AK HAVE YOUR SAY

Tahua Pūtea ā-Tau 2022/2023

Puka Whakawhiti Kōrero

Annual Budget 2022/2023

Supporting Information for Consultation Document

Auckland Council

Te Kaunihera o Tāmaki Makaurau

Annual Budget 2022/2023 Supporting Information

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Section One: Climate action

1.0 Overview

Purpose of the climate action targeted rate

Increasing funding for climate action to reduce emissions, lay the foundation to enable further reductions in the future, and prepare for the impacts of climate change, with an immediate focus on enhancing low carbon transport options and greening our neighbourhoods.

Executive Summary

In June 2019, Auckland Council unanimously declared a Climate Emergency, recognising our region's role in limiting global temperature rise to 1.5 degrees Celsius. In response to this declaration, two core goals were established for our region through Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan to:

- halving regional emissions by 2030 and reaching net zero emissions by 2050
- taking a precautionary approach to planning for the impacts of climate change.

These goals cannot be achieved by any one individual or organisation. They require bold and ambitious action by individuals, communities, businesses, mana whenua and government, as well as the council.

We are already contributing to climate action but we know we need to do more, particularly in the transport sector given that 43.4 per cent of Auckland's regional emissions are from transport. Building on the climate investments the council has already made in the 10-year Budget 2021-2031 and the 2021-2031 Regional Land Transport Plan, we are proposing a targeted rate of $574 million over the next 10 years. This equates to $1.12 per week for median value ($1.2 million) residential property. The $574 million targeted rate over the period 2022 to 2032 will be used to leverage a $1.045 billion investment in climate action as proposed transport investments can be used to unlock Government co-funding and fare revenue.

The targeted rate is proposed to fund investments in buses, ferries, walking and cycling. The package's focus on transport has been chosen as this is the area where the council can have the most impact on regional emissions while generating wide regional benefits and addressing existing inequity in the provision of services. Furthermore, the transport investments are necessary building blocks of the transport system transformation that is required to meet our emissions reduction targets. Central government's direction and expected policy changes from next year will amplify the climate benefits.

The climate action package also includes measures to adapt to the impacts of climate change with the funding of 14,800 native trees planted in areas with the most heat vulnerability and lowest canopy cover. Further funding will be provided for over 4,000 trees and plants for tiny forests, food forests, māra kai (food gardens) and bush remnants, as well as grants for rongoā (medicinal herb) planting.

Context

Auckland's climate commitment

In June 2019, the council unanimously declared a Climate Emergency, recognising our region's role in limiting global temperature rise to 1.5 degrees Celsius. In response to this declaration, two core goals were established for our region through Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan to:

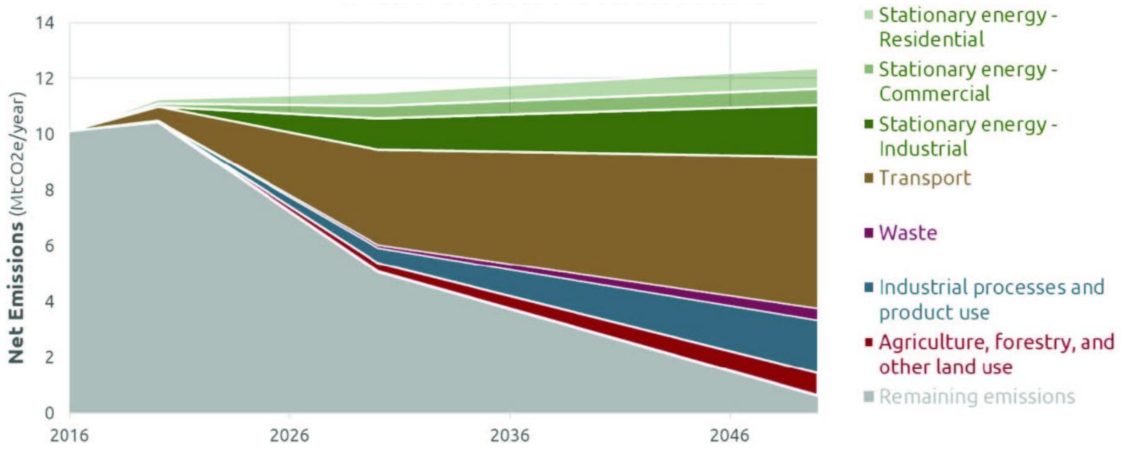
- halve regional emissions by 2030 and reach net zero emissions by 2050

- take a precautionary approach to planning for the impacts of climate change.

Our modelled decarbonisation pathway towards net zero by 2050 shows that we need to achieve:

- 64 per cent reduction in transport emissions
- 65 per cent reduction in stationary energy
- 24 per cent reduction in emissions from waste
- 15 per cent reduction in agricultural emissions.

Figure 1 Modelled decarbonisation pathway showing net emissions reduction across sectors[1]



These goals cannot be achieved by any one individual or organisation. They require bold and ambitious action by individuals, communities, businesses, mana whenua and government, as well as the council. Additionally, these ambitions can only be achieved if we finance measures that drive down emissions.

Key issues to address

43.4 per cent of Auckland's total emissions come from transport which has increased by 86 per cent between 1990 and 2018. The majority of our transport emissions are attributed to the use of cars and light commercial vehicles and only 39.5 per cent of Auckland's population live within 500m walking distance of frequent public transport. Congestion is getting worse with our growing population and is projected to continue increasing over the next 30 years. Transport costs have continued to rise over the past decade and it will be more expensive to drive with the introduction of a number of policy interventions such as congestion pricing. We need to provide Aucklanders with public and active transport alternatives to enable an equitable transition.

Even if we are able to reduce emissions, we still need to plan for increasing temperatures and extreme weather including increased severity and frequency of floods and droughts. This is reinforced by the IPCC Sixth Assessment Report which found warmer temperatures will be experienced in urban centres due to urban heat island effects[2]. The scale of these impacts will vary across Auckland and the costs of transition are falling disproportionately on those least able to bear it.[3]

Increased expectations from Central Government

The Climate Change Response (Zero Carbon) Amendment Act adopted in 2019 sets out international and domestic targets with the first emission budget to be released in 2022. In the advice to Central Government in preparation of the emission budgets, the Climate Change Commission highlighted the need to provide affordable,

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[1] **Auckland Council**, *Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan* (2019)
[2] **Intergovernmental Panel on Climate Change (IPCC),** *Sixth Assessment Report* (2021)
[3] **Auckland Council**, *An Assessment of Vulnerability to Climate Change in Auckland* (2019)

reliable, convenient and low emissions alternatives in order to achieve the scale of change required[4]. This is reinforced by the recently released Emission Reduction Plan discussion document that indicates:

- a 20 per cent reduction target in Vehicles Kilometres Travelled (VKT) by 2035
- an emphasis on reducing reliance on cars and increasing mode shift
- an improved and more affordable public transport system especially in disadvantaged areas.

Clearer directions will be included in the National Emissions Reduction Plan and National Adaptation Plan (to be released in 2022). The council has made a start on including climate-related disclosures in our annual report which will become mandatory in 2023. The Resource Management System reform that is currently underway will also set expectations on land use planning to inform the proposed Climate Change Adaptation Act.

We've made a start, but need to do more

The council is making progress with the actions set out in Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan. A roadmap of our journey so far is included in Appendix A.

The Annual Budget 2020/2021 provided funding for decarbonising the council's fleet, phasing out boilers and foundation work to embed climate action in everything we do. A $152 million climate package was proposed and adopted in the Recovery Budget (LTP) 2021-2031 with a range of initiatives for mitigation and adaption. Decisions on transport emissions (except the electrification of buses) were considered as part of the Regional Land Transport Plan (RLTP) 2021-2031 which was developed concurrently to the LTP. The RLTP has set aside capital investments of $3.3 billion towards public transport (including decarbonisation of part of the ferry fleet) and $600 million on active modes such as walking and cycling. Feedback from both consultations highlighted that the council has an important role to play in terms of climate change and we will need to do more.

Despite this significant investment, we know that we will not achieve our climate goals without doing more. In particular, transformation of our transport system is required if we are to meet our emissions targets and the council has a key role to play by enabling mode shift. We need to take action on our climate commitments and maximise the opportunities created through existing and expected direction:

- Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan
- Transport Emissions Reduction Plan implementation
- the government's Emissions Reduction Plan
- the council's in principle support for congestion pricing (subject to improvements in public transport, walking and cycling)
- pending land use planning decisions related to
    - National Policy Statement on Urban Development
    - Future Development Strategy
    - growth model review
- review of the parking strategy
- review of the cycling programme.

We know most Aucklanders support more climate action

[4] Climate Change Commission, *Ināia tonu nei: a low emissions future for Aotearoa – Advice to the New Zealand Government on its first three emissions budgets and direction for its emissions reduction plan 2022-2025* (2021)

A recent survey shows 89 per cent of Aucklanders believe the council has a critical role to play in helping Auckland prepare for the impacts of climate change, but just 5 per cent think our current efforts to reduce emissions or climate impacts are effective[5].

Additionally, a Colmar Brunton poll showed eight out of ten Aucklanders support rapidly increasing the frequency, affordability, and availability of public transport. This aligns with the need to reduce Auckland's transport emissions by 64 per cent by 2030[6].

Possible options for climate package

In developing a climate package that is appropriate for a targeted rate, we have identified four criteria against which to measure the components of the climate package. The components of the climate package are public transport, active network and urban ngahere (forest). An assessment of the components of the climate package against the criteria is summarised below.

Table 1 Assessment against key criteria

Criteria	Public Transport	Active Network	Urban Ngahere
High impact Areas where the council can make the biggest impact	Focus on improving services to accelerate mode shift	Focus on improving access to city-wide network, to accelerate mode shift	Planting trees now to reduce future vulnerability to extreme heat
Wide regional benefits Overall outcomes benefit the whole of Auckland even though the interventions might be localised	Lift service levels across Auckland	Lift service levels across Auckland	Carbon sequestration and enhance amenity value of our parks and urban spaces
Address inequity Option can help address current inequity	Additional focus on areas with fewer transport choices	Additional focus on areas with fewer transport choices	Focused planting in areas with the lowest tree canopy cover and associated benefits
Can be started fast Significant analysis and planning has already been undertaken and implementation can be started quickly	Focus on service improvements rather than major new infrastructure	Focus on using space within existing road corridors to reduce costs and accelerate delivery	Building off existing analysis and planting plans

Two options for the climate package were considered that built on the funding commitments we have already made in the Recovery Budget and RLTP 2021-2031, and within an indicative 10-year targeted rate funding envelope of $600 million which include:

- bus improvements
- ferry decarbonisation
- cycling improvements
- walking improvements
- urban ngahere.

Most components of both options were essentially the same, with one more heavily focused on bus improvements and the other on decarbonising the ferry fleet. Priorities were given for areas that are currently underserved to ensure we address inequity at the same time. An outline of both options is provided in Appendix B.

[5] Auckland Council, *Auckland Climate Plan Research Report and Environment Insights and Threads Report* (2020)
[6] Auckland Council, *Public perception of Climate Action Colmar Brunton Poll* (2019)

The bus option would provide greater access across the region and was carried forward as the preferred climate action package. It is important to note that the proposed package does not constitute the whole of the council's response to climate change – instead the package is one tool in the toolbox focused on accelerating action through enhancing low carbon transport options and greening our neighbourhoods as an immediate focus. It also provides a strong foundation in preparation for a number of policy changes that are expected to transform our transport system.

1.1 Proposed climate package

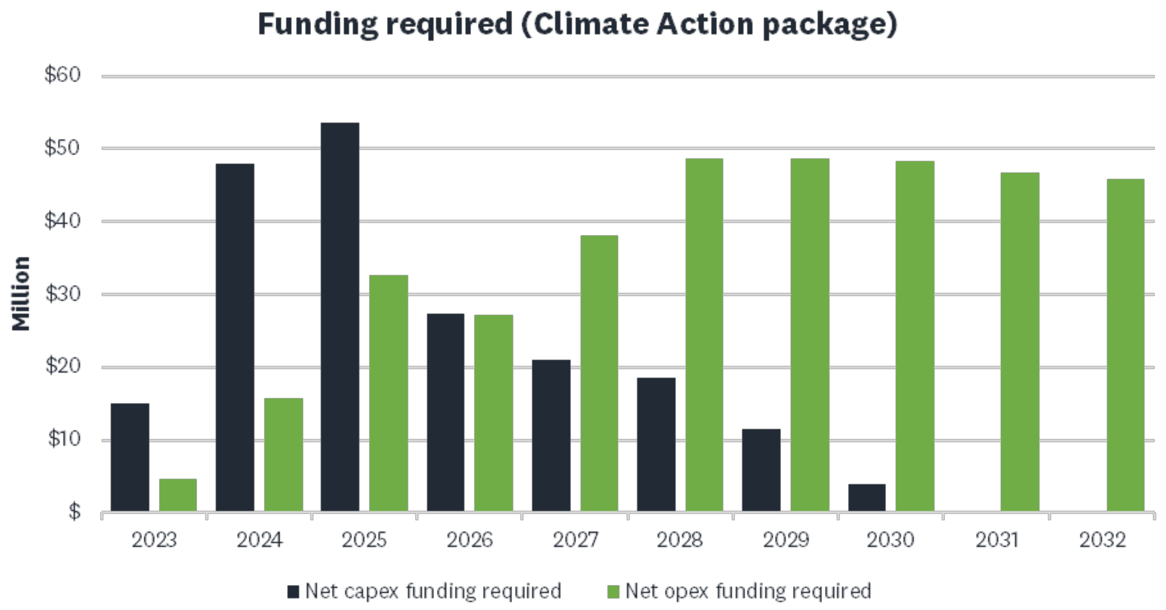
Package overview

The climate package will require funding of $574 million over the next 10 years. This is proposed to be funded through a targeted rate. A cost summary and the CAPEX/OPEX requirements are provided below.

Table 2 Cost summary

Climate Action Package	10-year total
Bus	$627 million
Ferry	$122 million
Cycling	$144 million
Walking	$84 million
Urban Ngahere	$13.3 million
Resourcing (Auckland Council)	$9 million
Administration Costs (Auckland Transport)	$7 million
Depreciation	$39 million
Gross Total	$1,045 million
Projected Additional Fare Revenue	$127 million
Net Total	$918 million
Co-funding from Central Government	$344 million
Funding required from the targeted rate	$574 million

Figure 2 CAPEX and OPEX funding requirements



A detailed breakdown on investment by wards and by local board areas across each element of the package is included in Appendix C.

Bus improvements

Currently 39.5 per cent of Auckland's population (approximately 600,000 people) lives within 500m of the Rapid (RTN) and Frequent (FTN) Transit Networks.

A recent Auckland Transport survey[7] confirms that frequency and coverage are the two biggest barriers for Aucklanders to use public transport. These are key considerations in targeting areas that are currently underserved. A number of service improvements are already planned and funded through the RLTP. This additional investment will add approximately 170,000 people (and 140,000 jobs) that are within 500m of RTN/FTN routes - setting the foundation for the transport system change required to reduce transport emissions.

The proposed investment will also enable a significant number of other bus routes to be upgraded to full connector status – meaning routes which have services at least every 30 minutes between 6am and 11pm, 7 days a week (as specified in the Regional Public Transport Plan (RPTP).

Just over 1,000,000 people (2018 Census) and 420,000 jobs are within 500m walking distance of bus routes that will receive some level of improvement from the proposed package.

Maps showing the full extent of the RTN, FTN and connector network following the addition of the proposed climate action package improvements, are provided in Appendix D. The combined investments (by ward) are included in Table 3.

Table 3 Bus service improvements (RLTP and proposed Climate Action Targeted Rate)

RLTP - funded (FYs 2021/2022 – 2023/2024)	CATR - funded proposals
Rodney	
Services to support Northwestern Busway investment Northwestern Bus Improvements: WX1 motorway express service – Westgate to City via new stations at Lincoln Rd and Te Atatū Service to Huapai South Huapai to Westgate – 6 buses per hour in peak; at least every 30 minutes at other times **Other improvements** New bus route for **Milldale** Significant service improvements for Warkworth, Snells Beach, Matakana, including to support Warkworth Park and Ride when motorway opens Wellsford – Warkworth (998) trial service becomes permanent Westgate, Riverhead, Coatesville, Albany (126) trial service becomes permanent and frequency increases	**NX1 becomes FREQUENT** north of Albany - will operate **to Hibiscus Coast** at least every 15 minutes, 7am - 7pm, 7 days a week Warkworth to Hibiscus Coast Station peak frequency increased to 20 minutes
Albany	
Network changes to serve new Rosedale Station on Northern Busway extension Service improvements for all Hibiscus Coast local and connector routes and new service for West Hoe Heights	**NX1 becomes FREQUENT** north of Albany - will operate **to Hibiscus Coast** at least every 15 minutes, 7am-7pm, 7 days a week Service level improvements to 4 upper North Shore bus routes

[7] Auckland Transport, *Attitudes to Climate Change* (2021).

RLTP - funded (FYs 2021/2022 – 2023/2024)	CATR - funded proposals
FREQUENT route 12 to and from West Auckland Additional ferry services to/from Hobsonville Additional peak ferry services to/from Gulf Harbour	
North Shore	
Devonport to Takapuna route becomes **FREQUENT route 81** upgrades to Beach Haven to Takapuna, Devonport local and Hillcrest West routes Ferry frequency improvements for Birkenhead, Northcote and Bayswater	Service level improvements to **2 FREQUENT** and 5 other lower North Shore bus routes as well as NX1 and NX2
Waitākere	
Northwestern Bus Improvements: ○ WX1 motorway express service – Westgate, Lincoln Rd, Te Atatū, City ○ FREQUENT bus route 11 Massey, Lincoln Rd, Te Atatū, Pt Chevalier, City ○ FREQUENT bus route 12 Henderson, Don Buck Rd, Westgate, Hobsonville, Greenhithe, Constellation ○ FREQUENT bus route 13 Te Atatū Peninsula, Te Atatū Station, Te Atatū South, Henderson ○ local network improvements to serve new bus stations at Te Atatū and Lincoln Rd Titirangi Rd improvements (already delivered)	**Two new FREQUENT routes**: ○ 15 along West Coast Rd and Henderson Valley Rd ○ 17 along Titirangi Rd and Atkinson Rd Service improvements on the following RLTP-funded routes: ○ WX1 (Westgate, Lincoln Rd Station, Te Atatū Station, City) ○ FREQUENT route 12 (Don Buck Rd and Hobsonville Rd) ○ FREQUENT route 13 (Te Atatū Rd) Other service improvements to local routes in Glen Eden, Sunnyvale and Swanson - Ranui
Whau	
Northwestern Bus Improvements: Rosebank Rd service (current 138) will serve Te Atatū and Lincoln Rd stations for connections throughout the Northwest	Service level improvements in Kelston, South Lynn and Green Bay, Rosebank, New Windsor, Blockhouse Bay Crosstown 670 from New Lynn to Mt Roskill and Onehunga becomes **FREQUENT route 67**
Albert Eden Puketāpapa	
Reinstatement of 15 minute frequency service until midnight on city centre routes to support Access for Everyone (A4E) Service improvements to support Tāmaki Regeneration Area and Roskill South developments Outer Link to operate St Lukes, City, Newmarket only to improve reliability (no longer a circular route) **FREQUENT route 64** extended to St Lukes to replace Outer Link between Mt Eden and St Lukes **New FREQUENT route 65** Pt Chevalier, St Lukes, Greenlane, Glen Innes (current 650)	Service level improvements to routes 22 New North Rd, 24 Sandringham Rd, 25 Dominion Rd, 27 Mt Eden Rd, 30 Manukau Rd, 66 Mt Albert Rd (crosstown) Crosstown 670 from New Lynn to Mt Roskill (Stoddard Rd) and Onehunga becomes **FREQUENT route 67**
Waitematā and Gulf	
Outer Link changes to improve reliability (no longer a circular route) Reinstatement of 15 minute frequency service until midnight on city centre routes to support A4E	Improvements on routes to/from city centre such as 22 New North Rd, 24 Sandringham Rd, 25 Dominion Rd, 27 Mt Eden Rd, 30 Manukau Rd, 75 Remuera Rd

RLTP - funded (FYs 2021/2022 – 2023/2024)	CATR - funded proposals
105 extended to Westmere shops Tāmaki Drive services extended to Wynyard Quarter	
Ōrākei	
Extension of Tāmaki Drive routes to Wynyard Quarter New link between Remuera and Ōrākei Station (extension of route 755) Reinstatement of 15 minute frequency service until midnight on route 75 Remuera Rd to support A4E	Route 762 (West Tāmaki Rd, Kohimarama Rd, Kepa Rd to Wynyard Quarter) becomes **FREQUENT route 76** Service level improvements on route 75 Remuera Rd
Maungakiekie Tāmaki	
Service improvements to support Tāmaki Regeneration Area	**3 routes become FREQUENT:** 76 (currently 762) Glen Innes (Taniwha St, West Tāmaki Rd) to Wynyard Quarter via Kepa Rd 74 (currently 743) Glen Innes, Tāmaki (Tripoli Rd), Panmure, Sylvia Park, Onehunga (Church St) 67 (currently 670) Onehunga, Mt Roskill (Stoddard Rd), Avondale, New Lynn Service level improvements to routes: 30 Manukau Rd 66 Mt Albert Rd (crosstown) 298 Onehunga, Ōranga, Ellerslie, Penrose, Sylvia Park 751 Marua Rd
Howick	
Eastern Busway-associated route adjustments Half Moon Bay ferry weekend frequency improvements, and regular timetable throughout the day Evening improvements to route 35 and 355 services (Chapel Rd, Flat Bush) Improvements to Bucklands Beach connections	Service level improvements to most bus routes in the ward including all routes in Howick, Pakuranga, Bucklands Beach: 31 Botany, East Tāmaki, Papatoetoe, Māngere 35 Chapel Rd (Botany, Ormiston, Manukau) 70 Ti Rakau Drive (main Botany to City route) 72 Pakuranga Rd (Howick to Panmure) 314 (Ormiston Rise) 711 Bradbury Rd, Cascades Rd, Reeves Rd to Panmure 712 Bucklands Beach to Panmure 734 Half Moon Bay, Pigeon Mountain, Botany Rd, Botany 735 Botany, Cockle Bay, Howick, Half Moon Bay 752 Panmure, Highbrook, East Tāmaki, Manukau
Manukau	
Puhinui Station service improvements (delivered July 2021) – including Airport Link and new FREQUENT route 36 between Manukau, Papatoetoe, Māngere and Onehunga Frequent routes 31, 32, 33 - restore evening frequencies Māngere - service improvements on minor routes; new service for Ihumatao and improved access to Middlemore Goodwood Heights - new service	Two **new FREQUENT** routes: o 37 Highbrook, Ōtara (Preston Rd), Puhinui Interchange (connects with trains and Airport Link), Roscommon Rd, Clendon, Manurewa o 39 (currently 361) (Ōtara North, Papatoetoe East, Manukau, Super Clinic, Clendon, Manurewa) Ihumatao - extension of route 326 from Middlemore and Māngere

RLTP - funded (FYs 2021/2022 – 2023/2024)	CATR - funded proposals
	Service improvements on 2 existing **FREQUENT** routes and two local routes: ○ 31 (Māngere-Papatoetoe-Ōtara-East Tāmaki) ○ 33 (Great South Rd) ○ 314 Ōtara to Middlemore ○ 324 Seaside Park, Otahuhu, Favona, Boggust Park, Māngere
Manurewa Papakura	
Auranga (Drury West) - extended to new development, partly delivered already Park Farm, Hingaia - new/improved services Some evening service improvements to Papakura local services New on-demand service in Papakura-Takaanini	**Three new FREQUENT routes**: ○ 37 Manurewa, Mahia Rd, Clendon (Roscommon Rd), Puhinui Interchange (connects with trains and Airport Link), Ōtara (Preston Rd), Highbrook ○ 39 (currently 361) (Manurewa, Weymouth Rd, Clendon, Manurewa Marae, Super Clinic, Manukau, Papatoetoe East, Ōtara North ○ 40 Drury West to Papakura ○ 41 Drury South Service level improvements to most other bus routes: ○ 33 Great South Rd (Papakura, Manurewa, Manukau, Otahuhu ○ 362 Weymouth, Manurewa, Manukau ○ 363 Wattle Downs, Manurewa ○ 365 Papakura, Takaanini, Randwick Park, Manurewa, Homai, Manukau ○ 366 Manurewa, The Gardens, Everglade Drive, Manukau ○ 372 Keri Hill to Papakura
Franklin	
Auranga (Drury West) - new service, partly delivered already Paerata Rise - new/improved services New on-demand service in Pukekohe New weekend ferry service from Pine Harbour, plus later running services on weekday evenings	**Two new FREQUENT routes**, one each in Drury West and Drury South, to complement new train stations New route Clarks Beach to Papakura Service improvements: ○ Paerata Rise to Pukekohe ○ Waiuku to Pukekohe

Ferry decarbonisation

Six per cent of our public transport patronage comes from ferry services but it contributes to 21 per cent of the total public transport emissions. A third of our current fleet will need replacing within the next three to five years. The RLTP already provides some funding for decarbonisation and the additional proposed funding will help fast track this. However, the current technology only allows the shorter routes to be serviced by fully electric ferries without charging. Auckland Transport (AT) is considering the use of hybrid ferries for the longer routes unless technology develops significantly in the next five years.

Table 4 Ferry decarbonisation (RLTP and Proposed Climate Action Targeted Rate)

RLTP-funded	CATR-funded proposals
Decarbonisation of Ferry Fleet Stage 1: to provide infrastructure to help decarbonise the public transport fleet	6-7 low emissions ferries Associated wharf upgrades and charging infrastructure

Cycling improvements

Safety concerns are the biggest barrier to cycling in large part due to the lack of safe cycle facilities. AT is currently finalising a business case for the on-going cycling programme, which is planned for delivery commencing in year four of the RLTP. The additional investment from the Climate Action Targeted Rate will bring elements of this programme forward and enable delivery of more cycle facilities.

Table 5 Cycling improvements (RLTP and Proposed Climate Action Targeted Rate)

RLTP-funded	CATR-funded proposals
Continuing from previous RLTP Urban Cycleways Programme: Completing the Urban Cycleways Programme, including projects such as the Glen Innes to Tāmaki Drive cycleway and New Lynn to Avondale shared path ($139 million) **Delivery planned to commence in 2021/2022** **Minor Cycling and Micromobility:** A new programme for minor improvements for cycling and micromobility, delivering pop up cycleways which will retrofit a range of existing painted cycle lanes with appropriate protection ($30 million). **Delivery planned to commence in 2024/2025** **Ongoing Cycling Programme:** An ongoing programme of cycleway delivery and associated projects following on from the completion of the Urban Cycleways Programme. Currently focuses on achieving maximum impact for short trips to the city centre, public transit interchanges, schools and local and metropolitan centres ($306 million) Other cycling improvements • Meadowbank Kohimarama Connectivity Project ($22.1 million) • Māngere Cycleways (Airport Access) ($11.6 million).	**Delivery of high priority projects in the Cycling and Micromobility Programme Business Case** • Approximately 5km of safe cycle facilities to connect Homai, Weymouth, Manurewa and Wattle Downs • Approximately 3km of safe cycle facilities to provide a connection between Northcross and Windsor Park • Approximately 2km of safe cycle facilities to connect Glenfield Road and Upper Harbour Drive • Approximately 4km of safe cycle facilities to provide a connection between Hobsonville Point and West Harbour • Approximately 1km of safe cycle facilities in Takapuna • Approximately 3km of safe cycle facilities to connect Royal Oak and Onehunga • Concentrated investment in New Lynn to provide safe cycle connections between residential areas and the metro centre, train station and schools.

Walking improvements

Safety is one of the barriers to walking. The RLTP includes some funding for walking improvements through the New Footpaths Regional Programme, as well as the Safety and Network Optimisation programmes. AT is currently finalising a walking business case, however it is not currently funded in the RLTP. The additional investment proposed will deliver parts of the walking business case to improve walkability and connectivity.

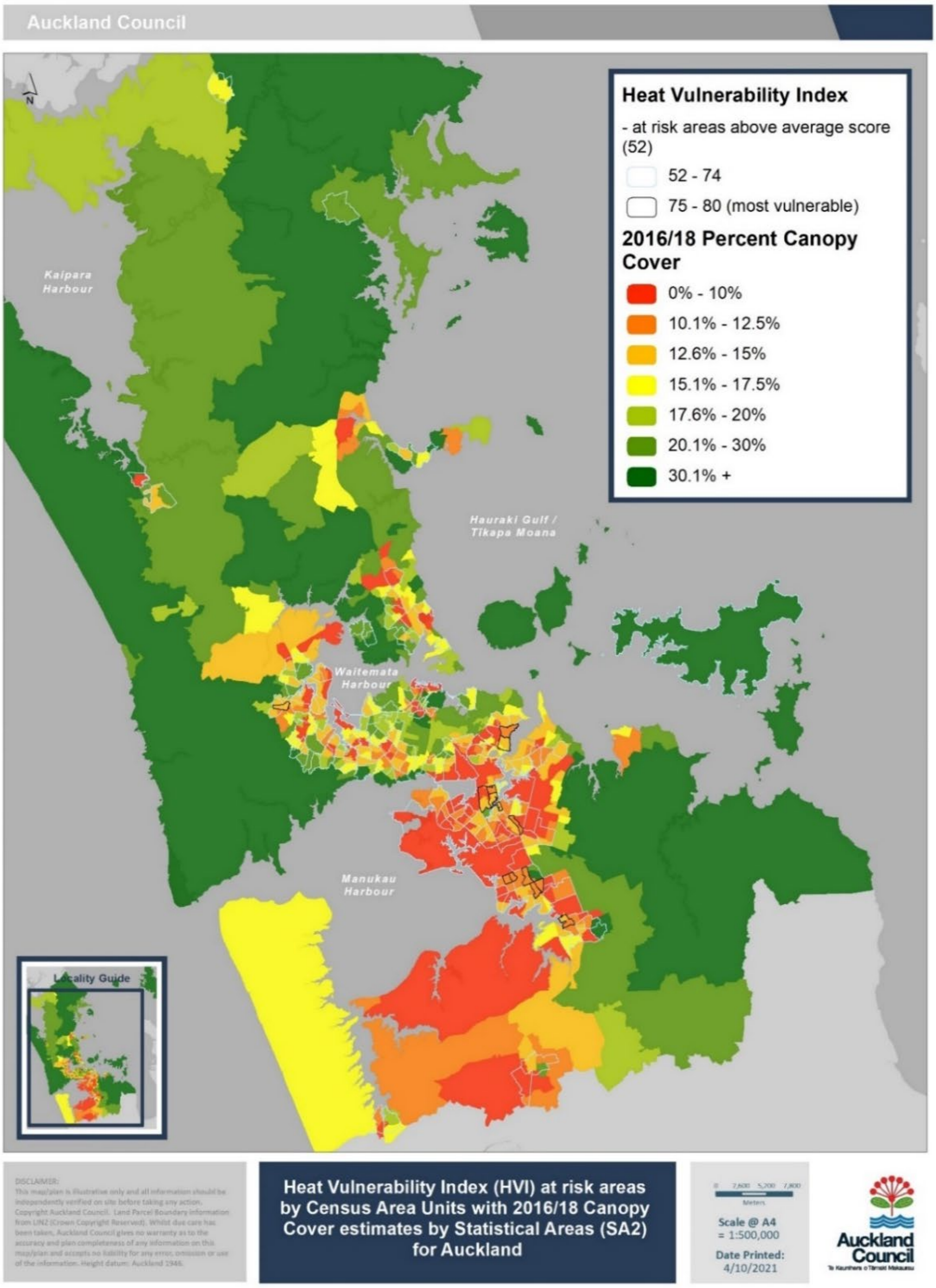
Table 6 Walking improvements (RLTP and proposed Climate Action Targeted Rate)

RLTP-funded	CATR-funded proposals
To start in year 1 of RLTP **New Footpaths Regional Programme**: To continue delivering new footpaths in high priority locations across Auckland ($49 million)	Up to 35km of walking connectivity improvements on the primary Walking Strategic Network Walkability improvements for 1 Priority Area for Manurewa (Homai West, Manurewa South)

Urban Ngahere (Forest)

A growing population and urban expansion over the years has added to the surfaces that absorb and retain heat. To reduce heat risk, we need to focus our planting efforts in areas of highest heat vulnerability to lower temperatures and provide shade. Areas most vulnerable to heat tend to have lower tree canopy cover. To prepare for warmer temperatures and more extreme heat events, we need to plant trees now to increase tree canopy cover across our urban areas. Auckland's Urban Ngahere (Forest) Strategy sets a target of at least 15 per cent per local board area. Auckland's current canopy cover mapped against the heat vulnerability index is provided in Figure 3.

Figure 3 Heat Vulnerability Index and Average Canopy Cover (3m+)



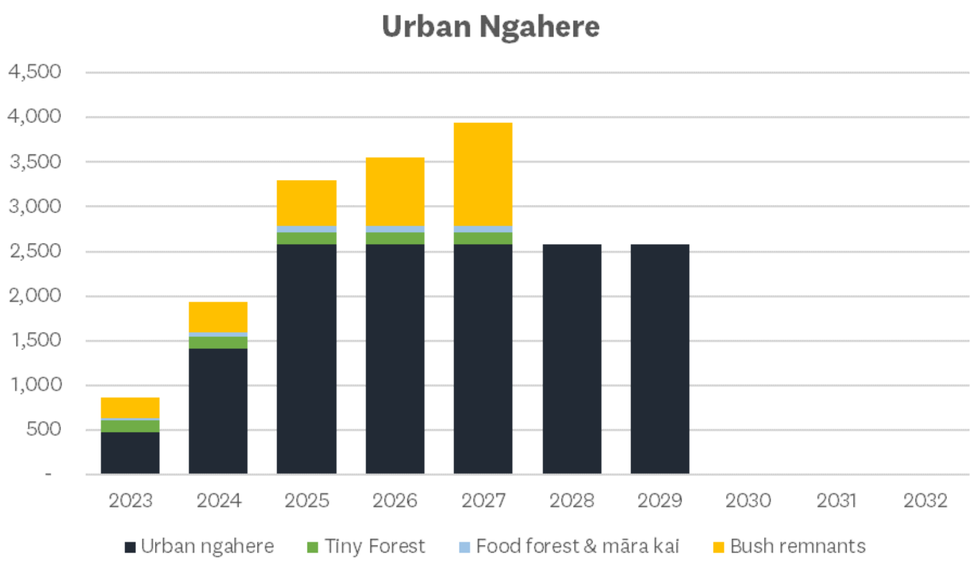
A number of local boards already have Urban Ngahere Action Plans that are either completed or in development which include planting plans identifying types of trees and locations. Combining with the funding already committed in the Recovery Budget, the planting of native trees in parks and street corridors will also be in areas with the lowest canopy cover as summarised in

Table 7. In addition to urban ngahere planting, additional initiatives that will complement the planting efforts are also included in the proposal with the number of trees to be planted over the next 10 years outlined in Figure 4.

Table 7 Urban Ngahere and additional urban ngahere initiatives

CATR - funded proposals	Quantity (approximate)
Urban ngahere Local board areas with lowest tree canopy cover	14,800 trees
Tiny forest Planting with a focus on increasing biodiversity and accessibility to nature where space is limited (Miyawaki Method)	20 tiny forests with 700 trees
Food forests and māra kai Planting with a focus on growing food such as fruit orchards and food gardens	250 trees
Bush remnants Extension of bush remnants by planting along the edges of our current bush cover	3000 trees
Rongoā planting Work with mana whenua on planting native plants and trees for traditional use	Rongoā planting grants

Figure 4 Number of trees planted



The distribution of the 14,800 trees (within parks, playgrounds and road reserves), will be informed by the current canopy coverage (Table 8) and existing analysis. Further work will be required to confirm the exact numbers, types and locations.

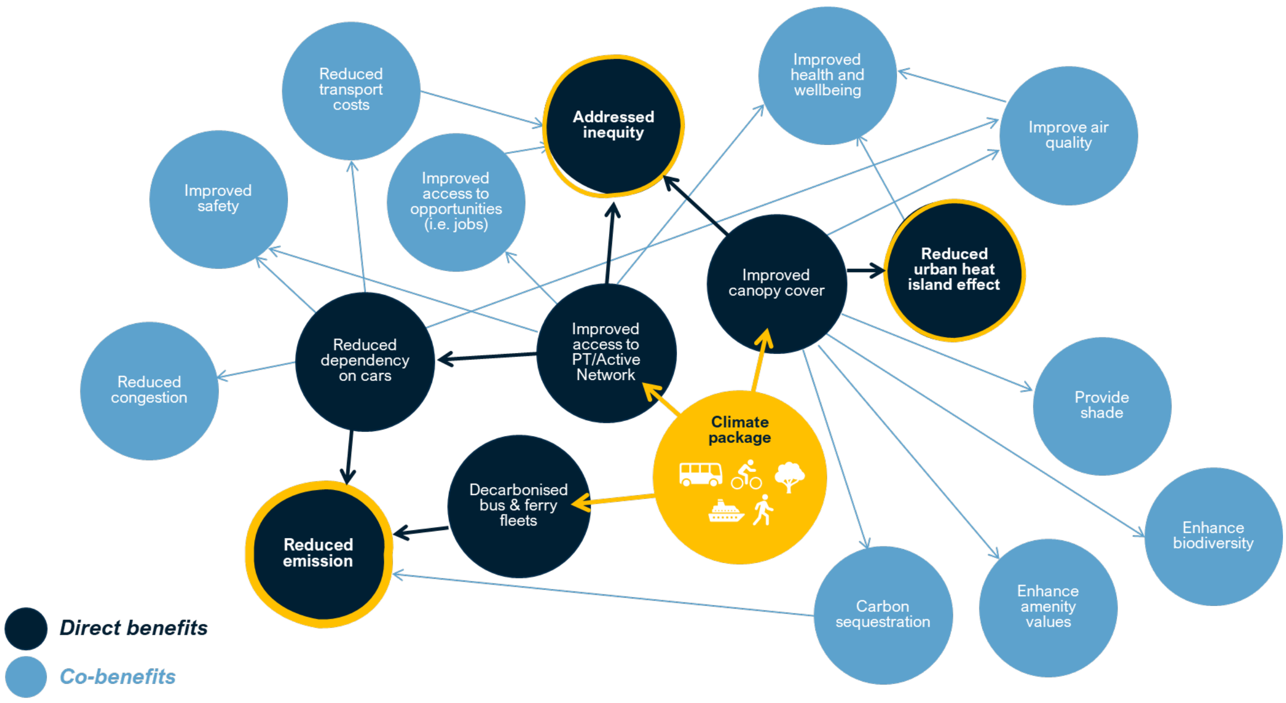
Table 8 Current canopy cover (Less than 15%)

Current Coverage	Local Board
8%	Māngere - Ōtāhuhu
10%	Ōtara-Papatoetoe
12%	Maungakiekie-Tāmaki
13%	Manurewa
14%	Papakura
15%	Henderson-Massey
Total (Approximate) ~14,800	

Benefits and co-benefits

There are many benefits and co-benefits of the proposed climate package which are inter-related as demonstrated in Figure 5. The package will reduce emissions and support adaptation while addressing current inequity in terms of access to public transport, the active network, and tree canopy cover across the region.

Figure 5 Overview of benefits and co-benefits



Some of the benefits we can quantify now but others will require further work as part of the monitoring and reporting framework for the targeted rate. There is also further emission reduction modelling that is underway (as part of the Transport Emission Reduction Plan) which will help to articulate the overall impact of the package. This investment is necessary to kick start and unlock the transport system transformation as we anticipate a number of key policies to come into effect from next year onwards.

Co-funding from Central Government

The proposed transport components of the Climate Action Package will be eligible for Waka Kotahi co-funding. However, the availability of co-funding for any proposed investments is subject to their inclusion in the RLTP and the National Land Transport Plan (NLTP), and their assessment against standard Waka Kotahi business case criteria. The RLTP and the NLTP are not due to be renewed until mid-2024. An assumption has been made that co-funding from the Central Government will be available from year four of the programme at the standard Funding Assistance Rate for investments of this nature in Auckland of 51 per cent.

1.2 Proposed targeted rate for climate action

The proposal considers the use of a targeted rate to fund the acceleration of regional climate action. It is proposed to set the targeted rate on a capital value basis with the rate increasing in line with the planned general rates increase of 3.5 per cent per year. It is proposed to differentiate the rate with the same structure as the differentials that apply to the value based general rate, but with the business differential set at the same level as the Water Quality and Natural Environment targeted rates. The key differentials proposed are set out below, for the full list see Appendix E: Funding option discussion:

- 25.8 per cent of the rates requirement to be collected from business (the target for the long-term differential strategy)
- rural residential and rural business to be set at 90 per cent of urban residential and business respectively
- farm/lifestyle to be set at 80 per cent of urban residential
- urban differentials to be applied to properties transitioning to urban general rates.

The overall increase in the rates requirement of the addition of the climate action targeted rate is 2.3 per cent. Estimated targeted rate amounts in the main general rate categories are as below:

- $1.12 per week (or $58 per year) (2.4 per cent of additional rates increase) for the median value ($1.2 million) **urban residential** property in 2022/2023, rising to $1.52 per week (or $79 per year) in 2031/2032
- $0.88 per week (or $45.70 per year) (2.3 per cent of additional rates increase) for the median value ($1.050 million) **rural residential** property in 2022/2023, rising to $1.20 per week (or $62.3 per year) in 2031/2032
- $1.83 per week (or $95.10 per year) (equivalent to 1.7 per cent of additional rates increase) for the median value ($1.15 million) **business** property in 2022/2023, rising to $2.49 per week (or $129.60 per year) in 2031/2032
- $1.30 per week (or $67.70 per year) (equivalent to 2.3 per cent of additional rates increase) for the median value ($1.75 million) **farm/lifestyle** property in 2022/2023, rising to $1.77 per week (or $92.20 per year) in 2031/2032.

  The median property value has been used to best reflect what most ratepayers will pay. At this value 50 per cent will pay more and 50 per cent will pay less. For the rate based on average property values please refer to section 4.1 on pages 93/94.

Note that the rates numbers indicated above are based on new capital values that are subject to certification by the Valuer General and the objection process and therefore may change.

A targeted rate is proposed to fund these activities so ratepayers can clearly identify the costs and benefits of the programme. The rate should be charged to all ratepayers as the emissions reduction benefits of the investment are regional and accrue to all Aucklanders. There are various options for setting the rate, see Appendix E for a full discussion of funding options and alternative rate models.

The rate is proposed to be set on the same basis as the value based general rate. The proposed investment extends the regional networks for public transport, active transport and urban ngahere. Existing services are currently funded through the general rate. Setting the targeted rate on the same basis maintains consistency in our approach to funding these services.

Charging on a capital value base assists affordability, as rates are generally more affordable for owners of higher value properties. There is also a link between property values and the generation of greenhouse gas emissions that help drive climate change. Charging on a capital value base shifts rates from undeveloped to developed land.

The proposal is for a rate to be set differentially to raise 25.8 per cent of the revenue requirements from businesses. The proposed differential is set at the target proportion of general rates revenue the long-term differential strategy[8] (LTDS) seeks to raise from business. This is the same business differential used for the Water Quality and Natural Environment targeted rates.

Application of general rates differentials within the business and non-business sectors for the climate action rate differs from the undifferentiated Water Quality and Natural Environment Targeted Rates. This is because the investments funded by those rates are more regionally dispersed than the investments proposed for the climate action rate.

[8] The LTDS progressively lowers the share of general rates revenue to be raised from businesses from 32.4 per cent in 2018/2019 to 25.8 per cent by 2037/2038.

Appendix A. Auckland Council's roadmap on climate action

Appendix B. Possible options for climate package (within an indicative $600 million targeted rate funding envelope over 10 years)

	Higher investments in Bus	Higher investments in Ferry
Bus	Same as for 'Ferry option', plus 2 additional Frequent routes in South and West Auckland Further service improvements across the network including to support A4E Additional 79 low emission buses	4 new Frequent routes in South/West Auckland and Tāmaki Frequent service on NX to Hibiscus Coast Numerous other service improvements across the region, with a particular focus on areas with lower coverage Additional 33 low emission buses
Ferry	6-7 low emissions ferries Wharf upgrades and charging infrastructure	11-12 low emissions ferries Wharf upgrades and charging infrastructure Some service improvements
Cycling	18km of safe cycling facilities Concentrated investment in New Lynn	
Walking	35km of connectivity improvements Concentrated investment in Manurewa	
Urban Ngahere	Planting of native specimen trees in parks and road corridors in the areas with highest heat risks and lowest canopy cover Solutions delivered including tiny forests, food forests and māra kai, extension of bush remnants and rongoā planting, etc.	

Appendix C. Climate action package investment summary

Please note that investment in decarbonising ferry fleet (and associated wharf upgrades and charging infrastructure) is a network investment that is difficult to attribute to specific ward or local board areas.

