

Auckland's Emergency Budget 2020/2021

Online Community Webinars

Transcript



Online Community Webinar - West Sunday 31 May, 2020, 5pm-6.30pm

Eddie Tuiavii: Welcome to our elected members, council staff, and most importantly our community who are joining us via Skype. Given the advent of COVID-19 we are in an unfamiliar space in terms of engaging with our community face to face. Holding these events in this way is a first for us, so please bear with us if we experience any glitches this evening. I must say though, tonight's format will help us rethink how we host dialogue with our community and how we come together to deliberate on challenges, issues and opportunities for us. Questions asked during registration, during the session or afterwards will be posted on the council website, along with the responses. Our session this evening will take approximately 90 minutes. It'll be recorded and also made available on the website. Please be aware that tonight is not a feedback session. Details on how you can submit your feedback will be given at the end of this presentation. ===Tonight is a conversation, a conversation about a crisis that cannot be responded to in a business as usual kind of way. A conversation about what the future of Tāmaki Makaurau looks like given the hit to Auckland Council's revenues by COVID-19, a figure that stands at more than half a billion dollars, the highest in the city's history.

This conversation provides you, our community, with an opportunity to ask questions of our councillors who are responsible for making decisions at a regional level. This conversation will also help you, with a chance to hear from our subject matter experts who I will introduce momentarily. Community, you're encouraged to express your views in order to ensure you have all the necessary information to make an informed submission. So bear in mind tonight isn't about reaching consensus with those around the virtual table, so community and elected members alike, please be respectful during our conversation.

Following this event notes will be themed, grouped and reported back to our elected members to inform their decision making. These notes will also be circulated to everyone in attendance so please make sure you provide us with your email address.

Our format this evening is light and informal, it's a conversation, and so in a moment I will ask the elected members to introduce themselves and make a brief comment about what they'd like to get out of tonight's conversation before handing it over to our financial subject matter experts and then onto our question and answer session.

Let's begin with Bill. Bill care to share a few thoughts or make a brief comment?

Deputy Mayor Cashmore: Good evening ladies and gentlemen, staff, fellow councillors and local board members, this is the first isn't. So our webinar to have your say which is great. As Eddie has already alluded to these are unprecedented times not only for this council but for this country. We are facing gigantic waves of

financial pressure both individually and collectively, and I encourage you to be involved in this process so we get an outcome that is as inclusive as possible for all Aucklanders, thanks.

Eddie Tuiavii: Thank you, Bill. I'm now going to take the opportunity, I can see, Councillor Cooper, would you care to offer any thoughts or make a brief comment before we delve into a presentation from our subject matter experts.

Councillor Linda Cooper: Welcome everybody to this webinar. This is quite exciting for us as we haven't done this this way before reaching out to people, but as Mayor and Councillors we felt we really had to come back to you and talk about the changes we have to make and we're really looking forward to having this conversation with you and hearing your questions and answering the best we can. Thank you.

Eddie Tuiavii: Tracy, any thoughts or a brief comment. Before we go through the subject matter expert presentation.

Councillor Tracy Mulholland: Thank you for the opportunity to be involved in this and I'm very grateful that we have this chance to hear from our community to answer questions.

In the beginning Eddie you asked us what we'd like to get out tonight and what I'd like to get out of tonight is to hear your views and opinions about this emergency budget. It is unprecedented times, and I acknowledge the councillors and local board members that are involved. I acknowledge our Deputy Mayor. One of the things that's critical to me is to listen to you, to hear what you have to say and to answer questions and so I've also been very pleased that we have this opportunity given the environment that we are in because it is our duty to serve you, the ratepayers and residents of this fabulous Tāmaki Makaurau. Thank you.

Eddie Tuiavii: Thank you Tracy, Councillor Henderson.... We might just come back to Councillor Shane Henderson.

What we're going to do now is we're going to set the scene and we're hear from our subject matter experts who are joining us this evening. So momentarily, when we're all setup and again, just another plug, ladies and gentlemen, if you could bear with us, this is the first time we've done it this way, so there will be glitches and well, hopefully not too many, but there might be the odd delay. That's just so we can perfect it and make sure that everything is projecting and that you can hear a thing everything as should.

So right now I'd like to hand it across to our subject matter experts here in the room who will introduce themselves and take you through tonight's presentation

Andrew Duncan: Good evening, I'm Andrew Duncan, the manager of Financial Policy at Auckland Council.

David Gurney: And good evening I'm David Gurney, I am the manager of corporate and local board performance at Auckland Council.

Andrew Duncan: Back in February before the world was hit by COVID-19 and in New Zealand in particular, we talked to you about our annual budget and many of you listening today would have contributed to that. We've listened to your feedback and those proposals have been considered by governing body.===Already, however, the impacts of the COVID-19 pandemic means we are living in a much changed world. Big differences to the financial and economic environment facing a major revenue shortfall over half a billion dollars.

Usually. We do one budget process, but this is not just business as usual. Under the umbrella of all the broader planning that we have undertaken with you over the years now has to be revisited with in light of the new circumstances.

So we have been substantially affected by COVID-19. Financial circumstances are quite different. More than half our revenue comes from rates. But the other half comes from other sources and with border closures and restrictions on gatherings, we're getting a lot less money from conventions, concerts, visits to the zoo, \$30,000,000 down in our revenue from pools, leisure centres, holiday parks. \$40,000,000 down in transport fares as we had to shut down public transport and have much lower use. Regional Fuel Tax receipts are down by \$40,000,000 and parking enforcement similar levels.

