their feet to go and enjoy. They show up to the art gallery. They shop, they show up to the zoo, they show up to our events. Let's keep it going.

**Eddie Tuiavii** Thank you, councillor cashmore. Well, the next question that I have will be to you, your Worship, and you'll notice that across the different webinar webinars that we've had always said the time to go through my social media, because if we think about where our community congregate, where they're at, because of covid, everything, sort of digitizing everything is online. And I'd just like to piggyback off the comments of Councillor Cashmore there around, there's no decisions that have been made. Please write a submission. And because we want to hear from you, your worship some of the comments or the sentiments out there are, you know, hey, it doesn't matter what submissions we make, some of these C.C.O's are kind of doing their own buzz, it doesn't really matter what we have to say, they're kind of out on their own doing their own thing. I'd love to hear some thoughts from you, Your Worship, because I've heard through the webinars consistently from the elected members, send in your submissions, tell us how you're feeling. We'll take it into consideration. Have you a comment to make about the CCO's your worship all working towards the one cause of we're building the future of Tāmaki Makaurau together. There's no CCO's are out here. Councils over here, we're all doing it together. Is that the case? Your Worship?

**Mayor Phil Goff:** Yeah, that is very much the case and though the legislation set Council up the parliamentary legislation to be a parent Council and a number of different Council controlled organisations, those organisations work in close partnership with Council. So ATEED, for example, that Steve has represented here tonight, their organisation has a focus on things like economic development, promoting Auckland as a as a destination and a range of things to run events in our city to help make it a better, more vibrant and more economically prosperous place but council sets out what we call the statement of intent for the Council controlled organisations, and we also provide the budget for those organisations.

Do the submissions count? Yes, they really do count and for this Emergency Budget, I think I haven't seen the latest figures today, but I think we're up to around 17,000 submissions coming through. So, people are interested, they are engaging. As well as the submission process we're doing a professional survey of Aucklanders, several thousand of them, to get their feedback on the sort of things that we're talking about in this budget. Now, everybody knows how to get in touch with us, [akhaveyoursay.nz/emergency-budget](https://www.akhaveyoursay.nz/emergency-budget) is how you contact us online and we can make sure our libraries and our service centres that there are there is also written material for those that don't work online by definition that would apply to anybody plugged into our program tonight.

We are keen to hear back from Aucklanders. Our role is to provide leadership for Auckland, but it's also to listen to what people have to tell us and this process normally would be out in halls around the country side talking to Aucklanders because of COVID-19, we're doing this electronically but as you said, there are seven of these of these webinars that we have run. We've got good participation from people and we look forward to hearing back from people. This is your city. This is your chance to have your say.

You know, I spent a lot of time at central government than what we used to do there. You'd pass a budget that was passed in secret. Then you'd legislate in the middle of the night to pass the legislation and the public weren't directly involved in the process but here at Council, we go out, we announce what's in our budget. We have a period of time for people to respond, to consult, to talk to us. We listen to your ideas. We don't have a monopoly on knowledge and the Council, either the elected representatives or the officers. We're interested in what you have to say, and that's why we're here tonight. So, yeah, look, I think it's a great exercise and the Council controlled organisations are participating. They've had to cut back their budgets as well. You know, finding 525 million dollars in our budget has been a real task. It's not easy. Half a billion dollars that has disappeared from our budget and lost income not so much from rates, but from our other income sources such as dividends and public transport fares and parking and so on.

So what we're having to do here in this Emergency Budget is make sure that we reduce our spending to reflect our income. That's sensible and in anybody's budgeting, we have to do that but at the same time, preserve the critical services that we provide for Aucklanders, your transport, your waste collections, your libraries, your parks, the zoos, the museum that we fund and all of those other activities but also make sure we're investing in the infrastructure the city needs. The building to free up traffic congestion, the building to allow the development of housing to deal with our housing shortage. The building works that we do to clean up the quality of our water and the harbours and to improve our environment. So that's where the rates go but you have a say on how much we raise and how we spend that money and that's what we want to hear back from you tonight and before this Friday, the 19th of June, when submissions close at midnight.

**Eddie Tuiavii:** Thank you, worship. I've got a question here for Steve but before I ask it, Councillor Cashmore, you mentioned some of the prolific, exciting events that we look forward to in Tāmaki Makaurau. You know, Diwali, there's the Matariki, there's Polyfest, there's Pacifika, all these awesome events. You'll appreciate that, given the huge amount of uncertainty that we've had through locked down and everything else, Councillor Cashmore. These are the kinds of events that our people need to re-establish that sense of normalcy in their lives. So, you know, it's the same question. I mean, us in different guises. Can't we just borrow to fund these events? Councillor Cashmore, they're important. Our community needs them if we can't find the money internally. Can't we just borrow Councillor Cashmore? Some thoughts from you, please.