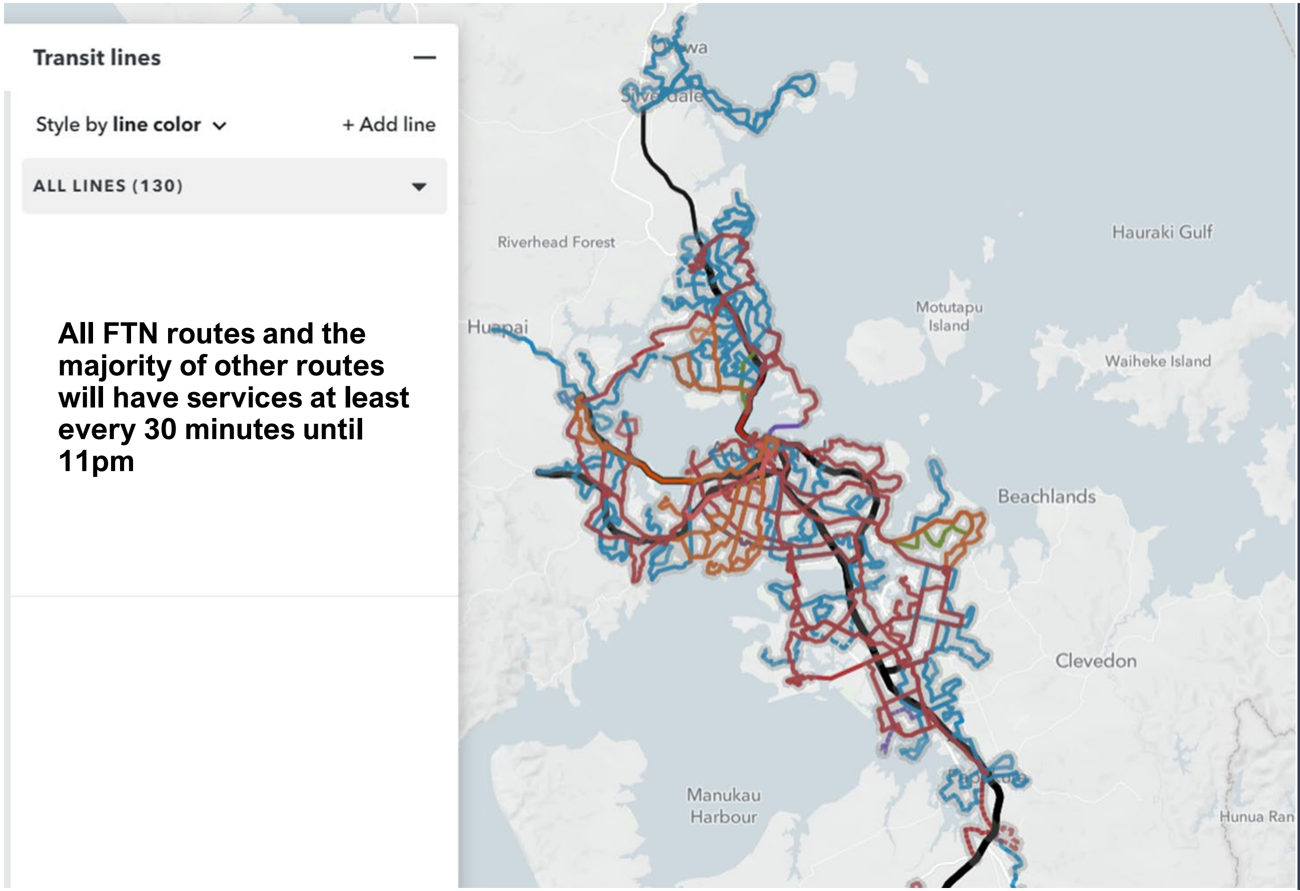
Ward	Local Boards	Bus improvements In addition to improvements funded to be implemented in FY 21/22 to FY 23/24	Cycling improvements	Walking improvements	Urban Ngahere
Rodney	**Rodney**	NX1 becomes FREQUENT north of Albany - to Hibiscus Coast at least every 15 minutes, 7am-7pm, 7 days a week 995 Warkworth to Hibiscus Coast Station peak frequency increased to 20 minutes		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Albany	**Hibiscus and Bays** **Upper Harbour**	NX1 becomes FREQUENT north of Albany - to Hibiscus Coast at least every 15 minutes, 7am - 7pm, 7 days a week Service level improvements to 4 upper North Shore bus routes	Approximately **3km** of safe cycle facilities to provide a connection between Northcross and Windsor Park Approximately **2km** of safe cycle facilities to connect Glenfield Rd and Upper Harbour Drive Approximately **4km** of safe cycle facilities to provide a connection between Hobsonville Point and West Harbour	Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
North Shore	**Kaipātiki** **Devonport-Takapuna**	Service level improvements to 2 FREQUENT and 5 other lower North Shore bus routes as well as NX1 and NX2	Approximately **1km** of safe cycle facilities in Takapuna	Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Waitākere	**Henderson-Massey** **Waitākere Ranges**	**Two new FREQUENT routes** serving Titirangi, Glen Eden and Henderson Valley Further service improvements on the 3 new Northwestern FREQUENT routes Other service improvements to local routes in Glen Eden, Sunnyvale and Swanson – Ranui Note: Waitākere currently has just 1 Frequent bus route. Northwestern Bus Improvements (now under construction) will introduce 4 additional Frequent routes, and CATR will introduce another 2, bringing the total to 7.		Location of up to 35km of connectivity improvements across the region to be confirmed.	The existing average cover across Waitakere Ranges is above 15% but: **Henderson Massey Local Board (~15%)** Receives native specimen trees due to low canopy cover and heat vulnerability index Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Whau	**Whau**	Service level improvements in Kelston, South Lynn and Green Bay, Rosebank, New Windsor, Blockhouse Bay **Crosstown FREQUENT** 67 from New Lynn to Mt Roskill and Onehunga (current 670)	Concentrated investment in New Lynn to provide safe cycle connections between residential areas and the metro centre, train station and schools.	Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.

Ward	Local Boards	Bus improvements In addition to improvements funded to be implemented in FY 21/22 to FY 23/24	Cycling improvements	Walking improvements	Urban Ngahere
Albert Eden Puketāpapa	**Albert-Eden Puketāpapa**	Evening service level improvements to routes 22 New North Rd, 24 Sandringham Rd, 25 Dominion Rd, 27 Mt Eden Rd, 30 Manukau Rd, to support City Centre A4E Evening service level improvements to 66 Mt Albert Rd (crosstown) **Crosstown FREQUENT** 67 New Lynn, Ōwairaka (Hendon Ave), Mt Roskill (Stoddard Rd) and Onehunga (current 670)		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Waitematā and Gulf	**Waitematā Waiheke Aotea/Great Barrier**	Evening service improvements on FREQUENT routes to/from city centre such as 22 New North Rd, 24 Sandringham Rd, 25 Dominion Rd, 27 Mt Eden Rd, 30 Manukau Rd, 75 Remuera Rd, to support City Centre A4E		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Ōrākei	**Ōrākei**	**FREQUENT route 76** West Tāmaki Rd, Kohimarama Rd, Kepa Rd to Wynyard Quarter (current 762) Service level improvements on FREQUENT route 75 Remuera Rd		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Maungakiekie Tāmaki	**Maungakiekie-Tāmaki**	3 routes become FREQUENT: 76 **Glen Innes (Taniwha St, West Tāmaki Rd)** to Wynyard Quarter via Kepa Rd (current 762) 74 Glen Innes, Tāmaki (Tripoli Rd), Panmure, Sylvia Park, Onehunga (Church St) (current 743) 67 **Onehunga**, Mt Roskill (Stoddard Rd), Avondale, New Lynn (current 670) Service level improvements on routes: 30 Manukau Rd 66 Mt Albert Rd (crosstown) 298 Onehunga, Ōranga, Ellerslie, Penrose, Sylvia Park 751 Marua Rd	Approximately **3km** of safe cycle facilities to connect Royal Oak and Onehunga	Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area below 15%: **Maungakiekie-Tāmaki Local Board (12%)** Receives native specimen trees due to low canopy cover and heat vulnerability index Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.

Ward	Local Boards	Bus improvements In addition to improvements funded to be implemented in FY 21/22 to FY 23/24	Cycling improvements	Walking improvements	Urban Ngahere
Howick	**Howick**	Service level improvements to **ALL** bus routes north of Botany, as well as: 31 FREQUENT Botany, East Tāmaki, Papatoetoe, Māngere 35 FREQUENT Chapel Rd (Botany, Ormiston, Manukau) 314 – extended to Ormiston Rise		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Manukau	**Māngere-Ōtāhuhu** **Ōtara-Papatoetoe**	Two new FREQUENT routes: 37 Highbrook, Ōtara (Preston Rd), Puhinui Interchange (connects with trains and Airport Link), Roscommon Rd, Clendon, Manurewa. This is a completely new route. 39 **Ōtara North, Papatoetoe East, Manukau**, Super Clinic, Clendon, Manurewa (current 361) **Ihumatao** – new service - extension of route 326 from Middlemore and Māngere Service improvements on two existing FREQUENT routes and three local routes: 31 Māngere, Papatoetoe Station, Ōtara, East Tāmaki 33 Great South Rd 314 Ōtara to Middlemore 324 Seaside Park, Ōtāhuhu, Favona, Boggust Park, Māngere 326 Middlemore, Māngere, Ihumatao		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board areas below 15%: **Māngere-Ōtāhuhu Local Board (8%)**Receives native specimen trees due to low canopy cover and heat vulnerability index **Ōtara-Papatoetoe Local Board (10%)**Receives native specimen trees due to low canopy cover and heat vulnerability index Indicative planting plan based on existing analysis. Further analysis to be completed to confirm the exact numbers, types and locations in order to deliver the most benefit. Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.
Manurewa Papakura	**Manurewa** **Papakura**	Three new FREQUENT routes: 37 Manurewa, Mahia Rd, Clendon (Roscommon Rd), Puhinui Interchange (connects with trains and Airport Link), Ōtara (Preston Rd), Highbrook. This is a completely new route. 39 Manurewa, Weymouth Rd, Clendon, Manurewa Marae, Super Clinic, Manukau, Papatoetoe East, Ōtara North (current 361) 40 Auranga, **Drury, Papakura** (current 376) Service level improvements to most other bus routes	Approximately **5km** of safe cycle facilities to connect Homai, Weymouth, Manurewa and Wattle Downs	**Manurewa Priority Area** (Homai West, Manurewa South) Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board areas below 15%: **Manurewa (13%)**Receives native specimen trees due to low canopy cover and heat vulnerability index **Papakura (14%)**Receives native specimen trees due to low canopy cover and heat vulnerability index Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.

Ward	Local Boards	Bus improvements In addition to improvements funded to be implemented in FY 21/22 to FY 23/24	Cycling improvements	Walking improvements	Urban Ngahere
Franklin	**Franklin**	**Two new FREQUENT routes**, one each in Drury West (Auranga) and Drury South, to complement new train stations New route Clarks Beach to Papakura Service improvements: 394 Paerata Rise to Pukekohe 396 Waiuku to Pukekohe		Location of up to 35km of connectivity improvements across the region to be confirmed.	Existing average cover across local board area above 15% Locations of tiny forests, food forests and Māra kai, bush remnants across the region to be confirmed. Rongoā planting will be a grant.

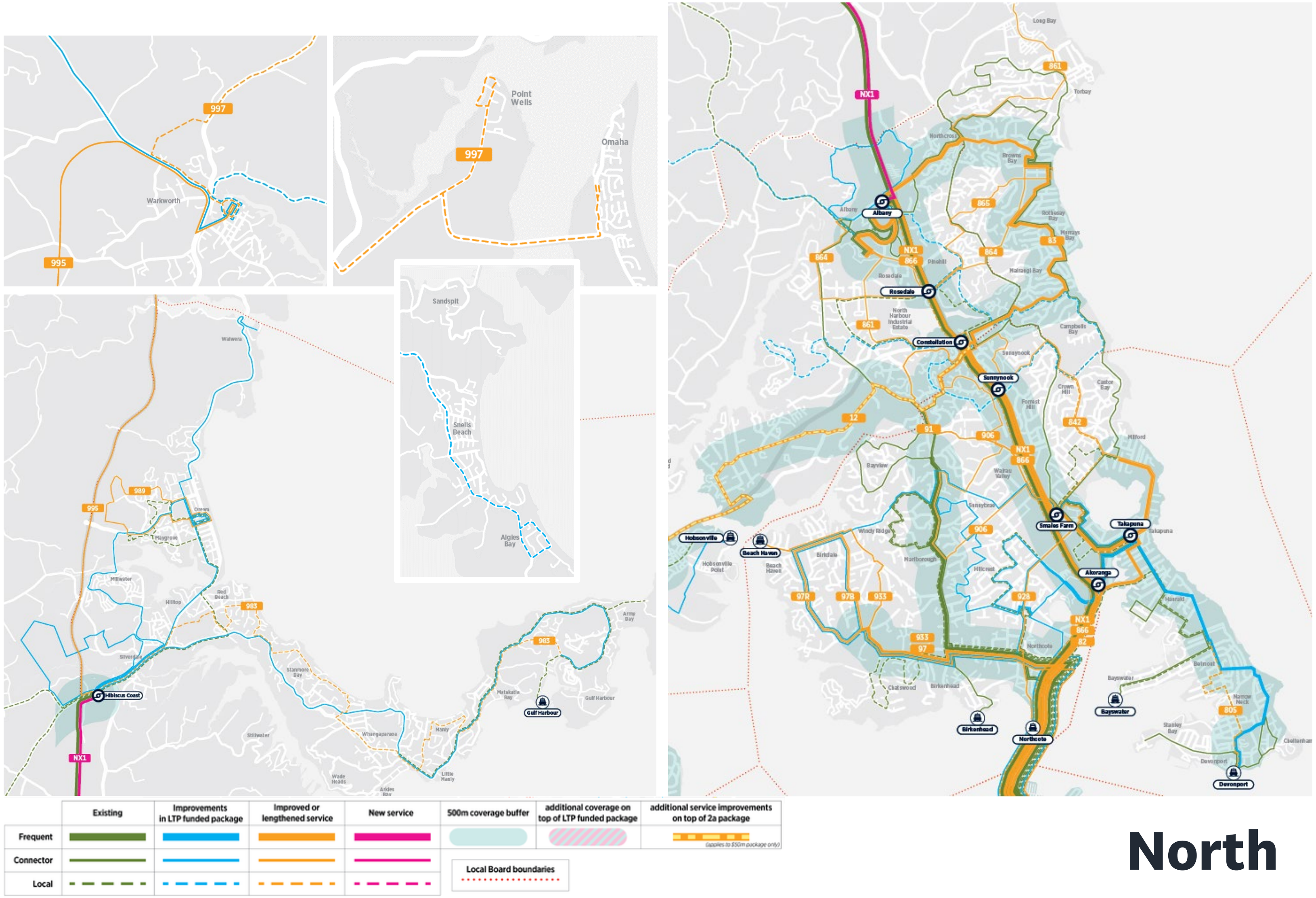
Appendix D. All routes with service improvements funded by the targeted rate



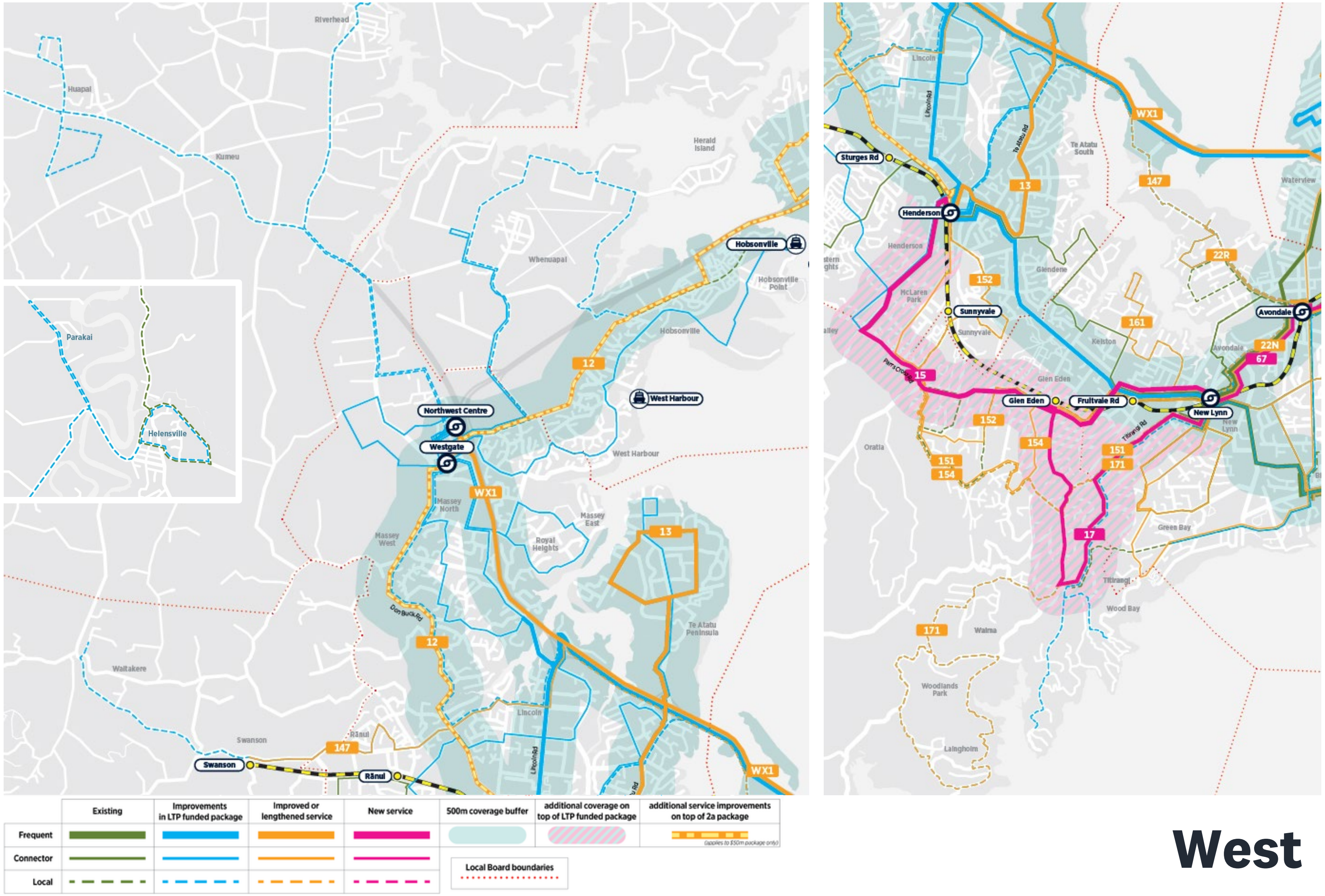
All FTN routes and the majority of other routes will have services at least every 30 minutes until 11pm

Just over 1,000,000 people (2018 Census) and 420,000 jobs within 500m of bus routes that will receive some level of improvement from the proposed targeted rate.

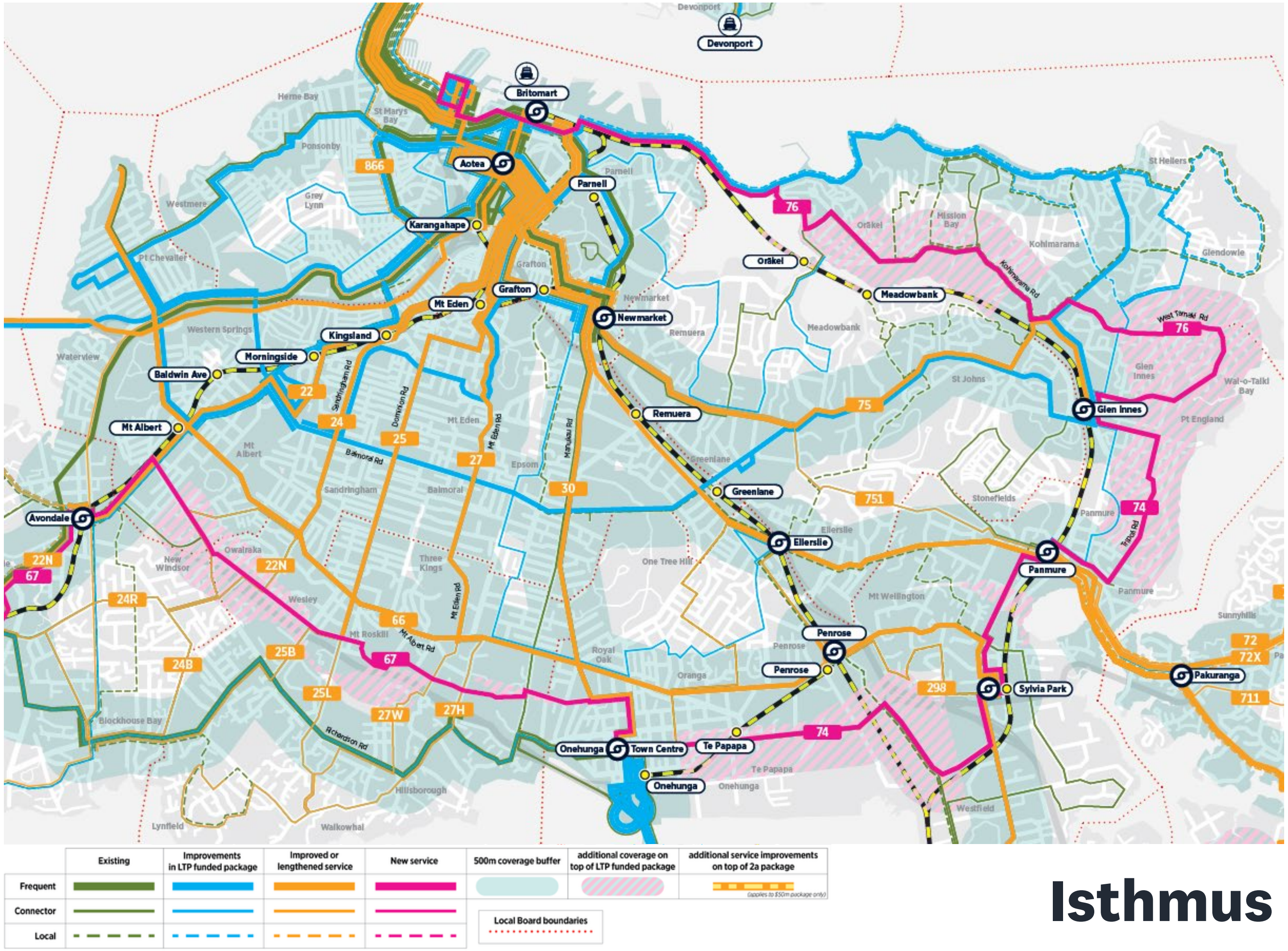
Key
RTN
FTN
FTN with branches
Connector
Local
Peak only


Existing
Improvements in LTP funded package
Improved or lengthened service
New service
500m coverage buffer
additional coverage on top of LTP funded package
additional service improvements on top of 2a package
(applies to $50m package only)
Frequent
Connector
Local
Local Board boundaries
Point Wells
Omaha
Warkworth
Sandspit
Snells Beach
Algies Bay
Hibiscus Coast
Gulf Harbour
Albany
Rosedale
Constellation
Sunnynook
Smales Farm
Takapuna
Akoranga
Hobsonville
Beach Haven
Birkenhead
Northcote
Bayswater
Devonport
997
995
989
983
993
NX1
861
865
864
866
83
12
91
906
842
97R
97B
933
97
928
82
805

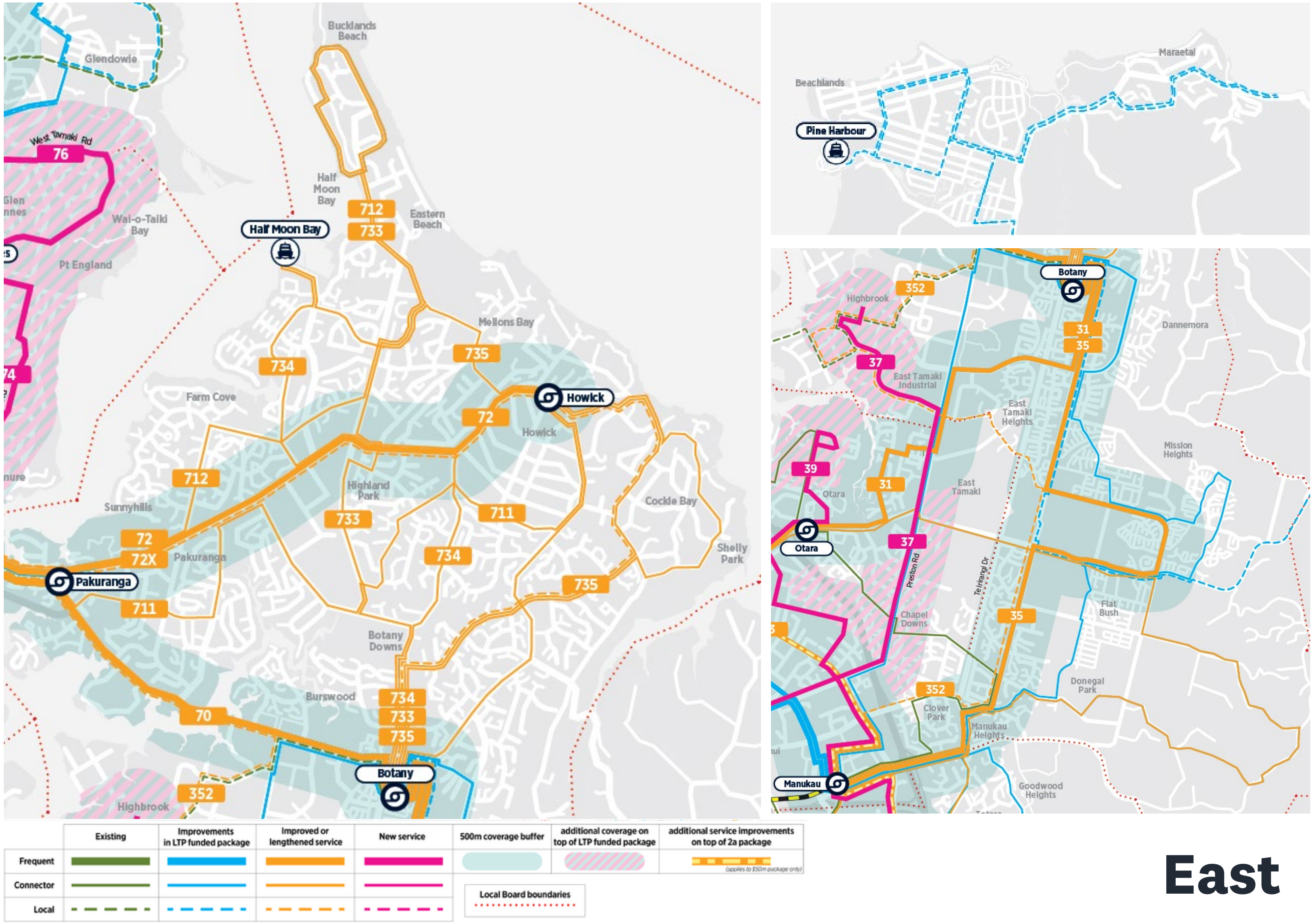
North


Riverhead
Huapai
Kumeu
Herald Island
Whenuapai
Hobsonville
Hobsonville Point
Northwest Centre
Westgate
West Harbour
Massey North
Massey West
Massey East
Royal Heights
Te Atatu Peninsula
Parakai
Helensville
Waitakere
Swanson
Rānui
Lincoln
Lincoln Rd
Don Buck Rd
WX1
12
13
147
Te Atatu Rd
Te Atatu South
Sturges Rd
Henderson
Sunnyvale
McLaren Park
Glendene
Kelston
Glen Eden
Fruitvale Rd
New Lynn
Avondale
Waterview
Oratia
Green Bay
Titirangi
Wood Bay
Waima
Woodlands Park
Laingholm
15
17
22R
22N
67
151
152
154
161
171
Existing
Improvements in LTP funded package
Improved or lengthened service
New service
500m coverage buffer
additional coverage on top of LTP funded package
additional service improvements on top of 2a package
Frequent
Connector
Local
Local Board boundaries

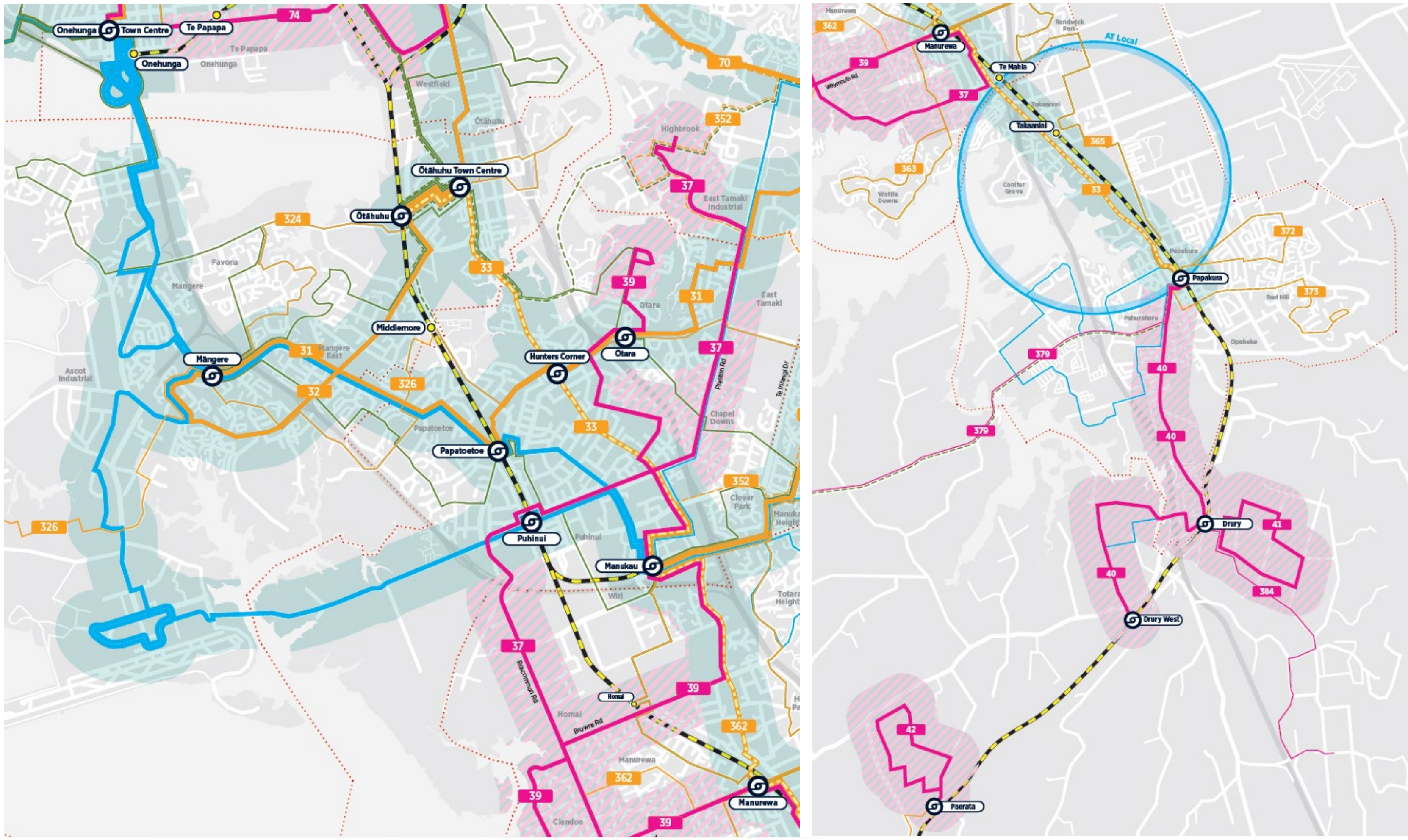
West


Devonport
Britomart
Aotea
Parnell
Karangahape
Grafton
Mt Eden
Newmarket
Kingsland
Morningside
Baldwin Ave
Mt Albert
Avondale
Remuera
Greenlane
Ellerslie
Orākei
Meadowbank
Glen Innes
Panmure
Penrose
Sylvia Park
Pakuranga
Onehunga
Town Centre
Te Papapa
866
76
75
74
751
22
24
25
27
30
22N
67
24R
24B
25B
25L
27W
27H
66
298
72
72X
711
Sandringham Rd
Dominion Rd
Mt Eden Rd
Manukau Rd
Balmoral Rd
Mt Albert Rd
Richardson Rd
Kohimarama Rd
West Tamaki Rd
Tripoli Rd
Herne Bay
St Marys Bay
Ponsonby
Grey Lynn
Westmere
Pt Chevalier
Western Springs
Waterview
Mt Albert
Sandringham
Balmoral
Epsom
Three Kings
Mt Roskill
Wesley
Owairaka
New Windsor
Blockhouse Bay
Lynfield
Hillsborough
Waikowhai
Royal Oak
Oranga
One Tree Hill
Greenlane
Remuera
Meadowbank
St Johns
Stonefields
Mt Wellington
Penrose
Te Papapa
Onehunga
Westfield
Orākei
Mission Bay
Kohimarama
St Heliers
Glendowie
Glen Innes
Wai-o-Taiki Bay
Pt England
Panmure
Sunnyhills
Existing
Improvements in LTP funded package
Improved or lengthened service
New service
500m coverage buffer
additional coverage on top of LTP funded package
additional service improvements on top of 2a package
(applies to $50m package only)
Frequent
Connector
Local
Local Board boundaries

Isthmus

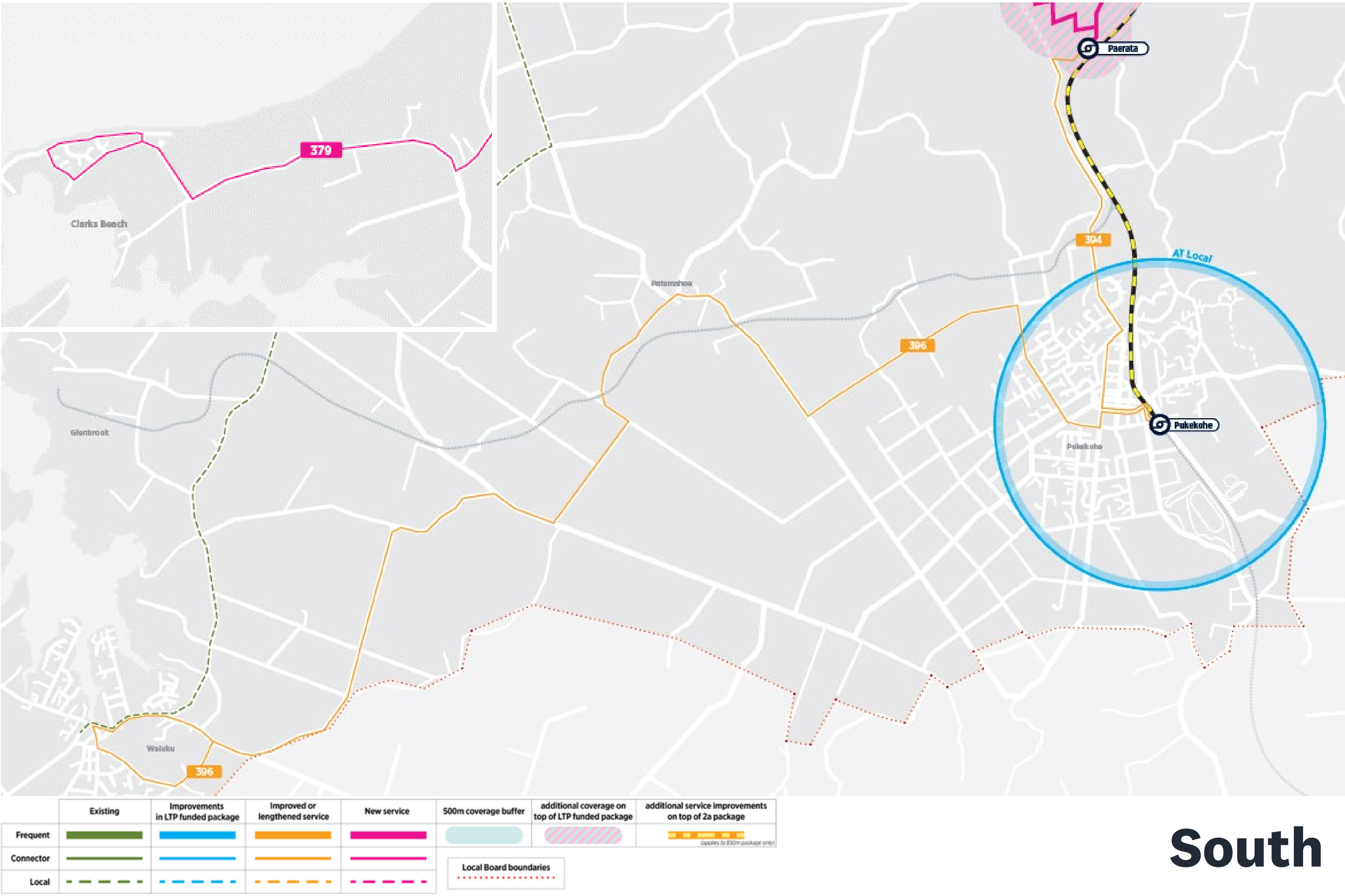

Bucklands Beach
Glendowie
West Tamaki Rd
76
Glen Innes
Wai-o-Taiki Bay
Pt England
Half Moon Bay
712
733
Eastern Beach
Mellons Bay
735
734
Howick
72
Farm Cove
712
Highland Park
733
711
Cockle Bay
Shelly Park
Sunnyhills
72
72X
Pakuranga
734
735
711
Botany Downs
Burswood
734
733
735
70
Botany
352
Highbrook
Beachlands
Maraetai
Pine Harbour
Botany
352
Highbrook
31
35
Dannemora
37
East Tamaki Industrial
East Tamaki Heights
Mission Heights
39
31
Otara
East Tamaki
37
Otara
Preston Rd
Te Irirangi Dr
Chapel Downs
35
Flat Bush
352
Clover Park
Donegal Park
Manukau Heights
Manukau
Goodwood Heights
Existing
Improvements in LTP funded package
Improved or lengthened service
New service
500m coverage buffer
additional coverage on top of LTP funded package
additional service improvements on top of 2a package
(applies to $50m package only)
Frequent
Connector
Local
Local Board boundaries

East


Onehunga
Town Centre
Te Papapa
Ōtāhuhu Town Centre
Ōtāhuhu
Middlemore
Māngere
Hunters Corner
Otara
Papatoetoe
Puhinui
Manukau
Homai
Manurewa
Te Mahia
Takaanini
Papakura
Drury
Drury West
Paerata
AT Local
74
70
352
37
324
33
39
31
326
32
362
365
363
372
373
379
40
41
42
384


Existing
Improvements in LTP funded package
Improved or lengthened service
New service
500m coverage buffer
additional coverage on top of LTP funded package
additional service improvements on top of 2a package
Frequent
Connector
Local
Local Board boundaries

South


379
Clarks Beach
Glenbrook
Patumahoe
Waiuku
396
394
Paerata
Pukekohe
AT Local
Pukekohe
Existing
Improvements in LTP funded package
Improved or lengthened service
New service
500m coverage buffer
additional coverage on top of LTP funded package
additional service improvements on top of 2a package
(applies to $50m package only)
Frequent
Connector
Local
Local Board boundaries

South

Appendix E. Funding option discussion

Introduction

In considering options for funding the council's Climate Action Programme, the key questions to be answered are:

- Should the programme be funded from general rates or targeted rates?
- Should the rate be set on fixed or capital value basis?
- Should the rate be differentiated between groups of ratepayers?

In considering these questions, we need to consider:

- What are the community outcomes that the activity contributes to?
- Do some ratepayers benefit more from the activity to be funded?
- When are those benefits expected to occur?
- Do some ratepayers drive a greater share of the costs of the activity?
- What are the costs and benefits, including in relation to transparency and accountability, of funding the activity distinctly from other activities?
- What is the overall impact on the current and future social, economic, environmental and cultural wellbeing of the community, including considering the affordability of the rate?

General rates or Targeted rate

Activities that support climate action are currently funded from the general rate.

Council is proposing to increase funding for regional climate action and a targeted rate is proposed for funding this. Compared to general rate funding, a targeted rate provides more transparency in decision making and implementation. It can only be used to fund the purpose it was collected for, enabling greater visibility of expenditure and outcomes.

A targeted rate is proposed for funding so ratepayers can clearly identify the costs and benefits of the programme. Consulting on a separate targeted rate is likely to generate more feedback from the public that informs the question of whether ratepayers are willing to take on additional costs to accelerate climate action.

Some of the expenditure proposed is capital which the council would usually fund with debt which would be repaid over the life of the assets purchased. This matches the revenue sought from ratepayers with the receipt of benefits from the services the assets provide over time. However, as the council is presently limited in its borrowing capacity it is proposed to fund the capital investments from the proposed rate.

Benefits of increased investment in climate actions

The majority of the additional investment is aimed at:

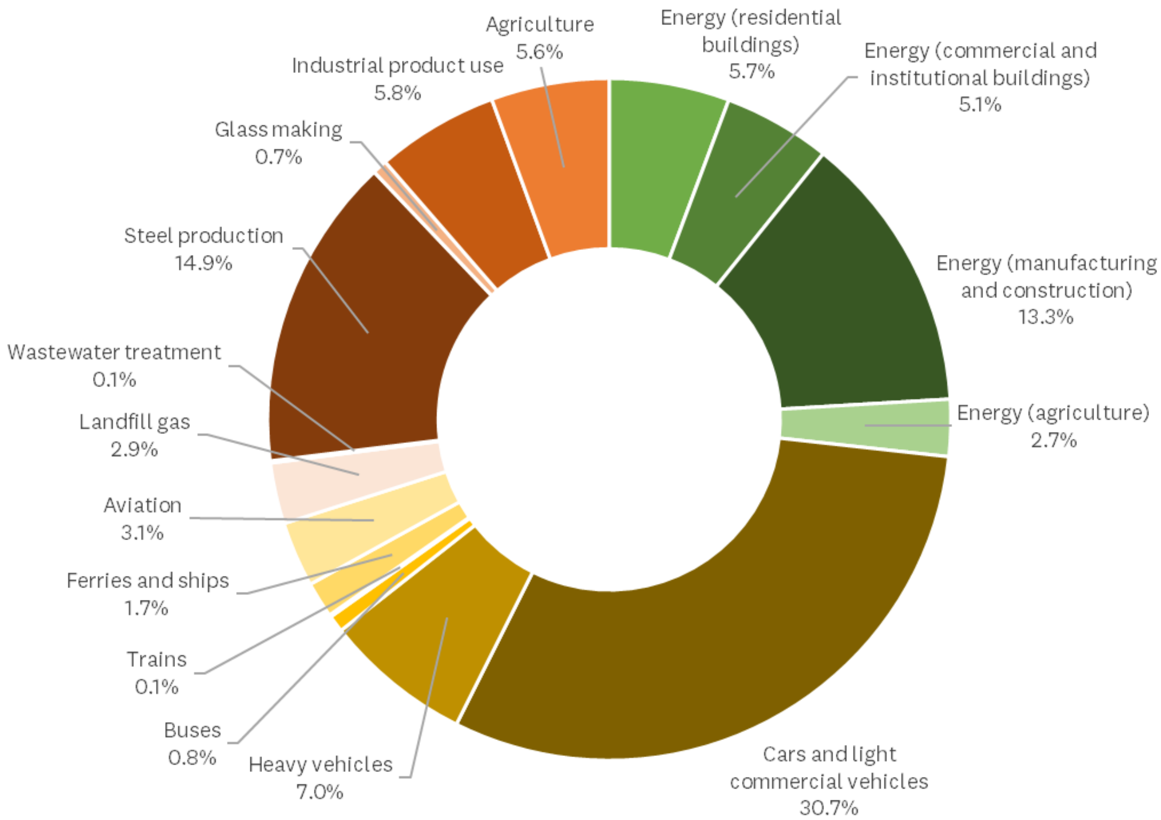
- reducing emissions (to prevent further climate change in future); and
- supporting adaptation (to the existing and future impacts of climate change).

These activities benefit all Aucklanders and will generate regional benefits that cannot be attributed to individuals or groups of ratepayers. This supports charging the rate generally, on an undifferentiated basis.

The proposed investments in public transport, active networks and the urban ngahere will produce local benefits (e.g. improved transport service levels, improved open space amenity) in the areas receiving the investment. Investment in these activities will be focused on underserved areas to expand regional networks. This will result in lifting service levels across the region. This supports continuing our current approach to funding these activities, with the rates component of investment funded on the same basis as the general rate.

Cost drivers for climate action investment

The primary driver of climate change is the emission of greenhouse gases. Auckland's Greenhouse Gas Emissions Inventory 2016 report identified Auckland's emissions by sector as shown below.



The proposed investments in public transport and active networks seek to reduce transport emissions, by reducing private light vehicle trips. In Auckland, cars are responsible for around 30 per cent of regional emissions. This focus on urban transport options has been chosen as the area where council can have the most impact on regional emissions while generating wide regional benefits and addressing inequity in the provision of services.

While the proposed investment focuses on only a portion of Auckland's greenhouse gas emissions, the driver for investment is the need to reduce emissions regionally. It is reasonable to consider whether there is a relationship between rating factors and the production of greenhouse gases when considering the basis for setting a rate.

The sectors identified for greenhouse gas emissions do not directly relate to rating sectors. It isn't possible to apportion transport emissions between rating sectors. For example, if someone travels from home to a shop or work, it is difficult to determine whether that is a residential or a business journey.

There is also insufficient information on the waste sector emissions to attribute this to particular rating sectors. Auckland Council Waste Assessment 2017 reported that by weight, 85 per cent waste to landfill was from the commercial sector, and 15 per cent from domestic kerbside collections. However, greenhouse emissions are largely due to the organic waste component of landfill. The proportion of organic waste attributable to commercial and residential sectors may differ from the overall waste split.

Differentiating climate action rate by land use

The following table compares greenhouse emission sectors with rating land use categories. This enables comparison of the amount of emissions produced by each sector with the proportion of rates they would pay under a Capital Value (Share CV) or fixed charge (Share SUIP[9]) basis.

Greenhouse Emissions by sector	% Total emissions	Rating Sectors by Land use	Share CV	Share SUIPs
Residential Energy	5.2%	Residential and Lifestyle	83%	90%
Commercial Energy	5.3%	Commercial	8%	6%
Industrial Products, Steel and Glass Manufacturing and Energy (manufacturing and construction)	33.5%	Industrial	5%	3%
Agriculture including Energy	9.2%	Rural Industry	1%	1%
Transport and Waste	46.8%	Other land use	3%	1%

This comparison of share of Capital Value and SUIPs to greenhouse house emissions in the residential, commercial, industrial and agricultural sectors would appear to support differentials to increase the share of rates to be paid by the rural and industrial sectors. Such an approach is not proposed because:

- Industrial process emissions are largely driven by steel and glass manufacturing. Other industrial uses such as storage will have much lower outputs. Industrial products mainly relate to refrigerants used in air conditioning and refrigeration, the use of which are not exclusive to properties with an industrial land use.
- It ignores the fact that some properties are carbon sinks, with land absorbing around 13 per cent of Auckland greenhouse emissions. Carbon negative properties can include forestry (part of rural industry), bush lots, parks and wetlands. The precise distribution of carbon negative properties between rating sectors and non-rateable parkland is unknown.

Overall, there is insufficient information available regarding the distribution of greenhouse gas emissions within and between rating land uses to support the use of rates differentials to reflect differences in emissions.

Differentiating climate action rate by rating sector

Council applies differentials to its value based general rate to increase the share of rates paid by the business sector, and reduce the share paid by rural properties. The following sections explore the difference between sectors in relation to capital value, fixed charges and greenhouse emissions.

Business sector: There is some relationship between property values and generation of greenhouse emissions, particularly for businesses. Larger businesses have higher property values than smaller businesses. Compared to lower value businesses, higher value businesses will on average consume more resources (e.g. electricity, fuel) and generate more vehicle movements, resulting in higher levels of greenhouse gas emissions. This supports setting the rate on a capital value basis.

The amount of greenhouse gases generated by the industrial and commercial sectors is much higher than the residential sector in comparison to their share of the region's capital value. This supports the application of a higher rates differential for business.