We're not going to be getting a dividend of \$60,000,000 from Auckland Airport. Drops of \$60,000,000 from Ports of Auckland Revenue.

Losing building and resource consent development contribution as well as building activity slows down and finally developers facing the uncertainties whether their projects can successfully proceed.

So with this big reduction in revenue, we still have very high fixed costs and less cash to pay for services and investments. We're also very close to what we can reasonably borrow and our debt to revenue ratio is very close to their limits. We have given ourselves a debt to revenue ratio of 270% which means we can't go more than \$2.70 for each \$1 of revenue.

So in this space with our revenue falling, it means we will undoubtedly be breaching our debt ratios.

We're already investing heavily in the region, that's one of the reasons we are already up around that limit. We have a growing region that needs more investment and you would have heard about that and seen it for yourselves over the years. We've been investing to support but that investment has taken us to the limit.

So you confronted with these challenges, councils got four levers we can use to put us in a stable financial position going into the future. It's important we remain financially prudent, that our borrowing is set at appropriate levels and that we endeavour to cover our expenditure with our revenue.

Eddie Tuiavii: Thank you for that, Andrew. There are two things that I want to address. Just before we address the question to Andrew there are quite a few here. The first thing is there's a question here that's been posed about removing the presentation from the centre of the screen. We absolutely will do that, this was just for the subject matter expert presentation

The second thing is I've been asked, and my apologies, is to introduce the councillors by name and also maybe give where are from and I can absolutely do that.

So you would have heard from Bill Cashmore, Deputy Mayor and Councillor for the Franklin Ward, Councillors Shane Henderson and Linda Cooper for the Waitākere Ward and Councillor Tracy Mulholland, from the Whau Ward.

There are quite a few questions here Andrew so I may ask you two, and then come back to the other ones.

The first question here is a) who set the debt ratio and b) if it was extended to 300% what would that mean in terms of financial stability? So the first one is who sets the debt ratio and secondly if it were to be extended to 300% what would it mean in terms of financial stability?

Andrew Duncan: So the debt ratio is something the council establishes with credit rating agencies and councils got an AA credit rating. Which we want to want to keep. This maintains our rating and reputation with lenders.

The proposal for the budget and looking at both next year and looking ahead does have us going slightly over our ratio to around 290% for one year and then coming back into our range in the following year.

If we were to go to 300, it would take away that little bit of leeway we have to allow us to manage for any further shocks we might face like the impacts of the droughts we are having and the potential that we may need to commit some investment later this year, and to securing the water supply or Auckland if the drought continues.

Eddie Tuiavii: The second part of that I've got here is what would it mean to extend in terms of repayments and future planning? You might have really touched on it. So I might move on. At what debt ratio level does investment in future risks, such as water security in climate change? So I guess and feel free to please chime in again if I've worded this badly, by not extending the debt ratio, what are the effects on all these other projects?

David Gurney: It is all about balance really between the services that we want to provide and debt levels that are prudent for us now and for our future generations. It's about the capital investment that we need to make in the city to keep the core infrastructure going, but also to provide some economic stimulus to the city as well.

And also making sure that we keep our operational costs appropriate, but that is as well as they can be. In terms of the impact of debt on important issues like climate change, I guess we need to make sure that we have enough to spend on that stuff. But remember that we have to keep our debt to what is prudent at the moment. So in the current proposed budget we will see that the revenue ratio increasing to about 290% as Andrew outlined and that's higher than we target. So normally with a target to keep it below about 270%, but we feel that in the short term we need to do this to get us through some of the challenges that we currently face.

290%. allows us a little bit of leeway so that if any shocks come our way, for example in regard to water here in response to the drought gives us a little bit of headroom, but not much to respond to those. But it's all about balance, and that's why the feedback that everyone will provide to this budget is so important. Like===**Andrew Duncan:** I can see another question slightly related to that someone's asked, given that interest rates are at a historic low, why is there a reluctance to borrow when finances have never been cheaper. Interest rates certainly are low, and the councils AA credit rating means that we can borrow very cheaply. However, we still are restricted by these limits that influence our credit rating and certainly the interest rate we pay would rise and along with that, the cost that we would incur as a result.===So our reluctance to borrow is driven in part by the risk that poses and also by some of the other things that have been raised today about having to pay it back in the future, and how it would affect our credit rating.

And we certainly have included the benefits of lower interest rates in budgets that you've got in front of you today.

Eddie Tuiavii: Thank you for that, Linda Cooper.

Councillor Linda Cooper: Thank you and I think we might just give Andrew a bit of a rest. He's been doing all the hard work at the moment. I think just to follow on from that as far as interest rates go even though they are historically low, rates include a lot of interest and if we're paying more interest, we're using less of your rates on services and that's the balance we've tried to strike. We don't want to use your interest rate rise predominantly for interests we want to use it for the services that are important to you.

So that's another reason why you wouldn't want to be borrowing too much so that the interest rates go up even though they are smaller.

Eddie Tuiavii: Thank you for that. I've got a question here which I might direct in the direction of Bill Cashmore. Um, who chose which projects are proposed to get cut back or stopped?