**Councillor Bill Cashmore:** Yeah, thanks, Eddie. That question is hard and it's always asked and rightly so. So Council is not like any other normal business. Now I'm in the business world and I can borrow money according to my asset base, my house or my farm or trucks or machine, that sort of thing. Council's assets, all 50 billion dollars or thereabouts of them are things like roads, pipes, culverts, bridges, playgrounds, parks, libraries, community facilities and centres, swimming pools. You can't readily sell those things from underneath your community. So Council's borrowing capabilities based upon its revenue.

**Eddie Tuiavii:** My apologies there to our listeners and our viewers. We just got a small glitch there.

We'll come back to the Councillor Cashmore and in a moment but, Steve, I might pose this question to you.. The question I think is, is quite a common sense when it's quite a logical one to perhaps a layperson like me that doesn't understand the workings of ATEED and the question, as we all know, that international travellers curtailed absolutely. The borders are shut and the event's budget is cut. However, are there any opportunities for Council to stand up some cheap to stage events to bring people into Auckland? Some thoughts from you, please, Steve.

**23:49**

**Steve Armitage:** Thanks, Eddie. This is actually a direction we were already heading in. The reality of the global events space is that there's been a bidding frenzy in recent times because every global city wants to be hosting large scale international events and our ability to compete dollar for dollar with the likes of a Melbourne or Sydney has been diminished. We don't have the same level of budget support to be able to attract some of the events that they host and that has meant that we've had to partner with Central Government.

So some of the money that we spend on major event attraction is actually used to leverage funding that we can attract from New Zealand major events but as I say, we've started to move towards more of a balanced model where we can develop our own event activity, develop our own IP and be in control of how those events grow longer term and the benchmark for those events has actually been our cultural festivals that the deputy mayor talked about, the Lantern Festival. We see that as being the benchmark for how we could be developing our own event activity.

One of the festivals that we have started up has been related to how we attract people into Auckland as a winter destination and so last year, throughout the calendar month of July, we ran the elemental festival, which was centred on food, lighting and culture. The event performed extremely well, although it was mainly targeted towards Aucklanders because we felt that we needed to make a long term investment in developing this event and the best way to do that in the first instance is to get Aucklanders to engage with it and start to talk about it organically and to refer it to their friends and family and to invite them to come and experience it as the event grows over time but COVID has obviously sharpened our need to be more purposeful in the space. We are looking at how do we bring some night time activations to activate certain parts of the city we're working, particularly in sync with Heart of the City on this as they're looking to bring more people back into the city centre itself but we are also looking at smaller scale activations that we can set up quickly in order to be able to get local town centres buzzing again.

The good thing is that we're already starting to see that there's been a very strong focus on hyper local activity. We are seeing people get out and support their local communities, but events can help to amplify that even further and so that that is certainly an area that we've focused on over the next few months in particular.

**Eddie Tuiavii:** Thank you very much, Steve. I'll just give Councillor Coom a comment and then we'll come back to Councillor Cashmore, I see that you're back with us.

**Councillor Pippa Coom:** Kia ora, good evening and thank you for joining this webinar. Just to follow on from what Steve said in terms of ATEED delivered events, and I think the COVID crisis has really brought a focus on what we do locally and how much we appreciate our local communities and there's a huge amount of activity and vibrancy that comes from our local neighbourhoods and the local boards to fund a huge number of events locally and there's a lot going on that's still going to continue now that we're into the recovery phase and just I know with my local board, one of my local boards, Waitemata, they today have agreed funding for the Italian Festival for Art Week to support the Santa parade, which are all events that at one point looked like they could be in jeopardy this year but are gonna go ahead, which is fantastic but this is coming out of Local Board budgets and it's another reason to submit on the Emergency Budget, because the two different options do in terms of a rate rise, do mean that Local Board budgets will experience a level of cuts and this is where a lot of grants come from for event funding. So it's just another reason to kind of have a look at what's important. What do we need to invest? I think that investing in events can really encourage local economic development. They're really important for our town centres and for communities to come together and so we need to look at what are the options in terms of those budgets and also in terms of our regional budget that we have as well and there's a big, there's a big event grant, that we, there's funding for grants that go to regional events as well. So all just another part of the mix. I just wanted to throw in terms of looking at how the city supports events across the region. Thank you.

**Eddie Tuiavii:** Thank you, Councillor Coom. Councillor Cashmore, now that you're back with us, I'd just like to rehash the question that I posed. You've read it off some of the iconic events that we host across Tāmaki

Makaurau, that bring our whānau, that bring our communities together in celebration of culture, language and identity. So the question is of if ATEED are not in a position where they can fund the events that we usually host, what why aren't we borrowing more? Councillor Cashmore.