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

Rural sector: Setting rates on capital value will shift rates from undeveloped land to developed land. It would also shift rates from lower value arable and forestry land to the higher value livestock farms that generate a majority of agricultural greenhouse emissions.

Setting the rate on capital value would increase rates for lifestyle properties due to their higher average values compared to other residential properties. The lifestyle land use includes bush lot properties that help absorb greenhouse gases. This supports using a differential to lower the rural share of rates in comparison with the urban area.

Residential sector: The relationship between residential property values is less clear cut. In general, larger houses will have higher property values and require more energy to run than smaller properties in the same area. There is, however, significant variation in property values between areas, that can run counter to the idea that higher property values mean more greenhouse emissions. For example, many low value properties are located far from the city centre, with long commute times and fewer public transport options than higher value properties near the city centre. Modern low energy dwellings may attract higher valuations than similar older and less efficient properties.

Affordability and capital value or fixed charges

In general, businesses are better able to manage additional costs than residential properties. Businesses can also claim back GST and expense rates against tax. A business differential of at least 1.6 over non-business properties will reflect the value of these tax advantages.

Businesses currently pay 31.33 per cent of general rates. Under the council's long-term differential strategy, it is planned that the business share of general rates will be 25.8 per cent by 2037/2038.[10]

Setting the rate as fixed charge would mean lower value properties would pay the same as higher value properties. The owners of higher value properties, business and non-business, will in general be better able to afford an increase in rates than the owners of lower value properties.

The relation between property (capital) value and ability to pay is stronger for businesses than non-businesses. This is because a business's investment in property will reflect their potential to generate income. There is stronger support for setting the rate on a capital value basis for businesses than for non-business.

Conclusions

Currently, our climate action related activities are funded from the general rates. The assessment of the benefits from and cost drivers for the investment, as well as consideration of affordability, supports setting the rate on a similar basis to the current value based general rate. Setting the targeted rate on a similar basis to the general rates would maintain existing rates settings. We propose to set the Climate Action targeted rate so that the business share is 25.8 per cent, the same level as the Water Quality and Natural Environment targeted rates and the ultimate goal of the long-term differential strategy for the general rate.

This would see the rate set on the basis of capital value, with differentials for business and rural properties as set out below. Note that the rates differentials and the rates in the dollar indicated in the table below are based on new capital values that are subject to certification by the Valuer General and the objection process and therefore may change.

[10] The long-term differential strategy gradually lowers the proportion of general rates to be collected from businesses from 31.33 per cent in 2021/2022 to 25.8 per cent in 2037/2038.

Sector	Gen rate category	Climate action TR differential	Differential set relative to	Proposed rate in the $ for 2022/23 (incl. GST)	Share of total targeted rate revenue
Business	Urban business	1.0000	Urban business	0.00008271	25.80%
	Rural business	0.9000	Urban business	0.00007444	
	Urban business transition	1.0000	Urban business	0.00008271	
Non-business	Urban residential	1.0000	Urban residential	0.00004833	74.20%
	Rural residential	0.9000	Urban residential	0.00004350	
	Farm and lifestyle	0.8000	Urban residential	0.00003866	
	No road access	0.2500	Urban residential	0.00001208	
	Uninhabitable island	0.0000	Urban residential	0.00000000	
	Zero rated	0.0000	Urban residential	0.00000000	
	Urban mod occ online	1.7924	Urban residential	0.00008663	
	Rural mod occ online	1.6131	Urban residential	0.00007796	
	Urban med occ online	1.3962	Urban residential	0.00006748	
	Rural med occ online	1.2566	Urban residential	0.00006073	
	Urban residential transition	1.0000	Urban residential	0.00004833	
	Urban farm and lifestyle residential transition	1.0000	Urban residential	0.00004833	
	Urban medium-occ transition	1.3962	Urban residential	0.00006748	
	Urban moderate-occ transition	1.7924	Urban residential	0.00008663	

It is also proposed that the Climate Action Targeted Rate increase at the planned general rates increase of 3.5 per cent per year.

Targeted rate examples

Example rates are set out below for rates set on the basis proposed above compared to a rate set on fixed basis with only a business differential set to recover 25.8 per cent of the rates requirement.

Model 1: Capital value model as proposed above:

The following table shows the amount of climate action targeted rate that would (if adopted) be paid in 2022/2023 by different values of residential, business and farm/lifestyle properties. Note that the estimated rates impact and the property value information indicated in the tables below are based on new capital values that are subject to certification by the Valuer General and the objection process and therefore may change.

	Estimated targeted rate amount for 2022/2023 $ (incl. GST)			
Property category	**Urban residential pays:**	**Rural residential pays:**	**Urban business pays:**	**Farm/lifestyle pays:**
Rate in Dollar 2022/2023 ($)	0.00004833	0.00004350	0.00008271	0.00003866
Capital Value of Property ($)				
500,000	24.20	21.80	41.40	19.30
750,000	36.20	32.60	62.00	29.00
1,050,000 (median rural residential property)	50.70	45.70	86.80	40.60
1,150,000 (median business property)	55.60	50.00	95.10	44.50

	Estimated targeted rate amount for 2022/2023 $ (incl. GST)			
Property category	**Urban residential pays:**	**Rural residential pays:**	**Urban business pays:**	**Farm/lifestyle pays:**
Rate in Dollar 2022/2023 ($)	0.00004833	0.00004350	0.00008271	0.00003866
Capital Value of Property ($)				
1,200,000 (median urban residential property)	58.00	52.20	99.30	46.40
1,244,500 (average rural residential property)	60.10	54.10	102.90	48.10
1,444,500 (average urban residential property)	69.80	62.80	119.50	55.80
1,500,000	72.50	65.30	124.10	58.00
1,750,000 (median farm/lifestyle property)	84.60	76.10	144.70	67.70
2,000,000	96.70	87.00	165.40	77.30
2,333,500 (average farm/lifestyle property)	112.80	101.50	193.00	90.20
3,000,000	145.00	130.50	248.10	116.00
3,974,500 (average business property)	192.10	172.90	328.70	153.60
5,000,000	241.70	217.50	413.60	193.30
10,000,000	483.30	435.00	827.10	386.60

Model 2: Fixed rate model:

The following table shows the targeted rate that a typical single-SUIP residential, business or farm/lifestyle property would pay in 2022/2023 if the rate is applied as a fixed charge per Separately Used or Inhabited part (SUIP) of a property.

Estimated fixed targeted rate amount per SUIP for 2022/2023 (incl. GST)		
Residential pays:	**Business pays:**	**Farm/lifestyle pays:**
65.50	225.30	65.50

Rates increase analysis

The table below shows the estimated additional rates increases for 2022/2023 as a result of the proposed introduction of the Climate Action Targeted Rate for:

- the median value urban residential, urban business and farm/lifestyle property under the capital value model
- a typical residential, business and farm/lifestyle property with one SUIP under the fixed rate model
- all properties as a whole.

<table>
<tr><th>Charging method</th><th colspan="5">Additional rates increase as a result of introduction of the Climate Action Targeted Rate</th></tr>
<tr><th></th><th>Urban residential</th><th>Rural residential</th><th>Business</th><th>Farm and lifestyle</th><th>Overall</th></tr>
<tr><td>Capital value (Median value property)</td><td>2.4% (Average value property 2.5%)</td><td>2.3% (Average value property 2.4%)</td><td>1.7% (average value property 1.9%)</td><td>2.3% (average value property 2.5%)</td><td rowspan="2">2.3%</td></tr>
<tr><td>Fixed rate per SUIP</td><td>2.3%</td><td>2.9%</td><td>1.3%</td><td>1.8%</td></tr>
</table>

Section Two: Our finances

2.1 Financial overview

10-year Budget context

In June 2021, Auckland Council adopted its 10-year Budget 2021-2031, the Recovery Budget.

This plan sought to address the then-projected impacts of COVID-19 (including the loss of $750 million of revenue over four years) while also committing to a $32 billion capital investment programme over ten years. It also disclosed high levels of financial uncertainty and incorporated spare financial headroom to deal with future shocks.

Achieving this required a number of financial measures including on-going cost reductions, asset sales, increased borrowing, a one-off higher rates increase, and a delay to the full funding of depreciation. All of these, except for the higher rates increase, extended beyond the first year of the budget.

Annual budget context

Current high levels of uncertainty means that it is important for council budgets to maintain prudence and flexibility so that we can respond to evolving challenges and opportunities.

The arrival of the Delta and Omicron variants in New Zealand, and the movement from an elimination strategy, increases the uncertainty around COVID-19 disruption to the council. Rapid and significant changes in the global economy are increasing uncertainty around key financial drivers such as inflation and interest rates.

Budget update process

The council's annual budgeting process includes two phases of budget updates. An initial phase is conducted early in the process to support the draft budget material used for consultation. A second, more substantial, exercise is conducted in parallel with consultation to inform final budget decisions and the adopted budget.

Given the focus on long-term financial sustainability, budget updates have looked at all years of the 10-year budget. This ensures that all impacts are considered, including how the lockdowns in the current year will impact the opening position for 2022/2023 and also how updates will flow through to our tests of prudent budgeting such as full funding of depreciation by 2028 and our long-term debt position.

The Recovery Budget signalled high levels of uncertainty and took a scenario-based approach to budgeting. This meant making a set of key forecasting assumptions and considering the impact if actual outcomes were less favourable than budgeted. This approach was continued for this draft budget.

Our starting point for budgets for the 2022/2023 year is year two of the Recovery Budget. For that year, the Recovery Budget had planned capital investment of $2.9 billion, operating expenditure of $4.8 billion, debt to revenue ratio of 277 per cent and an average rate increase of 3.5 per cent.

For the draft budget phase, finance staff both reviewed key forecasting assumptions and engaged with departments and council-controlled organisations (CCOs) across the group to ascertain the impacts of these and any other relevant new information.

There have been the following updates since the adoption of the Recovery Budget:

- favourable Annual Report 2020/2021 results and position,
- updates to commercial forecasts from Ports of Auckland and dividend forecast for Auckland Airport,
- updated economic assumptions related to inflation and interest rates,
- updated information based on the COVID-19 scenarios.

The overall impacts of this new information on the starting point budgets are:

- a slightly lower forecast opening debt position,
- ongoing pressure on balancing the operating budget due to costs rising faster than revenue.

Updated assumptions and guidance were distributed to council group entities on 14 September 2021. Each of the CCO's board of directors were engaged prior to updated budget projections being submitted on 30 September 2021. As part of the scenario submissions, council departments and CCOs have provided updates on emerging budget impacts, including updated information on the impact of uncertainty. Finance staff went through a process of validating, consolidating, and modelling the updated information.

The second phase of budget updating will take place alongside the consultation process. Key forecasting assumptions will be reviewed and informed by latest information such as Consumer Price Index results, market forecasts, and interest rates. Additionally the potential ongoing impacts of COVID-19 disruption will be re-assessed, The results of this budget refresh will inform final Annual Budget 2022/2023 decisions.

Budget update drivers

Two key factors are now driving a material budgetary challenge for the council group for the 2022/2023 year and beyond.

Firstly, it has now become clear that COVID-19 related impacts on the council's revenue sources will persist for longer than previously projected. In particular, longer reductions in public transport patronage and further delays to the restoration of dividends from Auckland International Airport Limited are crystallising.

Secondly, both price inflation and interest rates are increasing beyond what was expected in the 10-year Budget.

During the development of the Emergency and Recovery budgets there was a widespread expectation that it would take a few years for key economic indicators to get back to historical levels. As such we did not project that inflation would return to the midpoint (2 per cent) of the RBNZ target range until year six of the 10-year budget. In response to market indications in early September, we adjusted inflation assumptions for the current year (2021/2022) and for the annual budget year (2022/2023) up to 1.5 per cent and 2 per cent respectively. Alongside this, specific cost challenges are being seen around staff recruitment and retention, in part caused by the tight labour market due to ongoing border closures and historically-low unemployment rates.

In response to increasing inflation we are seeing a response from central banks and interest rates are increasing. Despite the council's hedging programme that we have in place to effectively fix a large proportion of our interest costs, this will still result in a material increase to our financing costs.

COVID-19 Scenarios

The council's Financial Strategy and Planning department, in conjunction with the Acting Chief Economist, have prepared three COVID-19 scenarios to be used to develop financial projections for the council group's budgets.

Scenario	FY23 alert settings	FY23 behavioural considerations
A	Alert level 1 / green traffic light for full year	Vaccine rollout successful at encouraging the public to gather again
B	Alert level 1 / green traffic light for full year	Vaccine rollout successful at mitigating outbreaks, but public perception creates reluctance to gather for a while.
C	Alternating between levels 1 and 2 / moving between all three traffic light settings	Variants create difficulty in controlling outbreaks. Both government restrictions and public perception creates heavy reluctance to gather.

The assumptions cover COVID-19 scenarios such as the potential alert levels, border and travel restrictions and behavioural trends.

The draft budget financials are based on Scenario A with consideration given to Scenario's B and C of the impacts of higher COVID-19 alert levels and behavioural considerations. The arrival of the Omicron variant in January 2022 reconfirms the uncertainty around the future of COVID-19 disruption and the need for this sensitivity analysis.

Economic assumptions

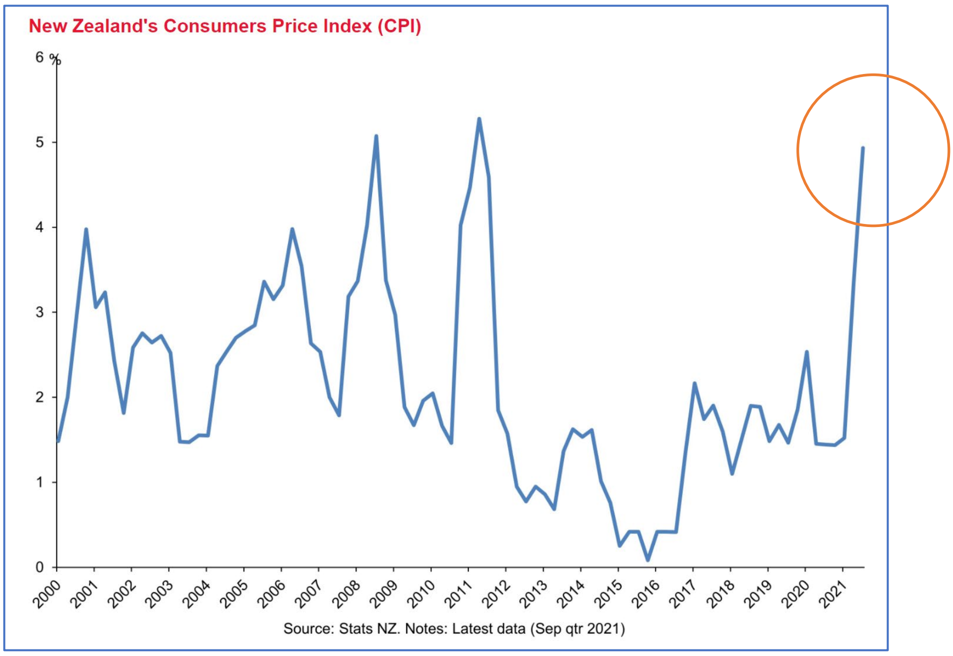
The global and New Zealand economy has recovered much stronger than predicted following the impacts of COVID-19 last year. This is driving higher rates of inflation and interest rates than was anticipated and factored into the Recovery Budget.

The below chart from the August Monetary Policy Statement of the Reserve Bank of New Zealand (RBNZ) shows the difference between what they had been predicting in May (when we were preparing the Recovery Budget) and their updated view.

Figure 2.18
Annual CPI inflation

Source: Stats NZ, RBNZ estimates.

More recent annual price inflation at the end of the September quarter 2021/2022 was 4.9 per cent, much higher than the assumption used to update budgets. This remains a significant risk to our budget projections. The chart below illustrates this actual spike in inflation at the end of the September quarter.

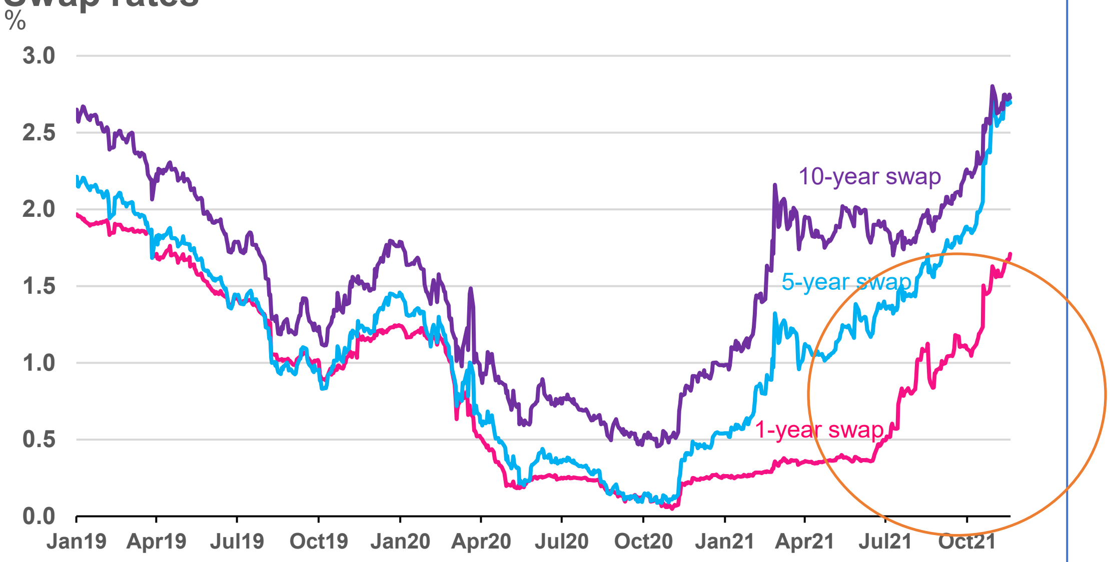


One of the key drivers of inflationary pressures is increasing international shipping costs and delays. The following chart shows the dramatic increase in international shipping costs since the beginning of the COVID-19 pandemic. While this chart is focused on shipping costs between the US, Europe and Asia the impacts are just as significant in New Zealand.

The economic assumptions are consistent across all three COVID-19 scenarios. The Recovery Budget assumed that in 2022/2023 inflation (CPI) will be 1.5 per cent and population growth will be 1.4 per cent. Finance staff have provisioned centrally an extra 0.5 per cent inflation for a total of 2 per cent inflation for 2022/2023. Finance teams will consider updated inflation assumptions as part of the budget refresh process that will be completed in February 2022.

Off the back of increasing inflation, interest rates are predicted to trend at levels above the assumed rates in the Recovery Budget increasing debt servicing costs.

The following chart shows the movement in interest swap rates over the period of the pandemic. The steep increase of the 1-year swap (the pink line) reflects a market expectation of significant increases in interest rates in the near future. These expectations are now much higher than they were in the first quarter of 2021.



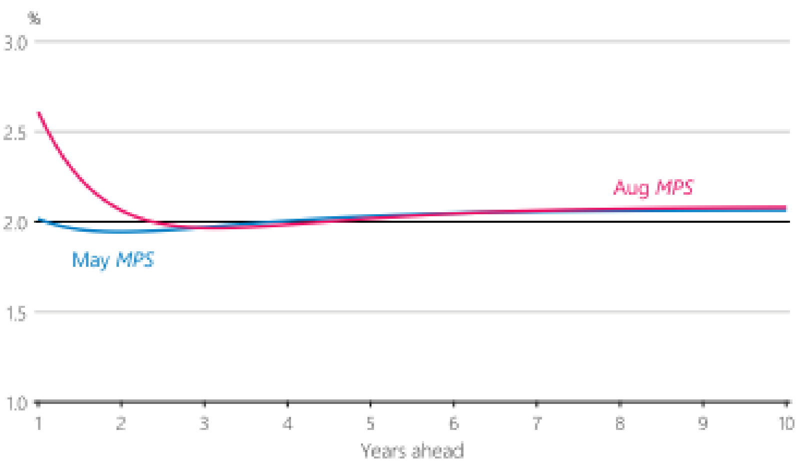
Source: Bloomberg.

Current global trends and the high level of uncertainty around economic projections mean that there is high risk that inflation and interest rates could move higher than our updated assumptions over time. It appears highly unlikely inflation will fall and become negative in the near future (see below RBNZ chart), meaning that the price increases we are currently seeing are unlikely to quickly reverse.

Figure 2.19

Inflation expectations

(annual)



Source: RBNZ estimates.

Updated budget position

The updated budget shows that an estimated $85 million of additional operating funding is required for 2022/2023 compared to year two of the Recovery Budget. This would equate to an additional average general rates increase of 4.5 per cent (on top of the 3.5 per cent provided for in the Recovery Budget)

The following table (with further detail below) shows that while some of this is only temporary in nature the majority is enduring, impacting future years.

Item	Budget pressures	Improved revenue	Net impact
Temporary impacts (2022/2023)	$54 million	($36 million)	$18 million
Ongoing budget impacts	$73 million	($6 million)	$67 million
Net operating budget impact	$127 million	($42 million)	$85 million

The temporary pressure includes COVID-19 impacts such as the extension to the period during which we expect Auckland Airport to not pay a dividend or the impacts of border closure and gathering limits on the revenues of Auckland Unlimited. After offsetting for improved revenue projections, this temporary pressure is estimated to total around $18 million in the 2022/2023 year.

The reduced public transport patronage we are forecasting based on experience both here and overseas will impact our budgets over the medium-term. We expect that the patronage number will improve over a matter of years and return to the levels we projected in Our Recovery Budget by 2029. The impact of this in the 2022/2023 year is estimated to be around $9 million, after taking expected changes to Waka Kotahi subsidies into consideration.

Most of this operating pressure, however, represents a permanent change to the net costs of delivering the services that the community expects of us. Recent increases in interest rates and inflation, alongside wage pressure permanently steps up our net cost to serve and the operating funding required by around $58 million per annum (after public transport patronage has recovered).

Temporary operating pressures

Operating budget pressures have been split between those that are projected to only impact the annual budget year (2022/2023) and those that have a more enduring impact on our operating funding requirement.

The table below lists the material temporary budget pressures arising from application of our updated COVID-19 assumptions and from other new information.

Item	2022/2023	Description
Airport profitability	$24 million	Further extension to projected period without dividend
Port profitability	$17 million	Delay to automation project
Digital content	$3 million	Investment in digital service delivery for Customer and Community (also $7m of capex, continues for 3 years)
Auckland Film Studios	$6 million	Commercial arrangements
Auckland Unlimited events	$4 million	Border limits, inability to plan events
Total	$54 million	

Ongoing operating pressures

The application of the updated key forecasting assumptions has resulted in projections of a number of enduring increases to net operating costs for the council group.

The reduction in public transport patronage that is being seen around the world in the wake of COVID-19 is projected to gradually recover to the levels projected in the Recovery Budget (by 2029) and is therefore seen as a medium-term impact.

Other updates driven by increases already being seen to inflation and interest rates represent a permanent increase in council group costs.

Item	2022/2023	Description
Public transport patronage	$9 million (net of 51% Waka Kotahi funding)	Public transport usage is taking longer to recover than other revenue streams due to customer COVID-19 concerns.
Non-staff Inflation	$19 million	Projected inflation for 2022/2023 increased from 1.5% to 2%. Changes in the global and local economy are driving cost inflation at levels much higher than predicted when we set the Recovery Budget.
Workforce costs	$23 million (including inflation)	The council group is experiencing challenges to both attract and retain talent due to a tight labour market resulting from ongoing border closures and historically-low unemployment rates.
Interest costs	$15 million	Higher interest rates and higher debt levels.
Other pressures	$7 million	Accumulation of minor contractual and legislation driven pressures.
Total	$73 million	

Improved revenue

The increased funding requirements identified above are partially offset by improved revenue projections.

In the short term (just for the 2022/2023 year) the recovery of the building and development sector means that projections of regulatory and Infrastructure Growth Charge revenue is higher than planned in the Recovery Budget.

Over the longer term the increased inflation projections are also reflected in a number of council fees and charges that are set at cost recovery or have annual inflationary adjustments.

Item	2022/2023	Description
Regulatory revenue	$16 million	Current performance above budget – projected to continue
Infrastructure Growth Charges	$20 million	Watercare reporting more development activity and projecting higher revenue
Revenue inflation	$6 million	Impact on fees and charges from higher inflation projections
Total	$42 million	

Uncertainty and risk

The financial outlook remains highly uncertain, and we need to consider the potential impact of this uncertainty.

We consider most of this budget impact is now unavoidable and therefore the risks around the assumptions and potential impacts are skewed towards even more adverse impacts.

These estimates represent our most optimistic view of the financial trends. As set out above, the estimates are based on an assumption that the use of vaccinations is successful in protecting the health system and in restoring public confidence in the ability to gather together safely. The alternative scenarios presented illustrate the potential financial implications if this does not prove to be the case. The discussion below also illustrates the impacts if the current trends in inflation, interest and wage pressures were to continue to move further in their current direction.

Some of the other factors that could also adversely impact these budget estimates include:

- significant increases in interest and depreciation costs associated with cost increases for major construction projects
- increased operating, maintenance and depreciation costs from higher levels of vested assets from both public and private sector developers
- potential caps to Waka Kotahi operating subsidies over the next three years
- similar COVID-19, interest and inflation pressures flowing through to supported organisations e.g., ARAFA, Eden Park, MOTAT, Auckland War Memorial Museum
- funding for planned visitor attraction and major events activities that were planned to be funded by the Accommodation Provider Targeted Rate
- costs to implement further government policy changes
- unfavourable changes to tax legislation

In addition, the Recovery Budget set ambitious targets of $90 million per annum for permanent cost reductions and $430 million for asset recycling. There is a risk that the specific asset disposals and service adjustments proposed to achieve these are not accepted. If the measures required to achieve the targets are not implemented, the council will face further financial pressure.

COVID-19 based uncertainty

The three key areas of the council's budget that are subject to COVID-based uncertainty are public transport patronage, the recovery of profitability at the airport and regional facility and event revenues.

We have updated the budgets based on a successful COVID-19 vaccine rollout, limited reluctance to gather, and no further restrictions required to protect the health system. Alternative scenarios were considered to assess the sensitivity of this assumptions.

Auckland Transport have projected that, particularly following the current lockdown, public transport recovery will be slower than planned for in the Recovery Budget. International and local evidence around post-COVID hesitancy to use public transport and adaptation to a new normal is highly varied and hard to predict. Other scenarios considered by Auckland Transport looked at both a slower recovery (20 million less passengers per annum for 3-4 years) and lower long-term public transport (PT) usage as a consequence of more people working from home. These scenarios could reduce fare revenue by a further $20 million per annum (net of Waka Kotahi subsides).

If international borders remain closed for longer than currently assumed, profitability for Auckland International Airport Limited will take longer to recover. Current projections from market analysts are for dividends of over $50 million in 2023/2024. If the level of dividend is less than projected, or if these dividends are not paid at all, it will have a corresponding impact on the council's ability to fund services in that year.

A number of COVID-related risks exist to the revenue and profitability of Ports of Auckland Limited. These include the timing of recovery of the cruise industry and also the levels of shipping given the global supply-chain challenges.

A variety of COVID-related factors including border restrictions, and limitations on or reluctance to gather have an impact on the operation, and success, of our regional and local community facilities. Uncertainty around different factors also puts at risk the timing of significant international events. Extended impacts will increase the funding required by Auckland Unlimited as third-party revenues from concerts, stadia and conferences fall.

Economic indicators

There is currently significant debate between economists around the type of post-COVID economic recovery the world will see. This results in high levels of uncertainty around the key economic indicators of inflation and interest rates.

We have updated our inflation assumption modestly to reflect pricing changes that are already being seen in the market (the current year) and those projected for the Annual Budget year. It is entirely possible that inflation for these periods could be significantly higher and/or that our projections for outer years of the Recovery Budget need to be higher.

Each additional half a percentage point of inflation in the 2022/2023 year would add around $15 million to the council's permanent operating cost base.

Competition for talent is strong and the council could face further wage pressure to ensure we can recruit and retain the necessary staff to deliver services to Aucklanders. This could increase ongoing operating costs by another $10 million per annum.

Interest rate projections are based on a combination of fixed-interest borrowing we currently have, hedging in place, and our best projections of rates when we will need to borrow in the future. As global economies respond to inflationary pressures it is expected that interest rates will rise.

If the weighted average cost of finance for the council were to be half a percentage point higher in each year of the Recovery Budget this would add around $60 million to our operating costs in 2022/2023 and up to $72 million in 2030/2031.

Supporting a larger asset base

Increased inflation and supply chain pressures are also likely to have a significant impact on the cost of delivery of our capital projects. These would increase both interest and depreciation costs for the council going forward.

These higher capital costs will likely also impact the valuation of our existing asset base (largely valued on depreciated replacement cost) and therefore the depreciation that we need to fund for those assets.

Central government has signalled investment in infrastructure and changes to regulation to support increased and accelerated housing development in Auckland. While the council supports this work there is a risk that the level of infrastructure assets constructed and vested in the council is higher than planned for. This would lead to higher operating, maintenance and depreciation costs.

Other risks

While the Recovery Budget included commitments to significant government funding for transport investment from the National Land Transport Fund (NLTF) there is risk around the availability of some of this funding. The funding for the net operating costs of public transport is being consumed faster than expected due to the current lockdown and this could result in a shortfall in available subsidy toward the end of the current three-year funding period. Additionally, the NLTF is itself funded from fuel taxes and road user charges which have been impacted by the recent lockdowns and lower national revenues could lead to reductions in funding to local government projects.

The Community Connect initiative identified through Auckland Transport Alignment Project (ATAP) will provide half-price public transport fares for Community Services Card holders. As the roll-out of this programme is finalised and an agreement with central government is reached the projected impact on public transport revenue will need to be incorporated into group budgets. This could be in the region of around $5 million per annum.

A number of external entities are reliant on the council for funding and will likely be facing similar budgetary pressures around both COVID-19 and price inflation. These include regional amenities such as MOTAT, the Auckland War Memorial Museum, Eden Park, and entities funded through the Auckland Regional Amenities Funding Act 2008 (ARAFA).

Key considerations

A number of key criteria and principles were identified during the development of the Emergency Budget 2020/2021 to support decisions around actions to address the urgent challenges of COVID-19 disruption and the drought.

For the Recovery Budget, these were adapted into the following considerations as the council looked towards longer-term challenges and decisions.

- protecting critical infrastructure
- managing growth and keeping Auckland moving
- ensuring long-term financial prudence and sustainability
- reducing emissions and adapting to climate change
- delivering on Te Tiriti based partnerships with Māori
- valuing Auckland’s natural environment
- valuing inclusivity, equity and diversity
- tailoring services to communities of greatest needs
- supporting the local economy, jobs and employment.

In addition to these considerations, the additional criteria and principles used to support the Emergency Budget decisions continue to be important and include:

- honouring contractual commitments
- protecting public health and safety
- statutory obligations
- ease of implementation.

Most of these considerations remain important for making budget decisions for 2022/2023 onwards. However, the latest economic and employment trends and the current supply chain pressures suggest that there is now less of an imperative for the council to support local businesses and employment through maintaining a wide range of services and high levels of capital investment. On the other hand, the pressure on some specific segments of the business community have become even more acute.

Financial prudence and sustainability

Maintaining a strong commitment to long-term financial prudence is critical to ensuring the council can maintain ongoing and cost-effective access to the capital it needs to fund its investments and to be able to respond to any future shocks. There are also specific obligations under the Local Government Act 2002 (LGA) that require local authorities to conduct their business in a financially prudent manner.

The key policy settings that ensure financial prudence are the debt-to-revenue limit and balanced budget approach included in the council's Financial Strategy, and the depreciation funding policy included in the council's Revenue and Financing Policy. That policy states that the council does not generally use borrowings to pay for operating costs and sets annual targets for the proportion of operating expense (including depreciation) that the council will fund from current operating revenue.

Due to the ongoing financial impacts of COVID-19 disruption, the budgets included in the Recovery Budget included a three-year delay to the council achieving a long-term balanced budget position where all operating costs, including depreciation, are covered by operating revenues. Additionally, the Recovery Budget included debt-to-revenue ratio levels of up to 290 per cent for the first three years, before gradually returning to our long-term target of 270 per cent.

In considering long-term prudence and sustainability the council should consider both these measures. Staff advised that these temporary departures from long-term targets could be justified in light of the COVID-19 challenges however it is not recommended that there is any extension to these measures. To ensure best practice financial management it is recommended the council seeks to return to below its target debt-to-revenue level of 270 per cent, and to achieve full funding of depreciation as soon as possible.

Response choices

In responding to both the temporary and ongoing operating budget challenges the council has a number of levers and options available to it. None of these options are easy and they all have associated limitations and impacts in terms of community outcomes, affordability, or long-term financial sustainability.

Most of these options would be material changes to the content of the Recovery Budget for the 2022/2023 financial year, such that public consultation as part of the annual budget process would be required.

The options are not mutually exclusive and can be used in any combination. Given the high levels of financial risk and uncertainty, the council would be best placed to respond to the emerging challenges when making final budget decisions in May next year if it included the broadest possible range of options in the annual budget consultation materials.

Borrowing and existing headroom

The Recovery Budget emphasised the current high levels of uncertainty and the potential impacts this could have on future budgets (Volume One, page 27) and the budgets did contain some borrowing and operating headroom for future shocks.

The council could choose to use some of this headroom at this time but this would impact the ability to respond to both the risks identified above (including patronage, inflation and interest rates) and to other unforeseen shocks in the future.

While the council does have existing borrowing headroom when looked at specifically in terms of our debt-to-revenue position, a number of other factors must also be considered. These include the ongoing operating impacts of servicing and repaying additional borrowing and the policy implications (in terms of our Revenue and Financing Policy and Section 101 of the Local Government Act) of using borrowing to address operating cost challenges.

The council could choose to use borrowing to address some of the temporary operating pressures it is facing, acknowledging that this will spread the impact of a one-off financial shock over a longer period and increase future operating costs.

Borrowing to fund operating costs effectively passes these costs on the future ratepayers who will not generally benefit from that expenditure, raising issues of intergenerational equity.

Addressing operating cost pressures with additional borrowing would likely raise questions around our commitment to long-term financial prudence and sustainability. This commitment is particularly valued by credit rating agencies and financing providers. A weakening of this commitment could lead to a credit rating downgrade which would increase interest costs and make it more difficult for the council to access capital funding when needed to help deliver on key strategic objectives.

Attempting to address the structural changes to our cost base with additional borrowing would require additional debt every year and staff advice is that this is not a sustainable or recommended option.

Financial modelling indicates that using all of the existing operating headroom and some additional borrowings to cover all but the last $30 to $40 million of the estimated operating gap might be consistent with our financial policy parameters under the most optimistic scenario. However, given the high degree of financial risk and uncertainty, there is a high probability of quickly moving outside those policy limits triggering the need for urgent action.

Staff advice is that to ensure financial prudence and provide a suitable buffer to address some of the risks discussed, solutions other than borrowing would need to be found of around $70 to $80 million. This would reduce the chance of urgent action being needed early in 2022 as risks materialise.

Asset sales

Large asset recycling targets were set in both the Emergency Budget 2020/2021 and in the Recovery Budget. These targets were supported by analysis of surplus, non-service properties that are available for disposal. While staff believe these targets are still achievable, it is not recommended that further surplus, non-service property sales are targeted as the timeframes remain challenging, particularly in a COVID-19 environment.

Staff were asked to provide advice on options around ownership of strategic assets.

The assets identified by the council as strategic through its Significance and Engagement Policy are identified as such on the basis that ownership is necessary in order for the council to achieve outcomes that are important to the current or future well-being of the community. In addition to these there are three groups of assets that are defined as strategic by the Local Government Act, these are land or buildings owned to provide affordable housing, equity securities in a port company and equity securities in an airport company.

Advice was provided to the Finance and Performance Committee on 8 December 2021 that focused on options around ownership of the council's shareholding in Auckland International Airport Limited. This asset was focussed on as affordable housing is currently managed through a joint venture (Haumaru Housing) with long-term goals and redevelopment plans, and ongoing discussions around port services both regionally and nationally mean that any consideration of Ports of Auckland Limited would require wider work. The shareholding in Auckland International Airport Limited, however, is a comparatively liquid asset with an NZX listing that also enables relatively simple valuation and analysis.

Any change to the ownership or control of a strategic asset would need to be provided for in the council's long-term plan and therefore action would require an amendment to our current plan (with associated special consultative procedure and audit review).

Capital investment timing

The Recovery Budget included $2.9 billion of capital investment for the council group in the 2022/2023 year, and a total of $8.9 billion over the next three years.

To reduce operating cost pressure the council could choose to delay capital expenditure. The reduced level of borrowing would have consequential impacts on financing costs while the slower delivery of assets would reduce depreciation expense and, in some cases, consequential operating costs (maintenance, utilities, staffing etc).

Recent lockdowns and the current supply chain disruptions will naturally see capital investment delayed from the current financial year into next financial year. However, this will not be sufficient to address the ongoing operating cost pressures we are facing.

To significantly contribute towards the ongoing budget challenges the amount of investment delayed would need to be in the hundreds of millions of dollars, and the delay would need to be for around seven years.

The supply chain disruptions are also increasing the cost of capital projects which are not yet under contract. It is likely that sizeable amounts of capital investment will need to be delayed to just address the rising capital pressures, before we can even start to address the operating budget challenge.

The key implications of delaying capital investment are increased asset risk (from deferred renewals), higher costs (inflationary impacts of the delay), and the slower delivery of climate change, environmental and community outcomes than that planned for in the Recovery Budget.

Cost reductions

The council has achieved significant operational savings (over $2 billion) since its formation in November 2010. These have largely been in the form of efficiency savings where the same, or improved, services are delivered for less. If these savings had not been made, the total rates requirement would have been 14 per cent higher over these years.

The Recovery Budget included locking in at least $90 million of permanent ongoing annual savings. This followed the achievement of $126 million of savings in 2020/2021. Achieving these cost reductions is requiring a relook at how the council delivers some services to the community. This will take time and will cause significant disruption for staff.

Staff consider that the amount of further efficiencies and cost reductions included in the future years remains an appropriate and challenging target. To the extent that the $90 million target is not achieved, there will be further pressure on the operating budget challenge. At present around $40 million of this target for 2022/2023 and 2023/2024 is yet to be solutioned.

Operational cost savings beyond the current target would require the consideration of service level adjustments and/or ceasing the provision of some discretionary services.

Rates

The Recovery Budget provides for an overall average general rates increase for 2022/2023 of 3.5 per cent.

As noted earlier, addressing the entire $85 million operating budget challenge would require an additional increase of 4.5 per cent (a total of an 8 per cent average general rates increase). This is before factoring in any changes to targeted rates.

Given the primary driver of the ongoing operating cost pressures is a permanent step change in the net cost to deliver planned services across the group, the most logical options to address this (based on our Revenue and Financing Policy) would be to either reduce those costs (through increased efficiency if possible or by reducing planned services) or to increase rates as the associated funding source.

A key consideration for the council when looking at levels of general rates is affordability and acceptability of the increases to the community. This needs to be considered alongside any other proposals to increase charges.

Rates affordability was considered in depth in the Report of the Local Government Rates Enquiry 2007. This report indicated that affordability problems arise when rates, including water charges, exceeded 5 per cent of household incomes. Auckland Council rates and Watercare's water and wastewater charges will stay under the 5 per cent of household income level if the council adopts all the proposed changes to rates being considered for the Annual Budget 2022/2023, including the introduction of a Climate Action Targeted Rate. Under the proposals being considered total rates for the median value urban residential property will be 3.34 per cent of median household income for homeowners. Even if an additional 10 per cent were added to the proposed general rates increase, 3.5 per cent, the ratio would still only be 3.54 per cent.

Addressing $70 to $80 million of operating budget challenge through higher general rates alone in 2022/2023 would require an additional general rates increase of around 3.5 to 4 per cent. One option to manage the impact on ratepayers of a higher rates increase would be to phase it in over two years.

Government funding

A number of different central government funding schemes are currently being developed or implemented. These include the Housing Acceleration Fund, COVID-19 stimulus funds and potential funding under the Three Waters Reform Programme.

If these funding schemes could be accessed to support operating expenditure requirements in 2022/2023 then that could provide temporary mitigation to allow time for the organisation to properly develop the options suggested above. Taking more time to work through these options could enable the development of a medium-term plan to achieve the required pathway to financial sustainability which is better informed and which has had a broader range of input from interested parties and stakeholders.

As the use of government funding is not a lever directly under the council's control, relying on this lever at this stage would require the council to be reasonably certain of the likely availability, timing and conditions attached to any such funding.

A key potential source of additional government funding is the first tranche of the Three Waters Reform Programme "Better Off" funding which could see $127 million of funding being made to Auckland Council from as early as 1 July 2022.

Each local authority will be expected to engage with iwi/Māori in determining how to use its funding allocation. The funding can be used to fund either operating or capital expenditure that supports the three waters service delivery reform objectives and other local wellbeing outcomes and aligns with the priorities of central and local government, through meeting some or all of the following criteria:

- supporting communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards;
- delivery of infrastructure and/or services that:
    - enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available,
    - support local place-making and improvements in community well-being.

The availability of the funding is subject to government approval of a funding proposal and execution of any associated funding agreements.

Payment of any agreed funding will be subject to yet to be defined conditions and milestones. This suggests that payment will not be a lump sum payment to be made on or around 1 July 2022.

To be able to rely on this funding lever at this stage of the annual budget process would require the council to be reasonably certain that there is sufficient at risk operating expenditure that is currently planned that could instead be successfully funded through this mechanism. This means having a reasonable degree of certainty that this expenditure would meet the agreed criteria, would be approved by government, would be made available within the 2022/2023 year and that any necessary conditions could be met. If there is not a reasonable degree of certainty around these matters, then staff advice is that it would be desirable to maintain flexibility around the use of the other levers through public consultation to allow for the possibility that government funding is unavailable.

The one-off nature of this funding will not provide mitigation for the structural changes to the council's operating cost base and therefore staff advice is that it would need to be accompanied by other actions or commitments that demonstrate a clear pathway to long-term financial sustainability.

Our proposed response

This budget proposes a two-phase approach to our budget challenges.

The availability of $127 million for Auckland in the coming financial year as the first tranche of the Government's 'better off' funding package associated with its mandating of Three Waters Reform, alleviates the pressure to take drastic actions now.

To address the ongoing operating budget impacts the council is proposing to implement $15 million of permanent cost reductions in the form of efficiency saving and low priority service reductions across the Auckland Council group in 2023/2024, growing to $30 million per annum from 2024/2025 onwards. To support this we are consulting on a set of draft expenditure prioritisation criteria (see section 2.3 of this supporting information).

We note that further operating cost reductions, capital deferrals and sale of non-strategic assets over the next three years may be required if further budget risks materialise.

2.2: Capital investment prioritisation

Policy item	Decisions
Budget package	• maintaining the current capital investment profile over the next three years, noting that while the inflationary pressure may be partially mitigated by the natural slow-down caused by COVID-19 delays and supply chain constraints, this may require some deliberate deferrals of capital projects and programmes, with the intention that high and critical-risk projects are prioritised • noting further operating cost reductions, capital deferrals and sale of non-strategic assets over the next three years may be required if further budget risks materialise.

1. The Recovery Budget included $2.9 billion of capital investment for the council group in the 2022/2023 year, and a total of $8.9 billion over the next three years.
2. Economic factors and supply chain disruptions are increasing the cost of capital projects which are not yet under contract. It is likely that sizeable amounts of capital investment will need to be delayed ensuring investment levels remain within the Recovery Budget settings. Recent lockdowns and the current supply chain disruptions will naturally see some capital investment delayed from the current financial year into next financial year, but some deliberate action will be required to manage escalating costs.
3. Factors contributing to material cost increases include:
    - higher transport costs due to rising fuel prices and demand on drivers
    - increased shipping costs due to rising fuel, container prices, port congestion, as well as general high demand with the current COVID-19 delays
    - lack of labour for manufactured products such as pipes and precast concrete.
4. There have also been substantial increases to labour costs with the border being closed and strong competition for skilled workforce within New Zealand, and Auckland in particular.
5. Analysis provided by the council procurement team suggests that although we may not see the same 10 per cent to 45 per cent price escalation trend going forward given the increase was partially attributed to a price correction to pre-COVID levels, a high level of increase of around 5 per cent to 20 per cent on construction material is projected to continue for the next three years.
6. Areas with material capital programmes are closely monitoring the programme costs and taking mitigating actions such as:
    - identifying high risk materials early and working with all parties to check/secure availability
    - considering existing contingency budgets to assess the extent that these may cover cost increases
    - carefully considering contract clauses relating to pricing or material availability, and activating contract fluctuations clauses
    - placing greater emphasis on programme planning and strategic procurement.
7. However, if the cost escalation continues to materialise at the projected levels, then further prioritisation within the current envelopes as well as deferrals may be required given our funding constraints.

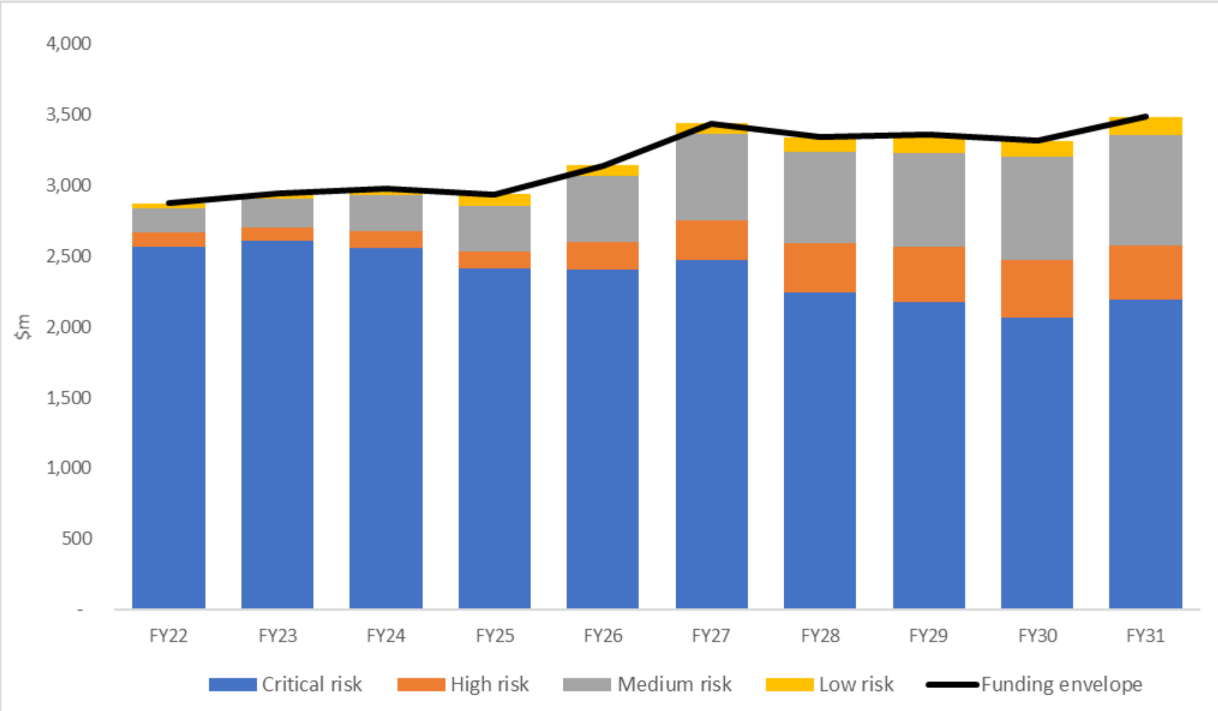
Capital programme prioritisation

Draft budget for consultation

8. When preparing the Recovery budget, a group capex prioritisation process was undertaken. The process used the agreed multi-criteria prioritisation framework where each of the projects/programmes was assessed against the list of considerations below. Under this framework, critical service delivery risks such as health and safety, legal issues, critical asset renewals and minimum acceptable level of service provision are addressed ahead of other risks.