Deputy Mayor Bill Cashmore:

So the final decision is made by the governing body of council with consultation with local boards. If projects lie outside of the gambit of governing body with the CCOs like often transport and water care. And Panuku of course who has a lot of council property on its books. An exhaustive process is underway, and it is really it is iterative is what we don't know just how bad this thing is going to get and is the half a billion dollars plus enough. Or are we going to have to cut harder?

So what we're doing is taking up most likely scenario approach and we put the ruler at that level and so these are the things that we will put off for a year or two.

Projects won't necessarily be stopped they may just be deferred for a year or maybe 2 and then come back onto the list. Should things improve. Then we can move back towards business as usual. But there's still a huge amount of uncertainty and what's going to happen in this country financially at this point in time, and the country's finances directly impact upon council's income through development contributions, connection fees for water care, and so forth.

So the ultimate decision is the governing bodies and we will make that with expert advice and with prudence all times.

I'd like to comment briefly about credit. There is a lot of talk around this, borrowing more money around a lot of places in Auckland and nationwide, in fact. Council is an institution and like all businesses, are given credit limits by the banks, or in our case, it's by the international bond institutions and working with the standard, councils have negotiated what is a prudent level of borrowing, and Andrew mentioned that level 270%.

We will break that 270% this year for one year. If we broke it for more than one year, the banks could very easily increase their interest rates, but what is even more scary is they can actually make the money harder to get or have it available for lot shorter time. If we are going to rebuild and open and keep as much capital expenditure going and delivering projects that we need as a society. We need to have access to that long-term funding.

Eddie Tuiavii: Thank you very much, I'm now going to cross to Councillor Cooper and then Councillor Mulholland

Councillor Linda Cooper: Kia ora everybody, I've seen a few questions coming through which relate to projects. First of all, what we did as a council, the Mayor said to the council and Council Controlled Organisations to go away and tell us what you can defer. Tell us what you can put off.

And that's how we got the list. But in this feedback if you think somethings more important to keep, we do want to hear your priorities. You can actually tell us and it's really important that we hear priorities and I've heard a few things around our environmental targeted right, even though there will be about a \$5,000,000 deferral for track work and Kauri Dieback research we will still be this spending the same amount of money and in the whole 10-year plan.

It won't be less money spent overall but will just be the deferring of the 5 million for one year. That money won't go into the consolidated fund as such that will be ring fenced. We will still spend that money. There will be about will be about 2.6 million down on regional track work and about on 2.4 on local track work. However, it doesn't mean that we're stopping the track reopening project We are going to keep going with it, it just means will defer that because we have to.

There is a comment here about environment projects and please be assured we've not tried to target certain areas we've gone right across the board. Every department, every CCO has had to look at everything they're doing, and you know, so that's really important.

There was another question about water care that I'm happy to answer later.

Eddie Tuiavii: Thank you, councillor Cooper. I'm gonna give the opportunity to Councillor Tracy now and then I'll come to Shane, unfortunately I can't see him onscreen, but I'll give an opportunity anyway.

Councillor Tracy Mulholland: Thank you for the opportunity to speak. Just in regard to the statements made by the Deputy Mayor and Councillor Cooper, it is important to remember that your feedback on the principles of what you believe are important projects in your area are also shared because those decisions have not been made, and whilst there is opportunity to bring some online at a later date, I am very mindful of them.

Some of the questions I've been asked already from community with regards to local projects that have been

started and my understanding is that those are being contracted where they can continue. They will continue because they have been contacted. And we need to be very mindful too on the basis that some of the questions I've been asked around when a project is near being signed and agreed as a tender process and contractors that there is still some discussion to take place on those.

So I believe one of the things that I would like to share that is important and returning an answer to that question is this is also about fairness and equity, and that balance does come into the decision making around what may or may not occur, but we need to also know what sort of funding we have to deal with because this is not the end of it and we still have an economic situation and a crisis that we are facing. So until we know how much excess we have in terms of funding that impacts as well,

so I think it's a really important for those that are interested in the fairness and equity, and I say that especially given some projects in the Whau area, but we must consider all and we must see those final numbers so contracted makes a difference. Thank you.

Eddie Tuiavii: Thank you Tracy. I'm just gonna give an opportunity to Shane if you'd like to say something and then I'll cross back to Andrew and Linda who would like to address this question about water care in a second part to another question.

Councillor Shane Henderson: Hey Look, I just wanted to endorse the comments of my colleagues who I thought covered this very well and just to add very clearly that we all decide this budget as Aucklanders and a part of that as the consultation. The crucial part of that is what we're doing right now and over the next three weeks. So we've had a first stab, but we want to hear your feedback and then we'll take that into account and go from there.

Eddie Tuiavii: Thank you very much Shane. I'm going to go back to Linda now before coming back to our SMEs.

Councillor Linda Cooper: Thank you, there's a question here that says why is the 2.5% increase to both incoming water and waste been imposed at this post covert critical time? Just like the council. We need an income to operate, Watercare does not get any money from council, it gets it from customers and 2.5 helps make their growth needs. It pays for the services.

But what they have done is they've offered up \$23,000,000 of savings on capital projects. They will still have to do the build the Central Interceptor, which is a critical, very critical project that's been planned for many years and has already contracted to separate the storm water and wastewater to clean up our harbour and so they haven't got such a big amount of savings to offer up because they're doing one of the biggest projects we've seen.