**Councillor Bill Cashmore:** Yeah, thanks Eddie and it's a very important question and one that goes to fundamental of how Council is financed. So we don't borrow money to fund our day to day running expenses. That is done out of income that comes in and of that income that's coming into Council, 60% is from fees, charges, development contributions, NZTA subsidies and so forth. 40% is from rates. The Council's assets are not things that you can readily sell. So, you know, I'm in the business world and we have factories and farms. We can sell those sorts of things and we borrow against them. Council's assets are pipes in the ground, tarseal for roads, halls, community facilities, swimming pools, playgrounds and the like. You can't sell those things. Council couldn't sell those things. So, Council raises debt to build facilities to both pools, to build new roads, bridges and other assets. It raises that money by means of its revenue streams.

So things that affect that revenue stream is critically important to our ability to how much we can borrow and there is a ratio, the revenue to debt ratio of 270% and that's set in agreement with the banks. Now, if we break that ratio, we could end up paying higher interest rates. We will break it for 12 months or thereabouts. 12 to 18 months. This time we'll go from 270 to 290 but we have discussions with the banks, and we'll get back inside our ratio 270% within a year to 18 months. Excuse me and that's really important. The banks understand that. They understand the pressure that COVID has put on Council's income streams. So just completely irrational borrowing and blowing those ratios out to about 300 or 300%+ we'd have reputational damage, first of all. Secondly, it would have a cost on interest rates. So, we'd probably lose our double A credit rating, which is taken only second to the government. If we lost that, interest rates would go up. A 3 point downgrade would cost us 500 million dollars plus over 10 years. That's about 50 million a year. That's serious money. The risk that it would be foolhardy and we don't intend to do that. So, we have to be prudent, we have to be sensible and we have to try and maintain the revenue streams as much as we can without adversely affecting Aucklanders to any huge degree.

As the mayor said these rate increases that a proposed 2.5 or 3.5 are relatively modest and will ensure that council retains its capability and its capacity to help build the city in this country, indeed out of this recession as we go forward it. Cheers, Eddie.

**Eddie Tuiavii:** Thank you, Councillor Cashmore. I've got a question that I'll direct Councillor Coom and then I've got to give his worship a final reflection before he leaves us tonight but, Councillor Cashmore, I want, I want to press back on something and so you've explained to us why we can't borrow more, it affects our credit rating, and it'd be quite costly down the track. So, the question that I ask you, Councillor Cashmore and you'll appreciate that it's one that saturates social media and a lot of the dialogue that goes on in the community. If we can't borrow, why don't we just cut staff? Why don't we just cut salaries? And you made a response the other night, but I know I appreciate that tonight's audience is quite different. So, the question to you, Councillor Cashmore, is why don't people just cut their salary, especially the ones that are earning six figures? And would have seen the dialogue around that the hole is half a billion dollars. Let's cut salaries. Can't we do it that way?

**Councillor Bill Cashmore:** So, it's a common issue, it's populace and a lot of people hold it but the reality is that our senior staff have taken pay cuts 10 and 20% and over, I think nearly half of our staff have voluntarily given up pay 5% or 10%. Some are doing four days a week for four day's pay. There are sacrifices to be made throughout the Council family.

And some people aren't in a position to give up their salary, they have dependants within their family and extended whānau. They have mortgages just like everyone else and the other thing, people criticize Council for its salaries but compared to the private sector, we are nowhere near the level of reimbursement that the private sector expects for someone employing a thousand staff or more or in charge of a 500 thousand to a million dollar budget. There's no relevance there. So, we have to attract quality people to do quality work for our Council and for the public of Auckland. You pay peanuts, you'll get the result of that and that's not a good

look. So, we have a large staff, Council's a big organization. It has a big budget and we deliver a huge amount of capital projects like the likes of that the city has never seen.

So, Eddie we have to retain again, I use those words capability and capacity to do it and that means we have to have some quality people, men and women who work for us, who have the abilities and the passion for the city and I want to use that word passion and elaborate on it very briefly. You know, I know of some senior staff and not so senior staff who have come to Council and taken substantial pay cuts. We've got two members of staff, one has since left us, but they were the head CEs of the biggest engineering firms in this country.

We made up a person who was in charge of our treasury, who was in charge of commercial Bank of Australia's finances and we've had a lot of senior staff have come to Auckland and taken up a role of responsibility and pressure and have taken a pay cut to do so because they want to give back. I remember one of those people who was a head of a big, big engineering firm said to me, I said, you would have taken a massive pay cut to do this job. Yeah, half a million dollars. He said I wanted to give back to my city, which gave me an opportunity to become what I have become. You don't get much finer response than that. When I see people on small salaries at Auckland Council, put their hands up to give up some of their salary to help their fellows retain their job and to help the city go forward. I'm pretty proud of that and long may that sort of passion for their city continue. So that's the reason, Eddie. It's very simple to "Say cut their salaries!". If you're just a vindictive old coot, there's not much point in that, is there? Because just slash and burn attitudes, it's not how you build a business. I know that as well as anybody. So, "slash and burn" is not my mantra. I don't think it's Phil's mantra. I don't think it's Auckland Council's mantra, neither should it be. We need to build confidence, build capacity, and move forward.