Category	Risk Criteria	Explanation
Service Delivery	Health and Safety	Assessment of severity and probability of occurrence
	Contractual	Spectrum from 'in construction' to 'not committed'. Public commitments assessed, but would score relatively low
	Legal	Timeframe for compliance and availability of a mitigation considered, includes consent conditions
	Level of Service	Considered whether the reduction is permanent or temporary, and the extent of public acceptability
	Critical Asset Renewal	Probability, severity and time to failure considered
Financial & Revenue	Revenue	Extent of available external revenues
	Funding	Quantum of funding and extent it is committed
	Cost	Probability and quantum of consequential capex/opex implications of deferral
Strategic Alignment	COVID Recovery	Aligns with strategic outcomes agreed for emergency budget
	Māori Outcomes	Aligned to Kia Ora Tāmaki Makaurau framework
	Climate Outcomes: Mitigation	Focus on emissions
	Climate Outcomes: Adaptation	Focus on adaptability/resiliency to climate change
	Environment Outcomes	Spectrum from improvement to degradation
	Development Outcomes	Criticality of project and alignment to live zoned land

9. By following this process, it was ensured that all critical and high-risk projects were covered in the final 10-year budget as well as some medium and low risk projects in the first few years.



10. The impact of reprioritisation and consideration of further deferrals if budget risks materialise has been considered using the Recovery Budget capex prioritisation framework.

11. The key implications of delaying capital investment include increased asset risk (from deferred renewals), higher costs (inflationary impacts of the delay), and the slower delivery of climate change, environmental and community outcomes than that planned for in the Recovery Budget.

12. By assessing projects and programmes through the prioritisation framework, it will ensure high and critical-risk projects are priortised with impacts mostly limited to low and medium risk projects and programmes.

13. Illustrative examples of projects that may be impacted for the next three financial years are outlined below:

- regional public art renewals
- commercial development fund
- regional public artwork
- non-critical library collection renewals
- built heritage protection fund

- climate change response fund (contingency fund to immediately address emergency infrastructure repair works needed as a result of extreme storm damage)
- general slowdown – 2 per cent to 5 per cent of core spend including renewals, safety and other committed projects
- connected communities programme (improvements for corridors to enable more travel options, safer streets, improved bus services and mode shift for central Auckland)
- lake Road improvements
- Lincoln Road Corridor improvements
- development of Te Ara Tukutuku (if deferred, would delay the further development of commercial/residential sites).

14. As part of the detailed budget review process for the annual budget, a capex reprioritisation process will be re-run across the group to factor in the updated information for cost escalation impacts on the group's capital programme. The results of this work will inform the specific projects that would be deferred and the updated budget phasing for the group's capital programme.

Alternative scenarios

15. To reduce operating cost pressure the council could choose to delay capital expenditure. The reduced level of borrowing would have consequential impacts on financing costs while the slower delivery of assets would reduce depreciation expense and, in some cases, consequential operating costs (maintenance, utilities, staffing etc).
16. A couple of scenarios have been prepared to demonstrate the likely impacts on our capital programme if we were to defer capital expenditure on top of mitigating the cost escalation.
    - *Covering pressures within existing envelopes AND deferring an additional $150 million.*
    - *Covering pressures within existing envelopes AND deferring an additional $300 million.*
17. A summary of potential impacts in the next three years for these two scenarios is provided below.

Additional $150m deferral scenario

18. In addition to the type of projects that are likely to be impacted under the proposed budget, more medium and high-risk projects would likely to be deferred under this scenario, with a greater impact on potential revenue generation, contributing to development outcomes, positive climate impacts and improving public transport outcomes.
19. Illustrative example projects that may be deferred in addition to the ones identified under the consultation budget include:
    - community centre development (e.g. Flat Bush multi-purpose facility)
    - sports and local park development (including individual parks development projects supporting growth)
    - regional community asset renewals
    - Corporate Property Optimisation (WorkSmart)
    - Healthy Waters flooding control projects
    - transport demand forecasting models update
    - double decker mitigation (signage improvements)
    - minor safety improvements
    - regional corridor improvement projects
    - parking programme
    - Onehunga Wharf (would impact on possibility of getting returns through sale/long lease of the site for commercial and residential developments)
    - renewals programme (commercial property and waterfront assets).

Additional $300 million deferral scenario

20. If an additional $300 million capital expenditure is deferred, further programme and projects that may be impacted include:
    - land acquisition for cemeteries and parks
    - local asset renewals programme
    - Healthy Waters other network growth projects
    - ICT Lifecycle management (ICT infrastructure purchases)
    - business enablement (ICT development, contributing to cost savings initiatives and service level improvements)
    - new footpaths regional programme
    - PT safety, security and amenity and other capital improvements
    - renewals programme
    - development of Te Ara Tukutuku – a bigger portion of this project would be delayed in this scenario
    - renewals programme – more significant renewals projects may be impacted
    - renewals programme across security, stadiums and Auckland Live.
21. Under this scenario, more critical risk projects are likely to be impacted across the group, including deferral of some higher risk and critical asset renewals which would lead to poorer asset conditions and higher maintenance cost in the future. In the event that critical assets renewals are impacted, renewal programmes would be carefully prioritised and monitored to ensure that public safety and the overall integrity of the network are not compromised.

2.3 Service prioritisation:

Policy item	Decisions
Budget Package	consulting on a set of draft expenditure prioritisation criteria and applying the final criteria to implement $15 million of permanent cost reductions in the form of efficiency saving and low priority service reductions across the Auckland Council group in 2023/2024, growing to $30 million per annum from 2024/2025 onwards

1. The operating lever is a key mechanism that Auckland Council has often turned to manage its budget. Since amalgamation the council has achieved over $2 billion of operating savings and the impact of these prior savings programmes is that general rates are 14 per cent less than they would be without the intervention.
2. The Recovery Budget set a target of locking in $90 million of annual ongoing cost reductions from 2021/2022. As of 30 September 2021 $64.4 million of the 2021/2022 target had been achieved, however only about $52 million of the $90 million ongoing target for the 2022/2023 financial year had been achieved.
3. A type of cost reduction the council has considered is through making further material efficiency savings but assessed this will be difficult to find so soon after the recent savings initiatives. Also, some efficiency ideas would need upfront investment to implement and therefore exacerbate the near-term operating budget challenge.
4. Ongoing service level reductions are also an area where the council has found operating cost reductions previously. Work in this area is currently being progressed through the “Optimise our Services” programme (part of the “Shaping our Future” portfolio).
5. This means, at this point, any decisions to further reduce the council’s operating cost base will almost certainly come with service level implications.
6. The Optimise our Services programme identified that having a service prioritisation framework would allow the council to properly make evidence-based decisions on its service offerings.
7. The council used a similar prioritisation framework in the Recovery Budget to make trade-off decisions when determining its level of capital investment – trading off risks vs benefits of pulling additional funding levers.
8. For this annual budget the council has agreed to:
    - Consult on a strategy and framework for reviewing and prioritising our services to meet savings targets beyond the 2022/2023 year.
    - Undertake further consultation, possibly as part of future annual budgets, when particular services have been identified, depending on what is appropriate to the circumstances.
9. The strategy and framework will:
    - Test whether our services are mandatory (“must do”), strategically aligned (“should do”), or the value outweighs the costs and risks (“could do”).
    - Provide options for what to do with these services (e.g., “no change”, “stop”, “do less”, “do differently”).
10. To ensure the implications of using service level reductions are properly supported, illustrative examples of the type of areas the council could review has been provided below:

Service category	“Should do”/ “Must do” services	“Could do” services
Potential actions	Reduce levels of service OR no change	Reduce levels of service OR stop the service OR no change
Service examples	• Regional strategies and planning • Libraries • Prioritised community venues/facilities • Reserves and regional / local parks	• Recreation programmes • Educational programmes • Animal biosecurity initiatives • Community empowerment and related activities

Service category	"Should do"/ "Must do" services	"Could do" services
	• Heritage protection • Environmental and ecology sciences and advisory services • Local Board support and advisory services across Local Board Services, Finance, C&C, I&ES • Public transport services • Business attraction and investment • Tourism and business sector development • Redevelopment and housing intensification activities	• Community leasing • Grant programmes • Urban development and activation initiatives

11. This table sets out proposed principles and criteria only. There are no actual proposals to make changes to any specific services at this time. Decisions and consultation on individual services will need to be made at a later date. Our prioritisation would be guided by the Auckland Plan 2050 and its legislated role for Council to promote Auckland's social, economic, environmental and cultural well-being.

Draft expenditure prioritisation criteria

WHAT ARE THE THINGS THAT WE:

	must do?	should do?	could do?	won't do?
These are things that	• are required by law (including our legal obligations to Māori) • are essential services	• deliver on key priorities like climate action, transport, the environment and community development	• mitigate key risks • provide additional/ improved services for our customers and communities	• don't align to key priorities • don't deliver value • can be provided just as well by others
How we will prioritise	We will do these first	We will do these to the extent that we can afford to	Of these, we will do the things that deliver the most value or reduce the most risk	We will look to stop doing these
Opportunities to improve value for money	• Should we do more / less? • Could we do this differently? • Can we do this better? • Can we partner with someone else to get better outcomes?			• Stop • Phase out • Leave to others

2.4: Summary of financial projections

Introduction

This section provides a high-level overview of the key financial projections based on the proposals included in the consultation document.

These financial projections are informed by the significant forecasting assumptions included in this section. These assumptions are largely based on those included in the 10-year Budget 2021-2031 and are subject to high degrees of uncertainty. Assumptions and budgets will be updated to inform final decisions on the annual budget.

Key financial projections for 2022/2023

$million	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023
Total capital investment	2,871	2,942	**3,002**
Total operating expenditure	4,673	4,808	**4,876**
Average general rates increase	5.00%	3.50%	**3.50%**
Rates revenue	2,122	2,253	**2,283**
Total operating funding sources	4,498	4,798	**4,902**
Total assets	61,067	63,891	**65,567**
Total borrowing	11,745	12,783	**12,614**
Total equity	43,883	45,651	**47,497**
Debt to revenue ratio	272%	277%	271%

Capital investment and debt levels

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

Our total capital expenditure programme for 2022/2023 is $2.55 billion, in addition we plan to invest $456 million in City Rail Link Limited. The total capital investment for Auckland over 2022/2023 is projected to be $3.0 billion.

Delivered by:	3-year total 2022 - 2025 $ million
Auckland Council	1,993
Auckland Transport	3,388
Watercare	2,418
Auckland Unlimited	151
Ports of Auckland Limited	240
Eke Panuku Development Auckland	285
Total capital expenditure	**8,475**
Investment in City Rail Link Limited	782
Total capital investment	**9,257**

Rising inflationary pressures, an uncertain COVID environment, and supply chain constraints may require changes to the timing of the council's capital programme over the next three years. The table on the right shows a breakdown of the three-year capital programme, and more detail can be found in the council's budget book (https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/budget-plans/The-10-year-budget-2021-2031/Documents/budget-book.pdf).

The following table shows how we plan to fund our capital expenditure and other capital outflows in 2022/2023.

Capital expenditure and other outflows $ billion	Draft budget 2022/2023
Growth	723
Service level improvement	978
Renewals	845
Weathertightness claims	132
Investment in City Rail Link Limited	456
Other	-78
Total	3,056

Funding sources $ billion	Draft budget 2022/2023
Capital subsidies	571
Development contributions	265
Asset sales	106
Operating cash surplus	1,129
Borrowings	985
Total	3,056

The continued investment in Auckland will see us increasing council debt from $11.6 billion to $12.6 billion.

We consider this increase in debt to be appropriate on the basis that it is driven by investment in new assets with long useful lives. The council's total assets are projected to increase to over $65 billion by June 2023. The benefits from this expenditure will be spread over time and using debt financing means that costs will be shared with those people who will benefit from the assets in the future.

Our Financial Strategy sets limits on the council's borrowing, to maintain debt at a prudent and sustainable level. While total group debt is now projected to reach $16.4 billion by 2031, it will still remain at a prudent level in comparison to our income.

Operating expenditure and revenue sources

It is forecast that the Auckland Council group will spend $4.9 billion in operating expenditure in 2022/2023. This covers the council's day-to-day operations and services, from collecting rubbish to maintaining parks and issuing building consents. It includes costs related to the capital expenditure programme such as interest, maintenance and depreciation (a non-cash cost).

The $4.9 billion of operating revenue sources covers $3.8 billion of cash operating expenditure, leaving a cash surplus of $1.1 billion to fund capital expenditure.

Operating expenditure $ billion	Draft budget 2022/2023
Staff	1,067
Interest	490
Other	2,216
Sub-total	3,773
Depreciation and amortisation	1,102
Total	4,875

Operating funding sources $ billion	Draft budget 2022/2023
Rates	2,283
Fees and user charges	1,608
Subsidies and grants	488
Other	523
Total	4,902

Looking ahead

Decisions made in the development of this annual budget will have impacts beyond this budget year and the council has sought to forecast these, particularly to ensure that they do not affect our financial strategy settings as defined in the 10-year Budget 2021-2031. The key items impacting projections are:

- changes to COVID-19 related financial impacts
- changes to key economic indicators such as inflation and interest rates.

The projections below are highly reliant on the forecasting assumptions included later in this section. It is important to note the high levels of uncertainty around many of these assumptions at this time.

Planned capital investment

$ million	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
10-year Budget 2021-2031	2,942	2,977	2,936	3,142	3,435	3,340	3,362	3,314	3,486
Updated projection	3,002	3,171	3,084	3,186	3,467	3,366	3,359	3,312	3,476

Planned operating expenditure

$ million	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
10-year Budget 2021-2031	4,808	5,008	5,269	5,465	5,685	5,899	6,121	6,301	6,511
Updated projection	4,876	5,091	5,369	5,593	5,837	6,073	6,280	6,485	6,697

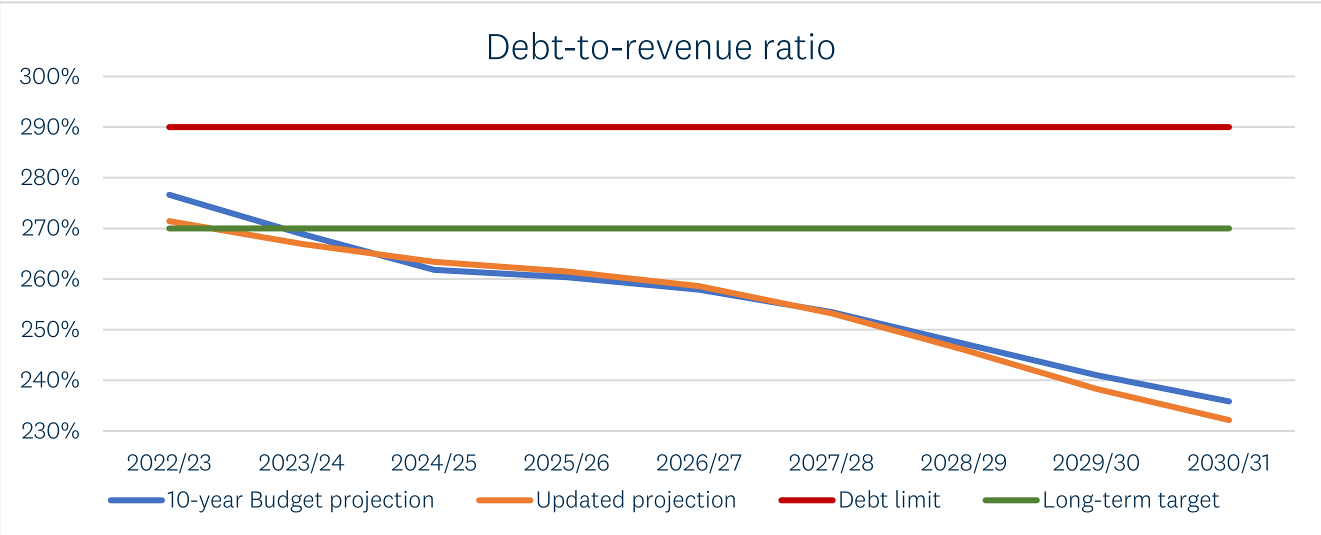
The council looks to a number of key policy settings to ensure long-term financial prudence. These are focused on maintaining sustainable debt levels and a balanced operating budget.

Sustainable debt

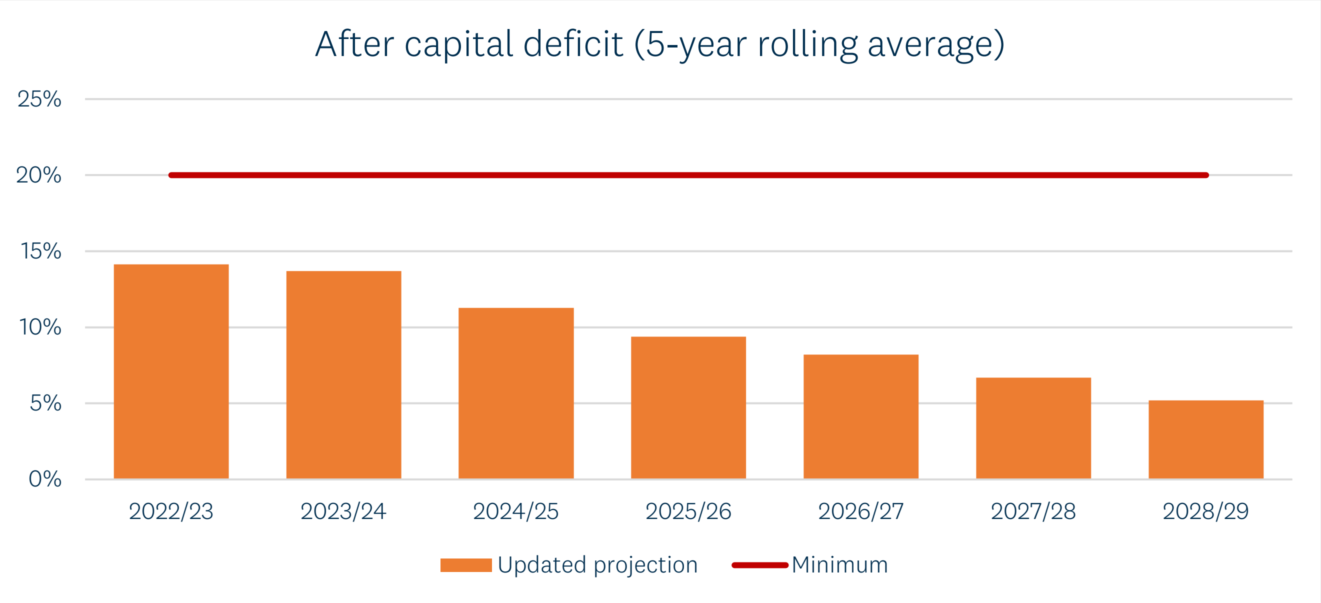
The key measure used by the council to look at our borrowings is as a ratio of operating cash revenues. Credit rating agencies also look at debt in this manner alongside other measures such as after-capital deficit.

In its Financial Strategy (included in the 10-year Budget 2021-2031) the council has set an upper debt-to-revenue limit of 290 per cent, but with a long-term target of 270 per cent.

The chart below shows that while projected debt-to-revenue remains below the 290 per cent limit through-out the period it is above 270 per cent for the first year before gradually returning below this target.



The chart below shows the projected after-capital account deficit as a percentage of total revenue on a 5-year rolling average basis. This is an indicator of the level of reliance on borrowing to cover expenditure as compared to operating revenues. The reducing deficit shown reflects a projected reduced reliance on debt.

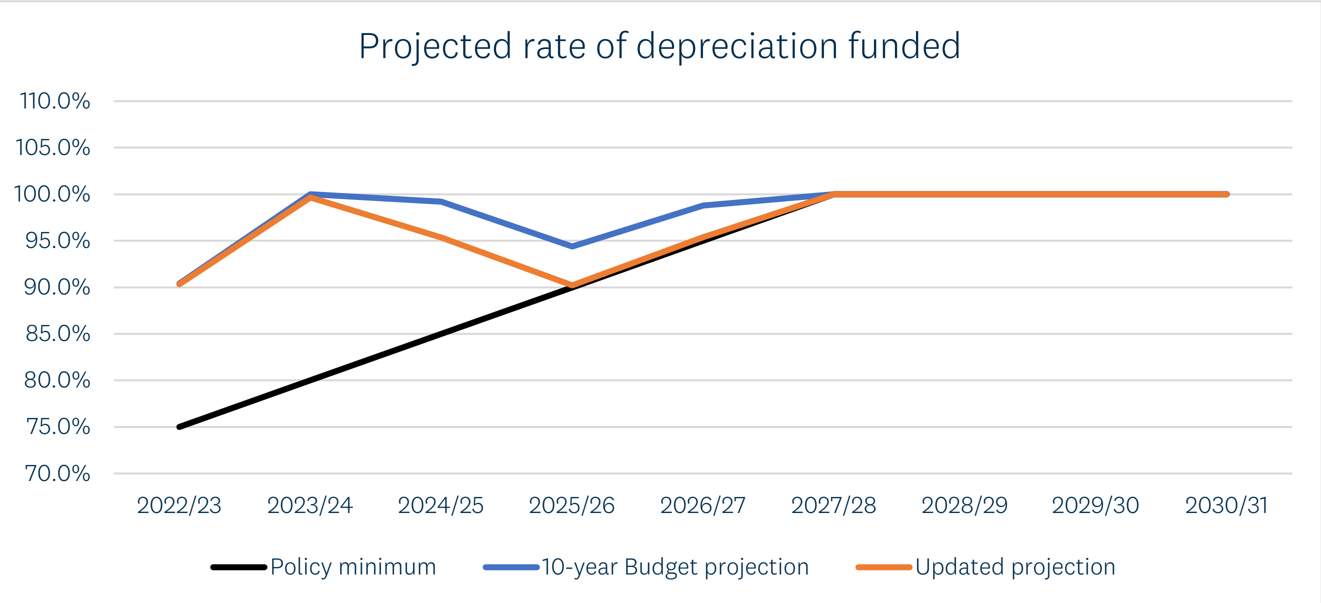


Balanced operating budget

The Local Government Act 2002 requires that each local authority ensures that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating revenues.

The key policy settings around this requirement are the council's approach to the balanced budget requirement, included in the Financial Strategy, and the depreciation funding policy, included in the council's Revenue and Financing Policy.

The chart below shows the projected levels of depreciation covered by operating revenue in each year, alongside the policy minimums.



Prospective financial statements

Prospective funding impact statement

Auckland Council group consolidated

Financial year ending 30 June $000	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Sources of operating funding:				
General rates, UAGCs, rates penalties	1,868,537	1,972,160	1,975,252	3,092
Targeted rates	253,885	280,944	307,846	26,902
Subsidies and grants for operating purposes	405,773	402,250	488,094	85,844
Fees and charges	1,467,912	1,602,827	1,608,274	5,447
Interest and dividends from investments	5,721	29,209	5,480	(23,729)
Local authorities fuel tax, fines, infringement fees and other receipts	496,371	510,484	517,160	6,676
Total operating funding	**4,498,199**	**4,797,874**	**4,902,106**	**104,232**
Applications of operating funding:				
Payment to staff and suppliers	3,162,559	3,225,020	3,282,778	57,758
Finance costs	445,758	476,842	489,871	13,029
Other operating funding applications	0	0	0	0
Total applications of operating funding	**3,608,317**	**3,701,862**	**3,772,649**	**70,787**
Surplus (deficit) of operating funding	**889,882**	**1,096,012**	**1,129,457**	**33,445**
Sources of capital funding:				
Subsidies and grants for capital expenditure	474,306	529,246	571,246	42,000
Development and financial contributions	247,898	265,251	265,251	0
Increase (decrease) in debt	910,637	1,037,939	984,300	(53,639)
Gross proceeds from sale of assets	132,283	106,238	106,238	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	**1,765,124**	**1,938,674**	**1,927,035**	**(11,639)**
Application of capital funding:				
Capital expenditure:				
- to meet additional demand	678,911	724,427	723,184	(1,243)
- to improve the level of service	798,850	894,858	978,085	83,227
- to replace existing assets	903,435	867,034	844,592	(22,442)
Increase (decrease) in reserves	24,557	108,048	131,575	23,527
Increase (decrease) in investments	249,253	440,319	379,056	(61,263)
Total applications of capital funding	**2,655,006**	**3,034,686**	**3,056,492**	**21,806**
Surplus (deficit) of capital funding	**(889,882)**	**(1,096,012)**	**(1,129,457)**	**(33,445)**
Funding balance	**0**	**0**	**0**	**0**

Prospective statement of comprehensive revenue and expenditure

Auckland Council group consolidated

$000 Financial year ending 30 June	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Revenue				
Rates	2,117,084	2,248,525	2,278,524	29,999
Fees and user charges	1,467,911	1,602,825	1,608,272	5,447
Grants and subsidies	880,078	931,498	1,059,340	127,842
Development and financial contributions	247,897	265,252	265,252	0
Other revenue	496,267	533,985	514,902	(19,083)
Vested assets	449,821	453,660	453,660	0
Finance revenue measured using effective interest method	2,807	2,424	2,394	(30)
Other finance revenue	673	749	749	0
Total revenue	**5,662,538**	**6,038,918**	**6,183,093**	**144,175**
Expenditure				
Employee benefits	1,021,277	1,038,329	1,066,584	28,255
Depreciation and amortisation	1,062,891	1,105,449	1,102,067	(3,382)
Grants, contributions and sponsorship	170,463	166,101	161,040	(5,061)
Other operating expenses	1,970,816	2,020,594	2,055,158	34,564
Finance costs	447,437	477,973	491,002	13,029
Total expenditure	**4,672,884**	**4,808,446**	**4,875,851**	**67,405**
Operating surplus/(deficit) before gains and losses	**989,654**	**1,230,472**	**1,307,242**	**76,770**
Share of surplus/(deficit) in associates and joint ventures	(10,211)	(10,477)	(8,415)	2,062
Surplus/(deficit) before income tax	**979,443**	**1,219,995**	**1,298,827**	**78,832**
Income tax expense	65,575	82,052	82,052	0
Surplus/(deficit) after income tax	**913,868**	**1,137,943**	**1,216,775**	**78,832**
Surplus after income tax is attributable to:				
Ratepayers of Auckland Council	913,868	1,137,943	1,216,775	78,832
Other comprehensive revenue/ (expenditure)				
Net gain on revaluation of property, plant and equipment	199,526	630,370	630,370	0
Tax on revaluation of property, plant and equipment	0	0	0	0
Total other comprehensive revenue	**199,526**	**630,370**	**630,370**	**0**
Total comprehensive revenue/(expenditure)	**1,113,394**	**1,768,313**	**1,847,145**	**78,832**

Prospective statement of financial position

Auckland Council group consolidated

$000 As at 30 June	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Assets				
Cash and cash equivalents	100,000	100,000	100,000	0
Receivables and prepayments	576,225	592,438	583,325	(9,113)
Derivative financial instruments	3,000	3,000	2,292	(708)
Other financial assets	88,000	88,000	76,954	(11,046)
Inventories	60,343	61,550	52,356	(9,194)
Income tax receivable	3,000	3,000	4,142	1,142
Non-current assets held-for-sale	106,239	173,667	173,667	0
Total current assets	**936,807**	**1,021,655**	**992,736**	**(28,919)**
Non-current assets				
Receivables and prepayments	49,418	50,820	77,355	26,535
Derivative financial instruments	429,000	429,000	425,468	(3,532)
Other financial assets	1,911,919	1,916,285	2,082,596	166,311
Property, plant and equipment	54,944,085	57,204,551	58,632,483	1,427,932
Intangible assets	747,836	778,602	799,968	21,366
Investment property	603,000	603,000	703,802	100,802
Investments in associates and joint ventures	1,437,190	1,878,413	1,842,679	(35,734)
Other non-current assets	8,060	9,121	9,994	873
Total non-current assets	**60,130,508**	**62,869,792**	**64,574,345**	**1,704,553**
Total assets	**61,067,315**	**63,891,447**	**65,567,081**	**1,675,634**

$000 As at 30 June	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Liabilities				
Current liabilities				
Payables and accruals	1,031,619	1,065,714	1,093,831	28,117
Employee entitlements	130,093	132,265	119,318	(12,947)
Borrowings	1,256,817	1,367,888	1,349,797	(18,091)
Derivative financial instruments	33,000	33,000	37,174	4,174
Provisions	77,512	56,742	80,264	23,522
Total current liabilities	**2,529,041**	**2,655,609**	**2,680,384**	**24,775**
Non-current liabilities				
Payables and accruals	188,350	194,733	208,572	13,839
Employee entitlements	5,122	5,208	5,550	342
Borrowings	10,488,043	11,414,913	11,263,940	(150,973)
Derivative financial instruments	1,683,000	1,683,000	1,677,675	(5,325)
Provisions	329,828	243,688	246,110	2,422
Deferred tax liabilities	1,960,858	2,042,910	1,988,070	(54,840)
Total non-current liabilities	**14,655,201**	**15,584,452**	**15,389,917**	**(194,535)**
Total liabilities	**17,184,242**	**18,240,061**	**18,070,301**	**(169,760)**
Net assets	**43,883,073**	**45,651,386**	**47,496,780**	**1,845,394**
Equity				
Contributed equity	26,732,000	26,732,000	26,732,000	0
Accumulated funds	4,973,826	6,137,982	6,210,281	72,299
Reserves	12,177,247	12,781,404	14,554,499	1,773,095
Total equity	**43,883,073**	**45,651,386**	**47,496,780**	**1,845,394**

Prospective statement of changes in equity

Auckland Council group consolidated

$000 Financial year ending 30 June	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Contributed equity				
Opening balance	**26,732,000**	**26,732,000**	**26,732,000**	**0**
Surplus after income tax	0	0	0	0
Other comprehensive revenue	0	0	0	0
Total comprehensive revenue	**0**	**0**	**0**	**0**
Transfer to/ (from) reserves	0	0	0	0
Balance as at 30 June	**26,732,000**	**26,732,000**	**26,732,000**	**0**
Accumulated funds				
Opening balance	**4,030,118**	**4,973,826**	**4,967,606**	**(6,220)**
Surplus/ (deficit) after income tax	913,868	1,137,943	1,216,775	78,832
Other comprehensive revenue	0	0	0	0
Total comprehensive revenue	**913,868**	**1,137,943**	**1,216,775**	**78,832**
Transfer to/ (from) reserves	29,840	26,213	25,900	(313)
Balance as at 30 June	**4,973,826**	**6,137,982**	**6,210,281**	**72,299**
Reserves				
Opening balance	**12,007,561**	**12,177,247**	**13,950,029**	**1,772,782**
Surplus after income tax	0	0	0	0
Other comprehensive revenue	199,526	630,370	630,370	0
Total comprehensive revenue	**199,526**	**630,370**	**630,370**	**0**
Transfer to/ (from) reserves	(29,840)	(26,213)	(25,900)	313
Balance as at 30 June	**12,177,247**	**12,781,404**	**14,554,499**	**1,773,095**
Total equity				
Opening balance	**42,769,679**	**43,883,073**	**45,649,635**	**1,766,562**
Surplus after income tax	913,868	1,137,943	1,216,775	78,832
Other comprehensive revenue	199,526	630,370	630,370	0
Total comprehensive revenue	**1,113,394**	**1,768,313**	**1,847,145**	**78,832**
Transfer to/ (from) reserves	0	0	0	0
Balance as at 30 June	**43,883,073**	**45,651,386**	**47,496,780**	**1,845,394**

Prospective statement of cash flows

Auckland Council group consolidated

$000 Financial year ending 30 June	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Cash flows from operating activities				
Receipts from rates revenue	2,117,083	2,248,526	2,278,525	29,999
Receipts from grants and other services	3,087,995	3,290,006	3,397,618	107,612
Interest received	3,480	3,173	3,143	(30)
Dividends received	6,541	30,336	8,699	(21,637)
Payments to suppliers and employees	(3,119,173)	(3,315,158)	(3,355,332)	(40,174)
Income tax refund/(paid)	0	0	0	0
Interest paid	(445,755)	(476,836)	(489,865)	(13,029)
Net cash inflow from operating activities	**1,650,171**	**1,780,047**	**1,842,788**	**62,741**
Cash flows from investing activities				
Sale of property, plant and equipment, investment property and intangible assets	132,283	106,238	106,238	0
Purchase of property, plant and equipment, investment property and intangible assets	(2,300,220)	(2,463,860)	(2,472,960)	(9,100)
Acquisition of other financial assets	(7,291)	(8,237)	(8,237)	0
Proceeds from Sale of other financial assets	0	0	0	0
Investment in joint associates and ventures	(490,000)	(456,000)	(456,000)	0
Advances to external parties	0	0	0	0
Proceeds from community loan repayments	4,420	3,871	3,871	0
Net cash outflow from investing activities	**(2,660,808)**	**(2,817,988)**	**(2,827,088)**	**(9,100)**
Cash flows from financing activities				
Proceeds from borrowings	2,355,141	2,294,758	2,228,767	(65,991)
Repayment of borrowings	(1,444,504)	(1,256,817)	(1,244,467)	12,350
Net cash inflow from financing activities	**910,637**	**1,037,941**	**984,300**	**(53,641)**
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**(100,000)**	**0**	**0**	**0**
Opening cash and cash equivalents and bank overdrafts	200,000	100,000	100,000	0
Closing cash and cash equivalents and bank overdrafts	**100,000**	**100,000**	**100,000**	**0**

Significant forecasting assumptions

Given the high level of uncertainty in both the current global economy and around the progress and impacts of COVID-19 it is particularly important that note is taken of the assumptions that underpin our draft budgets.

The level of uncertainty for each assumption refers to the difficulty of predicting outcomes because of limited or inexact knowledge. The council cannot control all of the variables that affect future outcomes, such as the wider economy and changes in legislation.

- Low level of uncertainty – information available to council point to a high likelihood of the assumption being accurate and/ or most of the variables are under council's control.
- Moderate level of uncertainty – council has most of the information available on the assumption but variables outside of council's control may still affect the accuracy of the assumption.
- High level of uncertainty – council has some of the information on the assumption but there is a high likelihood that variables outside of council's control will impact on the accuracy of the assumption.

Assumption data for draft Annual Budget 2022/2023 and source	Risks and impacts
COVID-19 related government health restrictions	
The impact of the COVID-19 pandemic and the associated disruption to public movement and international travel is a key driver of the financial pressures that Auckland Council currently faces. The primary impact of this disruption is on our revenue sources. Key areas of impact are projected to be regulatory activity, public transport, regional facilities, ports activity, and airport dividends. Drawing from both internal and external forecasting sources staff prepared three different scenarios. Forecasts included in this Draft Budget are based on a scenario (scenario A) that assumes: • COVID-19 traffic light settings of green for the entire 2022/2023 year • Slow opening of borders from 1 January 2022 and no border restrictions from 1 January 2023 Two more pessimistic scenarios were prepared to test the sensitivity of budgets to adverse COVID conditions. The first (Scenario B) looked at a situation where public perception creates a reluctance to gather, with consequential impacts on service utilisation (particularly public transport). The second (Scenario C) assumed higher traffic light settings for part of the year in response to community outbreaks and to manage health system capacity. The further impacts of COVID-19 on factors such as population growth, development contributions revenue and inflation have been incorporated into the relevant assumptions below.	**Risk** – The periods in different alert levels and of border restrictions differ from those in our balanced scenario **Level of uncertainty –** High **Impacts** - The primary area of impact would be on our revenue streams. Under Scenario A the council's revenue reduction as a result of the COVID-19 pandemic is projected to be around $900 million. Under Scenario B the level of revenue reduction is projected to rise to $1 billion and under Scenario C it would rise to $1.2 billion. As a result, the council's debt to revenue ratio would be higher or the council might choose to mitigate the impact by deferring or reducing investment.
Growth in the rating base	
Growth in the rating base is driven by property development, including new buildings and subdivisions, which increase the size of the rating base over which the rates requirement is spread. The council looks at projections for these factors and makes adjustment for prudence and timing lags. This is used, alongside the agreed average rates increase to existing ratepayers, to project the total rates revenue. The council projects a growth in its rating base for 2022/2023 of 2.02 per cent.	**Risk -** Growth differs significantly from forecasted **Level of uncertainty -** High **Impacts -** If the growth in the rating base is higher or lower than this projection this will result in rates revenue above or below that projection. A 0.1 per cent variance in the growth experienced would result in a movement in total general rates revenue of around $2 million.

Assumption data for draft Annual Budget 2022/2023 and source	Risks and impacts
Development contribution revenue	
Auckland Council's current Financial Strategy and Revenue and Financing Policy states that growth-related infrastructure investment should be funded from development contributions. The council adopted a new Development Contributions Policy in December 2021 to enable the fair recovery of this investment. This policy came into effect from January 2022. This draft budget assumes development contributions revenue in line with what was included in the Recovery Budget 2021-2031. For 2022/2023 the budget assumes revenue of $265 million.	**Risk -** that development growth occurs at a different pace than projected **Level of uncertainty –** High **Impacts -** If development occurs more slowly than projected, the recovery period will be extended and the delay may need to be covered by additional borrowing. It may also be that the capital programme needs to be slowed. If development occurs earlier than projected revenue levels will increase, and the capital programme may need to be accelerated to support the development.
Inflation	
Auckland Council uses a number of information sources (both internal and external) to inform projections of inflationary impacts on its costs and revenues. Central projections for the consumer price index (CPI) are established and distributed around the council group. This consistent base for underlying inflationary trends is then adjusted, in response to other information, to reflect specific price movements faced by the council. Given updated economic data on changes to the global economy inflation assumptions, distributed in early-September 2021 were increased from those included in the Recovery Budget 2021-2031 (to 1.5 per cent for 2021/2022 and 2 per cent for 2022/2023). Given the latest information on inflation trends, we have made some additional cost provisions and are closely monitoring the impact of emerging trends.	Risk - Actual inflation is different from forecast inflation Level of uncertainty – High **Impacts -** If inflation is higher than projected the cost of providing services would be higher than planned. If inflation is lower than projected the cost of providing services would be lower. The council will continue to monitor price movements and updated information will inform the final Annual Budget 2022/2023.
Government transport funding	
The Auckland Transport Alignment Project (ATAP) was established in 2015 to improve local and central government collaboration on transport planning and funding for Auckland. On 12 March the Minister of Transport, Michael Wood and Auckland Mayor Phil Goff released the ATAP 2021-2031 programme that invests around $31.4 billion into critical transport infrastructure and services around Auckland. Our assumptions for this plan are based on the commitments made through the ATAP process. In this draft budget we have assumed the council will receive funding from Waka Kotahi made up of $373 million of operating subsidies and $512 million of capital subsidies.	**Risk** – That assumed funding levels cannot be achieved through Waka Kotahi processes. **Level of uncertainty** – High **Impacts** – If the capital contribution level is lower than assumed, then transport capital expenditure would be less than projected. Conversely, if the level of capital contribution is higher than assumed this would enable an increase in transport capital expenditure. If the level of operating subsidy available increases this would reduce the amount of rates funding required for operating costs and free up this funding to invest in additional infrastructure or services. A reduction may necessitate reduced services or investment, or additional funding from another source such as increased borrowing or rates.

Assumption data for Annual Budget 2022/2023 and source	Risks and impacts
Capital project projections	
Projections around cost and timing for individual capital projects are based on the best available information at the time of adoption and are set at the expected total project cost.	**Risk** – That the costs or timing of projects is different from that forecast. **Level of uncertainty –** High **Impact** – If the costs are lower than projected this will result in lower council borrowing. If costs are higher than projected then action will be needed to manage funding capacity. It is proposed that the group manage its capital programme within existing, 10-year Budget 2021-2031, envelopes and therefore the timing of other projects may need to be changed. Variance to the timing of projects will both impact the project's funding requirement and could impact levels of service indicated in the 10-year Budget.
Interest rates	
The council's treasury department has provided interest rate projections based on an assessment of market rates and anticipated borrowing requirements. The council manages its interest rate exposure to provide some certainty for cost of its borrowings over the short to medium term. The council has assumed that it maintains its AA/Aa2 credit rating in preparing the interest rate projections. For the 2022/2023 year the forecast average interest rate on council borrowing is 4.12 per cent.	**Risk –** Prevailing interest rates differ significantly from those forecasted **Level of uncertainty** – Moderate **Impacts** – Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. For every 1.0 percentage point change in market interest rates, the council's debt servicing costs for 2022/2023 would change by around $20 million, due to the level of interest rate hedging currently in place. The impact in subsequent years would be higher due to lower level of interest rate hedging and the higher overall levels of borrowing. For every one notch change from the current credit rating we would expect a change in interest rates of between 0.05 per cent and 0.15 per cent per annum.
Weathertightness and other building defect claims	
The council has considered the financial impact of weathertightness and other building defect claims, including those already lodged and potential claims. On the basis of an actuarial assessment, a provision was established at 1 November 2010 for future weathertightness claims. Based on an updated assessment completed in December 2020, the council is forecasting claim payments of $132 million in 2022/2023. The cost of funding these settlements should not fall unfairly on ratepayers in the year of settlement. Rather than penalising current ratepayers with the full impact of these settlements, it is assumed they will be funded from borrowings and the repayment of these borrowings spread over 30 years.	**Risk** – The council's exposure to claims is different than the potential liability forecasted in this plan. Level of uncertainty – Moderate **Impacts** – If claims are higher or lower than forecast, then the council's levels of borrowing and the associated borrowing costs will also be higher or lower than forecast. Depending on how large the variance is, it may affect future forecast rate requirements.

Assumption data for Annual Budget 2022/2023 and source	Risks and impacts
Asset sales	
Asset recycling is an important lever for the council as it allows capital to be re-invested in assets that support more strategically important activities. In this draft budget, we are proposing including an asset recycling target of $70 million for 2022/2023. On top of the general asset recycling target the council also plans to dispose of property assets as part of its property and urban development activities (including Panuku's Unlock and Transform programmes). In this draft budget we are including $36 million of income from this.	**Risk** - That sufficient disposals are not identified or realised to achieve the targets set. Level of uncertainty – Moderate **Impacts** - If the level of asset sales is higher or lower than forecast it will result in changes to the level, and pace, of capital investment that the council can prudently undertake

Section Three: Waste management

3.1 Kerbside refuse collection policy

Auckland Council is reviewing the way in which we charge for council's kerbside refuse collection services as part of our commitment to standardise waste services throughout the region in a way that achieves our zero waste vision for Auckland.

Zero waste vision for Auckland

Aotearoa New Zealand has one of the highest rates of waste generated per person in the developed world.

The council plays a significant role in influencing domestic waste reduction. Although domestic waste only accounts for 15 to 20 per cent of Auckland's waste streams, with the potential to be collecting refuse, recycling and food scraps from close to one-third of the nation's households, the decisions council makes are significant for the whole country's domestic waste footprint.

Te Mahere Whakahaere me te Whakaiti Tukunga Para i Tāmaki Makaurau the Auckland Waste Management and Minimisation Plan 2018 (the waste plan) sets out the Zero Waste Vision for Tāmaki Makaurau/Auckland and actions to achieve it.

To minimise kerbside household waste the waste plan commits to:

- the introduction of a region-wide "three-bin" collection system (refuse, recycling and food scraps) to enable maximum diversion of waste from landfill
- implementing a region-wide pay-as-you-throw (PAYT) charging system for refuse collections.

A commitment to standardise kerbside services

When Auckland Council amalgamated from seven legacy councils in 2010, kerbside refuse and recycling services were delivered using a range of methodologies, including charging through rates in legacy Manukau City and Auckland City and user-pays or PAYT systems in legacy Waitākere, North Shore, Papakura and Franklin, with no council service offered in Rodney.

In the first Auckland Council Waste Management and Minimisation Plan (waste plan) 2012, a commitment was made to standardise the service levels and charging methodologies across the region. It was anticipated a standardised service would be more equitable (i.e. everyone can access the same service level), reduce the cost of delivery by spreading the cost across the greatest number of customers, and make it easier to communicate with customers about how best to use the services.

Progressive changes have been introduced over the past decade to standardise service provision; however, the charging mechanisms for refuse collections remain inconsistent across the region. Currently, households in legacy Manukau City and Auckland City areas see an additional charge on their rates bill for refuse collection (currently $150.06 for a 120-litre bin), whereas the remaining 45 per cent of households in PAYT areas do not have this charge on their rates bill as they pay for their refuse collections by buying a council bag (only in specific areas) or council tag to attach to their bin each time they set it out.

The rationale for introducing a region-wide PAYT charging system was based on international evidence that at the time indicated a user pays or 'polluter-pays' system would drive greater household waste minimisation behaviour and in theory, a PAYT system creates a financial incentive to save money by reducing waste.

Impact of harmonisation to date

When the 2012 waste plan was adopted, tonnage data from the legacy council areas indicated that households in user-pays areas using 60-litre refuse bags (Waitākere, Papakura, Franklin and North Shore) were setting out less waste per person than households in legacy rates-funded areas using 120-litre bins (Auckland City) and unlimited black bags (Manukau City).

Subsequently, all council services in urban areas (apart from Auckland city centre and rural areas) have transitioned from refuse bags to bins due to health and safety concerns of most refuse collection service providers. Unexpectedly, per capita waste tonnages in the user-pays areas have stabilised to a similar level to rates-funded areas.

This is particularly notable in legacy Waitākere, where a move from limited bags to a 140-litre bin has resulted in a steady increase in per capita tonnages as customers have utilised additional bin capacity. Whereas, in legacy Manukau City where capacity has been constrained through the replacement of unlimited black bags with a 120-litre bin, per capita tonnages are declining over time.