But 2.5% is smaller than what we're talking about. We're talking about either 3.5 or 2.5, but it really is, it actually runs the services. It pays the people that work at the treatment plant out of Mangere and Rosedale. It pays the contractors that come and fix broken pipes we've had unfortunately over the drought.

All of those sorts of things need to go on, and there is a growth rates rise, just like our suggestion. Thank you.

Eddie Tuiavii: Thank you and I'm going to cross now to Andrew before posing a question to Bill. I have just picked up a couple of questions one was 'Have we asked Central Government for assistance?'

Andrew Duncan: So the central government has asked governments, departments and local governments across New Zealand for shovel ready projects that they can invest and try and stimulate the economy. The council's provided a broad list of those project that we consider would fit those criteria in Auckland.

We see those as being important to both supporting growth and getting business activity going again in the Auckland area. It some of these are proceed with government support that will enable us to build on the list of activity that we've got already in the budget, but we can't rely on that, so the budgets proceeded without those being included

I also noted a question someone had about our targeted rates and this proceeding some other enquiries about the prioritisation of our environmental projects and also savings activities, which I'll ask David to comment on next.

But before we do that, the targeted rates are collected so that that money, in particular for the natural environment and water quality targeted rate will be spent on those activities over a 10- year period. So if we defer some of our expenditure in those areas in this coming year that money will still be collected, and it will still be spent over that 10-year period. It's just making an adjustment o our cash flows.

David, do you want to talk about our process for prioritising and some of the things have gotten their plate for the savings and the environmental and the capital projects.

David Gurney: Sure, so the way we have come up with some of the proposals for savings has been worked through by officers and recommended to councillors for inclusion in this draft consultation.

When you look at environmental activity the impact is not as severe as other areas, but of course everywhere across council spending we've had had a good look at what we are spending money on and what we can to in the short term to get us through this challenging time. Programs such as pest eradication. Some of those will be deferred next year, so there are some impacts I guess.

At the 3.5% rates increase level those impacts will be lower and will be pretty much activity deferred. When you're getting down to 2.5% rates increase or potentially even lower rates increases that's when we will see significant service cuts, and so that's when you will see some major impacts on projects across the remit of councils work activity. And for those of you interested in a bit more detail and want to see it written down. There is some good material in the consultation document that I'm guessing many of you have already looked at and that's available on our website.

And then for further detail, there's quite a lot more material also available in the supporting information provides a bit more of a breakdown of some of the things that are on the table in terms of our service level changes.

Eddie Tuiavii: Thank you, I've got a quick question from Linda

Councillor Linda Cooper: Thank you, there is another question from Scott. Scott was concerned that some countries are taking advantage of COVID-19 to roll back environmental protections and continue with extremely environmentally destructive practices. And what measures are in place to ensure this doesn't happen here.

Of course the RMA is it currently is in place. However the government has made some changes to assist its shovel ready projects which is out of our hands. They will create a board of experts and my understanding is there maybe somebody from that council area that will be able to be on that panel, my understanding is that Section 2 still applies, which is making sure that the purpose of the RMA still stands, which is the protection of the environment.

So this is much as I can tell you about that, but from our point of view, any resource consents we will be responding to applications will be going through the normal process, so we're not making any

changes there. Thank you.

Eddie Tuiavii: Bill, this question is for you, is there a plan for the coordination of which businesses should receive support?

Deputy Mayor Bill Cashmore: The central government is really the place where support for businesses gets rolled out and we have already seen that with the subsidy for keeping people in the workplace and we will see other things coming through which are proposed to help companies move forward with easier capital and/or loan restrictions.

Council does not directly get out there and support businesses at all but revolves more around providing the suitable infrastructure and services for business to operate effectively.

Eddie Tuiavii: Thanks you Bill, Tracy?

Councillor Tracy Mulholland: So just a further and thank you Deputy Mayor for that. But just a response to in terms of my relationship with the business community. One thing I do want to share with people who may not be aware we do have a Business Improvement District targeted rates and I have been involved with a number of those during the shutdown period in moving forward, those targeted rates do continue on the basis of the decisions by those organisations and they did have an opportunity to reduce coming into the new fiscal period, so some have done that.

But that funding does support the business community. They essentially pay into a fund to support their own local business community. Now those business communities to have been seeking funding from government. They are a number of them sharing information with their membership around government funds, the 100K for those that require it wage subsidies and so forth. So I totally agree with what the deputy mayor is saying, but just remembering that we do support the business community through the business improvement districts policy and that has been working well for a number of businesses because I have had those responses from them and it's great that they have the capacity and ability through us as account so to have a targeted rate. Thank you.

Eddie Tuiavii: Thank you Tracy. I've got a question here that I might ask the deputy chair of the Finance Committee, Shane. Do you have any comment to make on what kind of a commitment, if possible, can be given to ensure that rates are spent on what they are meant to be spent on? And I've got an example here about Kauri Dieback and getting the Waitakere's open again.

Councillor Shane Henderson: The Kauri Dieback Programme and track upgrades and things like that are being spent through the natural environment targeted rate that has already been passed. And when we're doing targeted rates there is a legal requirement to collect that and then spend it on the purposes of your collection. So In other words, we've told the public we have to collect that for the environment and then we have to spend that for the environment.