**Eddie Tuivarii:** Ka mau te wehi. Kia ora, Councillor Casemore. Thank you for your reflections and your response this evening. I am cognizant of the fact that you need to exit the building, your worship. So dare I ask you, is "slash and burn" your mantra and some final reflections before you leave us this evening?

**Mayor Phil Goff:** No. Our mantra is not about slashing and burning. It's about running a city effectively and efficiently but making this a city that's inclusive of all its people, making this city a place where we cherish our environment and protect and enhance our environment. It's about making sure that we've got the infrastructure to cater for the growth and population that we've enjoyed as a city. Over the last of the last 5 or 6 years, we've been growing at a huge rate, taking 50% of the country's population and as we do that, then we have to provide the transport services, particularly public transport, walking and cycling, improved motorways and bus ways, all of those things to make this a really great city to be in.

You know, I was just reflecting on the city we live in as I went to the rugby and watched the blues defeat the hurricanes. We did borrow one of their players, but that was just put by the by and there we were in a stadium of 43,000 people and we were beaming out the broadcast of this rugby match to the rest of the world, Australia, the United Kingdom and elsewhere and I thought, you know, the people watching this game on their TV's will be amazed that here in this city of ours and this country, we no longer have the restrictions that they are facing in their country. We did not have the death toll that they faced in their country, 22 people. That's 22 too many but you take another small country, Sweden. Yep, twice our size, but four and a half thousand people and I turn and talk to some of the people that were watching the rugby with me, and they said how proud they were to live in this country and the city that gave us the lifestyle that is the envy of other people.

People I see there's a petition going around the United Kingdom, declare war on New Zealand and then surrender immediately. Why would you do that? Well, then the country of surrender to has the obligation to then govern your country and we'd like to see Jacinda Adern, as prime minister of the United Kingdom. I've seen the same sort of comments coming from the United States. Now, this isn't just about one person. This is about the way a community comes together, works together, looks after each other, is cohesive, is inclusive and by working together, we came through this crisis and we effectively stopped what would otherwise have been a massive spread of COVID-19 and the task that we have ahead of us right now is, is you know, we're not through it yet. We saw two other cases today, not cases through community transmission, but people who come into the country and I know I've got Steve at the end of the table and he had love to see our borders

open again for tourism, for international students, et cetera, and so would I but we know that we have to be, we have to do this in a planned and a careful way so that we can get back the economy we had without damaging and putting at risk the safety of our people and we will get there and we will do it and, you know, when people look at our city and they see how well we've come through this and the country has come through this, how stable and how well governed we are Steve's job gets a whole lot easier because people who are thinking about travelling to another country.

Well, why not New Zealand. People that want to study in New Zealand. Why not go to a place that is safe and inclusive and looks after its people? People that want to invest internationally. Why not do it in New Zealand? The film industry, we've just been overwhelmed by people saying, okay, look, we're making Avatar here. We're making Lord of the Rings here. We're talking about thousands and thousands of jobs and billions of dollars' worth of expenditure but the film industry from around the world is now saying, hey, maybe, maybe Auckland, maybe New Zealand is a good place to make our film. So out of every crisis, there are opportunities and I'm proud of the way that we're dealing with the crisis and we're trying to exploit those opportunities for the benefit of everybody that lives in our city. This is a great city. Next year is 2021. We will have the America's Cup here. We won't have quite the crowds that we were expecting, but we'll be beaming out to the world, our beautiful golf and harbour and Pippa Coom will be nodding to this because she is the Councillor for the golf and we'll be showing how skilled we are. The best technology in the world for building boats, the best sportsmanship in the world that the small country can beat the big multinationals from overseas.

We'll be having APEC here towards the end of next year and again, we'll be showcasing ourselves to the world. Now, these things, I hope, will be good to get the accommodation industry back on its feet and from those of you in the accommodation industry that are watching this tonight. We feel for the pain that you've gone through from boom to bust in literally 48 hours as the flow of people staying in your hotels, motels, BnB accommodation just ceased. This proposal that we're focused on tonight is to give you relief from that pressure.

For those of you and businesses, for those of you that may have lost your business or lost your job out there because of COVID-19, we're reaching out and saying we're not going to place penalty rates on you because you can't pay your rates within the normal allocated time. We're trying to stand together with you. Say we want to give you a chance to get back on your feet and we're extending the time, postponing the time without a penalty rate applying and for those of you that are looking at the rate increase and saying, hey, wouldn't it be nice if we didn't have to pay any increase in rates? Yeah, it would be nice but what wouldn't be so nice is that we couldn't provide the services that you really value from our city. That when you turn on the tap, there's clean, healthy, best quality water in New Zealand that when you put your rubbish out in the morning, that somebody collects it and recycles what can be recycled, that when you want to visit the city, you can go to great places like the zoo and the museum that are paid for out of the rates of the city.