The previous lower waste tonnages in user-pays areas are now understood to have been influenced by the capacity limit of bags rather than payment methodology, indicating that constraining available capacity can have a positive impact of reducing waste generation under any payment method.

In light of this evidence, before moving the entire region to a PAYT model, staff have conducted a review to determine whether PAYT remains the best policy direction.

Review

Our comparative analysis focused on what a domestic kerbside waste collection service needs to provide, based on our commitments as a council and feedback we have received from local boards. Our refuse collection service must:

- be both **easy** to use and encourage households to do the right thing to **minimise their waste**
- meet our commitments regionally, nationally and internationally to reduce our **emissions**
- provide the best **value for money** for all our customers and be **financially resilient** for council to deliver
- give everyone access to a **fair and affordable service**, regardless of where they live or their income level.

The review resulted in two options: either continue with the current policy of region-wide Pay-As-You-Throw or move to a region-wide rates-funded model.

Consultation options

Our preferred option, providing the best overall outcomes for Tāmaki Makaurau/Auckland, is to amend the 2018 waste plan to enable a move to a **region-wide rates-funded** refuse collection service with a **choice of three bin sizes** to accommodate different household needs.

Our review shows that **a rates-funded service**:

- enables council to achieve the best waste minimisation outcomes, as it provides influence over the largest part of the region's domestic waste stream
- is the most cost effective, lowest risk, and most financially resilient for the council to deliver
- provides the council with the greatest opportunity to respond to the climate emergency and meet the commitments set out in Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, by reducing and mitigating emissions and retaining the flexibility to adapt to climate impacts into the future

- delivers the greatest certainty for Aucklanders by enabling the council to provide a universally available, equitably priced service across the region regardless of location or income.

Under this option households in legacy Manukau City and Auckland City areas would continue to pay for their refuse collection through their waste targeted rate. Households in current PAYT areas would no longer be required to buy tags and would shift to paying through a targeted rate via a staged implementation. Bags would still be available in rural areas. This could start in the last quarter of 2023/2024 in Papakura and Franklin and continue for the North Shore and Waitākere areas throughout 2024/2025, with a rates-funded refuse service starting in Rodney at the same time.

Although changes in rates would not come into effect for the North Shore, Rodney and Waitākere until 2024/2025, operational lead times require certainty of decision-making well in advance of that time.

The other option that we considered was continuing with a **region-wide PAYT** model: this is the current policy direction within the waste plan. It would involve shifting households currently on a rates-funded service (55 per cent of Auckland) to PAYT.

Our review concluded that this option is less favourable as:

- it has not resulted in lower refuse volumes in comparable areas of Auckland
- refuse markets in New Zealand operate differently to those overseas, which affects the way we can deliver services
- PAYT is estimated to be more expensive, both for council and for Auckland overall
- PAYT comes with higher financial risks for council.

Evidence from other cities in New Zealand and overseas shows that positive waste minimisation outcomes can be achieved when efforts are focused on:

- increasing access to services that divert waste away from landfill such as the recycling and food scraps collection services that are easy to use, as well as community recycling centres
- having community education programmes to maximise awareness and knowledge about using the services properly and creating a sense of responsibility.

Waste Minimisation – there is a weak link between price and behaviour

Waste minimisation was a strong driver for the original acceptance of the PAYT model in Auckland and elsewhere, largely based on international evidence. What we have discovered since is that PAYT is difficult to implement successfully in Aotearoa New Zealand because requirements of the Commerce Act 1986 mean that council operates in a 'side-by-side' competitive residential refuse market, notably in areas where council has a PAYT system.

As part of the review Auckland Council commissioned a number of customer focus groups and surveys, which targeted Aucklanders that have lived in both rates-funded and PAYT areas. The surveys found that while customers in PAYT areas think about their waste volumes, they are not financially incentivised to a point where it would drive them to significantly change consumption habits to reduce waste.

Auckland's price per set out would need to be much higher to change how households consider the amount of waste they are generating. Not only would a higher priced council service create equity and access issues for low-income households, it is also unlikely to be effective in influencing behaviour - customers could simply switch to a cheaper service that does not have the same incentive or mandated responsibility to reduce waste.

A Rates-Funded model provides greater EQUITY for Aucklanders

Households in Auckland's south are demographically some of the largest by number of occupants. Some of these households also face among the highest levels of deprivation and resource scarcity in Tāmaki Makaurau/Auckland. The recommended charging model must be able to meet the needs of this part of the community without further disadvantaging these households.

A shift from rates-funded to PAYT may see costs transferred from landlords to tenants. Experience from councils that have introduced user-pays services is that no compensation is made through the lowering of rents by landlords when the change takes place. Supply and demand are much more significant drivers.

The community as a whole is better off when the cost is shared across all wealth levels, but the considerations of households that produce the least amount of waste must also be considered.

The planned introduction of an option to select a smaller (80-litre) bin service with a lower targeted rate will help to mitigate the fairness concern associated with households that produce less refuse and may not set their bin out often in a PAYT service. Smaller bin sizes have also been shown to reduce waste volumes. Bags will also still be available in rural areas, where bins can be impractical.

A Rates-Funded model is cheaper and more convenient for most Aucklanders

Every household pays for their rubbish to be collected. However, there is a lot of confusion about how "others" pay for their refuse collections across Auckland. Many householders in PAYT areas who currently buy council tags or bags, or have opted for a subscription service with a private provider, believe that households in rates-funded areas "get it for free". This is not true. Refuse collections in the rates-funded areas are paid for by an additional targeted rate on the rates bill (currently $150.06 per year for a 120-litre bin). Households in PAYT areas do not pay this charge. Paying through rates is a convenient method of payment, which is why customers in the PAYT areas who do not like the council tags, mostly choose an alternative subscription service, rather than an alternative PAYT option.

So, if you are currently buying council tags or bags, or have a private subscription service, under a region-wide Rates-Funded model, that part of your household bill would be paid within your rates instead.

Local board feedback strongly favoured Rates-Funded

Currently, there are:

- 11 local board areas (55 per cent of population) with a refuse service paid for through rates (rates-funded)
- 8 local board areas (45 per cent of population) where households who are council customers pay using the PAYT tags (or bags in rural areas and parts of the CBD)
- 1 local board area (Whau) that has a combination of both, and 1 (Rodney) where we provide no refuse collection service.

Local board responses so far indicate a strong preference for either staying on or moving to a Rates-Funded service:

RATES-FUNDED		PAYT		NO PREFERENCE EXPRESSED YET
STAY	MOVE TO	STAY	MOVE TO	
Albert-Eden	Franklin	Devonport-Takapuna	Whau**	Maungakiekie-Tāmaki

RATES-FUNDED		PAYT		NO PREFERENCE EXPRESSED YET
STAY	MOVE TO	STAY	MOVE TO	
Aotea/Great Barrier	Henderson-Massey	Hibiscus and Bays		Waitākere
Howick	Kaipātiki	Papakura		Upper Harbour
Māngere-Otahuhu	Rodney*	Whau**		
Manurewa				
Orākei				
Ōtara-Papatoetoe				
Puketāpapa				
Waiheke				
Waitematā				

*Rodney currently has no council refuse service ** Whau has residents on both PAYT and Rates-Funded

Summary of options

Consideration	Region-wide rates-funded (recommended)	Region-wide PAYT
EASE of use to encourage Waste Minimisation	Retaining the largest number of customers enable council to have a greater influence over domestic waste minimisation.	Council unable to use price or volume restrictions to influence behaviour – households can simply switch to a cheaper service that does not have the same incentive to reduce waste. Focus groups found that PAYT encouraged people to manage, but not necessarily reduce their waste.
Reducing EMISSIONS and adapting to climate change	Greater diversion of materials from landfill results in increased potential for emissions reduction. Greater route efficiencies, leading to less truck movements. Greater financial resilience of council service – increased ability to withstand climate related shocks (e.g. ongoing delivery of services following extreme weather events)	Potential for easy access to alternative services under current operating conditions can undermine waste minimisation activities, leading to small reduction of emissions.
ECONOMIC	Shares the fixed costs of the service across the greatest number of customers, balancing out the cost of service to all customers, including remote properties. Creates a more financially sustainable operating environment for council.	Weak link between payment method and waste minimisation 'Side-by-side' competitive market means that council cannot set price high enough to motivate customers to reduce waste generation. Greater revenue risk for council under PAYT, which could lead to higher service costs.
EQUITABLE	A smaller (80-litre) bin at a lower targeted rate will be introduced across the region to accommodate households that produce less waste. Shift to rates-funded will see charges shift from tenants to landlords in current PAYT areas. Kāinga Ora supports transition to regional rates-funded due to concerns about ability of lower income households to pay under a PAYT model.	Setting a higher price to incentivise customers to minimise waste creates equity and access issues for low-income households. Shift to PAYT will see charges shift from landlords to tenants in current rates-funded areas.

WMMP amendment

Auckland Council produces a waste assessment and waste management and minimisation plan (WMMP) every six years to meet the requirements of the Waste Minimisation Act 2008. Each waste assessment informs the development of the next WMMP.

The current WMMP, adopted in 2018, provides for a move to region-wide PAYT model. Following the review we have conducted, our preferred option for future rubbish collections is to move to a region-wide Rates-Funded model instead.

We therefore propose to amend our WMMP to reflect this, specifically under Priority Action 6: Continue transitioning to consistent kerbside waste and recycling services, by changing references to a pay-as-you-throw collection, to a rates-funded collection.

Our current waste assessment and WMMP are available to view via Auckland Council's website:

Auckland's Waste Assessment 2017

https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/topic-based-plans-strategies/environmental-plans-strategies/docswastemanagementplan/waste-assessment-2017.pdf

Auckland's Waste Management and Minimisation Plan 2018

https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/topic-based-plans-strategies/environmental-plans-strategies/docswastemanagementplan/auckland-waste-management-minimisation-plan.pdf

3.2 Roll out of food scraps service and standardisation of liability for waste management targeted rates

What we are proposing

To achieve the Auckland Zero Waste vision, we are moving to standardise our waste management collection services and how these are paid for. As part of this we will be rolling out a kerbside food scraps service to urban Auckland starting from March 2023. The new areas to get the service in 2022/2023 are the former North Shore areas not currently receiving the service and the former Waitākere area. This service will be funded from a targeted rate.

We are also proposing to standardise the approach to charging specific properties for our kerbside refuse and recycling services and the circumstances under which properties may opt-out of council services and the associated targeted rates.

Background

Auckland's Waste Management and Minimisation Plan (WMMP) – Te Mahere Whakahaere me te Whakaiti Tukunga Para I Tāmaki Makaurau 2018 sets out the Auckland Zero Waste Vision and actions to achieve it. The waste topics in this year's annual budget are to deliver on the commitments within the waste plan to standardise services across the region in support of that vision.

To minimise kerbside household waste, the waste plan commits to the introduction of a region-wide "three-bin" collection system to enable maximum diversion of waste from landfill. This system will include a weekly food scraps collection and alternating fortnightly collections for recycling and refuse.

Auckland Council currently provides the following kerbside waste collection services:

- a weekly collection of general refuse (in all areas except the former Rodney District) paid for by targeted rates, bin tags or prepaid bags depending on the area
- a fortnightly collection of recyclables, and
- a weekly food scraps collection that is currently available in Papakura and parts of North Shore.

The council also invests in regional waste initiatives such as the operation of the resource recovery network (RRN) and an annual pre-booked collection of inorganic materials that don't fit into the general refuse bin.

The kerbside refuse and recycling services provided by the council are mainly designed for household waste needs. They may not be suitable for less accessible sites (such as a high- rise apartment block or a shopping mall) or managing the volume and nature of some business waste.

The council is standardising its kerbside refuse and recycling services in most urban areas. The kerbside food scraps service is scheduled to be rolled out to most of the region over 2023 and 2024.

However, while services and funding methods are being standardised, the way in which charges are applied still varies across the region and different rules apply to who can opt-out of council services. To address this, we propose to implement a standardised charging approach for waste management services across the region. This will ensure equity and support the waste minimisation goals set out in the WMMP. A regionally consistent charging approach will also assist us in delivering services at an affordable cost to all Aucklanders.

Food scraps service and targeted rate

We are rolling out a foods scraps collection service to all urban households funded by a targeted rate. The service and the targeted rate were first introduced in Papakura in 2018/2019 and then parts of North Shore in 2019/2020.

In late 2019, the council approved the contracting for regional scale food scraps processing facilities and kerbside collection. The facilities are currently being constructed and once completed will be able to support the regional food scraps service roll-out.

The annual targeted rate is currently set at $69.88 per separately used or inhabited part of a rating unit (SUIP[1]) for the serviced areas. The targeted rate for 2022/2023 is proposed to be set at $71.28 per SUIP.

From March 2023, we will start extending the food scraps service to cover most of Auckland. The new areas that will start receiving this service in the 2022/2023 financial year will be charged the food scraps targeted rate on a proportional basis – with a lower amount that reflects the approximate number of months the service is available to them during 2022/2023. The new areas that will start receiving this service during 2022/2023 are the former Waitākere City Council (WCC) area and the former North Shore City Council (NSCC) area where the service is not already available.

Other parts of Auckland (excluding Papakura and parts of North Shore who are already receiving the service) will only start to receive the service after 30 June 2023, so they will not be charged for the service for the 2022/2023 financial year. In future, once all areas are receiving the service, all areas will be charged the same rate each year as set out in each year's annual budget.

The following table shows the targeted rate amount proposed for 2022/2023 for each area with a different service start date. The targeted rate will apply to all properties including those that already undertake their own composting. It is impractical to administer a system exempting these properties from the service (and associated rate) due to the cost of checking compliance.

Area	Scheduled start date of foodscraps collection	Proposed targeted rate for 2022/2023 (incl. GST)
WCC area A	6 March 2023	$23.76
WCC area B	27 March 2023	$17.82
NSCC area A	1 May 2023	$11.88

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

Area	Scheduled start date of foodscraps collection	Proposed targeted rate for 2022/2023 (incl. GST)
NSCC area B	15 May 2023	$5.94
NSCC area C	29 May 2023	$5.94

The current and proposed service areas are set out in the maps in Attachment A: Current and proposed service areas for food scraps.

Standardising how charges are applied

Current funding and opt-out rules

The kerbside recycling and regional waste management initiatives are paid for through a region-wide waste base service targeted rate (currently $142.70). The regional initiatives include the annual inorganic collection, the resource recovery network and the subsidy for providing affordable waste services on the Hauraki Gulf Islands (HGI).

The funding for the kerbside refuse service differs depending on location. In the former Auckland City Council (ACC) and Manukau City Council (MCC) areas it is funded through a standard refuse targeted rate (currently $150.06). In other areas pay-as-you-throw (PAYT) applies - customers pay for council's refuse service by purchasing refuse bin tags or rubbish bags, so they only pay when they put their refuse out for collection.

The following table sets out the 2021/2022 targeted rate charges.

	Recycling ($)	Regional waste initiatives $ (inorganic collection, resource recovery network, HGI subsidy etc) ($)	Total ($)
Waste base service (region-wide)	$88.90	$53.80	$142.70
Standard refuse (ACC and MCC areas only)			$150.06

Different rules apply in different parts of Auckland around the opt-out of the waste management services and associated targeted rates, due to policies inherited from legacy councils. In the former ACC area certain properties are able to opt out of council services and the requirement to pay the associated targeted rates. Properties in other areas can choose not to use the council provided services, or contract with a private supplier, but must continue to pay the targeted rates.

There are also potential fairness issues when a business or a farm property has to pay a targeted rate for a service that doesn't suit their needs.

The issues noted above, in particular the inconsistencies in opt-out rules, have caused confusion among ratepayers and are often perceived as unfair by some property owners and body corporates outside of the former ACC area.

Proposed policy for opt-outs

We are proposing to charge all properties where we can deliver a suitable service, and allow properties to opt-out of the service charges where we can't provide a suitable service or where it is administratively difficult to determine serviceability case by case. We are also proposing to apply a minimum charge (via a targeted rate) to recover costs for our regional waste initiatives, to every household, business and farm across Auckland if they are not paying this charge already.

Standardisation principles

We have considered options for addressing the issues noted. The following principles were developed to evaluate the options.

- waste minimisation – supporting waste minimisation goals including maximising council's ability to influence waste reduction behaviour
- fairness and equity – paying for services supplied or available
- affordability – affordable waste service for every Aucklander
- administrative efficiency – a straightforward charging mechanism that is easy to understand and administer.

Applying the above principles to the options analysis have led to the following overarching approach to the standardisation of targeted rate opt-out rules:

- apply the relevant targeted rate (refuse, recycling or food scraps) to each SUIP where a suitable kerbside service can be provided
- allow opt-out on request of service charges where a suitable kerbside service cannot be provided or where it is administratively difficult to determine serviceability case by case
- apply a minimum charge (via a targeted rate) to each SUIP to recover costs for regional waste initiatives.

We propose to charge all properties where the council can deliver a suitable service to enable the council to have the most influence over the waste stream and to better enable the achievement of our waste minimisation goals. This also shares the fixed costs of providing services over all the properties who can be serviced allowing the rates to be set lower than if some were able to opt-out.

Not charging properties where we cannot provide a service is fair, but only if we are able to establish that is the case. However it is not administratively practical to check service suitability for properties due to the number and diverse waste needs of certain types of properties. We are proposing to allow opt-outs of the service charges on an as-requested basis for some types of properties where the council is not likely to be able to provide a suitable service.

As the regional activities are either a public good from which every property benefits or an initiative to ensure affordability of the service across the region, the minimum charge that funds these activities will be applied universally, and will be applied per SUIP to ensure equity between similar properties with a different rating status. For example, a shop in a shopping mall or a retirement village unit is treated in the same way as a shop on the main street or an apartment.

Properties that require similar policy consideration have been grouped into three categories:

- multi-unit developments (MUDs) with 10 or more residential dwellings
- multi-unit properties with two to nine residential units (SUIPs)
- non-residential properties (mainly businesses and farms).

The opt-out rules for each category are discussed below.

Multi-unit developments (MUDs) with 10 or more residential dwellings

These include

- residential blocks containing 10 or more attached rating units (such as a block of terraced houses or a mid/high rise apartment building)
- single residential rating units (one title) that contain 10 or more SUIPs[2] (such as a retirement village with detached or attached dwellings).

The two tables below summarise the current opt-out rules for each of the property types described above.

Residential blocks containing 10 or more rating units

Service	Refuse	Recycling	Regional waste initiatives (inorganic collection, resource recovery network,HGI subsidy etc)
Current targeted ratecost	**$150.06**	**$88.90**	**$53.80**
Former ACC area	Can opt out	Can opt out	Cannot opt out
Former MCC area	Cannot opt out	Cannot opt out	Cannot opt out
Other areas	n/a (PAYT applies)	Cannot opt out	Cannot opt out

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

Rating units each containing 10 or more SUIPs

Service	Refuse	Recycling	Regional waste initiatives (inorganic collection, resource recovery network, HGIsubsidy etc)
Current targetedrate cost	**$150.06**	**$88.90**	**$53.80**
Former ACC area	Can opt out, Minimum 1 chargeper rating unit applies	Can opt out, Minimum 1 charge per rating unit applies	Can opt out, Minimum 1 charge per rating unit applies
Former MCC area	Cannot opt out (1charge per SUIP)	Cannot opt out (1charge per SUIP)	Cannot opt out (1 chargeper SUIP)
Other areas	n/a (PAYT applies)	Cannot opt out (1charge per SUIP)	Cannot opt out (1 charge per SUIP)

There are an estimated 1,900 MUD sites containing a total of 79,000 residential dwellings in Auckland. In the former ACC area, around 16,000 residential MUD units are receiving council's refuse and recycling services and around 37,000 residential MUD units have opted out of one or more council services. In areas outside of the former ACC area, while all MUDs are paying the full number of waste base service charges and refuse charges (where applicable), we estimate that around 85,000 residential MUD units are not using a council service despite paying a targeted rate for it.

A MUD's decision to opt out of council services could be due to restricted access and/or limited space for waste storage making it unsuitable for council service, or a preference for an alternative provider for other reasons. The table below shows at a high level the service requirement of various types of MUDs and council's ability to service each.

Type of MUD	Service required	Can be serviced by council?
Single storey or low-riseunits (such as terraced houses)	Standard kerbside	Yes
Low-rise apartments	Standard kerbside	Yes
Mid-rise apartments	Standard kerbside or non-standard	Usually
Retirement villages	Standard kerbside or non-standard	Usually
High-rise apartments	Private bespoke	No

The current threshold for approving MUD opt-out in the former ACC area is low. An apartment block will be allowed to opt out provided we are satisfied that it is receiving an alternative service, regardless of whether the same service can be delivered by the council.

The council considered four options for standardising the opt-out rules for MUDs:

Option \ Formercouncil area	ACC	MCC	Other
1. Status quo	Opt-out of refuse and recycling allowed as per current ACC policy	Opt-out not allowed	Opt-out of recycling not allowed. (Refuse on PAYT)
2. No opt-out across region	No opt-out allowed		Opt-out of recycling not allowed. (Refuse on PAYT)
3. Allow opt-out across region as per current ACC policy	Opt-out allowed as per current ACC policy		Opt-out of recycling allowed as per currentACC policy. (Refuse on PAYT)
4. Allow opt-out across region with stricter assessmentcriteria	Opt-out allowed only if council cannot provide suitable service		Opt-out of recycling allowed only if councilcannot provide suitable service. (Refuse on PAYT)

Note that under options 1, 3 and 4 MUDs that opt out will still be liable for the minimum charge per SUIP that covers the costs of council's region-wide waste initiatives.

Under Option 1 (status quo) the inconsistencies in the current policy will remain and continue to cause confusion among ratepayers. The perceived inequity between MUDs in the former ACC and other areas will stay. There could also be fairness concerns over those MUDs outside of the former ACC area that are paying for a service that the council is not able to deliver.

Option 2 would eliminate the inconsistencies in the current policy and also increase the number of properties paying the waste management targeted rates and therefore reduce the charge for all other properties. It would however raise similar fairness concerns as Option 1 when some MUDs could be paying for a service that can't be delivered by the council.

Option 3 would eliminate the inconsistencies in the current policy and also ensure a charge is only applied when the service is provided or available. However, extending the current permissive ACC opt-out policy to the rest of the region would reduce the number of properties paying the waste management targeted rates by a considerable amount. We estimate that an additional 9,700 MUD units would be able to opt out under Option 3, adding $1.50 to both the standard refuse and the waste base service targeted rates for all other properties. This would also limit the council's ability to achieve its waste minimisation targets. These properties would be treated unfairly in comparison to detached dwellings who would not have this choice.

Option 4 ensures fair and consistent treatment to all MUDs across the region while allowing the council to retain the maximum number of customers. Retaining all eligible properties as council customers will enable council to maximise its influence on waste behaviour as well as making its service more affordable for all. The criteria applied for assessing opt-out applications will be stricter than those currently applied in the former ACC. MUDs that can be serviced by council's contractors will not be able to opt out of the targeted rate. We estimate that around 6,400 MUD units outside of the former ACC area may be able to opt out under Option 4, adding $1 to the waste base service targeted rate for all other properties.

Attachment B provides further details on the proposed opt-out criteria under this option.

We are proposing to standardise our opt-out rules for residential MUDs as per Option 4 above. Additionally, we also propose that:

- Where council's food scraps service becomes available the food scraps targeted rate be included in the opt-out policy (approved only if council cannot provide the service).
- Changes to the policy be implemented from the 2023/2024 financial year, allowing time for development of full policy detail in consultation with stakeholders. It will also allow time to set up the administrative framework required to operate the new policy.
- We will maintain the existing opt-out arrangements in the former ACC area (i.e. only MUDs outside of the former ACC area and MUDs in the former ACC area that apply for opt-out after 30 June 2022 will be subject to the new opt-out policy). The financial impact of this arrangement is minimal.
- The targeted rate charges applied to MUD units who receive a non-standard service from the council be set at the same level as those applied to other properties. The cost variation between providing a non-standard service as outlined in Attachment B and a standard service is not expected to be significant enough to warrant a more complex rating structure.

Multi-SUIP properties with two to nine residential[3] SUIPs

The table below summarises the different opt-out rules for this category of properties.

Service	Refuse	Recycling	Regional waste initiatives (inorganic collection, resource recovery network, HGI subsidy etc)
Current targetedrate cost	**$150.06**	**$88.90**	**$53.80**
Former ACC area	Can opt out, Minimum 1 chargeper rating unit applies	Can opt out, Minimum 1 charge per rating unit applies	Can opt out, Minimum 1 charge per rating unit applies
Former MCC area	Cannot opt out (1charge per SUIP)	Cannot opt out (1charge per SUIP)	Cannot opt out (1 chargeper SUIP)
Other areas	n/a (PAYT applies)	Cannot opt out (1charge per SUIP)	Cannot opt out (1 chargeper SUIP)

[3] For the purpose of this proposal, residential properties also include lifestyle blocks that are not vacant.

There are around 25,500 multi-SUIP residential rating units in Auckland with less than 10 SUIPs. 87 per cent of these have two SUIPs on one section, typically in the form of a house plus a minor dwelling on the section. The rest are small-scale Housing New Zealand accommodation sites and privately own multi-flat residences.

There are currently 2,700 multi-SUIP residential properties in the former ACC area that have opted to reduce their number of services (hence charges) to a level below their number of SUIPs. The balance of the properties are charged the full number of services that equals their number of SUIPs.

We are proposing to standardise the opt-out rule for this category of properties by

- maintaining the per SUIP charging method (no opt-out) in areas outside of the former ACC area
- introducing the per SUIP charging method (no opt-out) for refuse, recycling and food scraps (where applicable) charges effective from 2022/2023, to
    - multi-SUIP properties in the former ACC area that do not request an opt-out on or before 30 June 2022
    - existing multi-SUIP properties in the former ACC area when they change owners
- introducing a minimum base charge to cover the cost of council's regional waste initiatives to all SUIPs of a residential property in the former ACC area where it is not currently paying that minimum charge already, effective from 2023/2024.

This will gradually phase out the current ACC policy and eventually achieve regionally consistent charging. Multi-SUIP residential properties with less than 10 units predominantly require the standard service - kerbside collection of domestic waste - on a per SUIP basis, which the council is capable of delivering.

Per SUIP charging maximises council's customer base and therefore council's ability to influence Aucklanders' waste behaviour. This is achieved without compromising equity or fairness, as the service is needed and will be made available to every SUIP within a rating unit. A larger customer base also means the service can be delivered with greater economies of scale, making it more affordable for the wider community.

The proposal has no immediate financial impact on council or ratepayers. The grandparenting arrangement ensures that no properties with existing opt-out will be forced to pay for more services than they currently do. Over time as existing multi-SUIP properties change hands and new properties get developed in the former ACC area, council's targeted rate revenue from these properties will gradually increase.

We have considered the option of charging this category of properties based on the number of services requested (i.e. extending the current opt-out rule applied in the former ACC area to other areas). We are not proposing to implement this option as it would reduce our customer base and thereby our ability to influence waste behaviour. This would also lower the number of properties paying for the service without a commensurate reduction in costs and raise the cost for other ratepayers.

If these proposed changes are adopted then they will take effect from the 2022/2023 financial year.

Non-residential properties (mainly businesses and farms)

The table below summarises the different opt-out rules for this category of properties.

Service	Refuse	Recycling	Regional waste initiatives (inorganic collection, resource recovery network, HGIsubsidy etc)
Current targetedrate cost	**$150.06**	**$88.90**	**$53.80**
Former ACC area	Can opt out, Minimum 1 chargeper rating unit applies	Can opt out, Minimum 1 charge per rating unit applies	Can opt out, Minimum 1 charge per rating unit applies
Former MCC area *	Cannot opt out (1 charge per SUIP)	Cannot opt out (1 charge per SUIP)	Cannot opt out (1 chargeper SUIP)
Other areas	n/a (PAYT applies)	Cannot opt out (1 charge per SUIP)	Cannot opt out (1 chargeper SUIP)

* The exception is the majority of business properties in the former MCC area do not receive a council service or pay a targeted rate.

There are around 31,000 non-residential rating units in Auckland. Of these around 6,900 are multi-SUIP. This covers a wide range of properties, from a farm or a factory site, to a commercial building accommodating multiple business types (a warehouse and an office for example) or a shopping mall with many shops.

In the former ACC area where opt-out is allowed, around 2,400 non-residential multi-SUIP rating units have chosen to reduce their number of targeted rate charges to a level below their number of SUIPs. In the former MCC area, the majority of business properties do not receive a council service. Nor do they pay a targeted rate. The balance of the properties are charged the full number of services that equals their number of SUIPs.

Council's refuse and recycling services are designed mainly for household waste. While some business and farm properties may be able to benefit from them to a certain extent many have chosen to use alternative, bespoke services that better meet their individual needs.

We propose to standardise the opt-out rule for this category of properties by:

- allowing properties across the region to opt out of the standard refuse service and the recycling service and respective targeted rate charges, effective from 2023/2024
- applying the minimum base charge to all eligible properties on a per SUIP basis, to cover the cost of council's regional waste activities, effective from 2023/2024.

Per service charging for the refuse service and recycling service across the region improves fairness and equity as properties will only be paying for a service that the council can deliver and all properties are treated equally regardless of location. The minimum base service charge per SUIP ensures every business and farm makes a minimum contribution towards the regional activities the council undertakes.

Introducing this new policy for non-residential properties will decrease targeted rate revenue as properties outside of the former ACC area will then be able to opt out. Properties in the former ACC area could also reduce their charges further absent of the requirement to pay at least one refuse and recycling charge. We estimate targeted rate revenue will reduce by around $2.7 million when properties across Auckland become fully aware of the new policy and take action to adjust their targeted rate liability. This will add around $6.50 to the refuse targeted rate and around $2.50 to the recycling targeted rate that every other eligible property pays.

We considered the option of applying the standard refuse and the waste base service targeted rate to every eligible SUIP across the region, consistent with our proposal for residential properties. We do not propose this option as our kerbside collection services are much less likely to be able to meet the needs of a non-residential property than that of a residential property. Charging for a service that the council cannot deliver is inequitable. The case for maximising council's ability to influence waste behaviour is also irrelevant when the service required is not able to be delivered by the council.

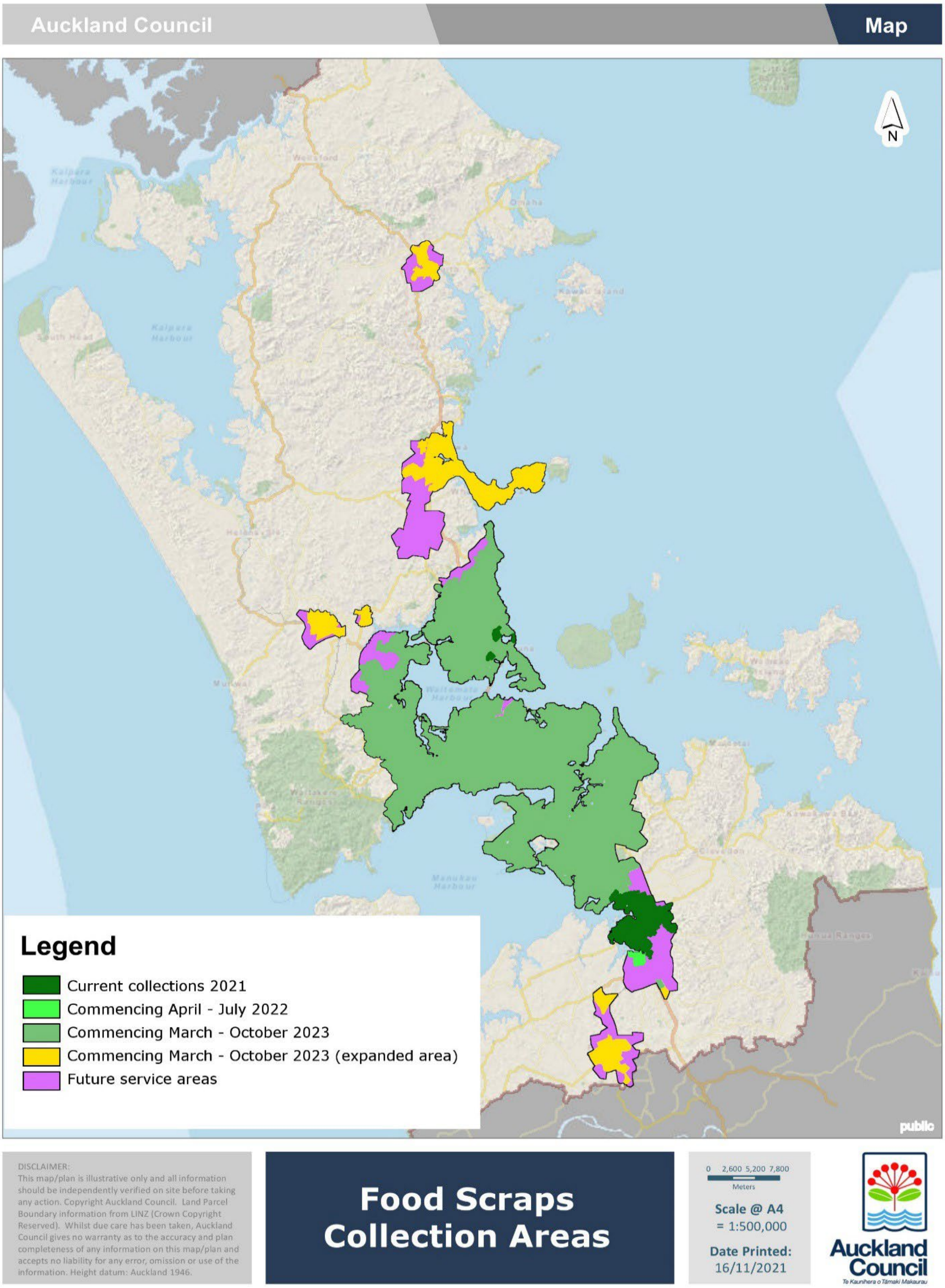
We also considered the option of introducing an opt-out scheme to assess the serviceability of non-residential properties on a case-by-case basis. This would only allow opt-out when the property is deemed unserviceable by the council (similar to the approach proposed for residential MUDs). This would allow the council to maintain a maximum number of customers without compromising fairness, as no property would be paying the council for a service that cannot be delivered. We are not proposing to do this as the cost required to administer such as scheme for over 30,000 non-residential properties with widely varying waste needs would be very high. We are instead proposing that the opt-out scheme be implemented on an as- requested basis.

We also propose that the introduction of the minimum per SUIP base service charge to multi- SUIP properties within the former ACC area and business properties in the MCC area, where they do not already pay the minimum base service charge on a per SUIP basis, be implemented from 2023/2024, to minimise the financial impact on these properties.

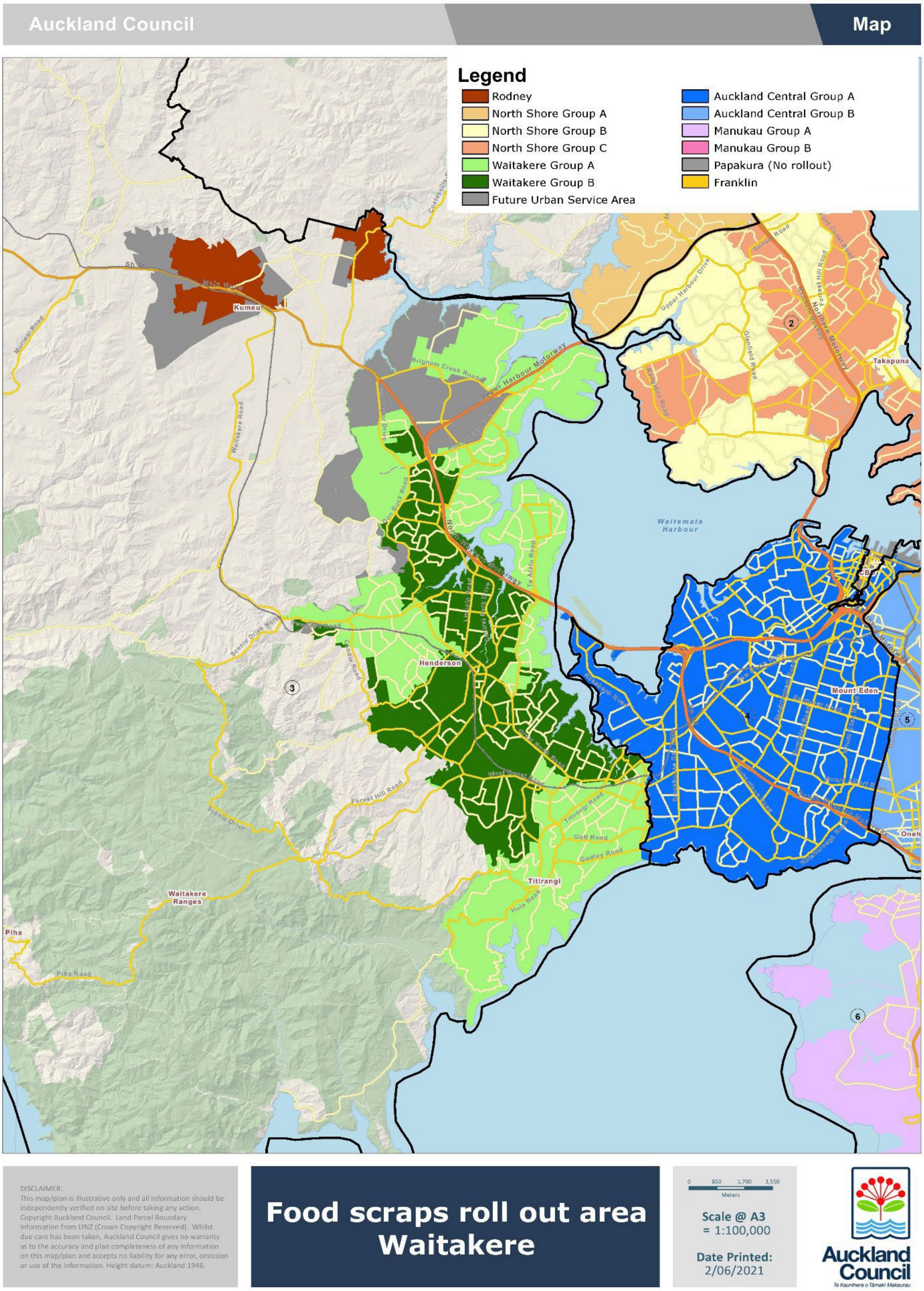
Once a regional refuse targeted rate is introduced the changes to opt-out rules proposed above will be extended to the standard refuse charges applied to properties outside of the former ACC area.

Attachment A: Current and proposed service areas for food scraps

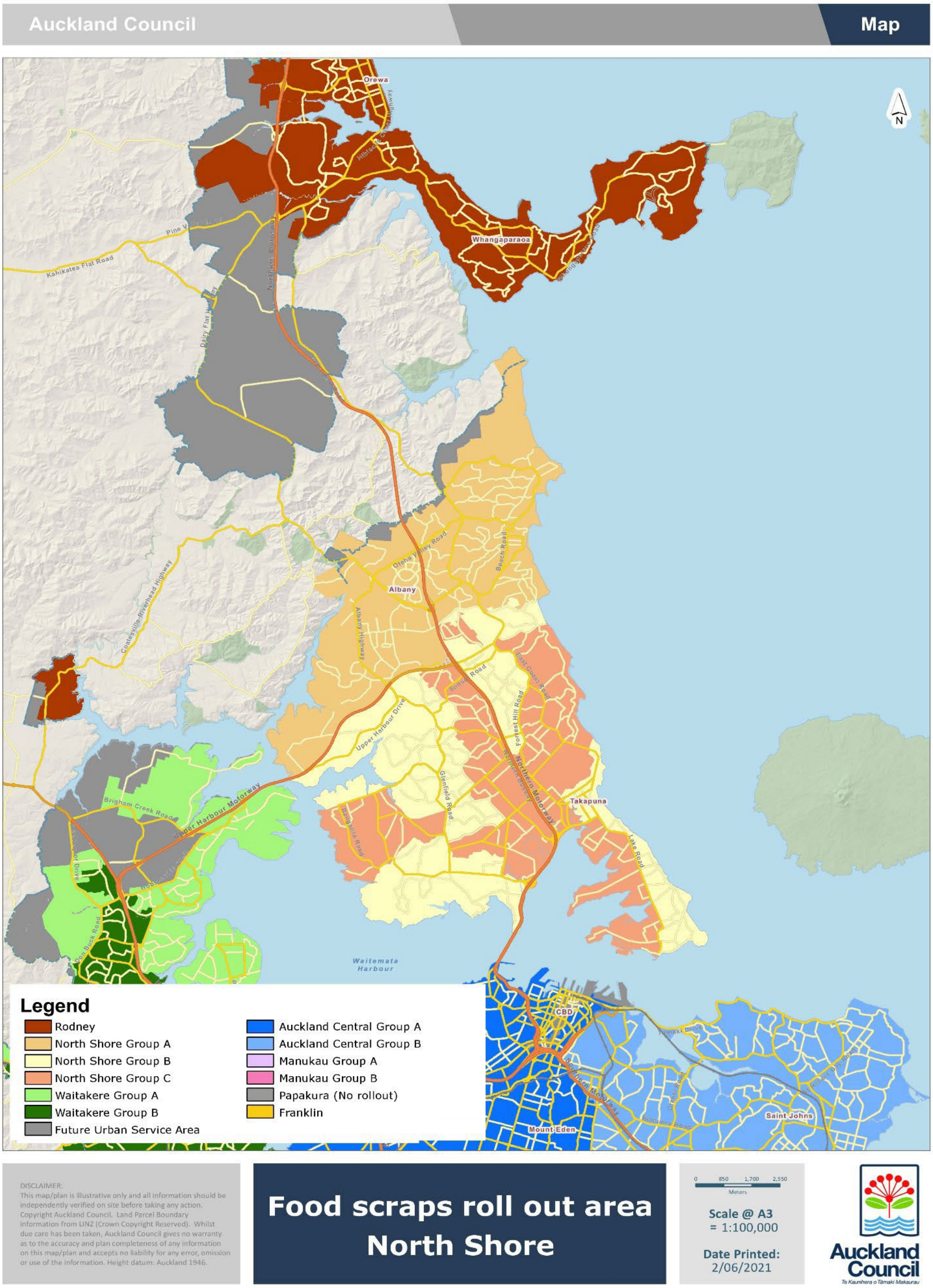
Current and proposed service areas - region



Proposed service areas in Waitākere for 2022/2023



Proposed service areas in North Shore for 2022/2023



Attachment B: Proposed service standards for MUDs

We propose to offer the following range of services to MUDs. Opt-out will be considered if the service required is beyond these standards.

Type of service	Proposed MUD Service Provision					
	Recycling	Rubbish	Food scraps	Bin sharing	Service point	Service frequency
Standard services	2-wheeled bin	2-wheeled bin	23L bin	Per property (no sharing)	Kerbside	Standard
Standard services with limited kerb access and/or bin storage	2-wheeled bin	2-wheeled bin	23L bin	Shared between properties	Kerbside	Standard
Non-standard service	2-wheeled bin	2-wheeled bin	23L bin	Per property or shared between properties	On property (Waiver required, gate code) or from collection point	Standard
Non-standard service	4-wheeled bins	4-wheeled bins	80L 2-wheeled bins	Shared between properties	On property (Waiver required, gate code) or from collection point	Standard
Non-standard service with high frequency	2-wheeled or 4-wheeled bins	2-wheeled or 4-wheeled bins	23L or 80L bins	Shared between properties	On property (Waiver required, gate code) or from collection point	Up to 3 collections per week

Section Four: Overall rates change and other rating matters and fees and charges

4.1 Overview

The average increase in general rates across all existing properties is 3.5 per cent as provided for in the Recovery Budget. The increase in total rates for 2022/2023 is higher than was indicated in the council's Financial Strategy as set out in the Recovery Budget, reflecting the proposed introduction of a Climate Action Targeted Rate and movements in other rates paid by most properties. General and total rates increase for business, residential and farm/lifestyle properties differ from the average as a result of the revaluation and rates policy settings discussed below.

Rates for Different Types of Properties

The tables below show the estimated changes to rates for the average value residential and business properties in 2022/2023. Rates include the general rates, the water quality targeted rate (WQTR), the natural environment targeted rate (NETR), the proposed climate action targeted rate (CATR), the waste management base service targeted rate and the standard refuse targeted rate (residential). We have the included the standard refuse rate for residential properties as it provides a useful proxy for these costs across the region including areas where this rate doesn't apply. It is not included for business properties as it only applies to some business properties in the former Auckland City Council area.

Residential properties have a slightly higher general rates increase than other property types. This is because of the long-term differential strategy (LTDS) which over time aims to gradually lower the share of rates we get from business and raise the share from non-business (residential and farm/lifestyle). This means that residential and farm/lifestyle properties will have a rates increase slightly higher than the overall average business properties will have a slightly lower rates increase.

Farm/ lifestyle property values have also not risen as fast as residential meaning a slightly higher share of rates will be paid by residential properties and a slightly lower share paid by farm/lifestyle properties and therefore their rates increase is slightly lower.

We are required by law to carry out property revaluation regularly for the purpose of setting rates. The amounts estimated below are based on new values that are subject to certification by the Valuer-General and the objection process and therefore may change.

Table 1 Rates for average value residential property

	2021/2022	2022/2023	Change in individual rate		$ incr per week
			$	%	
Average capital value	**$1,082,000**	**$1,434,500**	**352,500**	**32.6%**	
General rates	**$2,698.48**	**$2,806.10**	**$107.62**	**3.46%**	**$2.07**
WQTR	$69.03	$71.19	$2.16	0.07%	$0.04
NETR	$46.81	$46.64	-$0.17	-0.01%	$0.00
Waste base charge	$142.70	$135.62	-$7.08	-0.23%	-$0.14
Standard refuse	$150.06	$165.34	$15.28	0.49%	$0.29
CATR		$69.33	$69.33	2.23%	$1.33
Total rates	**$3,107.08**	**$3,294.22**	**$187.14**	**6.02%**	**$3.60**

Table 2 Rates for average value business property

	2021/2022	2022/2023	Change in individual rate		$ incr per week
			$	%	
Average capital value	**$2,905,500**	**$3,974,000**	**$1,068,500**	**36.8%**	
General rates	**$16,732.09**	**$17,154.72**	**$422.63**	**2.43%**	**$8.13**
WQTR	$325.74	$342.13	$16.39	0.09%	$0.32
NETR	$220.91	$224.15	$3.24	0.02%	$0.06
Waste base charge	$142.70	$135.62	-$7.08	-0.04%	-$0.14
CATR		$328.69	$328.69	1.89%	$6.32
Total rates	**$17,421.44**	**$18,185.31**	**$763.87**	**4.38%**	**$14.69**

The average is the total value of properties divided by the number of properties and is higher than the median as a smaller number of higher value properties lifts the average.