So there is some safeguards there for that work. At the same time we need to be looking at the timing is of that work as well, so I think that's a really key point of feedback. I'd really like you to feedback that through on what your views are in terms of how and when to spend that.

Eddie Tuiavii: Thank you Shane. I'm gonna break from the questions for a moment and just do a quick fire with our panelists. What's the biggest opportunity presented here? Is there an opportunity? What is the greatest opportunity that this emergency budget poses for all communities? Should they get out there, make this submission and have their say and I'm going to start with you, Tracy.

Councillor Tracy Mulholland: Bobby, you ask the question about exactly who's here, so there is

deputy mayor Bill Cashmore, Councillor Cooper, Councillor Henderson and myself. I know it was answered a little bit earlier and we were introduced, but hopefully that does answer your question. If you would like to then repeat that please for me.

Eddie Tuiavii: No worries. Coming back to a question this evening, what's the biggest opportunity that the emergency budget consultation presents our communities?

Councillor Tracy Mulholland: Well, the biggest opportunity and I'm paying for advertising myself and I'm putting it out there on social media and doing boosting and all sorts of things. The biggest opportunity is for you to actually have you say so that we as your governing body, as Auckland councillors can, alongside our local boards hear what you have to say and put that up for discussion because it is a really united team and that's what I really like about being a councillor here is that we do it together.

We do share and we do debate information, so I think the opportunity for you is being able to share your views, share opinions, know that we are inclusive and also the other opportunity is to actually say what you don't like and what you don't want to see. And we've got a lot of highly competent, capable people who know what they need in their communities, so I think that's another great opportunity for those that are listening to have that chance.

And one thing I'd like to say is, as I have been repeating since I got involved and became a Councillor, I do want to hear what you have to say because I will be sharing it with other councillors and I will be confident because I have heard from you. So I hope that answers fairly clearly on my views on this.

Eddie Tuiavii: Thank you. Linda Cooper. Any thoughts about the opportunities this budget consultation presents our communities?

Councillor Linda Cooper: I think to answer that I have to go back to what has brought us to an emergency budget and I think that having been in a state of a national emergency, learning to communicate in different ways and actually having to really reflect on our lives and what's really important, particularly probably our families, really.

And I think that the opportunity here is that I hope that people will become more engaged because this is unprecedented and when you have something like this, it's an emergency. It's really different and it's scary. It's not business as usual, and I think when things are business as usual, we tend to think that 'I can't make any difference' and 'It's going to happen anyway', whereas when we are really having to refine down and find what's really important to people.

And that's why we want to hear from you, when you're on a slimmer budget and you really have to pair it down to what is important to me. It makes you really think, and that's what I hope the opportunity is that more people will let us know.

It makes our job harder, but it's good, let's work for our money, and I think that's really important. We need to hear what you've got to say, and I hope that the opportunity is this is that we become closer, there is less of a gulf between decision makers and residents of Auckland and that you take this opportunity to tell us what you want, what is important to you. So that's what I like to see out of this, and I think out of this time that we've gone through as a region. Hopefully we become closer and communicate better.

Eddie Tuiavii: Before I give the opportunity to Shane, Councillor Cooper I just want to ask a supplementary question related to that. We're all really, really extensively involved in our communities and we want them to get involved because we absolutely want to hear from them.

There is a sentiment out there that we'll go ahead and make the decision anyway. You know we get on with the engagement, we get thousands of submissions, but it kind of doesn't really matter is what I tend to hear, and I really like that commitment that you just made. You do look forward to seeing these submissions, you do look forward to hearing from the people. I just wondered if you wanted to reemphasise that cause I think that's really, really important.

Councillor Linda Cooper: I think the thing about consultation is, its people look at it differently. Some see it as a direction, I say this, you must do it. We have to hear from a lot of people at the end of the day we have to sit in the hot seat and make good decisions, and it won't always please everybody. But we have to take into account what people say, quite often will get that feedback and we will go actually maybe we could do that differently, or maybe that's more important, but now we'll cut something else instead.

But I think that contrary too, you know, I can understand why people think oh they don't listen. We do, we take it really seriously. But we can't always do exactly what you propose, though we would like to, because they're still will be constraints financially and sometimes practically, and the implementation of some of the ideas doesn't work either and so it's our job to and with the help of our great staff to put that altogether and go there's some of this actually we could do, some of this we can't because of this or that and sometimes it's really complicated and I think as a councillor you explain things to people and you can see their eyes glaze over because it is technical and that's why we do the job because we kind of used to it, but sometimes it's not a simple answer but quite often what you do say it really does make a difference in it does change our approach.

It might not stop something, but it might change how we do it, or when we do it. And so over the years that I've been a Councillor, I've been one for quite a long time, I have been in situations where we've all kind of been knocked back on our heels and gone 'actually that's a really good idea', or 'actually what we thought was important wasn't so important'.

So I really think it's worth putting your ideas down because you know, often it will turn us around and will change something or will add something in.

Eddie Tuiavii: Shane, any thoughts from you?

Councillor Shane Henderson: I think it's a reminder of what people really value and what people really want out of the council. So going forward, I think in terms of opportunities there is the opportunity to go to all Aucklanders and say look what's actually important to you.

