

# Auckland's Emergency Budget 2020/2021

## Online Community Webinars

### Additional Questions and Answers

Online Community Webinar - Central

Tuesday 9 June, 2020

6.30pm-8pm



All questions that were discussed during the session can be viewed by either watching the webinar video or reading the transcript. The below are additional questions and answers that were submitted but not covered during the session.

Questions	Answers																																				
Why are so many of you being paid over \$250,000 annually?	<p>Auckland Council uses market rates to determine salaries and follows globally-recognised job evaluation methodology to understand the right level of pay.</p> <p>Given that council is one of the largest organisations in New Zealand, the number of people paid over \$250,000 per annum is in proportion to market standards.</p> <p>We have tested this against other large organisations and private sector companies. This has shown that the number council has is proportionate to what other organisations would have.</p> <p>This is what the employees over 200k analysis showed in 2017</p> <table><thead><tr><th>Company</th><th>Emps over 200k</th><th>Total Emps</th><th>%</th></tr></thead><tbody><tr><td>Auckland Council</td><td>70</td><td>7116</td><td>0.98%</td></tr><tr><td>Air New Zealand</td><td>212</td><td>10527</td><td>2.01%</td></tr><tr><td>Spark</td><td>237</td><td>5562</td><td>4.26%</td></tr><tr><td>Fonterra</td><td>316</td><td>12000</td><td>2.63%</td></tr><tr><td>Fletcher</td><td>372</td><td>8500</td><td>4.38%</td></tr><tr><td>Wellington City Council</td><td>16</td><td>1705</td><td>0.94%</td></tr><tr><td>Christchurch City Council</td><td>15</td><td>3236</td><td>0.46%</td></tr><tr><td>MBIE</td><td>46</td><td>3300</td><td>1.39%</td></tr></tbody></table>	Company	Emps over 200k	Total Emps	%	Auckland Council	70	7116	0.98%	Air New Zealand	212	10527	2.01%	Spark	237	5562	4.26%	Fonterra	316	12000	2.63%	Fletcher	372	8500	4.38%	Wellington City Council	16	1705	0.94%	Christchurch City Council	15	3236	0.46%	MBIE	46	3300	1.39%
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<p>Interesting to see that more people will die on the road from the cuts to the road safety programme than died from Covid. Why the cuts to the walking and cycling programme and the road safety programme when they are key parts of what Council say they are committed to?</p>	<p>AT has around \$580m of contractually committed projects in FY21. In a \$660m or \$700m capital scenario, that leaves us with circa \$100m to spend on projects that aren't contractually committed. Within this money we still need money to run our business, so there is unfortunately very little available for any other not contractually committed projects including safety and walking and cycling projects.</p> <p>AT's Vision Zero priority and focus on safety, including safe active modes, has not changed and we are currently exploring options for alternate funding solutions to help meet our outcomes.</p>
<p>The reduction in renewals will mean significantly increased costs long term, eg. pest control, library collections, playgrounds, walking tracks, buildings. Has the LTP been adjusted for this increased cost in future years?</p>	<p>Auckland Council will be developing its long-term plan covering the period 2021 – 2031 over the next twelve months. A core part of this will be updates to our Asset Management Plans which will take into account the current state of our assets and the investment required over time to ensure they deliver services.</p>
<p>Will this level of cancellation and deferral of projects, especially those related to the environment, mean that much higher rate increases will be required in future years?</p>	<p>The council is proposing to defer some projects into future years. The projects will proceed at some future point.</p> <p>The level of rates increases in future years will be decided by the council each year after consultation with the community.</p> <p>The impact of the deferrals on the community is to put off the point in time when the benefits of the services provided by the investments will be received. In some cases, delays may lead to cost increases, or mean that more investment is required at some point in the future. However, this does not necessarily mean future rates increases will be higher than currently planned.</p>
<p>What have you considered in terms of trimming the Councillors on the Rich List recently published...The 86 people earning over \$250k? And what cuts have you made operationally in that area to make some savings? Why is there not a zero rates increase option for rate payers to consider given the current climate?</p>	<p>The Consultation Document and Supporting Information provides detailed information on savings the Council Group are making in response to the financial impacts of Covid-19.</p> <p>Council is also taking a number of actions in relation to reducing staff costs. Further details can be found via the link below.</p> <p><a href="https://ourauckland.aucklandcouncil.govt.nz/articles/news/2020/05/auckland-council-announces-further-measures-to-manage-financial-impact-of-covid-19/">https://ourauckland.aucklandcouncil.govt.nz/articles/news/2020/05/auckland-council-announces-further-measures-to-manage-financial-impact-of-covid-19/</a></p> <p>Here's a link to an explanation of why council agreed to consult on a 2.5% and 3.5% rates increase. We looked at, but could not responsibly propose rates increases below 2.5 per cent because of the severe impacts that would have on the community.</p> <p>Go to <a href="http://www.akhaveyoursay.nz">www.akhaveyoursay.nz</a> to find out more and give your feedback on council's emergency budget.</p>