This is the city that we want to create. We're not- to come back to your question. Finally, we're not about slash and burn, but we are about careful, prudent, responsible management of our city. Now, the reason, as Deputy Mayor Cashmore said, that we have the second highest credit rating of any organisation in the country is because the finance industry and the credit rating industry acknowledges that this city as well governed, well managed, looks for value for money, doesn't throw money at problems, doesn't waste money. We want to make sure that we maintain that reputation, that we govern sensibly, that we are prudent in our financial management but we look after the key and core services that you want and that we continue to invest in building that light rail and building the bus ways and building the City Rail Link and getting our walkways and cycleways going and protecting our golf and harbour.

These are the things that make our country great to live in and if we can continue to invest in that, we're not only investing in future generations, but we're also creating jobs because we want to be part of the solution and the economic recovery of this country. If we slash and burn and we get rid of jobs by the thousands, which is one avenue to go, then we're part of the problem, not the solution. Yes, we've got to be a smaller organisation. Yes, our temp workers have had to go, but we are trying to get the balance right between doing

what we can with the rates that you provide for us, but providing a city, most importantly, that you are proud to live in as a citizen of Tāmaki Makaurau, Auckland.

So, thank you very much. That was a bit of a long wind up, but I'm going to depart now but to leave you in the capable hands of Pippa Coom who's going to answer the next question, I think, Deputy Mayor Cashmore and our very good group of Council officers. So have a great night. Thank you for joining us tonight.

**Eddie Tuiavii:** Thank you very much, Mayor Goff, lau afioga Lilomaiva for quite a comprehensive response there. We had an introduction, had an argument, made a fabulous conclusion. So, it's suffice to say to our viewers analysis tonight, slash and burn is not the mantra of Mayor Phil Goff and also some very, very profound insights as to why, again, it is important for you to have your say make that submission so the Mayor and the elected members can be helped along in their deliberations. Councillor Coom, there's a question here if you'd like to speak to it and offer some reflections and top of mind stuff for us this evening, please.

**Councillor Pippa Coom:** Thank you, Mr. Mayor. Thank you, Eddie, for throwing this question to me, because the budget discussion is very serious, and it is a very robust debate. So, it's nice to get a bit more of a lighthearted question that includes the word "fan-diddly-tastick" and so the question which I'm going to have to read so I can say that word again is about hearing that there are plans that AT has for reducing traffic on Queen Street, which the questioners think is "fan-diddly-tastick" and they're asking, can we look at making central Auckland and other centres around the city, if appropriate, pedestrian friendly for special events? They're thinking of day markets instead of just night markets around the region, that sort of thing.

So in terms of the budget and the extent of the cuts that we have to make, which the mayor has covered very thoroughly and we know is a really big hole in our budget, we do have to look at other opportunities for funding and fortunately, the government has an innovating streets fund that is providing the opportunity for funding for exactly this idea of opening up streets for events and for more activities for pedestrian friendly space and our town centres and there is actually one of the applications is looking at whether we can seek funding from inside NZTA, the government's agency for 6 of these what are called Open Streets event and I know that that application is going through the process. I don't know where it's at, but there's an opportunity there for leveraging that government funding to also top it up with Local Board funding, with Council funding to actually make some really exciting things happen in our town centres that want to put on- to close off streets to be able to put on events and that might be something that can be done more regularly and will be done also as part of other events.

For example, I know with what's the festival that Devonport, they closed off some of their street. I think that was during Art Week and they closed off the street and made use of a pedestrian friendly environment for their event. So, I know there's a lot of support out there for a forum open streets and it's one of those pieces of information that it would be great to get on the feedback form.

There are 4 questions and in question it says, what's important to you? So, if vibrant events and funding for open straights and for putting on more events in town centres and different ideas for events that can all go into question 4 just to highlight what is important to you. What do you think that we need to invest in to revitalize our town centres, to bring more vibrancy to Auckland, to encourage domestic tourism, to get people out enjoying festivals and events again. So that's where I would put that feedback in question 4. Thank you.

**Eddie Tuiavii:** Ngā mihi. Thank you, Councillor Coom. Councillor Cashmore, many tourism connected businesses are making the decisions to change the size of their staff numbers. Is the Council looking at reducing staff numbers or reducing back on operational costs? Or is Council sort of just taking a backseat, waiting for everybody else to do it first before they make that move? Some thoughts from you, please.