It's important to remember how we got here in the first place and that people are still doing it tough. Both before covid and because of covid, so I think now is our chance to try and re assess this and to try and help those that really need it. And just lastly in terms of opportunity, I think we are looking to the future, and I've seen a few questions about this too, looking at climate change in our cities, resilience for future economic shocks because I'm telling you right now, this won't be the last time that we gonna have an economic tough situations and climate change looms large over our communities and the results could be really tough for us. So this is a chance for us to do things better and actually build some resilience into our city so that people can continue to enjoy it. Thank you.

Eddie Tuiavii: Thank you Shane, I'll come across to you Bill for any comments or thoughts from you, and then I'll come back to Linda.

Deputy Mayor Bill Cashmore: Thanks Eddie and for the audience out there. This crisis is showing up all sorts of changes in behaviours and it's, you know, I don't travel to work at 4:00 o'clock in the morning anymore. People are changing the way they commute, changing the way they run businesses and changing their lives around. People are closer to their communities. This crisis will make us look at what's important to us as individuals as families in these communities. And what can we do to make a difference?

One of the great things I loved about last year's budget was the two targeted rates, the water targeted rate and the environment targeted rate and there was a bit of political scepticism around those two proposals when they were first put up. But what came back fundamentally from the consultation we had was the public support it hugely.

They wanted to see money put into these jars to deliver these projects and to deliver things that made the environment better - to deliver the central interceptor, to deliver the water quality improvements over a 10-year period. That to me is a critical factor that we need to look at, what do we need to do that you, the public, want that you see is important to your area. As Linda, Tracy and Shane says, we will sit down, and we will discuss it and we will be pragmatic and we will be sensible but we will have to make those hard decisions.

What we've got now is a blip in time, of a bit of fear and a big hit on the finances right across the board and we will take on a bit of pain. I see a question about salaries, and I'll come to that in a sec. But we have to pull the hand brake on some activities, so we remain financially viable. It's that simple. To do anything else would be reckless.

I think one of the interesting points is we've tried to lead from the front, you know the Mayor has announced he is taking a salary cut and I am doing the same. I think every member of our ELT is saying staff are doing the same. A lot of Councillors have done the same and we are asking our staff to forgo the pay increase that was negotiated for this year, so that's not going to happen. Not everyone's in a position to do that, but there are those that can.

We've seen great results from Auckland Transport, they are picking up and I think that's a great sense of the feeling to the staff who help with the running of the city. So yes, people are doing what they can, where they can, how they can, and that is part of the great positive that's come out of this situation.

Eddie Tuiavii: Thank you to all our elected members who have taken the time to carefully and thoughtfully respond to the opportunities in these questions and I want to now cross to Linda who would like to share something. Then we'll go to our subject matter experts who would like to answer some of these questions.

Councillor Linda Cooper: Now there is a question here around leveraging off the fact that so many people have been out and about during lockdown as there wasn't much else to do. People were out in parks, walking and using our footpaths and our shared tracks much more than we normally would and this question talks about how do we leverage that? Well firstly, there may be reductions in maintenance. In things maybe like Park mowing but just remember this is going to be deferred for a year. So my plan is that any slowdown and maintenance or projects will be for a year. That's the plan. That's what we're hoping for the best. We do want to encourage people to keep those exercise regimes up. Being out with your family what's been great to see is Moms and dads, grandmas, aunties, uncles taking the kids out and actually spending more time together and those things are free for people to use and so those are really important.

That's the second biggest fund that we spend after transport are our Parks and Recreation and that is really critical to people, we know how important it is to people. So if that's very important to you

please let us know. Tell us if you know particular parks or particular things about parks that are really important. Everybody's got their own individual way of using our facilities, enjoying them. And yes, we will have to defer some maintenance, some projects, but it will be for a year. But if you feel that you just can't bear that to happen even for one year, please let us know. If we get enough people telling us that could change that direction.

Eddie Tuiavii: We now cross back to our SME's

Andrew Duncan: With the voluntary salary reductions with our staff to make and I can let you know that over 600 staff have taken up that request with a saving so far of over \$2,000,000 over the six month pay cap time period. The management has also extended that to give people, more opportunity to, more time to think about it and extend the opportunity to make that contribution.

And on the staff front, you'll be aware that from some of the savings we've talked about, there's also likely to be, unfortunately, there could be some job changes, some job reductions.

Now that's part of some of the of the savings that are proposed. I would again encourage you to have a look at some of the materials that have been provided to support the consultation to help you look at what we're proposing so that you can deliver your feedback with the best information available to you. So do have a look at our consultation document and our supporting material for those with more of an appetite for detail, It gives you a good background on the choices that the councillors have put in front of you and the decisions that they'll have to make in July, both about where our more limited capital investment can go and what things we should hold back on. And what areas we should be looking at making savings and adjustments to the level of service we provide.

Also at the sorts of assets we look to recycle. I think David made a key point earlier about some of these assets being in the community space and not particularly well used. And this gives us a stimulus to look at how we use those and how to get the best out of the investment we make in providing community facility services.

David Gurney: Yes, in terms of asset recycling, so of course it's not a new thing since amalgamation Auckland Council has been doing its asset recycling. It's important that we recognise in the community there are some assets that aren't performing as well as others that aren't utilised as well as others and that Auckland has quite a lot of assets which are actually not really contributing that much to service.