Questions	Answers
<p>Specifically which community facilities (pools, libraries, community centres etc) are proposed for reduced opening hours?</p>	<p>As above, the emergency budget (page 40) does not consider specific facilities for reduced opening hours but signals that an option for reducing costs could include the reduction of opening hours where the facilities are not well utilised at those times.</p> <p>No specific decisions have been made on which facilities and how many hours this would be, and any decisions would be made by the relevant decision-making body such as the Local Board or relevant committee.</p>
<p>Has there been weight to these decisions on health and wellbeing? With depression and isolation at all time high. And Central Government ready to bring back free up skill courses won't we need these community spaces?</p>	<p>The health and well-being across all communities in Tāmaki Makaurau is important. Auckland Council will continue to work closely with central government agencies and relevant community partners to ensure we can collectively continue to support our communities – especially vulnerable communities and those in most need. We acknowledge that part of Council's role to this 'collective' effort will require our communities to continue to have access to community spaces (managed and owned by council).</p>
<p>If you 'recycle' facilities and withdraw from delivery of programmes, will you reduce red tape for local people to operate those facilities and deliver those programmes?</p>	<p>The emergency budget (page 46) does not consider specific facilities for closure but signals that an option for reducing costs could include the reduction of underutilised facilities in the event of a 2.5% rate increase (or lower).</p> <p>No specific decisions have been made on facilities, and any decisions would be made by the relevant decision-making body such as the Local Board or relevant committee, considering any information around requirements of use.</p>
<p>What is the impact on our community facilities in terms of meeting their customer and asset based Levels of Service e.g. what will the reduced budget mean to health, hygiene and safety, compliance etc and what will Levels of Service will you not reduce?</p>	<p>Auckland Council remains committed to health, hygiene and safety – for our communities, facility users and our staff.</p> <p>Our Full Facilities contracts provide us certainty of levels of service on an outcomes based contract with agreed KPI's that remain constant. These services are maintained to the KPI standards regardless of the number of assets or buildings that we maintain.</p> <p>The Council's safety and wellbeing statement is available to view at the following link: <a href="https://www.aucklandcouncil.govt.nz/about-auckland-council/working-with-us/Documents/health-safety-policy-statement.pdf">https://www.aucklandcouncil.govt.nz/about-auckland-council/working-with-us/Documents/health-safety-policy-statement.pdf</a>.</p>

Questions	Answers
<p>What are the values used to decide what is deferred? How is community wellbeing, and climate change valued in this? How re the values people are talking about post-covid included? Are we budgeting for a post-covid world or a world we left behind in March?</p>	<p>The key considerations we have used when determining our Emergency Budget can be found on page 6 of our consultation document.</p> <p>These considerations are:</p> <ul style="list-style-type: none"> <li>• Impacts on the most vulnerable</li> <li>• Honouring our commitment to Maori</li> <li>• Ensuring long-term financial prudence and sustainability</li> <li>• Impacts on our community facilities</li> <li>• Impacts on community programmes and grants</li> <li>• Minimising impacts on jobs and employment</li> <li>• Climate change impacts</li> <li>• Impacts on transport</li> </ul>
<p>How is timing Timing a committment to reinstate funding in the future?</p>	<p>Deferred projects will be allocated funding in the 10-year capital programme for our next long-term plan, which will be developed and consulted on next year.</p>
<p>How soon do you expect results from the CCO review and how many savings are you expecting from the recommendations of that review? What is the timeline of implementing them?</p>	<p>The CCO review independent panel are due to report to the governing body at the end of July. Following this, the governing body will decide on how it wishes to take forward the review's recommendations.</p>
<p>Will the 2.5% increase impact future homeowners? Will they have to pay more in the future because of the potential savings of current homeowners?</p>	<p>The impact on future homeowners will be the same as on current homeowners. The council is proposing to defer some projects into future years. The projects will proceed at some future point. The level of rates increases in future years will be decided by the council each year after consultation with the community.</p> <p>The impact of the deferrals on the community is to put off the point in time when the benefits of the services provided by the investments will be received. In some cases, delays may lead to cost increases, or mean that more investment is required at some point in the future. However, this does not necessarily mean future rates increases will be higher than currently planned.</p>