**49:04**

**Councillor Bill Cashmore:** Thanks, Eddie. Good question. So, yeah, we're not sitting in the backseat. We have been really proactive in looking at what is essential that we keep things going. So, we're not going to go

to the point where we don't pick up your rubbish or leave rubbish bags at the roads or where our public transport becomes unsafe but we are looking at some of the areas where numbers have fallen away and things like consenting, for instance, resource consents.

Some the areas where we can stretch things out a bit further and maybe we're not going to repaint that hall this year, we might wait for another year. So, as the Mayor said, we've already had some of our temporary staff. There was 11,000 of those but a percentage of those no longer work for Council and we have other staff who have who have left who were not being replaced, and our staff are taking voluntary pay cuts, shorter weeks with shorter amounts of pay and other types of remuneration deficits.

So, we are leading the charge. However, Council is a service provider organization. So, we have to keep a certain number of people up in there so that we can provide to the communities the things that they seemed, but they deemed to be really important. So, it's kind of just cut for the sake of it but we have got to keep the capacity up and we intend to do that. Thanks, Eddie.

**Eddie Tuiavii:** Thank you, Councillor Cashmore. There's another comment here and to me, it makes a lot of sense. ATEED's role is much more critical now than ever and of course, there's the opportunity for Steve to weigh in if he'd like but I'm posing this to you, Councillor Cashmore. ATEED's role is critical now more than ever. The need to promote our region is vital if we are to recover and his worship spoke quite eloquently about that. Is it not a short term decision when then to suspend the APTR (accommodation provider targeted rates) when the longer term benefit to the sector would be great if we maintained this expenditure through the crisis and I suppose a redirect would be, doesn't Council just said pots of money where you can just redirect and pull from other projects and fund other things. Some comments from you please, Councillor.

**Councillor Bill Cashmore:** Thanks, Eddie. So, I wish there was pot plants, growing bars of gold at every office but that's not the point and it doesn't happen and you look at what ATEED has been doing, working with the private sector, working with the hotels, working with the film industry, working with the events industry and actually building a really strong portfolio of events of fun times for city and that people all over New Zealand can enjoy.

More importantly now than ever, we need to attract New Zealanders to Auckland to enjoy the zoo, the museum as the Mayor said but also the events, the concerts and so forth. It is a time to embrace Kiwi. However, the hotels took a really real hit and the accommodation providers from overseas have taken some between 70 to 90% depending on their business type, drop in income. It would be unconscionably unfair for us to carry on with the targeted rate on them.

What other thing I'd like to point out is the combination provides targeted rate is Council's only method that we can leverage, benefit for the accommodation sector through a targeted rate. We don't have the ability to put on a bed tax or anything like that, for instance. That has to be done by central government and I think coming out of COVID would be a really good opportunity for the accommodation sector to partner up with ATEED and Auckland Council to re-approach government and say a bed tax might be a fair and more just way of helping a combined income to provide infrastructure, but also to provide promotion for the sector right throughout the country and I'm sure that Steve would have some good examples of where the work that they've been doing. How it is being benefitted back to the accommodation sector and other states matter.

**Steve Armitage:** Thank you, deputy mayor. A comment that I want to come back to that I made earlier, which I think is important to just stress that although the fund provides us with a budget and a particular financial year, we don't just think about, oh we would like to host an event and we spend the money there and then and we have the ability to attract the event there and then. We have to take a much longer term approach to how we continue to attract people into Auckland. So, for example, today I've been looking at an investment case for a business event which is due to take place in 2024. It would bring 30,000 visitor nights and about a 10 million-dollar GDP return to the city. We have to look out that far and beyond to ensure that we remain a viable destination, particularly for that international market.

So, of course, it's hard for us to take the hit that the suspension of the APTR means in the short term, because it does limit our ability to continue to be competitive in the outer years but we are looking at how we can tap into some of the government funding that has been allocated as part of the 400 million dollars that they've set aside for tourism recovery. We've had some initial success around, we're just waiting on confirmation of a million dollars that can come in to try to provide support to domestic marketing and event promotion and there are some other funding pots that we're looking at as well. So, we're not throwing in the towel in terms of being able to attract additional revenue streams to account for the loss of the APTR in the short term. The possible upside of this is that if we can prove that we can attract new revenue at the point in time when the APTR comes back in, we potentially grow on our ability to compete at a global level by attracting new revenue streams?

So, I don't I don't want people to think that we're not looking at every possible opportunity to attract new revenue to continue to make Auckland a competitive city globally.

**Eddie Tuiavii:** Thank you, Stephen. Thank you. Councillor Cashmore, ladies and gentlemen, to our whanau that are tuning in this evening, we've addressed all the questions that have been posed through the back end or the question machine, if you like. So, what I want to do at this evening is just bring us two to a close and just go round to our elected members if there are any final comments, because this is the home wood stretch. As of this morning where we are sitting at 23,000 submissions, which is quite unprecedented in terms of the engagement with our community but, you know, we'd still love to hear from you. So, between now and Friday at midnight, we would love to hear from you. So, Councillor Cooms, some final reflections from you.