So for the council we can sell those assets and then reinvest the proceeds into assets that actually make more sense in terms of being beneficial for community and optimising what's needed in the community. So I guess looking over the next year, there are more opportunities to have a look at potential assets we can sell. We do have a list of potential assets that might be considered, some of those have been considered before by Councillors as part of the Panuku Property Portfolio. That list can be found in the supporting information to the consultation material. So I encourage people to have a look at those.

Eddie Tuiavii: Before I go across to Linda Cooper, David, I'd like to ask a follow-up question, and this is probably one that I'd like answered myself as well. What does asset recycling actually mean? Aren't you just selling old ones and buying new ones? David, would you like to make a comment to that question, please?

David Gurney: Well, I suppose you know when you think of as it recycling, it is selling assets, but the whole idea around recycling is that you then reinvest the proceeds from their sales into assets that make more sense in terms of what the community needs but are also more cost effective too. So it's the idea that you're not just selling assets for the sake of selling assets. You're selling assets to reinvest into better performing assets, or into services that make more sense in terms of what the community needs.

Andrew Duncan: These are underutilised assets there, not necessarily delivering the most value to the most members of the community, as David points that we can put that investment into things that are going to be getting used, then we are getting a better return on the ratepayers money.

Councillor Linda Cooper: I'm just a Westy girl and will try to put it in plain language and how I think about asset sales. So for example, you own a house for the first time. It might be a little 2 bedroom. Then your family gets bigger and you say, well, this isn't big enough for us, now we need bigger with a growing family, we've got this happening, we want to be closer to a different school, you know something like that and we go, ok we will sell that and we buy another house that suits our needs better. And then as we get older, we go well the kids are grown up now I'll sell that we're going to buy something smaller and then I'm going to invest the money somewhere else.

None of this what we would call strategic assets are huge hunks of land or buildings that we enjoy. They are more things like Auckland transport might have, what you call a paper road, so they've they've got some land, it's sort of a road width wide, not big enough to build to do anything with it. Then they have decided that the road network that they want to build doesn't need that bit anymore, so they'll go to the parks people and the other CCO's and say do you need this? and they look at it and say no. And so we can then sell that piece of land, and the money we make can go back into our pot to buy more land for maybe parks or roads or something like a new library.

Sometimes in the old days you would have a thing called the reserve contribution and I know in the McLaren park area there's some funny little bits of land which are really steep things that you could never put a park on and we have to spend a lot of money mowing them every year. And in actual fact someone might want to incorporate that into their house next door. We can't really have any use for it. We get that money. It goes back in the pot, but it is clear that that money is not used to pay the bills. It's not what we call operational everyday paying the staff or anything like that. The money comes from an asset and it goes back to asset, so it's not lost to us. It's not like selling the Crown jewels like selling your house to pay the bills. It's to buy another house if you use that household analogy.

Eddie Tuiavii: Thank you, Linda. I've got a question and I wonder if Councillor Cashmore might care to comment on this question, 'Good to hear Climate change is considered here. Now have another look at which projects are being deferred. Climate change isn't being deferred. Will you look at this again with a climate lens?'

Deputy Mayor Bill Cashmore: One thing we have seen with the viciousness of the current drought is 'is this going to be the new norm?' so a climate change lens definitely has to run across everything that we do.

Climate change is coming up on us, but it is not all coming up on us tomorrow. We have bear it in mind, we have to account for it, and we have to prepare for it. We will also have to potentially increase the delivery of certain projects over the next ten years because of climate change. E.g. what are we going to do to secure the future of Auckland's water supply and is that going to create a capital investment.

Councillor Shane Henderson: Look we talk about climate change as if its coming but actually its already here. We're looking at things like the water crisis at the moment, but even the flooding that happened a couple of years ago. You know, I could list examples on that, but this is an urgent situation that needs to be sorted. So what we look at it again with the climate lens? Yes, we will, and I think a key part of that is to encourage people to submit on the sort of specifics.

Yes, we're looking at things that might be able to be deferred and put off until for a year or two year or things like that, but I take the premise of the question very seriously. And yes, we will be looking at it from a climate lens, and we encourage your submissions through.

Eddie Tuiavii: Thank you Shane. I have a comment that is really about our rural communities appreciating the platform and the opportunities for them to be engaged. What I can say is that you know, we aim to be as inclusive as possible and appreciate the challenges, especially for Aucklanders in rural communities and going forward what I can say is that we are committed to providing online meeting opportunities to you. That's probably the only question that I can answer. And if I've spoken out of turn then you won't see me on Tuesday presenting this.

Andrew Duncan: I have noticed another question about the asset recycling. Please do have a look on page 48 of the supporting information. It has quite a thorough discussion there of the asset recycling, how the council's thinking about it, what some of the assets or types of assets consideration might be given to.

There is also a question around the opportunity for reuse of resources, quite literally resource recovery is one. How will council facilitate the opportunity of asset recycling and community innovation and social enterprise? Will there be a directive to be creative with social procurement, more cross council project delivery?

Some of the cost savings we are looking to make are focused on removal of duplication of services between the council and some of our CCO's to make sure some of our back-office services and not being duplicated.

Some of our future investments in community facilities are looking at bringing together our community centres and libraries and other facilities so we get the benefit of being able to draw people to one place but also some scale in terms of the delivery of those services and the construction of buildings etc.