Questions	Answers
<p>Paragraph 25 of the Supporting Information says council staff used the criteria and principle of protecting the most vulnerable, yet slashed the safety projects designed to protect people walking and cycling. These people are certainly amongst the most vulnerable, indeed they are being killed and seriously injured because of the deficient transport network the Council organisations have provided. Why was this principle ignored?</p>	<p>In developing the draft Emergency Budget, we identified a number of key considerations were used to guide us when making decisions. Unfortunately, due to the severity of the challenges posed by Covid-19, difficult trade-offs of these considerations will ultimately have to be made.</p> <p>To ensure the council can continue to address these critical issues in the future, it is important to maintain long-term financial prudence. Achieving this, while also keeping rates affordable for the community, will require scaling back our capital programme by deferring projects.</p> <p>Our flexibility in deciding which projects are deferred is limited by the fact that many are already contractually committed to. This is because the council was gearing up for a much bigger capital programme. While these safety projects are critical to our community, it is also important for the council to honour our pre-existing commitments.</p> <p>With all that being said, the draft Emergency Budget still proposes investing \$37 million next year in safety programmes. We will look to restart the deferred projects at the earliest opportunity.</p>
<p>Can you please look at having a free bus and train service financed by the current huge road costs we pay at present-make the car the least important vehicle on the road. There would need to be much more money spent on electric buses, more efficient service and much larger car parks at each train and bus station. Please think of our emissions and our future!</p>	<p>Having free bus and train services would require over \$500M to be allocated from a private car registrations administered by NZTA and appropriately apportioned to private vehicles owners residing in Auckland.</p> <p>Currently, bus and train services are funded by Auckland Council and NZTA from the National Land Transport Budget.</p> <p>AT is investigating other funding models to enable the acceleration of transition to electric buses and the associated costs of operating them.</p>
<p>So when u r letting subdivisions be built why is there no provision for public transport corridors. ??</p>	<p>It should be noted that the re-zoning, planning and subdivision process is controlled by Council not Auckland Transport.</p> <p>Notwithstanding the above Auckland Transport are asked (but not always) to provide comment on proposals. AT provide responses back on the future needs for public transport to whoever the case manager is. However AT is dependent on Council placing requirements in the plan change and resource consents. Furthermore Council generally do not condition the delivery phase of subdivision so often the last roads to be built are the collector roads, which are the roads that are suitable for buses.</p>
Questions	Answers