Rates for the average values property are used in these tables because they most transparently reflect the year on year change in rates as a result of the overall budget increase, as opposed to rates for the median value property which can be skewed by the effect of valuation changes.

4.2 Proposed changes to other rating matters

Introduction

1. We are proposing a number of changes to our rating policy. Each of these issues is discussed below. This section also discusses the impact of the recent property revaluation.

Accommodation Provider Targeted Rate

2. The Accommodation Provider Targeted Rate (APTR) which funded 50 per cent of Auckland Unlimited's expenditure on visitor attraction and major events was suspended for the 2020/2021 and 2021/2022 years with a consequent reduction in expenditure. Reinstatement of the rate and an associated increase in expenditure was planned for the 2022/2023 year.

3. In light of the recent decision of the Court of Appeal on the APTR, this rate will be removed from the rating policy for the 2022/2023 financial year.

4. Without the rate, planned funding for this activity is $14.8 million from general rates and $5.1 million that Auckland Unlimited is planning on securing from the Government Regional Events Fund for the 2022/2023 year. If we want to continue to retain the full planned expenditure levels for Auckland Unlimited's visitor attraction and major events activities, the only option (under the council's current Revenue and Financing Policy) would be to increase the amount of general rates funding by around $14.8 million. This would equate to an average general rates increase of 0.8 per cent.

5. How long the disruption to Auckland's visitor economy caused by COVID-19 will last is uncertain. There remains considerable uncertainty about when and how New Zealand's borders will reopen and how the visitor economy will respond once the borders are open. This may impact on the focus and amount that we want to spend on visitor attraction, major events, and destination marketing activity.

6. The council does not consider that additional general rates funding for expenditure on visitor attraction and major events is a priority given the other financial pressures we are facing. Despite the longer term benefits from this expenditure there is substantial uncertainty around the border opening and the pace of recovery of the visitor economy. We propose that the budget for visitor attraction and major events be reduced to $19.9 million.

Rating of rural zoned land on Waiheke Island

7. We are proposing to exclude rural zoned land on Waiheke inside the Rural Urban Boundary from the Urban Rating Area to ensure these properties are rated fairly in comparison to similar properties elsewhere in the region.

8. Prior to 2021/2022, land with a farm (rural industry) or lifestyle land use located in the Urban Rating Area was charged the farm-lifestyle differential. This meant that these properties paid 80 per cent of the rate charged to their residential neighbours, even though these properties received a similar level of services.

9. Last year, as part of the 10-year Budget 2021-2031, we amended our rates differentials, so the farm-lifestyle rates differential only applies to farm or lifestyle properties in the rural area. Farm and

lifestyle properties inside the Urban Rating Area now pay urban residential rates.

10. The Urban Rating Area is defined in accordance with the rules in the Auckland Unitary Plan (Unitary Plan). It includes all land within the Rural Urban Boundary as identified in the Unitary Plan, but excludes land in Warkworth and land that is zoned future urban[1]. Land zoned future urban was excluded from the Urban Rating Area as this land is unable to be developed or used for urban development, unless it is rezoned through a plan change, or a resource consent is applied for. Under the Unitary Plan rules, all rural zoned land is outside the Rural Urban Boundary, so is automatically outside the Urban Rating Area.

11. Zoning rules on Waiheke Island are set by the Hauraki Gulf Island (HGI) Plan, not the Unitary Plan. Under the HGI plan, there are 30 properties located inside the Rural Urban Boundary but have rural zoning so can't be developed unless rezoned through a plan change, or a resource consent is applied for. These properties have always been inside the Urban Rating Area but were previously charged the farm-lifestyle rates differential as they have a lifestyle land use. Under the current rating policy, these properties are now charged urban residential rates.

12. We consider the treatment of the Waiheke rural zoned properties as urban is inconsistent with the treatment of rural and future urban zoned land elsewhere in the region. To address this inconsistency in the current year, we have applied miscellaneous remissions to the properties, so they pay no more than they would have if they had been charged farm-lifestyle rates this year.

Rating of residential access ways

13. We propose to amend the rating policy to clarify the rating of separate rating units used as access ways for residential properties are rated as residential not business.

14. Multi-unit developments will often be accessed through a shared driveway or private land that is jointly owned by all owners of units in the development. Increasingly, these access ways are being established as separate title, that are owned through a body corporate for the development. In this case, the access way will be a separate rating unit, which is classed as having a transport land use. Transport land use is normally classified as a business use for rating purposes.

Revaluation 2021

15. We are required by law to carry out property revaluations regularly for the purpose of setting rates. This ensures that properties of the same value pay the same rates as values move over time. The requirement for Auckland Council to undertake a revaluation in 2020 was deferred until November 2021 due to the uncertainty in the housing market caused by COVID-19.

16. The 2021 revaluation is under way. The latest results show that properties in Auckland have risen in value by an average of 32.6 per cent. The change in property values is not uniform and varies widely over the region. The rates impact and property value information included in this section are based on values that are subject to certification by the Valuer General and the objection process and therefore may change. However, we do not expect the final values to materially change the outcome of our analysis.

[1] Land in the Hall's Farm and Ockleston Landing Urban Rating Area maps is also excluded.

17. Increases in property values do not lead to an increase in the rates paid by individual ratepayers. Property values are used to share the rates requirement amongst ratepayers. If a property's value increases by the average for the region, then their rates will only increase by the underlying increase in general rates and capital value based targeted rates. A property whose value rises by more than the average will have a rates increase above the general rates increase. The opposite is true for a property with a value change below average.

18. Auckland Council shares its general rates between the business sector, 31 per cent, and the non-business sector (residential and farm/lifestyle properties) 69 per cent[2]. For both the Water Quality and the Natural Environment targeted rates, the ratios between the business and the non-business sectors are 25.8 per cent and 74.2 per cent. Movements in relative valuations are therefore quarantined within the two groups.

19. Values for farm/lifestyle properties have risen slower than residential properties and as a result capital value rates set last year (the general rate, water quality targeted rate and natural environment targeted rate) for:

- farm/lifestyle properties will rise by an average 2.5 per cent (1.21 per cent less than they would without revaluation)
- residential properties will rise by an average 3.89 per cent (0.09 per cent higher than they would without revaluation).

20. Around 139,400 residential ratepayers are estimated to have rates increases[3] of more than 10 per cent and 138,300 are estimated to have decreases in general. Around 73 per cent of residential ratepayers will have changes either below a 10 per cent or around a $310 increase (less than $6 per week).

21. Lower value properties across the region have risen faster in value than the average. As a result, they will have rates increases higher than the underlying percentage increase in general rates. Many of these properties are located in local boards with lower household incomes.

22. For 2022/2023 the proposed combined annual rates, including the proposed Climate Action Targeted Rate, waste management, and water and wastewater charges for a median value residential property are estimated to be $3,869. This will be 3.4 per cent of the median household income for owner occupied dwellings of $115,128 (Census 2018 median income of $110,700 inflated by 4 per cent for income growth since 2018). This is below the affordability threshold of 5 per cent of income set out in the Funding Local Government, Report of the Local Government Rates Inquiry. On a weekly basis the estimated combined increase for the median value residential property for 2022/2023 will be around $4.96 per week.

23. We aren't proposing any form of transition to mitigate the impact of the revaluation. The only option to do this would be with a rates remission that capped increases. The lost revenue from capping rates for these properties would have to be made up by increasing rates for all other properties. For

[2] The Long-term differential strategy provides for 31 per cent of the general rates requirement to be raised from the business sector in 2022/2023 reducing in equal steps to 25.8 per cent in 2037/2038.

[3] For the purpose of the analysis of the impact of revaluation rates are defined as all proposed rates for 2022/2023 except rates set to recover financial assistance provided to ratepayers. For the measurement of affordability against median income, the calculation of the median annual rates includes proposed changes to general rates, Water Quality Targeted Rate, Natural Environment Targeted Rate, Climate Action Targeted Rate, and waste management rates for 2022/2023, plus proposed water and wastewater charges for 2022/2023.

example, capping rates increases at 10 per cent for residential and farm/lifestyle properties would result in rates for other residential and farm/lifestyle properties being an additional 4.8 per cent higher than they would otherwise be. Around 73,000 residential and farm/lifestyle properties would also experience an increase of more than 10 per cent in the following year (2023/2024).

24. Setting the 2022/2023 rates based on the 2021 property valuations (no cap) will mean:

- all the change in rates will occur in 2022/2023
- properties of the same type (e.g. business or residential) and value will continue to pay the same amount of rates
- the rates impact of revaluation is dealt with in one year so all properties have similar rates increases to one another in 2023/2024 and 2024/2025
- rates will not have to increase further for uncapped ratepayers.

25. Lower income ratepayers may be eligible for the Department of Internal Affairs rates rebate scheme administered by the council. Auckland Council also tops up the rates rebate scheme to account for water and wastewater charges being billed separately by Watercare.

26. Residential ratepayers who struggle to manage the increase in rates may be able to postpone their rates if they have owned their property for more than two years and have more than 20 per cent equity. Ratepayers who opt to pay via direct debit can also select payment timing options that suit their own circumstances. Ratepayers who are struggling are advised to contact council to make sure they are able to access all support options available.

4.3 Fees and charges change proposal

What we are proposing

We propose to introduce a fee review work programme that will ensure all fee areas are reviewed once every three years. Most fees and charges for council services will be adjusted for inflationary cost increases. We are also proposing changes to a range of fees and charges for the 2022/2023 year to better reflect the cost of providing council services. All fees are stated as GST inclusive.

Background

Auckland Council currently collects 32 per cent of the group's total revenue by charging third parties for the costs of services it provides. It is important that fees and charges for our services reflect an appropriate balance between ratepayer funding via general rates and cost recovery from service users. This ensures users who benefit from our services, or contribute to the need for the relevant activity, pay a fair share of their costs.

We also have a responsibility to our customers and ratepayers to ensure that service delivery is efficient and effective and to be transparent about our costs and the way we manage the revenue we receive from these services.

Fees are informed by overarching policy outcomes, such as those in the Auckland Plan and specifically determined by the decisions of the governing body or local boards, depending on whose area of responsibility they fall within.

Regulatory fees

Animal management fees

When the council standardised funding for its dog registration activity it determined that 60 per cent of the cost should be recovered from dog owners through dog registration charges and 40 per cent from general rates. The council considered this an appropriate funding balance in recognition of costs imposed by dog owners through the council registration system and other animal management services and the wider public benefit from animal management. We consider the policy is still appropriate and this approach has been applied to the 2022/2023 fees.

Due to an increase of approximately 6,000 registered dogs over the past 12 months revenue is forecast to exceed the underlying increase in costs. We therefore propose to decrease the registration charges for responsible dog owners.

- Responsible dog owner licence – desexed dogs (where paid before 1 August) will decrease from $67 to $65.
- Responsible dog owner fee for an entire dog reduces from $77 to $76.

Increases that are higher than the council's projected cost of inflation of 2 per cent have been applied to the following charges to better reflect the actual costs for carrying out the activity.

- Daily sustenance fee for large, impounded animals such as horses, cattle and llamas proposed to increase from $20 to $22.
- Replacement dog registration tag proposed to increase from $10 to $11.
- Dog micro-chipping proposed to increase from $30 to $35.

The council does not currently charge when required to attend to roaming dogs after 9pm and before 6am. A fee is in place to attend to livestock nuisance complaints outside standard business hours. The council also proposes to introduce a fee of $75 for after-hours impoundment of dogs. The fee is in addition to the existing impoundment fees and will recover the extra costs of this service.

Building consent fees

The council has been developing a streamlined consenting approach to accommodate a growing demand for rainwater tanks in residential settings. From July 2020, the requirement for resource consent fees for rainwater tank applications on residential properties was temporarily removed. We propose that consents will no longer be required for rainwater tanks which are not connected to internal plumbing systems.

However, we propose that a building consent will be required for rainwater tanks which are to be connected to existing household plumbing. This reflects the risks to public safety and the need for inspections and certification that the work has been undertaken appropriately. A base fee of $560 for processing and a deposit of $174 for inspections, if required, is proposed. The base fee will ensure that charges are distributed fairly to recover costs incurred for this service.

The council charges all building consent applications based on the complexity of the building structure as defined by the New Zealand Building Code. However, building inspection charges are currently charged at the standard rate of $170 rather than the complexity of the application. We propose that the building inspection charges be based on the complexity of the building structure to better reflect the time and experience of staff who perform the inspections. The proposed fees are:

Inspection type	Current deposit	Proposed deposit
Residential 1 inspection Increase by Inflation	$170	$174
Residential 2 and 3	$170	$198
Commercial 1,2 &3	$170	$198
Building Warrant of Fitnessaudit /advisory	$124	$198

Resource Consent Fees

The Resource Management (National Environmental Standards for Freshwater) Regulations 2020 regulates activities that take place within or near natural wetlands. A new application deposit to recover the cost of processing permitted activity notices is proposed to be $1,000.

Resource consents relating to solar panels are less complex in nature. We propose a new deposit category to reflect the lower complexity at $500.

Applications to discharge of stormwater, domestic wastewater or other contaminants deposit charges do not make a distinction between new and renewal applications. We recommend a lower deposit of $4,000 for renewal applications to better reflect the final charges. The current discharge deposit fee is $7,000 for both renewal and new applications.

Other regulatory fees

The council administers a vehicle crossing application base fee to build or change a driveway on behalf of Auckland Transport. Auckland Transport have reviewed the charges and propose an increase from $340 to $475 to better reflect the staff time taken for the assessment and inspection for each application.

The council currently charges $65 for the standard (within ten working days) online access to property information and $33 for a hard copy access. Staff have found that hard copies take considerably longer to provide to customers viewing the files. Customers are also using the hard copy service to take photographs of individual pages. We recommend increasing the hard copy access fee to $65 so that both online and hardcopy viewing of property information is set at the same rate.

The introduction of a new commercial property file fee of $130 to better reflect the associated time and cost with providing the service is proposed. Commercial property files are significant in size and complexity and require more staff time to scan and make available for customers.

We recommend a change in the hourly rates for regulatory applications as follows:

Category	Description	Currentfee (inc GST)	Proposed change
Technical Level 3	All areas – Manager, Project lead, Legal services	$207	• Increase by inflation to $210 • Add Team leaders and Principals to thedescription to reflectexpertise and cost.
Technical Level 2	Building – Residential 2, 3 and all Commercial, Planning, Engineering, Monitoring, other – Senior, Intermediate, Principal, Team leader	$198	• No change to charge • Add Subdivision activity to description
Technical Level 1	Planning, Subdivision, Urban design, Compliance, Monitoring, Investigation, Environmental health, Licensing, Building – Residential 1, other	$171	• Increase by inflation to $174 • Remove subdivision
Administration	All areas	$111	No change

Cemetery fees

The council manages 30 operational cemeteries and three crematoria through its Cemetery Services unit. The range of services provided and percentage share of revenue include:

- exclusive right of burial memorial (75 per cent)
- cremation and burial services (19 per cent)
- facility services (4 per cent)
- other revenue (2 per cent).

Fees and charges for Cemetery Services have undergone several minor reviews. However, a significant review of fees and charges across all locations has not been undertaken and there are still significant variations in charges for services across the region.

The council is now reviewing cemetery fees. The following criteria have been used to guide the fee review:

- consistency across sites
- clear and easily understood fees
- ensuring an appropriate level of cost-recovery where required
- alignment with the market where appropriate
- provision of affordable options for essential services.

A new Cemetery Fee Framework is proposed which includes:

- consolidation of 22 fee groups to nine with 1-4 sub-groups
- renaming of 52 products and services to simplify and improve consistency
- categorising cemeteries into a tiered system
- grouping of ash plots into standard, standard+ and premium options.

In the proposal, fees will be standardised by tier. The tier categories are:

Tier 1 - Main	Manukau Memorial Gardens, North Shore Memorial Park and Waikumete Cemetery
Tier 2 - Satellite	All other cemetery sites, excluding Aotea/Great Barrier cemeteries Ararimu Cemetery, Awhitu Central Cemetery, Heights Park Cemetery, Helensville Cemetery, Hoteo North Cemetery, Kaipara Flats Cemetery, Kaukapakapa Cemetery, Kohekohe Cemetery, Komakoriki Cemetery, Mauku Cemetery, Onetangi Lawn Cemetery, Papakura South (Gatland Road Cemetery), Pollock Cemetery, Puhoi Cemetery, Swanson Cemetery, Tapora Cemetery, Te Arai Cemetery, Te Kapa Cemetery, Waiau Pa Cemetery, Wainui Cemetery, Waipipi Cemetery, Waiuku Cemetery, Warkworth Cemetery, Wellsford Cemetery.
Tier 3 - Great Barrier cemeteries	Aotea/Great Barrier Local Board have are responsible for cemeteries located on Aotea Great Barrier Island. These cemeteries (Gooseberry Flat Cemetery (aka Tryphena Cemetery) and Whangaparapara Cemetery) have been included in this review for local board decision making.

All fees and charges are proposed to change due to the wide variety of charge rates currently in place across all locations. The overall revenue impact of the proposal is expected to be neutral as there will be a minor increase in burial and disinterment revenue and a minor decrease in facility hire and cremation service revenue.

The review is being undertaken in two stages. In the first stage, a Cemetery Fees Framework has been completed, and fees for the majority of services will be standardised across all locations. The second stage will review the remaining fees for burial plots and related services. The second stage of the review will also investigate the appropriate level of cost recovery for all fees. This process will enable the council to transition towards providing a consistent regional service.

A full schedule of proposed fees is in the table below.

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Administration Fees				
All cemeteries				
Administration fees				
Monumental permits	$152.00	$155.00	$3.00	2%
Time payment facility				
Credit Check	$33.00	$35.00	$2.00	6%
Time Payment Cancellation Fee	$81.00	$80.00	-$1.00	-1%
Burial rights				
Burial rights transfer	$40 to $41.00	$40.00	-$1.00	-2% to 0%
Burial rights transfer - historic	New	$120.00	N/A	
Surrender burial rights	$84.00	$80.00	-$4.00	-5%
Surrender burial rights - historic	New	$160.00	N/A	
Burial rights certificate (hard copy)	$40 to $41.00	$40.00	-$1.00	-2% to 0%
Burial rights certificate (digital)	New	Free	N/A	
Heritage Services				
Heritage Renewals (expired ERB)	$2,449.00	$2,475.00	$26.00	1%
Heritage Unit Memorial Enquiry	$51.00	$50.00	-$1.00	-2%
Tier 1: Main				
Administration fees				
Admin fee (additional hours)	$40.00	$45.00	$5.00	13%
Adornment removal fee	$51.00	$55.00	$4.00	8%
Burial Fees				
All cemeteries				
Ash Burial Fees				
Neonatal/Baby ash burial	$162.00	$165.00	$3.00	2%
Additional burial fees				
Arrival 30 minutes after booked time	$109.00	$110.00	$1.00	1%
Commencing after 3.30pm	$491.00	$500.00	$9.00	2%
Weekend Ash Burial (assisted)	$84.00	$120.00	$36.00	43%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Tier 1: Main				
Body Burial - Adult				
Single depth	$1,176.00	$1,200.00	$24.00	2%
Double depth (including reopen)	$1,176.00	$1,300.00	$124.00	11%
Triple depth (conditions apply)	$1,758.00	$2,000.00	$242.00	14%
Body Burial - Babies and Children				
Child 1 - 12 years	$603.00	$650.00	$47.00	8%
Miscarriage, Stillborn, Neonatal, and Babyup to 1 year	$273.00	$300.00	$27.00	10%
Ash Burial Fees				
Ash burial	$327.00	$325.00	-$2.00	-1%
Ash wall burial administration / attendance	$111 to $112.00	$120.00	$8 to $9	7-8%
Scattering	$58.00	$60.00	$2.00	3%
Additional burial fees				
Mausoleum interment attendance / administration	$353.00	$360.00	$7.00	2%
Public Mausoleum interment - (Blockwork,Plaque Removal / Replacement, incl. Access Scaffolding)	$849.00	$860.00	$11.00	1%
Public Mausoleum interment - (Blockwork, Plaque Removal / Replacement, excl. Access Scaffolding)	$741.00	$750.00	$9.00	1%
Removal of plaque (certain areas/plaques only)	$102.00	$105.00	$3.00	3%
Weekend Burial	$444.00	$450.00	$6.00	1%
Public Holiday Burial	$1,038.00	$1,000.00	-$38.00	-4%
Additional burial fee for larger plot	$307.00	$310.00	$3.00	1%
Tier 2: Satellite				
Body Burial - Adult				
Single depth	$1,314-2,192.00	$1,700.00	-$492 to $386	-22% to 29%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Double depth (including reopen)	$1,480-1974.00	$1,800.00	-$174 to $320	-9% to 22%
Triple depth (conditions apply)	$1,758.00	$2,000.00	$242.00	14%
Body Burial - Babies and Children				
Child 1 - 12 years	$596-603.00	$750.00	$147 to $154	24% to 26%
Miscarriage, Stillborn, Neonatal, and Babyup to 1 year	$270-300.00	$300.00	$0 to 30	0% to 11%
Ash Burial Fees				
Ash burial	$323-417.00	$350.00	-$67 to $27	-16% to 8%
Ash Wall Interment	$323.00	$325.00	$2.00	1%
Ash wall re-open	$323.00	$325.00	$2.00	1%
Scattering	$57-58.00	$60.00	$2 to $3	3% to 5%
Additional burial fees				
Weekend Burial	$379-384.00	$390.00	$6 to $11	2% to 3%
Public Holiday Burial	$540-1,094.00	$1,000.00	-$94 to $460	-9% to 85%
Additional burial fee for larger plot	$303-307.00	$310.00	$3 to $7	1% to 2%
Private Mausoleum Burial (Waikaraka)	$349.00	$360.00	$11.00	3%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Great Barrier Cemetery				
Body Burial - Adult				
Single depth	$1,294.00	$1,700.00	$406.00	31%
Double depth (including reopen)	$1,454.00	$1,800.00	$346.00	24%
Body Burial - Babies and Children				
Child 1 - 12 years	$592.00	$750.00	$158.00	27%
Miscarriage, Stillborn, Neonatal, and Babyup to 1 year	$269.00	$300.00	$31.00	12%
Ash Burial Fees				
Ash burial	$366.00	$350.00	-$16.00	-4%
Additional burial fees				

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Public Holiday Burial	$701.00	$1,000.00	$299.00	43%
Saturday Burial (no additional charge)	$0.00	$0.00	$0.00	
Sunday Burial	$379.00	$390.00	$11.00	3%
Cremation Services				
Tier 1: Main				
Cremation Fees				
Adult	$678.00	$650.00	-$28.00	-4%
Child 1 - 12 years	$374-379.00	$350.00	-$24 to -$29	-6% to -8%
View the Charge	$220.00	$220.00	$0.00	0%
Additional Cremation Fees				
Weekend Cremation	$444.00	$450.00	$6.00	1%
Public Holiday Cremation	$1,038.00	$1,000.00	-$38.00	-4%
Delivery after 4pm Monday - Saturday	$493.00	$500.00	$7.00	1%
Delivery after 4pm Monday - Sunday	$493.00	$500.00	$7.00	1%
Same day cancellation	$176.00	$180.00	$4.00	2%
Ash separation	$40.00	$40.00	$0.00	0%
Additional large urn	$27.00	$25.00	-$2.00	-7%
Additional small urn	$16.00	$10.00	-$6.00	-38%
Ash Collection Fees				
Collect Ashes After Hours	$328.00	$350.00	$22.00	7%
Collect Ashes on Sunday	$328-332.00	$350.00	$18 to $22	5% to 7%
Collect Ashes on Public Holiday	$1,025-1,038.00	$1,000.00	-$25 to -$38	-2% to -4%
Disinterment				
Tier 1: Main				
Disinterment				
Disinterment from Mausoleum	$273.00	$275.00	$2.00	1%
Disinterment of Ashes	$327.00	$330.00	$3.00	1%
Disinterment of Body - Adult plot	$2,509.00	$5,000.00	$2,491.00	99%
Disinterment of Body - Child plot	$1,616.00	$3,000.00	$1,384.00	86%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Tier 2: Satellite				
Disinterment				

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Disinterment of Ashes	$323-328.00	$350.00	$22 to $27	7% to 8%
Disinterment of Body - Adult plot	$2,479-2,509.00	$5,000.00	$2,491 to $2,521	99% to 102%
Disinterment of Body - Child plot	$1,436-2,509.00	$3,000.00	$1,384 to $1,564	86% to 109%
Great Barrier Cemetery				
Disinterment				
Disinterment of Ashes	$323.00	$330.00	$7.00	2%
Reinterment	$1,454.00	$1,500.00	$46.00	3%
Disinterment of Body - Adult plot	$2,467.00	$5,000.00	$2,533.00	103%
Disinterment of Body - Child plot	$1,454.00	$3,000.00	$1,546.00	106%
Exclusive Right of Burial Purchase - Ashes				
Tier 1: Main				
Standard				
Ash Lawn	$657.00	$655.00	-$2.00	0%
Chapel View	$657.00	$655.00	-$2.00	0%
Cremation Lawn / Ash lawn	$657.00	$655.00	-$2.00	0%
Public Octagon (1 space)	$657.00	$655.00	-$2.00	0%
Standard+				
Ash Memorial Area 1	$1,616.00	$1,650.00	$34.00	2%
Ash Memorial Area 2	$1,373.00	$1,350.00	-$23.00	-2%
Ash Vaults 1	$2,053.00	$2,100.00	$47.00	2%
Ash Vaults 2	$2,247.00	$2,250.00	$3.00	0%
Central memorial wall	$1,283.00	$1,350.00	$67.00	5%
Garden of Remembrance (2 sets of ashes)	$1,314.00	$1,350.00	$36.00	3%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Memorial Garden Plot	$1,314.00	$1,350.00	$36.00	3%
Memorial seats (4 sets of ashes)	$2,541.00	$2,500.00	-$41.00	-2%
Memorial Trees (2 sets of ashes)	$2,133.00	$2,200.00	$67.00	3%
Norfolk Pine (6 sets of ashes)	$2,915.00	$3,000.00	$85.00	3%
Northern Division, Section 1, Ash Area	$2,800.00	$2,800.00	$0.00	0%
Northern Division, Section 3, Ash Area	$2,227.00	$2,250.00	$23.00	1%
Northern Pergola	$2,086.00	$2,100.00	$14.00	1%
Octagon Gardens (1 space)	$1,314.00	$1,350.00	$36.00	3%
Sentry View Ash	$1,924.00	$2,000.00	$76.00	4%
Tamaru area (2 sets of ashes)	$2,234.00	$2,250.00	$16.00	1%
Terrace Niche wall 1	$2,020.00	$2,040.00	$20.00	1%
Terrace Niche wall 2	$1,515.00	$1,650.00	$135.00	9%
The Terraces (6 sets of ashes)	$2,247.00	$2,250.00	$3.00	0%
Walk of memories	$1,591.00	$1,650.00	$59.00	4%
Premium				
Family Octagon	$4,078.00	$4,100.00	$22.00	1%
Granite Ash Berms (up to 8 sets of ashes)	$5,215.00	$5,250.00	$35.00	1%
Memorial Cherry Trees	$3,129.00	$3,150.00	$21.00	1%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Octagon - 16 interments	$4,545.00	$4,550.00	$5.00	0%
Waitakere View C (ash)	$3,455.00	$3,500.00	$45.00	1%
Tier 2: Satellite				
Standard				
Ash burial	$648.00	$655.00	$7.00	1%
Ash wall	$374.00	$380.00	$6.00	2%
Columbarium Niche (2 small sets of ashes)	$256.00	$260.00	$4.00	2%
Family Ash Lawn Area	$657.00	$655.00	-$2.00	0%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Lawn area	$657.00	$655.00	-$2.00	0%
Lawn area (4 sets of ashes)	$657.00	$655.00	-$2.00	0%
Memorial Garden	$699.00	$700.00	$1.00	0%
Papakura Club Wall admin fee	$58.00	$60.00	$2.00	3%
Public Octagon (1 space)	$657.00	$655.00	-$2.00	0%
Standard+				
Gardens A, B, C (2 sets of ashes)	$1,314.00	$1,350.00	$36.00	3%
Memorial ash gardens	$1,094.00	$1,100.00	$6.00	1%
Premium				
Family Octagon	$3,010.00	$3,050.00	$40.00	1%
Exclusive Right of Burial Purchase - Body				
Tier 1: Main				
Body Burial Plots - Babies and Children				
Child 1 - 12 years	$1,094.00	$1,100.00	$6.00	1%
Miscarriage, Stillborn, Neonatal, and Babyup to 1 year	$437.00	$440.00	$3.00	1%
Body Burial Areas - Adult				
Adult lawn area	$4,383.00	$4,400.00	$17.00	0%
Adult lawn area (Single berm)	$7,010.00	$7,000.00	-$10.00	0%
Adult lawn Northern Single berm	$8,344.00	$8,500.00	$156.00	2%
Chapel View	$4,383.00	$4,500.00	$117.00	3%
Heritage areas	$2,503.00	$2,528.00	$25.00	1%
Mausoleum Public Chambers	$7,694.00	$7,700.00	$6.00	0%
Mausoleum site (Land only)	$37,781.00	$38,000.00	$219.00	1%
Muslim	$4,383.00	$4,500.00	$117.00	3%
Natural Burial Area	$3,233.00	$3,300.00	$67.00	2%
Waitakere View	$5,479.00	$5,500.00	$21.00	0%
West Lawn C	$5,470.00	$5,500.00	$30.00	1%
West, North Lawn / Muslim / Urupa / Hebrew Areas	$3,617.00	$3,653.00	$36.00	1%
Tier 2: Satellite				

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Body Burial Plots - Babies and Children				
Child 1 - 12 years	$1,094.00	$1,100.00	$6.00	1%
Miscarriage, Stillborn, Neonatal, and Babyup to 1 year	$437.00	$440.00	$3.00	1%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Body Burial Areas - Adult				
Adult lawn area 1	$3,289.00	$3,300.00	$11.00	0%
Adult lawn area 2	$2,192-2,257.00	$2,200.00	-$57 to $8	-3% to 0%
Exclusive Right to Memoralize Purchase				
Tier 1: Main				
Memorial				
Manukau Memorial Gardens Memorial wall brick	$222.00	$225.00	$3.00	1%
Manukau Memorial Garden Tree of memories bronze leaf	$447.00	$450.00	$3.00	1%
Waikumete Wall of Remembrance	$401.00	$400.00	-$1.00	0%
North Shore Memorial Park Wall of Remembrance	$373.00	$400.00	$27.00	7%
Book of Memories				
Waikumete Book of Memories/Remembrance (extra line)	$47.00	$50.00	$3.00	6%
Manukau Book of Memories/Remembrance (extra line)	$47.00	$50.00	$3.00	6%
Waikumete Book of Memories/Remembrance (four lines)	$225.00	$225.00	$0.00	0%
Manukau Book of Memories/Remembrance (four lines)	$225.00	$225.00	$0.00	0%
Great Barrier Cemetery				
Memorial				
All areas	$150.00	$150.00	$0.00	0%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Wall of Remembrance Installation Charge	$282.00	$285.00	$3.00	1%
Returned services area				
Tier 1: Main				
Returned services area				
Ash burial	$0.00	$0.00	$0.00	
Body Burial	$0.00	$0.00	$0.00	
Tier 2: Satellite				
Returned services area				
Ash burial	$0.00	$0.00	$0.00	
Body Burial	$0.00	$0.00	$0.00	
Facility Services				
Tier 1: Main				
Facility Hire - Manukau Memorial Gardens				
Bob White function lounge	$327.00	$330.00	$3.00	1%
MMG Chapel - Base Rate (incl. first hour)	$437.00	$531.00	$94.00	22%
MMG Chapel - Additional hours	New	$117.00	N/A	
Facility Hire - North Shore Memorial Park				
Lucas Lounge	$327.00	$330.00	$3.00	1%
NSMP Chapel - Base Rate (incl. first hour)	$437.00	$609.00	$172.00	39%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
NSMP Chapel - Additional hours	New	$195.00	N/A	
Facility Hire - Waikumete				
Waitemata Lounge	$109.00	$110.00	$1.00	1%
Chapel of Faith - Base Rate (incl. first hour)	$374.00	$453.00	$79.00	21%
Chapel of Faith - Additional hours	New	$39.00	N/A	
Chapel of Faith - Venue only	$74.00	$75.00	$1.00	1%
Chapel of Faith - Venue only (Weekends)	$184.00	$185.00	$1.00	1%

Group | Tier | Sub-group	FY22 range (incl GST)	Proposed FY23 (incl GST)	Change $	Change %
Chapel of Faith - Wedding Package	$808.00	$810.00	$2.00	0%
Waikumete Chapel 1 - Base Rate (incl. first hour)	$437.00	$500.00	$63.00	14%
Waikumete Chapel 1 - Additional hours	New	$86.00	$86.00	
Waikumete Chapel 2 - Base Rate (incl. first hour)	$307.00	$392.00	$85.00	28%
Waikumete Chapel 2 - Additional hours	New	$47.00	$47.00	
Facility Hire Additional Charges				
Sunday Chapel hire	$162.00	$350.00	$188.00	116%
Sunday Function Lounge hire	$162.00	$250.00	$88.00	54%
Miscellaneous Service Charges				
Webcasting (complimentary)	$0.00	$0.00	$0.00	
USB Recording (first copy complimentary)	$0.00	$0.00	$0.00	
Additional USB	$31.00	$15.00	-$16.00	-52%

4.4 Funding impact statement including rating mechanism

Prospective consolidated funding impact statement

Auckland Council group consolidated

Financial year ending 30 June $000	10-year Budget 2021/2022	10-year Budget 2022/2023	Draft budget 2022/2023	Variance
Sources of operating funding:				
General rates, UAGCs, rates penalties	1,868,537	1,972,160	1,975,252	3,092
Targeted rates	253,885	280,944	307,846	26,902
Subsidies and grants for operating purposes	405,773	402,250	488,094	85,844
Fees and charges	1,467,912	1,602,827	1,608,274	5,447
Interest and dividends from investments	5,721	29,209	5,480	(23,729)
Local authorities fuel tax, fines, infringement fees and other receipts	496,371	510,484	517,160	6,676
Total operating funding	**4,498,199**	**4,797,874**	**4,902,106**	**104,232**
Applications of operating funding:				
Payment to staff and suppliers	3,162,559	3,225,020	3,282,778	57,758
Finance costs	445,758	476,842	489,871	13,029
Other operating funding applications	0	0	0	0
Total applications of operating funding	**3,608,317**	**3,701,862**	**3,772,649**	**70,787**
Surplus (deficit) of operating funding	**889,882**	**1,096,012**	**1,129,457**	**33,445**
Sources of capital funding:				
Subsidies and grants for capital expenditure	474,306	529,246	571,246	42,000
Development and financial contributions	247,898	265,251	265,251	0
Increase (decrease) in debt	910,637	1,037,939	984,300	(53,639)
Gross proceeds from sale of assets	132,283	106,238	106,238	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	**1,765,124**	**1,938,674**	**1,927,035**	**(11,639)**
Application of capital funding:				
Capital expenditure:				
- to meet additional demand	678,911	724,427	723,184	(1,243)
- to improve the level of service	798,850	894,858	978,085	83,227
- to replace existing assets	903,435	867,034	844,592	(22,442)
Increase (decrease) in reserves	24,557	108,048	131,575	23,527
Increase (decrease) in investments	249,253	440,319	379,056	(61,263)
Total applications of capital funding	**2,655,006**	**3,034,686**	**3,056,492**	**21,806**
Surplus (deficit) of capital funding	**(889,882)**	**(1,096,012)**	**(1,129,457)**	**(33,445)**
Funding balance	**0**	**0**	**0**	**0**

Rating mechanism

This section sets out how the council sets its rates. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.

We are required by law to carry out property revaluations regularly for the purpose of setting rates. The rates and property value information included in the following sections of this Funding Impact Statement is based on new values that are subject to certification by the Valuer-General and the objection process and therefore may change.

- rating base information
- value-based general rate
- water quality targeted rate
- natural environment targeted rate
- climate action targeted rate
- city centre targeted rate
- business improvement district (BID) targeted rates
- sample properties.

Background

The council's general rate is made up of the Uniform Annual General Charge (UAGC) and the value-based general rate. Revenue from the general rate is used to fund the council activities that are deemed to generally and equally benefit Auckland and that part of activities that are not funded by other sources.

Rating base information

The following table sets out the forecast rating base for Auckland Council as at 30 June 2022.

Capital value ($)	1,070,624,468,711
Land value ($)	734,821,764,206
Rating units	588,898
Separately used or inhabited parts of a property	682,720

How the increase in the rate requirement is applied

The increase in the general rate requirement is split to maintain the proportion of the UAGC at around 13.4 per cent of the total general rate (UAGC plus value based general rate). This is achieved by applying the general rates increase to the UAGC and rounding to the nearest dollar.

Uniform annual general charge (UAGC) and other fixed rates

The UAGC is a fixed rate that is used to fund general council activities. The council will apply the UAGC to all rateable land in the region per separately used or inhabited part of a rating unit (SUIP). The definition of a separately used or inhabited part of a rating unit is set out in the following section.

Where two or more rating units are contiguous or separated only by a road, railway, drain, water race, river, or stream, are owned by the same person or persons, and are used jointly as a single unit, those rating units will be treated as a single rating unit and only one uniform annual general charge will be applied.

The council will also set the following targeted rates which will have a fixed rate component:

- waste management targeted rates
- part of some Business Improvement District targeted rates
- city centre targeted rate for residential properties
- electricity network resilience targeted rate
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate
- Riverhaven Drive targeted rate
- Waitākere rural sewerage targeted rate
- Ōtara-Papatoetoe swimming pool targeted rate
- Māngere-Ōtāhuhu swimming pool targeted rate
- Rodney Local Board Transport targeted rate
- swimming/spa pool compliance targeted rate.

Funds raised by uniform fixed rates, which include the UAGC and any targeted rate set on a uniform fixed basis[1] set per rating unit or per SUIP, cannot exceed 30 per cent of total rates revenue sought by the council for the year (under Section 21 of Local Government (Rating) Act 2002).

A UAGC of $477 (including GST) will be applied per SUIP for 2022/2023. This is estimated to produce around $275.2 million (excluding GST) for 2022/2023.

The definition of a separately used or inhabited part of a rating unit

The council defines a separately used or inhabited part (SUIP) of a rating unit as ‘any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or any other agreement’. For the purposes of this definition, parts of a rating unit will be treated as separately used if they come within different differential categories, which are based on use. An example would be a rating unit that has a shop on the ground floor (which would be rated as business) and a residence upstairs (rated as residential).

Rating units used for commercial accommodation purposes, such as motels and hotels, will be treated for rating purposes as having one separately used or inhabited part, unless there are multiple businesses within the rating unit or another rating differential applies. Examples of how this might apply in practice are as follows:

- a business operating a motel on a rating unit will be treated for rating purposes as a single separately used or inhabited part. If that rating unit also includes a residential unit, in which the manager or owner resides, then the rating unit will be treated for rating purposes as having two separately used or inhabited parts
- a hotel will be treated for rating purposes as a single separately used or inhabited part, irrespective of the number of rooms. If, on the premises, there is a florist business and a souvenir business, then the rating unit will be treated for rating purposes as having three separately used or inhabited parts

1. Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.

- a residential house with a minor dwelling or granny flat would be treated for rating purposes as having two separately used or inhabited parts
- a residential house where part of the house contains a self-contained flat will be treated as having one separately used or inhabited part, where:
    - The flat is internally accessible from the main house
    - Both parts are used together as a single family home.

A similar approach applies to universities, hospitals, rest homes and storage container businesses. Vacant land will be treated for rating purposes as having one separately used or inhabited part.

Rating units that have licence to occupy titles, such as some retirement villages or rest homes, will be treated as having a separately used or inhabited part for each part of the property covered by a licence to occupy.

The above definition applies for the purposes of the UAGC as well as any targeted rate which is set on a "per SUIP" basis.

Value-based general rate

The value-based general rate will apply to all rateable land in the region and will be assessed on capital value and is assessed by multiplying the capital value of a rating unit by the rate per dollar that applies to that rating unit's differential category.

Rates differentials

General and targeted rates can be charged on a differential basis. This means that a differential is applied to the rate or rates so that some ratepayers may pay more or less than others with the same value rating unit.

The differential for urban residential land is set at 1.00. Business attracts higher rates differentials than residential land. Lower differentials are applied to rural, farm/lifestyle and no road access land.

The council defines its rates differential categories using location and the use to which the land is put. When determining the use to which the land is put, the council will consider information it holds concerning the actual use of the land, and the land use classification that council has determined applies to the property under the Rating Valuation Rules.

Where there is no actual use of the land (i.e. the land is vacant), the council considers the location of the land and the highest and best use of the land to determine the appropriate rates differential. Highest and best use is determined by the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.

Effective from 1 July 2021, the council has changed its definition of the Urban Rating Area to align with the rules in the Auckland Unitary Plan. Also from 1 July 2021, all land inside the Urban Rating Area that is used for lifestyle or rural industry purposes (excluding mineral extraction) will be treated as urban residential for rating purposes. As a result of these changes, some rating units will move from paying rural or farm and lifestyle rates to paying urban rates. To reduce the impact on these rating units these changes in rates will be transitioned over three years, ending 2023/2024.

The definition for each rates differential category is listed in the table below. For clarity, where different parts of a rating unit fall within different differential categories then rates will be assessed for each part according to its differential category. Each part will also be classified as being a separate SUIP (see definition above).

Rates differential definitions

Differential group	Definition
Urban business	Land in the Urban Rating Area that is used for commercial, industrial, transport, utility, public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land in the Urban Rating Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Urban residential	Land in the Urban Rating Area that is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.[1] Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence).
Rural business	Land outside the Urban Rating Area and the Urban Rating Transition Area that is used for commercial, industrial, transport, utility network[2], or public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Rural residential	Land outside the Urban Rating Area and the Urban Rating Transition Area that is used exclusively or almost exclusively for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels [1]. Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)
Farm and lifestyle	Any land outside the Urban Rating Area and the Urban Rating Transition Area that is used for lifestyle or rural industry purposes, excluding mineral extraction[3]
No road access	Includes all land (irrespective of use) for which direct or indirect access by road is unavailable or provided for, and all land situated on the islands of Ihumoana, Kaikoura, Karamuramu, Kauwahia, Kawau, Little Barrier, Mokohinau, Motahaku, Motuketekete, Motutapu, Motuihe, Pakatoa, Pakihi, Ponui, Rabbit, Rakitu, Rangiahua, Rotoroa and The Noises
Zero-rated	Includes land on all Hauraki Gulf islands and Manukau Harbour other than Waiheke, Great Barrier and the islands named in the definition of No road access. Also includes land used by religious organisations for: • housing for religious leaders which is onsite or adjacent to the place of religious worship • halls and gymnasiums used for community not-for-profit purposes • not-for-profit childcare for the benefit of the community • libraries • offices that are onsite and which exist for religious purposes • non-commercial op-shops operating from the same title • car parks serving multiple land uses but for which the primary purpose is for religious purposes.
Urban moderate-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.

Differential group	Definition
Rural moderate-occupancy online accommodation provider	Land outside the Urban Rating Area and the Urban Rating Transition Area where a residence is let out on a short-term basis, via online web-based accommodation that offer short-term rental accommodation services via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Urban medium-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Rural medium-occupancy online accommodation provider	Land outside the Urban Rating Area and the Urban Rating Transition Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Urban residential transition	Land that is within the Urban Rating Transition Area, and is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.[1] Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence).
Urban business transition	Land that is within the Urban Rating Transition Area, and is used for commercial, industrial, transport, utility, public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land that is within the Urban Rating Transition Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Urban farm and lifestyle residential transition	Land that is within the Urban Rating Area or the Urban Rating Transition area, and is used for lifestyle or rural industry purposes, excluding mineral extraction[3]
Urban medium-occupancy online accommodation provider transition	Land that is within the Urban Rating Transition Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Urban moderate-occupancy online accommodation provider transition	Land that is within the Urban Rating Transition Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.

Notes to table:

1. Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.

2. Utility networks are classed as rural business differential. However, all other utility rating units are categorised based on their land use and location.

3. To be considered “lifestyle”, land must be in a rural or semi-rural area, must be predominantly used for residential purposes, must be larger than an ordinary residential allotment, and must be used for some small-scale non-commercial rural activity.

4. Separate rating units used as an access way to residential properties will be treated for rating purposes as residential use.

Urban Rating Area

The council has updated the Urban Rating Area to align with the rules in the Unitary Plan. Effective from 1 July 2021, the Urban rating Area includes all land within the Rural Urban Boundary as identified in the Unitary Plan, excluding any land that is:

- zoned Future Urban (with the exception of the land in the Hall's Farm and Ockleston Landing Urban Rating Area)
- within Warkworth
- in the Urban Rating Transition Area (until 30 June 2024)
- rural zoned land on Waiheke Island.

Urban Rating Transition Area

As a result of the changes to the Urban Rating Area, some rating units will move from paying rural or farm and lifestyle rates to paying urban rates. To mitigate the impact of that, the change to paying full urban rates will be transitioned over three years, with full urban rates payable from 1 July 2024.

To give effect to that transition, the council has introduced transitional differential groups to apply to land affected by the changes to the Urban Rating Area – that is, land within the Urban Rating Transition Area.

The Urban Rating Transition Area includes all land that was outside of the Urban Rating Area as defined in the Prospective Funding Impact Statement contained in the Emergency Budget 2020/2021, which would now otherwise be included in the Urban Rating Area as defined above, if it weren't for the transition.

The long-term differential strategy

The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates revenue (UAGC and value-based general rate), which is substantially lower than the current level. Business rates will move from 31 per cent in 2022/2023 to 25.8 per cent in 2037/2038. The differential will be reduced in equal steps each year to manage the affordability impact of the shift in the rates incidence to the non-business sector. This approach to the business differential removes the impact on the split of rates between business and non-business properties that changes in property values have resulting from the triennial region-wide revaluation.

The table below sets out the rates differentials and rates in the dollar of capital value to be applied in 2022/2023. This is estimated to produce around $1.718 million (excluding GST) for 2022/2023.