Eddie Tuiavii: In the interest of time, and this has been quite an informative session, and again I thank all of our audience tonight for not only tuning in but asking questions of our subject matter experts and also the elected members that we have this evening. I just want to remind you that this is not the only webinar. Tonight's webinar is obviously West focused, but obviously as the regional questions come up, we'll address those. The same way that you would have registered for tonight's webinar is the same way that you can register for the other ones which all have different focus areas.

What I want to do now is just a quick fire with the panellists, especially our elected members in terms of some of their reflections on tonight and I'll start with you Shane if you are still with us?

Councillor Shane Henderson: It's been great to hear the questions and comments from the public and I'm excited over the next three weeks to hear more and more because the more people feed in, the better the results are going out. I really believe that, and so the chance to hear from you and what you value is crucially important. And so I just thank everybody for taking that time. And also thank everybody on this call for taking your time as well. Yeah, we're shaping the future of our city and it's an interesting moment in time for Auckland and it's important that you feedback in so thank you.

Councillor Linda Cooper: Yeah, well, it's certainly been an interesting exercise and I think we can do more of this. I think that we don't have to rely on jumping in our cars to get to places. I think that tonight's been an example of what we can do remotely, it means that you know you can still be at home and you don't have to come out in the car to a cold hall, and you can actually engage with us. Also, please if you don't feel comfortable talking to us this way, then go on the website, send us emails. It does get to us. We see all that emails and we can send answers to you.

I really appreciate that people have come on the webinar it's been really good thing to do and thanks to Eddie he has done a good job and to our subject matter experts and its really great to always have the backup of our staff who know all the numbers. So it's been really good to do it this way. I think we should do this more and I'd love to see some of our local board meetings being streamed like this as well. Thank you very much.

Councillor Tracey Mulholland: Lovely thank you for the opportunity. I find this a great way to get different views and opinions and it's really lovely to see some people that I know online. It's always great to have the opportunity to listen to people and to hear what they have to say. I have been replying to some of the questions as we move forward, so please also, as has already been mentioned, please take the opportunity to feed into social media platforms of all Councillors and back to council to request information of us so that we can share that with the subject matter experts.

It's also great to see peoples and what's happening in your community. The most important thing is that we work together, cause together I think we are better. And it's also good to see that the information is going out with regards to consultation in actually talking about that.

Together we are better, and I really believe with your inputs that we can have a pathway forward. Because this is not our individual decision making, this is your decision making. So encourage others to participate

Andrew Duncan: Covid-19 has had a major health and economic impact, a big economic impact on the council and major effects on our revenue. You can see the options that are in front of the councillors and that we want your feedback on.

Some small changes there in terms of the rates. We recognise that rate payers may be struggling. The changes we're talking about here are at the margins \$1.30-\$1.80 a week, but depending on where the councillors head with this they can have a material impact on the services that are delivered to the community and the amount of investment that the council can make in the community, which both has benefits in terms of the assets to deliver services, but also in the employment and economic stimulation that it creates for the city.

So do have to think about those things. Do read our supporting materials and consultation document they provide you with a good background on the issues and help inform your views which we look forward to getting. Thank you very much.

Deputy Mayor Bill Cashmore: Thank you to our Councillors, Local Board Members and to our staff.

There is one question that has not been answered about social procurement that hasn't been answered. And to whoever asked that questions last term at council we introduced social procurement as a key component of how we purchase goods and services.

And what astounded me as chair of that committee during my last term was seeing the uptake by the private business sector working to find people who are disadvantaged working to get people who are unemployed to employed and working with groups and community advocates to get better outcomes for people who are disadvantaged, and it's really become a quite a catchphrase in the community of business. Let's do good for more people rather than just look after those within and it's becoming a social platform that virtually all businesses in New Zealand buy into it. It's a great thing to say so thank you for that question. It's a very important component of what we're trying to do.

Well done this evening, it is never easy to do something for the first time. As you say, the wheels can

come off well get even just bit wobbly and can make things difficult. It was held together really well, so thank you.

To the people who have been involved. Our Aucklanders, particularly from out west, it's a great city we have, and it can be better still, but we need you all to help us trying to look at it. There's not one person who sits in the local board or to council table who is doing it because they just want to be at the table. It is because they believe in their community. They do it because they have a passion for good society and healthy, clean infrastructure. And for seeing a strong economy going forward.

Yes, we had a hit with COVID-19 but we come out of this as the nation with their health pretty well intact. My sympathy goes to those people who have lost family members to this terrible disease, and for those who have been affected by it.

By and large we've come out of better than most and what we have to do now is to ensure that our economy comes out of it as quickly and better than most, and to that end, I'd like to thank everyone for their questions. Thank you for your participation. It's been a good positive start.

Eddie Tuiavii: What I've heard from our elected members is a resounding commitment to keeping those communication channels open so that our elected members hear you and value with authenticity the contributions that you have to make in co-constructing our way forward.

Finally. There are questions that we have not been able to address this evening. They will be uploaded to the website. There will be provided in a document and we will add those along with the transcript and a recording of tonight's webinar for you.

Thank you so much for taking the time to tune in and to all of our team.

*Together we can
recover stronger.*

akhaveyoursay.nz/emergency-budget

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