**Councillor Pippa Coom:** Thank you, Eddie. We have been speaking about quite a narrow part of the Emergency Budget this evening, but of course, it's just part of a big package of proposals and a thorough look at how we can plug an enormous hole in in our budget and our revenue and I don't think there's ever been a more crucial and historic time to give feedback to Council. There's some really big decisions that we have to make and we really need to re-examine what's important in our post COVID Auckland.

So, I'm really pleased to hear that there have been so many pieces of feedback already. I mean, 23,000 is just about I think about at least 10 times more than what we would expect and we've still got four more days to go. So, the feedback form is quite simple and I would encourage giving feedback on the rates question on what we've been discussing tonight with suspending the accommodation provider targeted rate and also in question four, which does provide a bit more of a free flow of thoughts around telling us what is important to you.

So, I will be going through. I can't say I'm going to promise to read all the submissions. I usually read all the submissions but I think what this quantity. I will definitely make a big attempt to read all the submissions that have come from my ward area at least and of course, though, we will get some really thorough analysis that will help us and guide us in our decision making on the 16th of July. So, thank you for joining us this evening. It's been a pleasure to take part in this webinar. Kia ora.

**Eddie Tuiavii:** Fa'afetai Councillor Coom, I appreciate your commitment to ensuring that you not only read all the submissions that have been submitted from your ward, but also as many as possible across the region. Listen, to our viewers and listeners Councillor Cashmore is incredible at bringing these dialogues and these interactions home and wrapping up. So, what I'll do is I will hand it over to our subject matter experts for some comments from them and then I'll give you the final word this evening.

**Andrew Duncan:** So tonight, we've specifically asked you about our proposal to cut some of our spending on visual attraction and major events and to reduce the accommodation provider targeted rate for the hotels, motels, Airbnbs that have been particularly hard hit by the closure of our borders and the reduction of tourism. As the Councillors and the mayor have talked about today we're also asking you about some other consultation items we'd like to hear from you on. We're proposing to allow ratepayers who are financially struggling as a result of the economic impact of COVID-9 to be able to postpone next year's rates for a year. That will reduce our ability to invest a little bit but we feel it's important to help out those struggling ratepayers to give them a bit more time to pay. What do you think of that? And we've also discussed extensively the rates,

options and how the Council's trying to set up a budget that's financially prudent and has the right balance between rates increases.

Cutting spending, deferring expenditure and borrowing a little more and selling some of our least well used assets, keen to hear your views on that. Remember 3.5% extra dollar already a week for the average rate higher. 2.5% extra \$1.35. 47c a week. Difference between those two options but some differences in terms of the impact that will have on the services we can provide as a city for you as our residents. That's the, those are the key issues we'd like your feedback on. Head over to Steve here to talk a lot, but just a final say on what ATEED does.

**Steve Armitage:** Thanks very much, Andrew. Look, I just want to make a general comment about the APTR, actually, and its- it has forced a complete reframing of the nature of our relationship with the accommodation sector and has led to a change to our governance structure, where we now have accommodation sector representatives directly sitting around the table with us, helping to shape the future direction of Auckland as a destination and more importantly, contributing to investment decisions that we make more broadly on behalf of the visitor economy and although the rates, as proposed is currently proposed to be suspended, that structure remains in place but from my perspective, it's a bare minimum in terms of the nature of the relationship that we need to continue to develop with the accommodation sector. We can only build back. We can only deliver on the recovery plan that we have set up if we're working collaboratively and we want to make sure that the efforts that we're making around domestic marketing, the efforts that we start to build towards around Australia, once that the current pathway becomes clearer, are done and in unison, and that we are leveraging the investment that you will be making through your own marketing budgets, particularly those that you've retained, those larger change that have retained marketing spend.

So how can we make sure that, that we are making the best use of our funding in that regard, particularly given the cut that we're facing in the short term? So it's an open invitation from my standpoint, to ensure that for those of you on the call, those of you who have taken the time to contribute to the discussion and have expressed support for ATEED to be able to come and approach me and have a further conversation and I thank you for making the effort on our behalf.

**Eddie Tuiavii:** Fa'afetai Steve and thank you, Andrew. Final word for the evening from you, Councillor Cashmore.

**Councillor Bill Cashmore:** Thanks, Eddie and thanks Steve and Andrew and all the other staff have contributed to these webinars, which have proven to be very successful. 23,000 pieces of feedback is quite outstanding and I think actually, Eddie, as a great communicator that you are, we need to continue doing these webinar's once a month on a different topic. So that's a challenge for you my good friend going forward.