Value-based general rate differentials for 2022/2023

Property category	Effective relative differential ratio for general rate for 2022/2023	Rate in the dollar for 2022/2023 (including GST) ($)	Share of value-based general rate (excluding GST) ($)	Share of value-based general rate (%)
Urban business	2.5848	0.00419671	545,859,787	31.8%
Urban residential	1.0000	0.00162363	975,214,475	56.8%
Rural business	2.3263	0.00377704	41,591,188	2.4%
Rural residential	0.9000	0.00146127	50,599,038	2.9%
Farm and lifestyle	0.8000	0.00129890	73,834,688	4.3%
No road access	0.2500	0.00040591	249,498	Less than 0.1%
Zero-rated[(1)]	0.0000	0.00000000	0	0.0%

Property category	Effective relative differential ratio for general rate for 2022/2023	Rate in the dollar for 2022/2023 (including GST) ($)	Share of value-based general rate (excluding GST) ($)	Share of value-based general rate (%)
Urban moderate-occupancy online accommodation provider	1.7924	0.00291017	43,329	Less than 0.1%
Rural moderate-occupancy online accommodation provider	1.6131	0.00261915	17,822	Less than 0.1%
Urban medium-occupancy online accommodation provider	1.3962	0.00226690	1,115,518	0.1%
Rural medium-occupancy online accommodation provider	1.2566	0.00204021	484,598	Less than 0.1%
Urban residential transition	0.9333	0.00156956	18,599,386	1.1%
Urban business transition	2.4124	0.00405696	4,296,904	0.3%
Urban farm and lifestyle residential transition	0.8667	0.00151533	5,837,912	0.3%
Urban medium-occupancy online accommodation provider transition	1.3031	0.00219141	24,943	Less than 0.1%
Urban moderate-occupancy online accommodation provider transition	1.6729	0.00281310	0	0.0%

Note to table:

1. Rating units within the Zero-rated differential category are liable for the UAGC only, which is automatically remitted through the rate remission policy.

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the value-based general rates requirement determined on their share of the city's land value rather than a share of the city's capital value as applies for other properties.

Targeted rates

The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate. Unless otherwise stated, the targeted rates described below will be used as sources of funding for each year until 2030/2031.

Water Quality Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2030/2031 to clean up Auckland's waterways. The rate will fund expenditure within the following activities: Stormwater Management.

Activities to be funded

The Water Quality Targeted Rate (WQTR) will be used to help fund the capital costs of investment in cleaning up Auckland's waterways.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of $0.00008609 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business, Urban business transition and Rural business) as defined for rating purposes, and $0.00004962 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, Urban residential transition, Urban farm and lifestyle residential transition, Urban medium-occupancy online accommodation provider transition, Urban moderate-occupancy online accommodation provider transition, and no road access) as defined for rating purposes. This is estimated to produce around $47.6 million (excluding GST) for 2022/2023, $12.3 million from business and $35.3 million from non-business.

Natural Environment Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2030/2031 to enhance Auckland's natural environment. The rate will fund expenditure within the following activities: Regional environmental services.

Activities to be funded

The Natural Environment Targeted Rate (NETR) will be used to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of $0.00005640 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business, Urban business transition and Rural business) as defined for rating purposes, and $0.00003251 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, Urban residential transition, Urban farm and lifestyle residential transition, Urban medium-occupancy online accommodation provider transition, Urban moderate-occupancy online accommodation provider transition, and No road access) as defined for rating purposes. This is estimated to produce around $31.2 million (excluding GST) for 2022/2023, $8.05 million from business and $23.16 million from non-business.

Climate Action Targeted Rate

Background

The council proposes to fund an additional investment from 2022/2023 to reduce Auckland's greenhouse gas emissions and increase the urban ngahere. The rate will fund expenditure within the following activities: Regional environmental services.

Activities to be funded

The Climate Action Targeted Rate (CATR) will be used to help fund the capital and operating costs of investment to fund the acceleration of regional climate action, by extending the regional networks for public transport, active transport and urban ngahere.

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 25.8 per cent of the revenue requirement comes from businesses. Within the business category and the non-business category the rate will be further differentiated on the same basis as the value-based general rate.

The following table sets out the Climate Action targeted rates to be applied in 2022/2023. This is estimated to produce around $45.4 million (excluding GST) for 2022/2023.

Property category	Rate in the dollar for 2022/2023 (including GST) ($)	Share of Climate Action Targeted rate (excluding GST) ($)
Urban business	0.00008271	10,805,716
Urban residential	0.00004833	29,157,698
Rural business	0.00007444	823,340
Rural residential	0.00004350	1,512,949
Farm and lifestyle	0.00003866	2,207,344
No road access	0.00001208	7,458
Zero-rated[(1)]	0.00000000	0
Urban moderate-occupancy online accommodation provider	0.00008663	1,296
Rural moderate-occupancy online accommodation provider	0.00007796	533
Urban medium-occupancy online accommodation provider	0.00006748	33,354
Rural medium-occupancy online accommodation provider	0.00006073	14,489
Urban residential transition	0.00004833	575,256
Urban business transition	0.00008271	87,991
Urban farm and lifestyle residential transition	0.00004833	187,021
Urban medium-occupancy online accommodation provider transition	0.00006748	771
Urban moderate-occupancy online accommodation provider transition	0.00008663	0

Waste Management targeted rate

Background

The benefit of the provision of waste management services in public areas e.g. public litter bins is funded through the general rate. Privately generated waste is funded through a mixture of targeted rates and pay as you throw charges. The funding method for privately generated waste will be standardised in 2024/2025 when a region-wide targeted rate will be introduced to fund the refuse collection across Auckland.

The refuse, recycling, inorganic collection and other waste management services in Auckland are being standardised under the Waste Management and Minimisation Plan (WMMP). The food scraps collection service is currently available in Papakura and some parts of Northcote, Milford and Takapuna. This is scheduled to be rolled out to the whole of urban Auckland from March 2023.

The Waste management targeted rates for 2022/2023 include:

- a region-wide rate to cover the cost of the base service including recycling, inorganic collection, resource recovery centres, the Hauraki Gulf Islands subsidy and other regional waste services
- a standard refuse rate will apply in the former Auckland City and the former Manukau City to fund refuse collection
- an additional targeted rate set approximately in proportion to the number of months the service is available during 2022/2023 for Papakura, North Shore and Waitākere to cover the cost of the food scraps collection
- additional rates may apply to properties that request additional recycling or refuse services.

The council is implementing the Auckland WMMP. Information on the plan can be found on the council's website.

Activities to be funded

The targeted rate for waste management is used to fund refuse collection and disposal services (including the inorganic refuse collection), recycling, food scraps collection, waste transfer stations and resource recovery centres within the solid waste and environmental services activity.

How the rate will be assessed

For land outside of the district of the former Auckland City Council where a service is provided or available, the targeted rate for the base service and the standard refuse service (for the former Manukau City) and the food scraps service (for the former Papakura District, the former Waitākere City and the former North Shore City), will be charged on a per SUIP basis. See the UAGC section prior for the council's definition of a SUIP. The standard refuse service includes one 120 litre refuse bin (or equivalent).

For land within the district of the former Auckland City Council, the targeted rate for the base service and the standard refuse service will be charged based of the number and type of services supplied or available to each rating unit. For rating units made up of one SUIP, the council will provide one base service and one refuse collection service. For rating units made up of more than one SUIP, the council will provide the same service as was provided at 30 June 2022, unless otherwise informed by the owner of the rating unit (that is, at least one base service and one refuse collection service). From 1 July 2022, where the service is provided or available, rating units made up of more than one but less than 10 residential or lifestyle SUIPs will be charged one base service targeted rate and one standard refuse targeted rate for each residential/lifestyle SUIP contained in the rating unit, unless a request has been received on or before 30 June 2022 to reduce the number of targeted rate charges. If a request has been received on or before 30 June 2022 to reduce the number of targeted rate charges, then the requested number of targeted rate charges will apply in 2022/2023. Land which has an approved alternative service will be charged the waste service charge that excludes the approved alternative service or services. See sample properties at the end of this section for examples on how these apply.

For land within the former district of Auckland City and Manukau City, a large refuse rate will apply, on top of the standard refuse rate, if a 240-litre refuse bin is supplied instead of the standard 120-litre bin.

For all land across Auckland, an additional recycling rate will apply if an additional recycling service is supplied.

In the future, the waste management targeted rate may be adjusted to reflect changes in the nature of services and the costs of providing waste management services to reflect the implementation of the Auckland Waste Management and Minimisation Plan.

The following table sets out the waste management targeted rates to be applied in 2022/2023. This is estimated to produce around $115.8 million (excluding GST) for 2022/2023.

Waste management targeted rates

Service	Differential group	Amount of targeted rate for 2022/2023 (including GST) $	Charging basis	Share of targeted rate (excluding GST) ($)
Base service	Rating units in the former Auckland City	135.62	Per service available	19,720,452
	Rating units in the former Franklin District, Manukau City, North Shore City, Papakura District, Rodney District and Waitākere City	135.62	Per SUIP (where a service is provided or available)	48,590,765
Base service excluding recycling	Rating units in the former Auckland City	50.86	Per service available	1,490,814
Standard refuse	Rating units in the former Auckland City	165.34	Per service available	23,855,674
	Rating units in the former Manukau City	165.34	Per SUIP (where a service is provided or available)	17,272,166
Large refuse	Rating units in the former Auckland City and Manukau City	77.71	Per service available	1,305,822
Additional recycling	All rating units	84.77	Per service available	146,908
Food scraps	Rating units in the former Papakura District and the former food scraps trial area in Northcote, Milford and Takapuna	71.28	Per SUIP (where a service is provided or available)	1,445,652
	Rating units in Area A of the former Waitākere City	$23.76	Per SUIP (where a service is provided or available)	857,984
	Rating units in Area B of the former Waitākere City	$17.82	Per SUIP (where a service is provided or available)	524,807
	Rating units in Area A of the former North Shore City	$11.88	Per SUIP (where a service is provided or available)	274,097
	Rating units in Area B and Area C of the former North Shore City	$5.94	Per SUIP (where a service is provided or available)	326,338

For the avoidance of doubt, properties that opt out of one or more council services in the former Auckland City area will be rated as below:

- land which has an approved alternative refuse service will be charged the base service rate ($135.62)
- land which has an approved alternative recycling service will be charged the standard refuse rate ($165.34) plus the base service excluding recycling rate ($50.86)
- land which has approved alternative refuse and recycling services will be charged the base service excluding recycling rate ($50.86).

For maps of the areas where the Food Scraps Targeted Rate will apply, go to www.aucklandcouncil.govt.nz/ratingmaps

City centre targeted rate

Background

The City Centre targeted rate will be used to help fund the development and revitalisation of the city centre. The rate applies to business and residential land in the City Centre area.

Activities to be funded

The City Centre redevelopment programme aims to enhance the city centre as a place to work, live, visit and do business. It achieves this by providing a high-quality urban environment, promoting the competitive advantages of the city centre as a business location, and promoting the city centre as a place for high-quality education, research and development. The programme intends to reinforce and promote the city centre as a centre for arts and culture, with a unique identity as the heart and soul of Auckland. The rate will fund expenditure within the following activities: Regional planning; Roads and footpaths; Local community services.

The targeted rate will continue until 2030/2031 to cover capital and operating expenditure generated by the projects in the City Centre redevelopment programme. The depreciation and consequential operating costs of capital works are funded from general rates.

How the rate will be assessed

A differentiated targeted rate will be applied to business and residential land, as defined for rating purposes, in the city centre. You can view a map of the city centre area at www.aucklandcouncil.govt.nz/ratingmaps or at any Auckland Council library or service centre.

A rate in the dollar of $0.00110090 (including GST) of rateable capital value will be applied to urban business land in 2022/2023. This is estimated to produce around $22.8 million (excluding GST) for 2022/2023.

A fixed rate of $64.60 (including GST) per SUIP (see UAGC section prior for the council's definition of a SUIP) will be applied to urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider land in 2022/2023. This is estimated to produce around $1.3 million (excluding GST) for 2022/2023.

Rodney Local Board Transport Targeted Rate

Background

The council is funding additional transport investment to deliver improved transport outcomes in the Rodney Local Board area. The rate will fund expenditure within the following activities: Roads and footpaths and public transport and travel demand management.

Activities to be funded

The Rodney Local Board Transport Targeted Rate (RLBTTR) will be used to help fund the capital and operating costs of additional transport investment and services.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Rodney Local Board area except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be $150 (including GST) per SUIP. This is estimated to produce around $4.7 million (excluding GST) for 2022/2023.

Electricity Network Resilience Targeted Rate

Background

Auckland Council undertakes management of Auckland Council-owned trees under or near Vector's power lines. Tree maintenance near powerlines improves public safety around power lines, reduces power outages, and improves the resilience of public trees. The council also undertakes tree planting to support the Auckland Urban Ngahere (Forest) Strategy. The rate will fund expenditure within the following activities: Regional community services.

Activities to be funded

The Electricity Network Resilience Targeted Rate will be used to help fund the operating costs of:

- management of Auckland Council-owned trees under or near power lines
- additional tree planting activity to increase canopy cover as provided for in the Auckland Urban Ngahere (Forest) Strategy.

How the rate will be assessed

The targeted rate will be applied as a fixed charge of $12.075 million (including GST) for 2022/2023 on Vector's electricity network utility rating unit where tree management service is provided. This is estimated to produce around $10.5 million (excluding GST) for 2022/2023.

Rodney drainage districts targeted rate

Auckland Council is responsible for maintaining the public drainage assets in the drainage districts of Te Arai and Okahukura in northern Rodney. The Rodney drainage districts targeted rate will be used to fund the capital and operating costs of maintaining the drainage assets. A management plan will be developed to establish the levels of service for the drainage district assets. The rate will fund expenditure within the following activities: Stormwater management.

The targeted rate will be applied to all rating units that are located entirely or partially within the drainage districts of Te Arai and Okahukura as defined in the former Rodney County Council drainage district maps. The table below sets out the differentiated rates that apply based on location of the land. This is estimated to produce around $61,500 (excluding GST) for 2022/2023.

Drainage district	Rate for each square metre of Class A land for 2022/2023 (including GST) ($)	Rate for each square metre of Class B land for 2022/2023 (including GST) ($)	Rate for each square metre of Class C land for 2022/2023 (including GST) ($)
Te Arai	0.00191174	0.00095587	0.00000000
Okahukura	0.00273659	0.00136829	0.00000000

For maps that show where Class A, B and C land is located, go to www.aucklandcouncil.govt.nz/ratingmaps.

Business Improvement District targeted rates

Background

Business Improvement Districts (BID) are areas within Auckland where local businesses have agreed to work together, with support from the council, to improve their business environment and attract new businesses and customers. The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted and agreed to pay to fund BID projects and activities.

Activities to be funded

The main objectives of the BID programmes are to enhance the physical environment, promote business attraction, retention and development, and increase employment and local business investment in BID areas. The programmes may also involve activities intended to identify and reinforce the unique identity of a place and to promote that identity as part of its development. The rate will fund expenditure within the following activities: Local planning and development.

How the rates will be assessed

The BID targeted rates will be applied to business land, as defined for rating purposes, that is located in defined areas in commercial centres outlined in the following table. For maps of the areas where the BID rates will apply, go to www.aucklandcouncil.govt.nz/ratingmaps.

The BID targeted rates will be assessed using a fixed rate and value-based rate on the capital value of the property. Each BID area may recommend to council that part of its budget be funded from a fixed rate of up to $575 (including GST) per rating unit. The remaining budget requirement will be funded from a value-based rate for each area and be applied as a rate in the dollar. There will be different rates for each BID programme.

The table below sets out the budgets and the rates for each BID area that the council will apply in 2022/2023. This is estimated to produce around $20.1 million (excluding GST) in targeted rates revenue for 2022/2023.

Business Improvement Districts fixed rates per rating unit and rates in the dollar of capital value

BID area	Amount of BID grant 2022/2023 (excluding GST) ($)	Amount of BID targeted rate revenue 2022/2023 (excluding GST) ($)	Amount to be funded by fixed charge for 2022/2023 (excluding GST) ($)	Fixed rate per rating unit for 2022/2023 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2022/2023 (excluding GST) ($)	Rate in the dollar for 2022/2023 to be multiplied by the capital value of the rating unit (including GST) ($)
Avondale	154,000	153,989	0	0.00	153,989	0.00099643
Birkenhead	206,167	206,166	0	0.00	206,166	0.00078012
Blockhouse Bay	66,000	66,000	0	0.00	66,000	0.00137461
Browns Bay	155,000	155,001	0	0.00	155,001	0.00041557
Central Park Henderson	400,000	402,172	221,303	250.00	180,869	0.00006766
Devonport	129,000	129,217	17,391	250.00	111,826	0.00058996
Dominion Road	255,000	254,994	0	0.00	254,994	0.00046415
Ellerslie	172,000	172,000	0	0.00	172,000	0.00160699
Glen Eden	95,000	95,000	0	0.00	95,000	0.00072910
Glen Innes	170,000	170,000	0	0.00	170,000	0.00081457

BID area	Amount of BID grant 2022/2023 (excluding GST) ($)	Amount of BID targeted rate revenue 2022/2023 (excluding GST) ($)	Amount to be funded by fixed charge for 2022/2023 (excluding GST) ($)	Fixed rate per rating unit for 2022/2023 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2022/2023 (excluding GST) ($)	Rate in the dollar for 2022/2023 to be multiplied by the capital value of the rating unit (including GST) ($)
Greater East Tāmaki	545,000	544,740	340,666	195.00	204,074	0.00002279
Heart of the City	4,782,614	4,784,856	0	0.00	4,784,856	0.00033835
Howick	179,390	179,389	0	0.00	179,389	0.00079556
Hunters Corner	139,249	139,248	0	0.00	139,248	0.00054520
Karangahape Road	480,070	480,074	0	0.00	480,074	0.00042403
Kingsland	237,930	237,362	0	0.00	237,362	0.00035393
Mairangi Bay	69,000	69,000	5,000	250.00	64,000	0.00107356
Māngere Bridge	31,500	31,500	0	0.00	31,500	0.00100948
Māngere East Village	6,100	6,100	0	0.00	6,100	0.00017332
Māngere Town	299,196	299,196	0	0.00	299,196	0.00283703
Manukau Central	525,300	525,768	0	0.00	525,768	0.00023638
Manurewa	315,000	315,000	0	0.00	315,000	0.00076735
Milford	145,000	145,000	0	0.00	145,000	0.00053991
Mt Eden Village	92,035	92,035	0	0.00	92,035	0.00053085
New Lynn	209,475	209,475	0	0.00	209,475	0.00053051
Newmarket	1,812,099	1,781,156	0	0.00	1,781,156	0.00051698
North Harbour	732,404	732,265	344,726	150.00	387,538	0.00007123
North West District	185,000	185,404	96,086	250.00	89,318	0.00014000
Northcote	125,000	125,000	0	0.00	125,000	0.00212945
Old Papatoetoe	100,692	100,692	0	0.00	100,692	0.00077535
One Warkworth	135,000	132,000	132,000	575.00	0	0.00000000
Onehunga	420,000	416,831	0	0.00	416,831	0.00095869
Orewa	271,665	272,074	0	0.00	272,074	0.00077072
Ōtāhuhu	696,150	697,376	0	0.00	697,376	0.00057996
Ōtara	94,730	97,425	0	0.00	97,425	0.00122465
Panmure	457,213	457,212	0	0.00	457,212	0.00115051
Papakura	250,000	249,917	0	0.00	249,917	0.00053087
Parnell	969,150	968,792	0	0.00	968,792	0.00049075
Ponsonby	690,446	690,908	0	0.00	690,908	0.00071351
Pukekohe	500,000	499,949	0	0.00	499,949	0.00041898
Remuera	242,564	242,563	0	0.00	242,563	0.00108207
Rosebank	495,000	495,138	0	0.00	495,138	0.00026590
South Harbour	87,425	87,423	0	0.00	87,423	0.00030113
St Heliers	144,023	144,022	0	0.00	144,022	0.00099298

BID area	Amount of BID grant 2022/2023 (excluding GST) ($)	Amount of BID targeted rate revenue 2022/2023 (excluding GST) ($)	Amount to be funded by fixed charge for 2022/2023 (excluding GST) ($)	Fixed rate per rating unit for 2022/2023 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2022/2023 (excluding GST) ($)	Rate in the dollar for 2022/2023 to be multiplied by the capital value of the rating unit (including GST) ($)
Takapuna	457,212	457,250	0	0.00	457,250	0.00034256
Te Atatu	102,000	102,000	0	0.00	102,000	0.00097640
Torbay	18,365	18,365	0	0.00	18,365	0.00083106
Uptown	350,000	350,614	0	0.00	350,614	0.00015406
Waiuku	140,000	139,827	0	0.00	139,827	0.00082549
Wiri	755,425	755,407	0	0.00	755,407	0.00012452
Total	**20,090,588**	**20,062,895**	**1,157,173**		**18,905,721**	

Note to the table: Targeted rate amounts include surpluses and deficits (if any) carried over from 2020/2021 so may differ from grant amounts.

Business Improvement Districts fixed rate per rating unit and rates in the dollar based on land value

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the Business Improvement District value based rates requirement determined on their share of the BID areas land value rather than a share of the BID areas capital value as applies for other properties.

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Background

Auckland Council has a region-wide swimming pool pricing policy, whereby children 16 years and under have free access to swimming pool facilities and all adults are charged. These targeted rates fund free access to swimming pools for adults 17 years and over in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

Activities to be funded

To fund the cost of free adult entry to swimming pool facilities in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. The rate will fund expenditure within the following activity: Local parks sport and recreation – asset based services.

How the rate will be assessed

These local activity targeted rates apply to all residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, rural medium-occupancy online accommodation provider, urban residential transition, urban farm and lifestyle residential transition, urban medium-occupancy online accommodation provider transition and urban moderate-occupancy online accommodation provider transition land, as defined for rating purposes that are located in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

The local activity targeted rate will be assessed using a fixed rate applied to each SUIP (see UAGC section prior for the council's definition of a SUIP) of residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider land, as defined for rating purposes, in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. There will be a different fixed rate for each local board area.

The following table sets out the local activity targeted rates that apply in 2022/2023 for the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. This is estimated to produce around $1.2 million (excluding GST) for 2022/2023.

Local board area	Local activity targeted rates	
	Fixed rate for each separately used or inhabited part of a rating unit for 2022/2023 (including GST) ($)	Revenue from the targeted rate (excluding GST) ($)
Māngere-Ōtāhuhu	34.18	600,008
Ōtara-Papatoetoe	32.44	647,714

Swimming/spa pool fencing compliance targeted rate

Background

All residential swimming pools and spa pools must be inspected once every three years to ensure compliance with the Building Act 2004. Pools failing the first inspection require subsequent inspections until all defects have been remedied. Inspection can be carried out by either the council or an independently qualified pool inspector (IQPI).

Activities to be funded

To fund the costs of providing pool fence and barrier inspections and associated administrative costs. The rate will fund expenditure within the following activity: Regulatory services.

How the rate will be assessed

The pool fencing compliance targeted rate will apply to all rateable land on council's register of pool fence and barrier inspections. The rate will be assessed as a fixed rate per rating unit. The table below sets out the differentiated rates that apply based on whether the council is required to carry out a three-yearly inspection. Additional fees will be invoiced separately where subsequent inspections are required.

Inspection service provided	Fixed rate per rating unit for 2022/2023 (including GST)
Council inspection required	$45.55
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	$22.78

This is estimated to produce around $1.0 million (excluding GST) for 2022/2023.

Riverhaven Drive targeted rate

The council has constructed Riverhaven Drive for the benefit of the rating units in the immediate area. The construction of the road and the payment of the rate have been agreed with the association representing the owners of the rating units. The Riverhaven Drive targeted rate is used to repay the council for the cost of the road, including interest costs. The rate will fund expenditure within the following activities: Local planning and development – locally driven initiatives, Roads and footpaths.

The targeted rate applies to the land which benefits from the construction of a road that provides access to the rating unit. The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 25 years (2006/2007 to 2030/2031). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of $10,045.09 (including GST) per rating unit for 2022/2023. This is estimated to produce around $44,000 (excluding GST) for 2022/2023.

Waitākere rural sewerage targeted rate

The Waitākere rural sewerage targeted rate is set as a uniform charge on all rating units in the non-reticulated wastewater area of the Waitākere Ranges Local Board that have private on-site wastewater systems which are scheduled to be pumped out by the council within a three-yearly cycle. The uniform charge is assessed in respect of each on site waste management system utilised in conjunction with the particular rating unit. The rate will fund expenditure within the following activities: Stormwater management.

The council will set the Waitākere rural sewerage targeted rate to fully recover the costs of providing this service.

To align with the rules set by the Auckland Unitary Plan chapter E5, the property owner remains responsible for repairs and routine servicing of their onsite wastewater system.

For 2022/2023 the targeted rate will be a uniform charge of $296.75 (including GST) for each on-site waste management system utilised in conjunction with the rating unit. This is estimated to produce around $877,090 (excluding GST) for 2022/2023.

Retro-fit your home targeted rate

The Retro-fit Your Home targeted rate is set on land that has received financial assistance from Auckland Council for energy efficiency assessment, and the installation of clean heat, insulation, water conservation, mechanical extraction and fire place decommissioning in respect of the land. The rate will fund expenditure within the following activities: Regulatory services.

The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for nine years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer’s outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Retro-fit Your Home targeted rate that the council will apply in 2022/2023. This is estimated to produce around $3.9 million (excluding GST) for 2022/2023.

Retro-fit your home targeted rate

Year of repayment	Rate in the dollar for 2022/2023 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
1	0.13865400

Year of repayment	Rate in the dollar for 2022/2023 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
2	0.15235600
3	0.17003400
4	0.19367200
5	0.22685200
6	0.27673200
7	0.36000600
8	0.52675800
9	1.02744600

Kumeū Huapai Riverhead wastewater targeted rate

The Kumeū Huapai Riverhead wastewater targeted rate is set on land that has received financial assistance from Auckland Council for the purchase and installation of equipment for pumping waste from the property to Watercare's pressurised wastewater scheme. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Kumeū Huapai Riverhead wastewater targeted rate that council will apply in 2022/2023. This is estimated to produce around $5,200 (excluding GST) for 2022/2023.

Kumeū Huapai Riverhead wastewater targeted rate

Year of repayment	Rate in the dollar for 2022/2023 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
8	0.17358100
10	0.22113810

On-site wastewater systems (septic tank) upgrades targeted rate

The On-site wastewater systems (septic tank) upgrades targeted rate is set on land that has received financial assistance from Auckland Council for the replacement or upgrade of failing on-site wastewater systems (septic tanks) in the west coast lagoons (Piha, Te Henga and Karekare) and Little Oneroa (Waiheke Island) catchments. The rate will fund expenditure within the following activities: Regulatory services.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the On-site wastewater systems (septic tank) upgrades targeted rate that the council will apply in 2022/2023. This is estimated to produce around $1,600 (excluding GST) for 2022/2023.

On-site wastewater systems (septic tank) upgrades targeted rate

Year of repayment	Rate in the dollar for 2022/2023 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
5	0.13562180

Point Wells wastewater targeted rate

The Point Wells wastewater targeted rate is set on land that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in the Point Wells area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year according to the amount of assistance provided. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The following table sets out the Point Wells wastewater targeted rate that council will apply in 2022/2023. This is estimated to produce around $10,700 (excluding GST) for 2022/2023.

Point Wells wastewater targeted rate

Total assistance provided	Amount of targeted rate per rating unit for 2022/2023 (including GST) ($)
$8,000	638.42
$8,500	678.33
$9,000	718.23
$9,500	758.13
$10,000	798.03

Jackson Crescent wastewater targeted rate

The Jackson Crescent wastewater targeted rate is set on the rating unit that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in Jackson Crescent, Martins Bay area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of $576.23 (including GST) per rating unit in 2022/2023. This is estimated to produce $501 (excluding GST) for 2022/2023.

Rates payable by instalment

All rates will be payable by four equal instalments due on:

Instalment 1: 31 August 2022

Instalment 2: 30 November 2022

Instalment 3: 28 February 2023

Instalment 4: 31 May 2023.

It is council policy that any payments received will be applied to the oldest outstanding rates before being applied to the current rates.

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2022/2023 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

A further 10 per cent penalty calculated on former years' rate arrears to be added on 8 July 2022 and then again six months later.

Early payment discount policy

Objectives

The council encourages ratepayers to pay their rates in full by the date that their first instalment is due by providing a discount.

Conditions and criteria

Ratepayers will qualify for the discount if their rates are paid in full, together with any outstanding prior years' rates and penalties, by 5.00pm on the day their first rates instalment for the new financial year is due.

Delegation of decision-making

Decisions about applying the discount will be made by staff in accordance with the chief executive's delegation register.

Review process

The council will set the rate of discount that ratepayers are eligible for on an annual basis. The discount will be set to return to those ratepayers making an early payment the interest cost saving to the council. The interest cost saving will be set based on the council's short-term cost of borrowing for the financial year in which the discount will apply. In making this forecast the council will take into account current market interest rate forecasts provided by financial institutions. The reviewed discount rate will be adopted by a council resolution at the same time as other rates-related decisions are made as part of its annual plan or 10-year Budget decision making process.

If the council wants to make any significant change to the discount policy, it must consult with the public.

Discount in 2022/2023

The discount is 0.82 per cent for 2022/2023.

Sample properties

The following section is intended to provide examples of the individual rates for 2022/2023.The following targeted rates are not shown:

Business improvement district targeted rates

Riverhaven Drive targeted rate

Point Wells wastewater targeted rate

Jackson Crescent wastewater targeted rate

On-site wastewater systems (septic tank) upgrades targeted rate

Electricity network resilience targeted rate.

For more information on these and other rates please see the relevant section of the Rating mechanism.

Note that the Sample property rates information in the following section are based on the most up-to-date revaluation data that officers had at the time this report was written. These figures are subject to change as the revaluation data is yet to be certified by the Valuer General.

General rates, Water Quality Targeted Rate, Natural Environment Targeted Rate and Climate Action Targeted Rate

The table below shows indicative rates (general rate, Water Quality Targeted Rate, Natural Environment Targeted Rate and the proposed Climate Action Targeted Rate) for fully rateable rating units with one SUIP at different values for each of the main differential categories. An extra UAGC charge should be added for each extra SUIP the rating unit has.

Differential category	Capital value ($)	UAGC (including GST) ($)	General rate (including GST) ($)	Water quality targeted rate (including GST) ($)	Natural environment targeted rate (including GST) ($)	Climate action targeted rate (including GST) ($)	Total rates (including GST) ($)
Urban - business	500,000	477	2,098	43	28	41	2,688
	1,500,000	477	6,295	129	85	124	7,110
	3,000,000	477	12,590	258	169	248	13,743
	10,000,000	477	41,967	861	564	827	44,696
Urban - residential	750,000	477	1,218	37	24	36	1,793
	1,000,000	477	1,624	50	33	48	2,231
	1,500,000	477	2,435	74	49	72	3,108
	2,000,000	477	3,247	99	65	97	3,985
	3,000,000	477	4,871	149	98	145	5,739
Rural - business	500,000	477	1,889	43	28	37	2,474
	1,500,000	477	5,666	129	85	112	6,468

Differential category	Capital value ($)	UAGC (including GST) ($)	General rate (including GST) ($)	Water quality targeted rate (including GST) ($)	Natural environment targeted rate (including GST) ($)	Climate action targeted rate (including GST) ($)	Total rates (including GST) ($)
	3,000,000	477	11,331	258	169	223	12,459
	10,000,000	477	37,770	861	564	744	40,417
Rural - residential	750,000	477	1,096	37	24	33	1,667
	1,000,000	477	1,461	50	33	44	2,064
	1,500,000	477	2,192	74	49	65	2,857
	2,000,000	477	2,923	99	65	87	3,651
	3,000,000	477	4,384	149	98	131	5,238
Farm/lifestyle	1,000,000	477	1,299	50	33	39	1,897
	1,500,000	477	1,948	74	49	58	2,607
	2,000,000	477	2,598	99	65	77	3,316
	3,000,000	477	3,897	149	98	116	4,736
	10,000,000	477	12,989	496	325	387	14,674
Urban moderate-occupancy online accommodation provider	500,000	477	1,455	25	16	43	2,016
	750,000	477	2,183	37	24	65	2,786
	1,000,000	477	2,910	50	33	87	3,556
	1,500,000	477	4,365	74	49	130	5,095
Rural moderate-occupancy online accommodation provider	500,000	477	1,310	25	16	39	1,867
	750,000	477	1,964	37	24	58	2,561
	1,000,000	477	2,619	50	33	78	3,256
	1,500,000	477	3,929	74	49	117	4,646
Urban medium-occupancy online accommodation provider	500,000	477	1,133	25	16	34	1,685
	750,000	477	1,700	37	24	51	2,289
	1,000,000	477	2,267	50	33	67	2,894
	1,500,000	477	3,400	74	49	101	4,102
Rural medium-occupancy online accommodation provider	500,000	477	1,020	25	16	30	1,569
	750,000	477	1,530	37	24	46	2,114
	1,000,000	477	2,040	50	33	61	2,660
	1,500,000	477	3,060	74	49	91	3,752

Differential category	Capital value ($)	UAGC (including GST) ($)	General rate (including GST) ($)	Water quality targeted rate (including GST) ($)	Natural environment targeted rate (including GST) ($)	Climate action targeted rate (including GST) ($)	Total rates (including GST) ($)
Urban residential transition	750,000	477	1,177	37	24	36	1,752
	1,000,000	477	1,570	50	33	48	2,177
	1,500,000	477	2,354	74	49	72	3,027
	2,000,000	477	3,139	99	65	97	3,877
	3,000,000	477	4,709	149	98	145	5,577
Urban business transition	500,000	477	2,028	43	28	41	2,618
	1,500,000	477	6,085	129	85	124	6,900
	3,000,000	477	12,171	258	169	248	13,323
	10,000,000	477	40,570	861	564	827	43,299
Urban farm and lifestyle residential transition	1,000,000	477	1,515	50	33	48	2,123
	1,500,000	477	2,273	74	49	72	2,946
	2,000,000	477	3,031	99	65	97	3,769
	3,000,000	477	4,546	149	98	145	5,414
	10,000,000	477	15,153	496	325	483	16,935
Urban medium-occupancy online accommodation provider transition	500,000	477	1,096	25	16	34	1,648
	750,000	477	1,644	37	24	51	2,233
	1,000,000	477	2,191	50	33	67	2,818
	1,500,000	477	3,287	74	49	101	3,989
Urban moderate-occupancy online accommodation provider transition	500,000	477	1,407	25	16	43	1,968
	750,000	477	2,110	37	24	65	2,713
	1,000,000	477	2,813	50	33	87	3,459
	1,500,000	477	4,220	74	49	130	4,950

The following tables contain indicative values for the most common targeted rates. If a rating unit is liable for one of these, then the value shown should be added to the general rates, water quality targeted rate, and natural environment targeted rate figure from the table above to determine the total rates liability.

Waste management targeted rate

Most rating units are liable for waste management targeted rates. These vary depending on the former council area that the property is located.

Former council area	Service	Total amount of charges (including GST) ($)				
	Number of waste management charges	1	2	3	5	10
Auckland City	Full service (base service plus standard refuse service)	301	602	903	1,505	3,010
	Opt out of refuse	136	271	407	678	1,356
	Opt out of recycling	216	432	649	1,081	2,162
	Opt out of both refuse and recycling	51	102	153	254	509
	Additional recycling	85	170	254	424	848
Manukau City	Full service (base service plus standard refuse service)	301	602	903	1,505	3,010
Papakura District, North Shore City, Waitākere City, Franklin District and Rodney District	Base service	136	271	407	678	1,356
Papakura District and the former food scrap trial area in North Shore	Food scraps	71	143	214	356	713
Waitākere City Area A		24	48	71	119	238
Waitākere City Area B		18	36	53	89	178
North Shore City Area A		12	24	36	59	119
North Shore City Areas B and C		6	12	18	30	59

City centre targeted rate

All rating units in the City Centre are liable for the City Centre targeted rate.

Business rating units located in the city centre area	
Capital value	**Rate (including GST) ($)**
500,000	550
1,500,000	1,651
3,000,000	3,303
10,000,000	11,009
Residential rating units located in the city centre area	
Number of separately used or inhabited parts	**Rate (including GST) ($)**
1	65
2	129
3	194
5	323
10	646

Rodney Local Board Transport Targeted Rate

Rating units in the Rodney local board area are liable for the Rodney Local Board Transport Targeted Rate.

	Total targeted rate amount (including GST) ($)				
Number of separately used or inhabited parts	**1**	**2**	**3**	**5**	**10**
Rate amount	$150	$300	$450	$750	$1,500

Rodney drainage districts targeted rate

Rating units with Class A or Class B land located in the drainage districts of Te Arai and Okahukura are liable for the Rondey drainage districts targeted rate.

Drainage district	**Size of land (HA)**	**1**	**2**	**3**	**5**	**10**	**50**
Te Arai	Rate for Class A land	19	38	57	96	191	956
	Rate for Class B land	10	19	29	48	96	478
	Rate for Class C land	0	0	0	0	0	0
Okahukura	Rate for Class A land	27	55	82	137	274	1,368
	Rate for Class B land	14	27	41	68	137	684
	Rate for Class C land	0	0	0	0	0	0

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Residential rating units in Māngere-Ōtāhuhu and Ōtara-Papatoetoe local board areas are liable for Swimming Pool targeted rates.

Residential rating units located in	Total targeted rate amount (including GST) ($)				
Number of separately used or inhabited parts	1	2	3	5	10
Māngere-Ōtāhuhu	34	68	103	171	342
Ōtara-Papatoetoe	32	65	97	162	324

Waitākere rural sewerage targeted rate

Some residential rating units not connected to the wastewater system in the Waitākere Ranges Local Board area are liable for the Waitākere Rural Sewerage targeted rate.

Residential rating units located in	Total targeted rate amount (including GST) ($)				
Number of septic tanks pumped out once every 3 years	1	2	3	5	10
Waitākere Ranges Local Board area that have septic tanks pumped out by council	297	594	890	1,484	2,968

Swimming/spa pool fencing compliance targeted rate

Rating units on council's register of pool fence and barrier inspections are liable for the Swimming/spa pool fencing compliance targeted rate.

Inspection service provided	Total targeted rate amount (including GST) ($) for the rating unit
Council inspection required	45.55
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	22.78

Retro-fit your home targeted rate

Ratepayers who have taken advantage of the Retro-fit Your Home scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2021 ($)			
	1,500	2,000	2,500	3,500
Rate for 1st year of repayment (including GST) ($)	208	277	347	485
Rate for 2nd year of repayment (including GST) ($)	229	305	381	533
Rate for 3rd year of repayment (including GST) ($)	255	340	425	595
Rate for 4th year of repayment (including GST) ($)	291	387	484	678
Rate for 5th year of repayment (including GST) ($)	340	454	567	794
Rate for 6th year of repayment (including GST) ($)	415	553	692	969

Category	Outstanding balance as at 30 June 2021 ($)			
	1,500	2,000	2,500	3,500
Rate for 7th year of repayment (including GST) ($)	540	720	900	1,260
Rate for 8th year of repayment (including GST) ($)	790	1,054	1,317	1,844
Rate for 9th year of repayment (including GST) ($)	1,541	2,055	2,569	3,596

Kumeū Huapai Riverhead wastewater targeted rate

Ratepayers who have taken advantage of the Kumeū Huapai Riverhead wastewater scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2021 ($)			
	5,000	7,000	9,000	11,000
Rate for 8th year of repayment (including GST) ($)	868	1,215	1,562	1,909
Rate for 10th year of repayment (including GST) ($)	1,106	1,548	1,990	2,433

Tūpuna Maunga Authority

Tūpuna Maunga o Tāmaki Makaurau

CO-GOVERNANCE OF THE TŪPUNA MAUNGA
SUMMARY OF THE TŪPUNA MAUNGA AUTHORITY OPERATIONAL PLAN 2022/23

www.maunga.nz

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) requires the Tūpuna Maunga o Tāmaki Makaurau Authority (Tūpuna Maunga Authority) and Auckland Council to prepare an Annual Operational Plan and a summary of that plan for inclusion in the Auckland Council's Annual Operational Plan 2022/23 process.

The Tūpuna Maunga Authority and Auckland Council are required to approve the Annual Operational Plan. The Tūpuna Maunga Authority Operational Plan 2022/23 must be considered and adopted concurrently with the Auckland Council's Operational Plan 2022/23. A summary of the Tūpuna Maunga Authority's indicative funding requirements are outlined in this Section.

NGĀ MANA WHENUA O TĀMAKI MAKAURAU

Ngā Mana Whenua o Tāmaki Makaurau negotiated a collective settlement of their historical Treaty claims with the Crown. Ngā Mana Whenua o Tāmaki Makaurau is the collective name of the 13 iwi/hapū with historical Treaty claims in wider Tāmaki Makaurau. The iwi/hapū are grouped into the following three rōpū:

MARUTŪĀHU RŌPŪ	NGĀTI WHĀTUA	WAIOHUA TĀMAKI RŌPŪ
Ngāti Maru	Ngāti Whātua o Kaipara	Ngāi Tai ki Tāmaki
Ngāti Pāoa	Ngāti Whātua Ōrākei	Ngāti Tamaoho
Ngāti Tamaterā	Te Rūnanga o Ngāti Whātua	Ngāti Te Ata
Ngāti Whanaunga		Te Ākitai Waiohua
Te Patukirikiri		Te Kawerau ā Maki

THE NGĀ MANA WHENUA O TĀMAKI MAKAURAU COLLECTIVE REDRESS ACT 2014

The Collective Redress Act 2014 vested the Crown owned land in 14 Tūpuna Maunga (ancestral mountains) in Ngā Mana Whenua o Tamaki Makaurau. They are held for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The Tūpuna Maunga are vested as reserves under the Reserves Act 1977.

THE 14 TŪPUNA MAUNGA ARE:

Matukutūruru/Wiri Mountain	**Ōtāhuhu**/Mount Richmond
Maungakiekie/One Tree Hill	**Ōwairaka**/Te Ahi-kā-a-Rakataura/ Mount Albert
Maungarei/Mount Wellington	**Puketāpapa**/Pukewīwī/Mount Roskill
Maungauika/North Head	**Rarotonga**/Mount Smart *
Maungawhau/Mount Eden	**Takarunga**/Mount Victoria
Ōhinerau/Mount Hobson	**Te Kōpuke**/Tītīkōpuke/Mount St John
Ōhuiarangi/Pigeon Mountain	**Te Tātua a Riukiuta**/Big King

Cover Image: Looking North toward Maungawhau/Mount Eden from Te Pane-o-Mataaho /Te Ara Pueru/ Māngere Mountain

CO-GOVERNANCE

The Act also established the Tūpuna Maunga Authority, a bespoke co-governance entity, to administer the Tūpuna Maunga.

The Authority has six representatives from Ngā Mana Whenua o Tāmaki Makaurau, six from Auckland Council and one non-voting Crown representative appointed by the Minister for Arts, Culture and Heritage. The term of the Authority aligns with the term of the Council.

Under the Act, the Tūpuna Maunga Authority is the administering body for each Maunga for the purposes of the Reserves Act 1977, with two exceptions of Maungauika / North Head and Rarotonga / Mount Smart.

Maungauika / North Head has previously been administered by the Crown (Department of Conservation) but has now been transferred to the Tūpuna Maunga Authority. Routine management is now undertaken by council under the direction of the Tūpuna Maunga Authority in the same way as for the other Maunga.

Responsibility for administration and management of Rarotonga / Mount Smart remains with Auckland Council (Regional Facilities Auckland) under the Mount Smart Regional Recreation Centre Act 1985 and Reserves Act 1977.

The Tūpuna Maunga Authority is also the administering body for Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain and the Maungakiekie / One Tree Hill northern land.

The legislation provides for funding and staff resourcing through Auckland Council. The Authority is currently supported by a core team of eight council staff across the Governance and Parks, Sport and Recreation units.

The scale of this co-governance arrangement is unparalleled in Auckland and the resulting unified and cohesive approach to caring for the Maunga has garnered widespread support.

STRATEGIC FRAMEWORK:

TŪPUNA MAUNGA INTEGRATED MANAGEMENT PLAN

The Tūpuna Maunga Integrated Management Plan (“IMP”) sets the foundations for how the Tūpuna Maunga are valued, protected, restored, enhanced, and managed in the future with equal consideration and reverence. The IMP established a set of Values for the Tūpuna Maunga which are outlined below.

The IMP was developed in accordance with Section 41 of the Reserves Act to provide for and ensure the use, enjoyment, maintenance, protection, preservation, and development as appropriate for the reserve purposes for which each of the Tūpuna Maunga is classified. This single integrated plan replaces the former separate legacy reserve management plans for the Tūpuna Maunga.

The IMP was approved in 2016 following a public consultation process and are available at www.maunga.nz.

TŪPUNA MAUNGA INTEGRATED MANAGEMENT PLAN STRATEGIES

The Tūpuna Maunga Integrated Management Plan Strategies are the next level of policy development for the Tūpuna Maunga and aim to support the Values and Pathways in the Tūpuna Maunga Integrated Management Plan 2016.

The IMP Strategies was approved in 2019 following a public consultation process and are available at www.maunga.nz.

TŪPUNA MAUNGA VALUES

Within the Tūpuna Maunga Integrated Management Plan, the Tūpuna Maunga Authority has articulated a set of values of the Tūpuna Maunga. The values promote the statutory purpose of the Tūpuna Maunga under section 109 of the Collective Redress Act, where in exercising its powers and functions the Authority must have regard to the spiritual, ancestral, cultural, customary and historical significance of the Tūpuna Maunga to Ngā Mana Whenua.

The values provide a strategic framework to guide the Tūpuna Maunga Authority in making any decision about the Tūpuna Maunga.

The values weave together and give expression to mana whenua and other world views, and the connections and histories in a manner that highlights the way in which these views complement each other and create a richness to the relationship people have with the Tūpuna Maunga and multiple ways in which ways in which these relationships are thought of and expressed.

VALUE	PATHWAYS
WAIRUATANGA / SPIRITUAL	• Restore and recognise the relationship between the Maunga and its people. • Recognise the tihi is sacred. • Tread gently. • Treat the Maunga as taonga tuku iho – treasures handed down the generations.
MANA AOTŪROA / CULTURAL AND HERITAGE	• Enable mana whenua role as kaitiaki over the Tūpuna Maunga. • Recognise European and other histories, and interaction with the maunga. • Encourage culturally safe access. • Restoring customary practices and associated knowledge.
TAKOTORANGA WHENUA / LANDSCAPE	• Protect the integrity of the landscape of the Tūpuna Maunga. • Active restoration and enhancement of the natural features of the Maunga. • Encourage activities that are in keeping with the natural and indigenous landscape. • Encourage design that reflects Tūpuna Maunga values. • Promote a connected network of Tūpuna Maunga. • Preserve the visual and physical integrity of the Maunga as landmarks of Tāmaki.
MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY	• Strengthen ecological linkages between the Tūpuna Maunga. • Maunga tū mauri ora, Maunga tū makaurau ora / if the Maunga are well, Auckland is well. • Protect and restore the biodiversity of the Tūpuna Maunga.
MANA HONONGA TANGATA / LIVING CONNECTION	• Rekindle the sense of living connection between the Maunga and the people. • Give expression to the history and cultural values of the Tūpuna Maunga. • Actively nurture positive relationships. • A place to host people.
WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL	• Alignment with the Tūpuna Maunga values. • Foster partnerships and collaboration. • Focus on commercial activities that create value and enhance experience. • Explore alternative and self-sustaining funding opportunities.
MANA WHAI A RĒHIA / RECREATIONAL	• Balance informal and formal recreation. • Encourage informal inclusive recreational activities. • Recreational activities consistent with tikanga Māori. • Maunga are special places and treasures handed down. • Promote health and wellbeing.