<p>Opex for Economic and Cultural Development is \$213M under both 3.5% and 2.5% rate increase. In times of economic hardship and no overseas tourists for some time after COVID-19, we don't need lavish festivals, performances and events. What are the budget for each festival and event included in the \$213M budget?</p>	<p>It is important to note that the budget of \$213m refers to the entire operating budget for Auckland Tourism, Events and Economic Development (ATEED) and Regional Facilities Auckland (RFA), of which \$41m relates to ATEED and \$172m to RFA. The majority of this expenditure relates to the management of regional facilities like stadiums and the Art Gallery, and promoting economic activity and tourism. Events and festivals make up a fairly small portion of this expenditure.</p> <p>About \$1.5million funding is for the four major cultural events (Pasifika, Diwali, Lantern and Tāmaki Herenga Waka) ATEED is scheduled to deliver on behalf of Council in 2020/21. The cultural festivals are historically attended by several hundred thousand Aucklanders and have become a key part of the region's cultural fabric. The unity they create and their celebration of the region's major cultures will be even more important as Auckland collectively recovers from the COVID-19 crisis.</p> <p>The major events team at ATEED manage the portfolio of investments on behalf of Council attracting international events to Auckland and are responsible for an ongoing pipeline for the future which range from sporting and cultural events that typically generate \$50 million in GDP spend per year. These include events such as FIFA Women's World Cup 2023 which New Zealand is part of a joint Australasian bid for, and the Softball World Championships 2022 to be held in Auckland. The budget for this activity is approx. \$8 million in 2020/21.</p> <p>Events contribute to the vibrancy of Auckland, and involve significant domestic attendance and spend from outside the region. We anticipate that most of the events in the ATEED major events portfolio that are scheduled for 2020/21 will go ahead. Beyond 2021, ATEED needs to continue to promote Auckland as a world class event hosting city to driver economic benefits for the region, and the budget was prepared on this basis.</p>
<p>How have mana whenua been involved in this decision making?</p>	<p>Emergency Budget – how we're reaching Māori Auckland Council is currently engaging on the emergency Annual Budget. We're asking Aucklanders for feedback on a proposed 2.5 percent or 3.5 percent rates increase. It is important that we hear from both mana whenua and Māori communities on this kaupapa, so we are working hard to make sure they know they have an opportunity to participate.</p> <p>Councillors Filipaina and Dalton were interviewed on Radio Waatea via a Zoom live stream about the emergency budget and the implications for Māori. You can watch this interview <a href="#">here</a>. Councillors Simpson and Collins have also done a Radio Waatea live stream interview along with Mihi Tibble from Te Ora o te Manuka, who spoke about the possible impact of the</p>

	<p>emergency budget from a Māori community perspective. Te Whānau o Waipareira have undertaken a social media campaign on their Facebook, Instagram and Tik Tock channels to raise awareness with Māori communities in west Auckland. We are also working with Youth Voices to encourage rangatahi to have their say.</p> <p>Mana whenua will have a chance to present their views on the emergency budget to the governing body on 17 June.</p> <p>The consultation closes on 19 June. We understand that there will be 15 written submissions from Mana Whenua.</p>
<p>what steps will be taken to speed up decisions about asset recycling and divestment? 10 years on from creation of Auckland Council, it appears to be very slow</p>	<p>Once the Emergency Budget consultation stage is complete the Council will consider all feedback and make final decisions on how it will implement the initiatives proposed.</p> <p>Go to <a href="http://www.akhaveyoursay.nz">www.akhaveyoursay.nz</a> to find out more and give your feedback on council's emergency budget.</p>
<p>We've officially acknowledged the safety crisis since early 2018. Two years later there's been very little progress. With safety projects slashed, the tactical urbanism approach to achieve safety is absolutely critical. Is Council committed to ensuring the 10% of the projects from Council will be met?</p>	<p>While the council is proposing a scaled-back capital programme for next year, as the funding challenges posed by Covid-19 are largely temporary, it has been proposed capital projects are deferred rather than outright cut.</p> <p>These deferrals have been proposed to ensure the council maintains long-term financial prudence. Safety is a critical issue and it is important that the council is positioned to be able to address it for the foreseeable future.</p> <p>The council intends on honouring its commitments, only at a possibly later date than originally planned.</p>
<p>if you are receiving less revenue from parking, enforcement and fuel tax, how do we repurpose car parks? an you earn from from licenses to occupy, like from food trucks for example. New opportunities can make our city and neighbourhoods more vibrant!</p>	<p>Thank you for your suggestion. The council and Auckland Transport will consider this option as it develops the final Emergency Budget as well as other feedback from the community.</p>
<p><b>Questions</b></p>	<p><b>Answers</b></p>

Is this a good time to look at the over complicated governance structure of the council? The investment in Local Boards in the cost of supporting them is not worth the level of outcomes from them. Some of the members add some value but many of them are unskilled and unprofessional and the boards take a huge amount of resource to support. Or drastically reduce the massive support staff they have. That would save a huge amount of money and there would be no impact on outcomes for Aucklanders. Please discuss...

Thank you for your question about whether now is a good time to review the governance structure of Council, particularly the role of Local Boards.

Local Boards are established by the Local Government (Auckland Council) Act 2009 and therefore any change to the way that Local Boards are structured or their role requires a legislative change. This would be out of the time scope for the Emergency Budget which covers the 2020-2021 financial year.

Currently the council is undertaking a Governance Framework review which is looking at how Local Boards are supported. The Emergency Budget also proposes savings within Local Board budgets through reductions in discretionary spending and efficiencies in support costs.

*Together we can  
recover stronger.*

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

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