I think Steve brought up a very valuable point just then about ATEED's work, and it's not about them taking amounts of money off the accommodation provider's sector, the hotel or motel sector and then spending it as they see fit. They work with collaboratively with the sector to drive better outcomes, higher occupancy rates and higher and longer occupancy during the shoulders of the season and it's been successful. The collaboration has been successful. The same has happened in the film industry. The same has happened in the events industry and long may that continue once we get into the rebuild phase, because we need to work with you as Auckland Council, we need to do this together. I think that's an important part of what we're saying in this Emergency Budget together. We need to be strong and come out of us.

You walk out your front door in the morning and you will stand on a footpath that Auckland Council built with your money. You'll catch a bus that Auckland Council paid for or a train. You will drive on a road that Auckland Council, through Auckland Transport built and maintains. As the Mayor said, you turn your tap on and clean, drinkable water comes out of it and this drought is making it challenging for the forthcoming summer but we will get through that as well. Auckland Council touches you every day in a hundred different ways. It takes away your rubbish. It takes away your personal waste. It provides you with libraries, playgrounds and parks to enjoy and to recreate in and these things are important to us as a community. They make us Aucklanders. They

make us Kiwi's and we need to, yes, drive efficiencies and as the Mayor said, we need to draw a value for money hard and we do.

Auckland Council since 2010, till now, since amalgamation until now has grown by over 300,000 people. During that same time, we have taken 270 million dollars out of the operational budget but yet we are delivering more to more people and better outcomes because of it we will continue to drive those efficiencies. We will continue to drive as economies of scale and we'll keep continuing to drive capital budgets as large as we can to provide the things and the amenities that Aucklanders need. COVID came out of nowhere and it has given us all a hiding. No one was hurt more than any accommodation providers in the food and beverage sector for a start. Other industries are now hurting as we head towards recession. Hopefully, it's not going to be two people last too long. That it is something we don't know, but we must prepare for what is our most likely scenario. That's what this budget is about.

We looked at what is the likely scenario and we have made accommodations for it. We need your viewpoints on have we done it to the right degree and in the right areas, or are there things that you think about when you're having your cup of tea in the morning or you with your work force sitting out having lunch, that you think it's things that Council could do better or smarter or differently. We need to hear about that because your expertise and every person out there, and we value that. The politically elected members, whether they'd be Local Board members or Councillors, do this work because they believe in the city. I have yet to meet an Auckland politician who does not believe in Auckland. They are fervently supporters of the community. In their neighbourhoods and their city. We all need to do that and I thank the people submitted today and I'll proactively thank those who will do so till their submissions in at the end of this week.

Council will then sit down with the Local Board and we will work through the submissions. We will work through our options and we'll make some decisions and some of those decisions are gonna be hard, really hard and not easy to make but they have to be made and we will go forward from here and maybe six months out, we will review how long COVID is going to be around for, we will actually check on the reality of our budget and maybe there will be some softening that we can actually ease back on some of the restraints, because COVID has not been such a cancer to our economy and open hopefully as a situation but one thing I've learned from this lockdown or from the situation is it has brought people out and be closer to one another. They have been nice to their neighbours. They have talked over the fence. They have talked in their communities. They've stood the bottom of their driveway's. They have sang songs and played tunes and now we're at level one. We are basically almost back to normal accept our borders are shut. We are Kiwis once more enjoying a game of football, enjoying going to the beach and enjoying going to our favourite restaurant or nightclub or bar or whatever but most important, we are enjoying being Aucklanders and Kiwi's again and let's carry that on.

Eddie, Pippa and to Phil who's had to go elsewhere, thank you for these webinars. Thank you for the work and time that Council staff put into it. It's been a great experience, a thoroughly enjoyed it. As much as COVID, it's been horrible. This has been part of the positive side, getting closer to our communities.

Thank you very much for the opportunity. Good evening, everybody.

**Eddie Tuiavii:** Fa'afetai lava, Councillor Cashmore, as always, your participation, your thoughts, your encouragement and your tautoko of this webinar series is much appreciated. To our viewers and listeners this evening, this is not a slash and burn budget. It has been a painstaking budget that staff and elected members alike have agonized over and will continue to agonize over. As we strive here at te Kaunihera o Tāmaki Makaurā, to deliver for you the services that you want and need.

What's at stake? You may ask. Everything. As Councillor Coom has asked this evening. What matters most? He aha te mea nui o te ao. He tāngata he tāngata he tāngata because mā pango, mā whero ka o ti te mahi. Thank you to our community that have followed this webinar series that have encouraged whānau and friends, everybody out there to make a submission. Thank you to our community for tuning in, our elected members

and all the staff and departments here at Council that have worked so tirelessly to put this budget and this webinar series together.

Together we can recover stronger. Pomarie. Tofa soifua.

*Together we can  
recover stronger.*

[akhaveyoursay.nz/emergency-budget](https://akhaveyoursay.nz/emergency-budget)