TŪPUNA MAUNGA OPERATIONAL PLAN 2022/23

Each financial year, the Tūpuna Maunga Authority and Council must agree an annual operational plan to provide a framework in which the Council will carry out its functions for the routine management of the Tūpuna Maunga and administered lands for that financial year, under the direction of the Tūpuna Maunga Authority.

The Tūpuna Maunga Operational Plan 2022/23 identifies a number of projects to be delivered or commenced in the coming financial year and the subsequent two financial years. The Tūpuna Maunga Operational Plan 2022/23 also sets out the 10-year work programme and funding envelope confirmed through the Long Term Plan 2021-2031. The budget for 2022/23 and the subsequent years fits within this funding envelope.

A copy of the Operational Plan can be found at [Mahere, Kaupapa here e Tikanga / Tūpuna Maunga Authority]

PRIORITY PROGRAMMES AND PROJECTS OVER THE NEXT 3 YEARS INCLUDE:

POLICY AND MANAGEMENT

- Develop individual Tūpuna Maunga plans to provide direction on how the Values, Pathways, guidelines and strategies should be reflected on each Tūpuna Maunga.
- Progressing the potential transfer of administration over certain Maunga reserve lands from the Department of Conservation to the Authority, and the potential transfer of the administration of land contiguous to other Tūpuna Maunga
- Establishment of a compliance programme including a review of current and establishment of appropriate bylaws.
- Development of individual Tūpuna Maunga plans which reflect the Integrated Values and Pathways, overarching guidelines and strategies for each of the Tūpuna Maunga.

HEALING THE MAUNGA

VALUES:

TAKOTORANGA WHENUA / LANDSCAPE VALUE

- Protection and restoration of the tihi (summits) including reconfiguring space and provision of cultural infrastructure.
- Protection and restoration of historic kumara pits, pā sites and wahi tapu
- Development of infrastructure to enhance visitor experience including provision of carparks, amenity areas and ancillary infrastructure such as wharepaku/ toilets.
- Removal of redundant infrastructure (built structures, water reservoirs, impermeable surfaces, etc) and returning areas to open space

EDUCATION, COMMUNICATIONS AND PARTNERSHIPS

VALUES:

WAIRUATANGA / SPIRITUAL VALUE

- On-site staff to protect and enhance the Tūpuna Maunga and the visitor experience
- Volunteer programmes to connect communities to the Tūpuna Maunga
- Education programmes, community events and a bespoke website that celebrates the living connection that all communities have with the Tūpuna Maunga
- Implementation of the Education Strategy to promote the values of the Tūpuna Maunga and the unique history and whakapapa of Ngā Mana Whenua. This includes exploration of visitor centre opportunities, connecting with communities of learning such as schools and the development of a communications strategy.

CULTURAL CONNECTION

VALUES:

MANA AOTŪROA / CULTURAL AND HERITAGE VALUE

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

- Development of a programme of work which enables Ngā Mana Whenua to express their living and unbroken connection with the Tūpuna Maunga. This may include cultural interpretation including distinct entrance ways, pou whenua, pa reconstructions, kaitiaki opportunities, and other cultural activities.
- Mana whenua living connection programme focusing on their role as kaitiaki (guardians), restoring customary practices and associated knowledge and enabling cultural activities

BIODIVERSITY/BIOSECURITY

VALUES:

MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY VALUE

- Restoration of indigenous native ecosystems; reintroducing native plants and attracting native animal species; removing inappropriate exotic trees and weeds (For context, see pages 58, 65-66, 71, 87, and 90-91 of the Tūpuna Maunga Authority Integrated Management Plan, and at pages 7 and 34 of the Integrated Management Plan Strategies)
- Pest control on all Maunga in line with Auckland's plan to be pest free by 2050
- Researching options to achieve efficient and effective animal and pest control methods, which includes a phased reduction in the use of herbicides and pesticides on the Tūpuna Maunga.

RECREATION AND ACTIVATION

VALUES:

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

MANA WHAI A RĒHIA / RECREATIONAL VALUE

- Exploration of facilities and activities on, around and between the Tūpuna Maunga which provide for passive and active recreational opportunities.

COMMERCIAL

VALUES:

WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL VALUE

- Develop and implement a commercial framework which ensures continued investment back into the Tūpuna Maunga. This includes exploration of potential commercial activities and facilities, as well as the development of a concession framework for commercial operators on the Maunga.

All projects are designed to deliver outcomes for the 13 iwi/hapū of the Tāmaki Collective and all the people of Auckland, enhance the mana and mauri of the Tūpuna Maunga and deliver improved open spaces across the eight local board areas.

They will also enable a compelling case in a future UNESCO World Heritage bid for the Tūpuna Maunga, which will contribute to a Māori identity that is Auckland's point of difference in the world. The bid for World Heritage status will require a dedicated resource and will continue to be progressed in this financial year in partnership with the Department of Conservation.

SUMMARY OF INDICATIVE FUNDING REQUIREMENTS

The funding for Tūpuna Maunga is set at a regional level. The 10 Year budget to enable the priority projects and programmes in the council's 10 Year Budget (Long Term Plan) 2021-31 is shown in Table 2.

The budget for 2021-22 fits within this 10 Year Budget (Long Term Plan) 2021-31 funding envelope.

FUNDING ENVELOPE FOR THE TŪPUNA MAUNGA AUTHORITY IN THE COUNCIL'S 10 YEAR BUDGET (LONG TERM PLAN) 2021-31

FUNDING ENVELOPE	2021/22 $000's	2022/23 $000's	2023/24 $000's	2024/25 $000's	2025/26 $000's	2026/27 $000's	2027/28 $000's	2028/29 $000's	2029/30 $000's	2030/31 $000's
Net operating expenditure:*										
Net operating expenditure: 2021-31**	3,489	3,512	3,642	3,897	3,917	3,917	3,917	4,358	4,460	4,557
Net operating expenditure: 2021-31(including inflation)***	3,524	3,600	3,792	4,127	4,219	4,297	4,376	4,955	5,160	5,364
Capital expenditure 2021-31	6,925	8,875	9,086	9,395	9,820	12,780	12,800	13,056	13,317	13,583
Total LTP Funding Requirement 2021-31	10,414	12,387	12,728	13,292	13,737	16,697	16,717	17,414	17,777	18,141
Total LTP Funding Requirement 2021-2031 (including inflation)	10,449	12,475	12,878	13,522	14,039	17,077	17,176	18,011	18,478	18,948

Notes:

* Net operating expenditure excludes depredation

** Figures are in 2020/21 year values

*** Inflation is calculated at Council agreed rates

Image: Maungarei/Mount Wellington from Maungakiekie / One Tree Hill

5.2 Increasing local board decision-making over local community services

Background

We provide local community services like local parks, libraries, pools, recreation centres, community halls and events that support strong Auckland communities. Decisions over local community services are currently made by either local boards or the Governing Body. For example;

- the Governing Body (the mayor and the councillors) are responsible for decisions on where new local facilities will be built, investment in existing assets and facilities, and the allocation of funding to deliver services
- local boards are responsible for decisions over the services and programmes delivered in their area using this funding.

Governance review

The allocation of local community service funding among local boards is largely unchanged from that provided by the local authorities that became Auckland Council in 2010.

In 2016 we commissioned an independent review[1] of how well our governance model was operating compared to expectations at the time of the 2010 amalgamation. While this led to a programme of initiatives to improve our governance, it did not address inconsistencies in local decision-making and service inequities among local boards.

In September 2017 the Governing Body agreed in principle that local boards should have greater decision-making over local community services but sought further information before making final decisions. In October 2021 the Governing Body approved proposals, subject to consultation through the Annual Budget, to enable better representation of local views and priorities and allow stronger alignment of responsibilities with legislation.

We now seek public feedback on the proposal to increase local board decision-making responsibilities on all local community services and assets within the funding envelope allocated to each local board by the Governing Body.

Under these changes local boards will make most of the decisions on local community services where those decisions are currently spilt between local boards and the Governing Body. Local boards will:

- have greater direct influence on local community services
- be responsible for the prioritisation of services within the overall local community service funding envelope allocated to them
- be less reliant on advocating to the Governing Body to achieve local outcomes aligned to local community priorities.

These changes will also mean that Aucklanders will be able to engage with local boards on local community service issues knowing that local boards have decision-making over the delivery of those service outcomes.

Although these changes, if approved, will be enabled in the period covered by Annual Budget 2022/2023, they will be largely progressed by inclusion in draft local board plans for public consultation in 2023.

The estimated cost of these changes is $500,000 to cover one-off implementation costs and $2.0-2.8 million per annum to cover the increased cost of providing local boards with advice and decision-support.

[1] Auckland Council - Governance Framework Review Report, November 2016 (aucklandcouncil.govt.nz)

Implementing proposed changes

Implementing these changes requires amendments to:

- Decision-Making Responsibilities of the Auckland Council Governing Body and Local Board Policy to:
    - formally allocate intended responsibilities to local boards
    - set minimum service levels for local boards to meet or exceed when making service decisions
    - provide for shared decision-making between local boards and the Governing Body where services serve a large customer base beyond the local board in which the service is located. These are called multi-board services.
- The Local Board Funding Policy to reflect the increased local board flexibility over services and budgets.

Proposed changes to each of these policies are in the following section:

5.3 Decision-making responsibilities of Auckland Council's Governing Body and local boards

This policy sets out Auckland Council's allocation of decision-making responsibilities of non-regulatory activities among the Governing Body and local boards. Providing context for this is:

- an overview of the sources of decision-making responsibilities for the Governing Body and local boards
- a summary of the associated powers.

Sources of decision-making responsibilities

The Governing Body and local boards obtain their decision-making responsibilities from three sources.

(a) Statutory decision-making responsibilities

The Governing Body and local boards have statutory responsibilities under the Local Government (Auckland Council) Act 2009 (Act). These statutory responsibilities are not repeated in the allocation table.

(b) Delegation of decision-making responsibilities

The Governing Body can delegate some of its decision-making responsibilities to local boards.

The Governing Body and local boards can also be delegated decision-making responsibilities from Auckland Transport.

(c) Allocation of decision-making for non-regulatory activities

The Governing Body is required by legislation to allocate decision-making responsibility for the non-regulatory activities of Auckland Council to either the Governing Body or local boards, in accordance with the principles contained in section 17(2) of the Act. This provides as follows:

a) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its local boards unless paragraph (b) applies:

b) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its Governing Body if the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because-

   i. the impact of the decision will extend beyond a single local board area; or

   ii. effective decision making will require alignment or integration with other decisions that are the responsibility of the Governing Body; or

   iii. the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.

Decision-making for non-regulatory activities can only be allocated to either the Governing Body or to a local board. Where more than one local board has an interest in a local activity then section 16(3) of the Act provides that:

… a local board should collaborate and co-operate with 1 or more other local boards in situations where the interests and preferences of communities within each local board area will be better served by doing so.

The non-regulatory decision-making allocation is required to be identified in the Auckland Council's Long-Term Plan and Annual Plans (section 14(3) of the Act).

Statutory and delegated decision-making responsibilities

(a) Statutory decision-making responsibilities

Governing Body: The Governing Body is a local authority, and hence has the power of general competence under section 12 of the Local Government Act 2002. In addition, the Governing Body has specific statutory decision-making responsibility for the following:

- the regulatory activities of Auckland Council (such as Unitary Plan, consenting, and bylaws)
- allocation of non-regulatory activities to either local boards or the Governing Body
- any non-regulatory activities of Auckland Council that are allocated to the Governing Body
- agreeing local board agreements with local boards
- emergency management
- compliance with the financial management requirements of section 101 of the Local Government Act (including the Annual Plan, the Long-term Plan, and financial policies)
- regional strategies and policies (such as the Auckland Plan and the Local Board Funding Policy)
- governance of Council-Controlled Organisations
- appointment of the Chief Executive
- maintaining the capacity of Auckland Council to provide its services and facilities (including the disposal and acquisition of assets)
- transport networks and infrastructure.

Local boards: The statutory role of local boards includes decision-making responsibility for the following:

- any non-regulatory activities of Auckland Council that are allocated to local boards
- adoption of local board plans
- agreement of local board agreements (with the Governing Body) and monitoring the implementation of local board agreements - this can include proposing a local targeted rate
- providing input into regional strategies, policies and plans
- proposing bylaws for the local area
- community engagement, consultation and advocacy.

Local boards are not local authorities but will act as such for specified allocated matters, or those matters set out in the Act.

When exercising their respective decision-making responsibilities, the Governing Body and local boards must ensure compliance with all statutory requirements. This includes the council's obligations under the Health and Safety at Work Act 2015.

(b) Delegated decision-making responsibilities

To date the Governing Body has delegated the following decision-making responsibilities to all local boards[1]:

- input into notification decisions for resource consent applications
- amendments to the Policy on Dogs in relation to any dog access rules in local parks, local beaches or local foreshore areas in their local board area
- making objections to liquor licensing applications (on, off, club and special licences) under the Sale and Supply of Alcohol Act 2012
- making, amending or revoking alcohol bans, except in areas of regional significance
- certain powers under the Reserves Act 1977 for local reserves:
    - declaring a reserve under section 14(1)
    - classifying a reserve under sections16(1) or 16(2A)
    - reclassifying a reserve under section 24(1)
    - proposing the revocation of reserve status under section 24(1), where the request to revoke is because the local board wishes to manage the land under the Local Government Act 2002
- disposal of local service property and reinvestment of sale proceeds in accordance with the service property optimisation approach (as adopted by the Governing Body).

The Governing Body has also delegated the following decision-making responsibilities to:

- Aotea/Great Barrier Local Board, for-
    - authorising the destruction of wandering stock on Great Barrier Island, in accordance with the Impounding Act 1955
    - decision-making on operational cemeteries on Great Barrier Island

One-off delegations to local boards from the Governing Body that are given on an ad hoc basis are not recorded in this policy.

There are currently no delegations in place from Auckland Transport to either the Governing Body or local boards.

[1] This is intended to summarise key existing delegations made by the Governing Body, and is not intended to be an exhaustive list of all delegations to local boards. Refer to the relevant resolutions for the detail of each delegation.

Allocation of decision-making for non-regulatory activities

The allocation of decision-making responsibility to the Governing Body and to local boards for the non-regulatory activities of the council is set out in the following tables. These will apply from 1 July 2022.

The allocation has been written on an inclusive basis. It does not contain an exhaustive list of all elements that make up an allocated activity. To aid interpretation, elements of the key decision-making responsibilities of local boards and the Governing Body are provided for each allocated activity.

It is intended that the allocation be interpreted on a principled basis. Given the broad range of activities undertaken by the council, it is not possible to list in precise detail all elements that are allocated to a local board or the Governing Body. Instead, the allocation is applied on a case-by-case basis.

This needs to take into account the principles of section 17 of the Local Government Auckland Council Act. The general principle is that a non-regulatory decision will be made by local boards unless the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland.

Group of activities	Local Board non-regulatory responsibilities *Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.*	Governing Body non-regulatory responsibilities *The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.*
Local council services **and** **Regionally delivered council services**	**Local governance *including*:** • decision-making and oversight of decisions on local activities • development of local policy positions such as determining areas in which activities may take place and local service specifications • submissions to government on legislation where it specifically relates to that local board area only • civic duties, engagements and functions in the local area, including citizenship ceremonies and recognition of volunteers.	**Regional governance *including:*** • decision-making and oversight of decision on regional activities • submissions to government on legislation including official submissions of Auckland Council incorporating local board views • regional civic duties, engagements and functions.
	Explanatory notes: • A local board does not have the power to make submissions or objections on matters where the council is exercising its regulatory responsibilities unless specifically delegated by the Governing Body. • Local boards have a statutory role identifying and communicating the interests and preferences of its communities in relation to policies, plans and bylaws.	
	Local planning and development *including*:	**Regional planning *including:*** • Auckland Plan, area plans, regional spatial priority areas and prioritised development areas focusing on

• local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans	growth development and key infrastructure priorities • regional strategies, policies and plans • Auckland-wide place-shaping activities, including regional leadership to create Auckland's identity.
Street environment and town centres including: • maintenance of the local street environment and local centres, within parameters set by the Governing Body • improvements to the local street environment and town centres excluding any improvements that are integral to centres prioritised for growth as set out in the Auckland Plan • naming of roads pursuant to section 319(1)(j) of the Local Government Act 1974.	*Street environment and town centres including:* • street environment and town centres strategy and policy, including the classification of town centres • centres that are prioritised for growth as set out in the Auckland Plan
Business area planning including: • local economic development plans, projects and initiatives (including local centre branding and marketing and local business events) within parameters set by regional strategies, policies and plans • Business Improvement District (BID) programmes, including the strategic direction (in partnership with the business association), establishment of new BIDs within the parameters set by the BID policy and recommending BID targeted rates to the Governing Body.	*Economic development including:* • regional economic development strategy and policy, such as Auckland economic development strategy, investment framework and BID policy • international relationships, including entering into new relationships and ending existing relationships • Auckland-wide economic development programmes and initiatives, including regional business events, and branding and marketing for the city centre, metropolitan centres and centres prioritised for growth as set out in the Auckland Plan.

Explanatory notes:

- Area plans will require a high degree of involvement and formal endorsement by local boards. The adoption decision sits with Governing Body as it requires alignment and integration with other Governing Body responsibilities including regulatory plans, infrastructure prioritisation, asset and funding decisions.
- Regional strategies and policies are not intended to be prescriptive or unduly restrict the decision-making role of local boards. Where they relate to local activities, they provide regional parameters within which local boards then make decisions on local activities.
- Development of the city centre waterfront is the responsibility of Panuku Development Auckland.

- Auckland Transport has significant decision-making responsibilities within the street environment and town centres.
- A number of agencies will be involved in the delivery of transformation programmes.
- Major events, tourism and visitor centres, and business attraction and development are the responsibility of Auckland Unlimited.

Delete text:	Local parks and community services *including*: *Arts and culture including:*	Regional parks and community services *including*: *Arts and culture including* • the number and general location of all new arts and cultural facilities and the prioritisation of major upgrades to all existing arts and culture facilities
Add text: *Parks and community services*	*Local arts and culture activity including:* • number of new local arts and culture facilities and their specific location, design, build and fit out within budget parameters agreed with the Governing Body	*Regional arts and culture activity including:*
	• the use of local arts and culture facilities, including changes of use • local arts and culture projects, initiatives and events • local public artwork and local public art programmes • local community funding and grants • tailoring regional arts and culture programmes and events to local needs	• any new arts and culture facilities acquired for an Auckland-wide purpose or function • the use of regional arts and culture facilities • regional arts and culture strategy and policy • regional arts and culture programmes and events • regional public artwork and regional public art programmes • development, maintenance and access to the regional visual arts collection, including exhibitions and interpretive programmes • region-wide community funding and grants • regional arts and culture programmes, which can be tailored to local needs

Delete text:	*Events including:*	*Events including:*
Add text:	*Local events including:*	*Regional events including:*
	• attraction, development, delivery and promotion • sub-regional events which are the responsibility of the local board in which the event is located, in collaboration with other affected local boards • local events sponsorship, funding and grants • tailoring regional events programmes to local needs	• regional events strategy and policy, including region-wide events plan • coordinating regional events, including attraction, development, delivery and promotion • regional events sponsorship, funding and grants • regional events programmes, which can be tailored to local needs
Delete text:	*Community development and facilities including:* • The specific location, design, build and fit out of new local community facilities within budget parameters agreed with the Governing Body	*Community development and facilities including:* • the number and general location of all new community facilities and the prioritisation of major upgrades to all existing community facilities
Add text:	*Local community development and facilities including:* • the number of new local community facilities and their specific location, design, build and fit out within budget parameters agreed with the Governing Body	*Regional community development and facilities including:*
	• plans, projects and initiatives specific to the local area • tailoring region-wide community development and safety programmes to local needs • facilitating community-led placemaking and development initiatives • community advisory services • local community funding and grants • the use of local community facilities, including leasing and changes of use	• regional community development strategy and policy • regional community development and safety programmes which can be tailored to local needs • regional community funding and grants • the location design and use of any new community facilities developed for an Auckland-wide purpose • social housing, such as housing for the elderly

Delete text:	*Libraries including:* • the specific location, design, build and fit out of new local libraries within budget parameters agreed with the Governing Body	*Libraries including:* • the number and general location of all new libraries and the prioritisation of major upgrades to existing libraries • the mobile library service
Add text:	*Local libraries including:* • the number of new local libraries and their specific location, design, build and fit out within budget parameters agreed with the Governing Body	*Regional libraries including:* • the mobile library and digital library services
	• the design and type of community facilities within local libraries • the use of local libraries including local exhibitions, programmes and events within local libraries	• libraries strategy and policy • the libraries' collection policy and practice (including development and maintenance of all library collections) • regional exhibitions, programmes and events within libraries • the central library, other than the ground and first floors
Delete text:	*Recreation facilities and initiatives including:* • the specific location, design, build and fit out of new local recreation and sports facilities within budget parameters agreed with the Governing Body	*Recreation facilities and initiatives including:* • the number and general location of all new recreation and sports facilities (including sports stadiums) and the prioritisation of major upgrades to all existing recreation and sports facilities
Add text:	*Local recreation facilities and initiatives including:* • the number of new local recreation and sports facilities and their specific location, design, build and fit out within budget parameters agreed with the Governing Body	*Regional recreation facilities and initiatives including:*
	• the use of local recreation facilities and initiatives including leasing and changes of use • local recreation and sports programmes • local community funding and grants • tailoring regional recreation and sports programmes to local needs.	• any new recreational facilities developed for an Auckland-wide purpose or function • the use of regional recreation and sports facilities (including sports stadiums) • coordination of the use of recreation and sports facilities on a regional basis

		• regional recreation and sports strategy and policy • regional recreation and sports programmes, which can then be tailored to local needs • regional community funding and grants
Delete text:	Parks including: • the specific location of new local parks (including the prioritisation for acquisition) within budget parameters agreed with the Governing Body	Parks including: • the number and general location of all new parks and the prioritisation of major upgrades to existing parks (including sports fields within parks)
Add text:	*Local parks including:* • the number of new local parks and their specific location within budget parameters agreed with the Governing Body	*Regional parks including:*
	• reserve management plans for local parks • local parks improvements and place shaping • the use of and activities within local parks, such as community events and community planting programmes • cemeteries that are no longer in regular active use and are functioning as local parks • naming of local parks.	• any new parks acquired for an Auckland-wide purpose or function • regional open space strategy and policy, including open space network plan and volcanic cones strategy • reserve management plans for regional parks • the use of and activities within regional parks • coordination of the use of all sports fields on a regional basis • Open cemeteries.

Explanatory notes:

- Definitions of local and regional events are set out in schedule 2 in accordance with the Auckland Council Events Policy.
- Regional sports facilities and regional events facilities and amenities are the responsibility of Auckland Unlimited. These include the Viaduct Events Centre, stadium management, The EDGE, Auckland Zoo and the Auckland Art Gallery.
- The decision-making of local boards in relation to local parks may be constrained where decisions relate to council stormwater management activities, including the stormwater network.
- For the purposes of this allocation, parks includes land held under the Reserves Act 1977.

Combine headings for Environmental management and Stormwater:

Environmental management and Stormwater	Local environmental management *including*: • local environmental initiatives and projects • facilitating community-led placemaking and development initiatives • local stormwater quality projects within regional frameworks • local waste management plans and projects within regional parameters set out in the Waste Minimisation and Management Plan.	Waste services and Environmental services *including*: • regional environmental, heritage and urban design strategy, policy and guidelines • regional environmental programmes and projects • waste management, including the Waste Minimisation and Management Plan • landfill management • environmental research and monitoring. Stormwater management including: • the stormwater network, including catchment management plans, the Te Arai Drainage District, the Okahuhura Drainage Area and the Glorit Drainage District (located in Rodney Local Board)

Explanatory notes:

- Local board input into regional environmental programmes is provided for at the programme approval stage. The prioritisation of projects within these regional programmes will be guided by the approved programme direction and ecological considerations. Where projects are to be delivered locally, local board input will be invited to ensure the projects are tailored to local circumstances.

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
Fees and charges	Setting of fees and charges for local activities ***excluding:*** • library collections fees and charges; and • any fees and charges for local activities that are set on a region-wide basis by the Governing Body in a regional policy.	Setting of fees and charges for regional activities ***including****:* • library collections fees and charges. • regional fees and charges for local activities that are set by the Governing Body in a regional policy

Delete text:

Service specifications	Setting of service specifications for local activities ***subject to*** any minimum service specifications that the Governing Body has decided, for policy reasons, to set on an Auckland-wide basis.	Setting of service specifications for regional activities and minimum service specifications for local activities where the Governing Body decides to do so for policy reasons.

Add text:

Service levels	Setting of service levels for local activities ***subject to*** any minimum service levels that the Governing Body has decided, for policy reasons, to set on an Auckland-wide basis.	Setting of service levels for regional activities and minimum service levels for local activities where the Governing Body decides to do so for policy reasons.

Explanatory notes:

- Minimum service levels may be amended and approved by Governing Body as required and will be reported in each long-term plan and annual plan.
- Proposed minimum service levels, subject to approval by the Governing Body, are attached at Schedule 3.
- Significant service level changes, including changes with material organisational impacts, would be adopted under Local Board Plans following public consultation

Add new section:

Multi-board services	Service investment, operation, renewals and service levels in accordance with the governance approach for multi-board services determined by the Governing Body	Governance approach for multi-board services including classification of local multi-board services

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
Procurement	Procurement for local activities and:	Procurement for regional activities and: • procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis
Delete text:	*excluding:* procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis.	• the procurement policy for Auckland Council.
	Explanatory notes: • There are significant efficiencies to be gained by the Governing Body procuring some contracts on a larger scale or a coordinated basis. This is likely to cover areas like parks and facilities maintenance, security and cleaning, which involve local and regional assets and facilities across Auckland. (The guidelines for procuring these types of contracts will be contained in the procurement manual. Procurement for most local activities will though, remain a local board decision-making responsibility). • Local boards will set the service specifications as they relate to their local area as set out in the allocation above.	
Add text:	• local service levels of major service delivery contracts as they relate to the local board area	• the Group Procurement Policy for Auckland Council.

Explanatory notes:

- The Governing Body procures some Auckland-wide contracts over local facilities and assets for greater cost-efficiency than could be achieved on a local basis.
- Procurement of these types of contracts is undertaken in line with the Group Procurement Policy, and overseen by the Strategic Procurement Committee
- Procurement for other local activities will remain a local board decision-making responsibility

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
Delete text: *Asset renewal*	Maintaining service capacity and integrity of local assets throughout their useful life in accordance with Auckland-wide parameters and standards set by the Governing Body.	Maintaining the service capacity and integrity of regional assets throughout their useful life and setting Auckland-wide parameters and standards for all asset management planning.
Add text: *Asset renewal and major upgrades*	Maintaining service capacity and integrity of local assets throughout their useful life in accordance with Auckland-wide parameters, standards and minimum service levels set by the Governing Body.	Maintaining the service capacity and integrity of regional assets throughout their useful life and setting Auckland-wide parameters, standards and minimum service levels for all asset management planning.
Other activities of Auckland Council		All other non-regulatory activities of Auckland Council

Explanatory note:

- An assessment of the principles for allocating non-regulatory decisions set out in section 17 of the Local Government Auckland Council Act must be considered before applying this allocation

Schedule 1- Governance of parks

1. The Governing Body has governance responsibility for the following regional parks and contiguous land.

Regional Parks	
Auckland Council has classified the following as regional parks:	
Ambury	**Scandrett**
Ātiu Creek	**Shakespear**
Auckland Botanic Gardens	**Tāpapakanga**
Āwhitu	**Tāwharanui**
Duder	**Tawhitokino**
Glenfern Sanctuary	**Te Ārai**
Hūnua Ranges	**Te Muri**
Long Bay	**Te Rau Pūriri**
Mahurangi	**Waharau**
Motukorea / Browns Island	**Waitākere Ranges**
Muriwai (excluding Muriwai Village Green)	**Waitawa**
Mutukaroa / Hamlins Hill	**Wenderholm**
Ōmana	**Whakanewha**
Ōrere Point	**Whakatīwai**
Pakiri	
Te Motu a Hiaroa / Puketutu	

Land contiguous with Regional Parks		
Relevant Regional Park	**For the avoidance of doubt, land listed below is part of the adjacent regional park**	
Long Bay	Piripiri Park	Section 1 SO 70452
Mahurangi	Scott Point Reserve, Te Kapa Peninsula	Lot 15 DP 44711
		Sec 216 Mahurangi Village SO 43441
		Lot 14 DP 44711
Muriwai	Oaia Reserve, Muriwai	Lot 11 DP 58521
Te Ārai	Te Ārai Reserve	Lot 1 DP 66227
		Lot 1 DP 59556
Waitākere Ranges	Mārama Plantation Reserve, Little Huia	Lot 12 DP 27798
	Douglas Scenic Reserve	Lot 31 DP 77453
	Rāroa Park	Lot 100 DP 21358

Regional Parks		
	Parkland surrounding Waitākere Quarry Scenic Reserve	Lot 2 DP 193044
	Karekare Reserve	Lot 31 DP 40109
	Lone Kauri Road – 3 reserves	Lot 99 DP 42402
		Lot 106 DP 42402
		Lot 107 DP 42402
	South Piha Plantation Reserve	Lot 77 DP 31268
	Lake Wainamu Scenic Reserve	Section 3 Block 1/Waitakere SD/
	Tasman View Esplanade	Lot 90 DP 42223
	Lake Wainamu Walkway	Pt Waitakere 1A (Easement over lake edge only)
	Waitoru Reserve, Bethells Rd	Pt Allotment 5 PSH OF Waitakere
Whakanewha	Upland Road Walkway	Lot 489 DP 20610 Pt Whakanewha Block

2. Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority) has governance decision-making responsibility for the following maunga.

Parks under the administration of the Maunga Authority
Matukutūruru / Wiri Historic Reserve
Maungakiekie / One Tree Hill
Maungarei / Mt Wellington
Maungauika (North Head)
Maungawhau / Mt Eden
Ōhinerau / Mt Hobson
Ōhuiarangi / Pigeon Mountain
Ōtāhuhu / Mt Richmond
Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert
Puketāpapa / Pukewīwī / Mount Roskill
Takarunga / Mount Victoria
Te Kōpuke / Tītīkōpuke / Mount St John
Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain
Te Tātua a Riukiuta / Big King
Note: ownership of Maungakiekie / One Tree Hill Northern land remains with the Crown and it is administered by the Maunga Authority under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 and the Reserves Act 1977.

3. Post settlement governance entities have governance responsibility for the following reserves.

Park name	Governance entity	Relevant legislation
Kaipātiki (formerly Parakai Recreation Reserve)	Te Poari o Kaipātiki ki Kaipara (formerly Parakai Recreation Reserves Board)	Ngāti Whātua o Kaipara Claims Settlement Act 2013
Whenua Rangatira and Pourewa Creek Recreation Reserve	Ngāti Whātua o Orākei Reserves Board	Ngāti Whātua Ōrākei Claims Settlement Act 2012

4. The Governing Body has responsibility for the majority of land contiguous to Tūpuna Maunga governed by the Maunga Authority. The Ngā Mana Whenua o Tāmaki Makaurau Redress Act 2014 provides for the transfer of administration by the council of these lands to the Maunga Authority at the discretion of the Governing Body.

Land contiguous with parks subject to Treaty of Waitangi settlement	
Park subject to Treaty of Waitangi Settlement	Contiguous council owned land allocated to the Governing Body
Maungawhau / Mt Eden	Lot 1 DP 131932
Maungarei / Mt Wellington	Lot 200 DP 436081
Ōhinerau / Mt Hobson	Pt Allotment 2 SECT 11 SBRS OF Auckland
Ōhuiarangi / Pigeon Mountain	Lot 182 DP 98841
	Lot 183 DP 98841
	Section 1 SO 434440
	Section 2 SO 434440
	Section 3 SO 434440
	Allotment 19 SECT 5 SM FMS NEAR Howick
Land contiguous with parks subject to Treaty of Waitangi settlement	
Ōtāhuhu / Mt Richmond	Lot 1 DP 47429
	Lot 2 DP 47429
	Lot 3 DP 47429
	Lot 4 DP 47429
	Lot 5 DP 47429
	Lot 6 DP 47429
	Lot 7 DP 47429
	Lot 8 DP 47429
	Pt Lot 10 DP 47429
Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert	Lot 29A DP 17682

Land contiguous with parks subject to Treaty of Waitangi settlement	
	Lot 19 DP 58177
	Lot 59 DP 16603
Te Kōpuke / Tītīkōpuke / Mount St John	Lot 1 DP 334602
	Lot 2 DP 413830
	Lot 13 DP 20564
	Lot 2 DP 35331
Te Tātua a Riukiuta / Big King	Lot 4 DP 44196
	Lot 3 DP 44196
	Lot 5 DP 108794
	Lot 4 DP 21107
	Lot 5 DP 108794
	Lot 1 DP 108794
	Pt Allotment 80 SECT 10 SBRS of Auckland

5. Other parks of regional significance

Other parks subject to special arrangements due to their regional significance	
Auckland Domain	Decision making allocation for Auckland Domain is geographically split, with the Waitemata Local Board being allocated responsibility for the playing fields areas and two community recreational leases (Auckland Bowling Club and Parnell Tennis Club), and the balance of land within Auckland Domain being allocated to the Governing Body. The Waitematā Local Board and the Governing Body have delegated decision making to the Auckland Domain Committee, a joint governance committee of the Waitematā Local Board and Governing Body.
Colin Dale Park	Decision making allocation for Colin Dale Park is geographically split, with Governing Body being allocated the responsibility for the motorsport precinct (44.3052ha) and Ōtara-Papatoetoe Local Board allocated responsibility for the land zoned for community use (10.1355ha)

Schedule 2 - Auckland Council Events Policy categories

The Events Policy identifies three categories of events, local, regional and major.

Local events - An event is considered to be a local activity governed by local boards unless it meets the criteria for a regional or major event as defined in this policy.

Regional and major events - An event must demonstrate the strategic outcomes, appeal, profile and economies of scale to be categorised a regional or major event as defined in the table below. It will have most, if not necessarily all, of the distinguishing characteristics below.

Event Category	Strategic Outcomes	Appeal – breadth and depth of the event	Profile	Regional Coordination
Regional	• delivers regional objectives set by the Governing Body • helps deliver on Auckland-wide strategies such as for sport and recreation, arts and culture • offers a distinctive event proposition for the region.	• demonstrates it draws from a regionally-distributed audience e.g. appeals to a specific demographic or interest group that is geographically dispersed across the region • demonstrates a size and scale that is regionally significant.	• has region-wide and maybe national profile, demonstrated through media and wide public awareness.	• demonstrates clear benefits of decisions being coordinated at a region-wide level only if the nature of the event is such that decision-making on an Auckland-wide basis will better promote community well-being across Auckland e.g. delivered in multiple locations across the region, ensuring regional distribution, ability to attract sponsorship, region-wide marketing and promotion.
Major	• delivers economic development outcomes • delivers significant economic return on investment provides measureable economic benefits such as significant increase in visitor nights.	• appeals to regional, national and international audiences and participants • a large mass appeal social event that is distinctive to Auckland.	• has regional, national and international profile.	

Add this new schedule introducing minimum service levels:

Schedule 3 – Minimum service levels for local community services

- Local community service levels must meet or exceed the following minimum service levels:

Intended Outcome	Minimum Service Level
• **Meet community expectations on opening times of libraries**	• All permanently staffed community libraries are open at least 44 hours and 6 days per week
• **Maintain effective circulation of the regional library collection across the network**	• Staffing to receive and dispatch regional collection items circulating around the network is sufficient to avoid backlogs of more than 7 days.
• **Provide a professional library and information service**	• A qualified librarian is available to a local board's libraries during library opening hours
• **Keep our customers safe and provide staff with a safe and healthy working environment**	• Where a service is staffed a minimum level of staffing will be required for safe operation and will comply with key legislation and regulation • Community assets are maintained to a safe and healthy condition
• **Pool services comply with Poolsafe standards**	• Maintain 'Poolsafe' standards for all opening hours
• **Pool and water safety for children**	• All children under 17yo swim for free in Council pools (as approved under LTP 2012-2022)
• **Citizenship ceremonies available to all new citizens**	• Citizenship ceremonies offered at least every quarter, by individual local board or in local board clusters

5.4 Local boards funding policy

Purpose/Introduction

The Local boards funding policy sets out how local boards are funded to meet the costs of:

- providing local activities
- administration support.

Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the Allocation of decision-making table in the 10-year Budget. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into three parts based on the nature of the service provided and the allocation of decision making between the Governing Body and local boards. The three classifications of activities are set out in the table below.

Nature of service	Nature of local board decision making role[1]	Examples of activities
Asset based services	Make decisions within parameters set by the Governing Body	Swimming pools, Libraries Local parks
Locally driven initiatives	Make decisions on how locally driven initiative funding allocated from Governing Body is spent	Local events Local community grants
Locally driven capital projects	Make decisions on how locally driven capital projects funding allocated from Governing Body is spent	Local park improvements Streetscape improvements

[1]Local boards make decisions on specific location, design, and build of new facilities, service standards, and renewals, within parameters set by the governing body. Local boards also decide on use of facilities, including change of use and leases. Local board's decision making is set out in full in the "Allocation of decision making responsibility for non-regulatory activities" in the 10-year Budget.

Local boards have decision making responsibility for fees and charges for both asset based services and locally driven initiatives within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

How local asset based services, locally driven initiatives, locally driven capital projects and administration support, will be funded is set out below.

Funding for local asset-based services

Local asset based services will be funded by:

Delete text:

1. fees and charges collected from local asset based services for base fee levels set by the Governing Body
2. plus any other revenue including grants, donations, and sponsorships
3. plus any revenue from a targeted rate set to fund local asset based services
4. plus general rate funding to meet the balance of costs for providing the services levels set by the Governing Body in the 10-year Budget for local asset based services being provided to each local board area.

Add text:

1. fees and charges set by the local board and collected from local asset based services
2. plus any other revenue including grants, donations, and sponsorships
3. plus any revenue from a targeted rate set by the Governing Body to fund local asset based services
4. plus general rate funding to meet the balance of costs of local asset based services being provided to each local board area, set by the Governing Body in the 10-year Budget after taking into account Governing Body expectations for fees, charges and other revenue.

Funding for locally driven initiatives (operational funding)

Funding sources

The amount of budget available to each local board for locally driven initiatives is determined by:

1. fees and charges collected from locally driven initiatives

Delete text:

2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)

Add text:

2. plus any funding surplus from local asset based services in excess of projected funding[1] by the Governing Body when setting general rates funding for local asset based services where the local board changes costs or revenue from local asset based services from the levels projected by the Governing Body
3. minus any funding deficit from local asset based services below that projected funding[1] by the Governing Body when setting general rates funding for local asset based services where the local board changes costs or revenue from local asset based services from the levels projected by the Governing Body

4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue from a targeted rate set to fund local activities in the local board area

plus an allocation from a budget pool for locally driven initiatives funded from the general rate.

[1] Projected funding is the level of funding the Governing Body would otherwise have provided in the absence of that local boards decisions to change revenues and/or costs

Level of total budget available for locally driven initiatives

The total general rates funded budget available for locally driven initiatives will be set by the Governing Body and will be identified in the 10-year Budget or annual plan.

Allocation of total budget pool

Each local board will be allocated a share of the total budget available after deducting the funding for the Aotea / Great Barrier Island Local Board and the Waiheke Island Local Board, see section 4.4 below. Each local board's share of the budget will be equivalent to its share of the regional population adjusted for deprivation[2] and land area, excluding Aotea/Great Barrier Island and Waiheke Island. This is set out in the table on the next page.

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population[1]	90 per cent	Local board population divided by the total population of all local boards[3]
Deprivation[2]	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board[3]
Land area	5 per cent	Local board land area divided by the total land area of all local boards[3]

[1] adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

[2] based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

[3] excluding Aotea / Great Barrier Island Local Board and Waiheke Local Board

Funding for Aotea/Great Barrier Island Local Board and Waiheke Island Local Board

The amount of budget available for locally driven initiatives on Aotea / Great Barrier Island and Waiheke Island is determined by:

1. fees and charges collected from locally driven initiatives
2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue collected from targeted rates set to fund local activities
6. plus a general rates allocation

General rates funding will be provided to meet the balance of the costs of providing locally driven initiatives on Aotea/Great Barrier Island and the Waiheke Island. This will be based on the expenditure on these activities agreed with the Governing Body in their local board agreements each year net of revenue generated from the items in 1 to 5 above.

[2] Population will be adjusted annually based on revised estimates from Statistics New Zealand.

Transition

The table below sets out the transition mechanism that will be applied from 2021/2022 onwards.

Local boards funded to the level of the allocation formula	Local boards funded above their allocation under the formula
Increases in the total budget for locally driven initiatives budget will be applied as per the formula	Locally driven initiatives budget will be held at its current absolute level (no increases for inflation) until it is exceeded by the allocation under the formula

Definition of local asset based services and locally driven initiatives

The Governing Body, after considering local board feedback, will determine which services are local asset based services and locally driven initiatives when the total budget for local activities is set.

Funding allocation for locally driven initiatives (capital funding)

This funding enables local boards to deliver small local asset based projects, either directly, in partnership with the community, or through joint agreements between boards.

The budget available for locally driven capital projects will be set by the Governing Body and will be identified in the 10-year Budget or annual plan. These funds will be allocated to local boards on the following basis:

1. one per cent of the total fund allocated to the Aotea/Great Barrier Island local board
2. two per cent of the total fund allocated to Waiheke Island local board
3. the remainder of the fund allocated to the remaining local boards, with each board's share equivalent to its share of the regional population adjusted for deprivation and land area, as set out in the table below:

Factor	Proportion of budget for locally driven capital projects	Local board share
Population[1]	90 per cent	Local board population divided by the total population of all local boards[3]
Deprivation[2]	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board[3]
Land area	5 per cent	Local board land area divided by the total land area of all local boards[3]

[1] adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

[2] based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

[3] excluding Aotea / Great Barrier Island Local Board and Waiheke Local Board

Funding allocation for other purposes

The Governing Body may make available funds to local boards for purposes other than local asset based services, locally driven initiatives, locally driven capital projects or administrative support. These funds will be allocated to local boards on the same basis as funding for locally driven initiatives (capital funding).

Funding allocation for administrative support

The funding for administrative support is allocated by adopting the following method:

a) Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member

b) Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

Funding allocation for non-dedicated purposes

There is no allocation of non-dedicated (general purpose) funding to local boards in the 10-year Budget 2021-2031.

Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing policy.

Section Six: Local board supporting information

Te Poari ā-Rohe o Albert-Eden

6.1 Albert-Eden Local Board

He kōrero mai i te Heamana

Message from the Chair

I am pleased to present our proposed local board priorities for the 2022/2023 financial year. Thank you for taking the time to consider them and give your feedback; we appreciate it.

We expect COVID-19 will continue to impact us all. We are adapting our work programmes to provide more support for our local residents, volunteer organisations and business associations through community grants and funding for networks, services and facilities that help build connectedness and resilience.

Our communities are witnessing huge amounts of housing intensification, and this is impacting on the way we live and get around. We continue to advocate for community needs to be a priority in planning for large housing developments and transport projects that take place locally. Intensive developments make it more important that we ensure our parks and open spaces provide for the changing needs for active and passive recreation and sport.

We continue to have a special interest in serving our diverse communities, our children and young people, and learning about the things that matter to them. Climate change is informing our planning and we are prioritising projects that have a low-carbon focus such as the Eco-neighbourhood programme, an Albert-Eden Low Carbon Plan and significant tree planting work. We are also protecting and restoring the environment with a continued programme of ecological and environmental initiatives. Much of this work is carried out by volunteer groups.

Thank you again for your interest in our proposed priorities and your contribution to making Albert-Eden the great place it is.

Ngā mihi nui

Lee Corrick

Chairperson, Albert-Eden Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Our priority is to help strengthen and build resilience in communities impacted by COVID-19 lockdowns, through support for library services, volunteer programmes, community services and business associations.
- We will ensure our parks and open spaces provide opportunities for active and passive leisure and recreational activities and meet the changing needs of communities adapting to housing intensification.
- We will bring climate change to the fore through low carbon planning and activation, an ongoing tree planting and restoration programme and sustainable eco-neighbourhood projects.
- We will investigate creative ways of connecting to, engaging with and hearing from our youth, children and diverse populations.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$14.6 million	$178,000	$595,000	$1.1 million
Capital Spend 2022/2023	$4.2 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Aotea / Great Barrier

6.2 Aotea / Great Barrier Local Board

He kōrero mai i te Heamana

Message from the Chair

It’s been incredible to watch the care and professionalism of our community responding and adapting to the challenges of living in a pandemic world. Dealing with the boom of local tourism and then the bust of lockdowns. Throughout providing stable services for our health, welfare, emergency, education, essential supplies, and everything else. Thank you for your hard mahi.

It’s looking like the near future will involve economic recovery from the recent long lockdown and adapting to the ‘new normal’ of living with the Delta variant in communities. Also, the necessity of needing to invest in climate change mitigation initiatives.

Island resilience is the focus of our three-year Local Board Plan 2020. This focus is becoming more essential every day given the impending changes due to the pandemic and climate change.

Our priorities for this coming financial year 2022/2023 are to support island resilience through initiatives on community wellbeing, marine protection, water resilience, and environmental protection. Some of the initiatives are:

- grant funding support for health, education and community trusts to build community resilience and wellbeing
- consultation on the Ahu Moana pilot project with mana whenua and community to support marine protection
- providing safe drinking water alongside AoteaOra Trust and Healthy Waters to enable water resilience
- grant funding support for the ecology vision and environmental groups to deliver environmental protections

We are also proposing advocacy to the Governing Body for joint funding of a bespoke public transport system. This service will be low emission and enable all our residents and visitors to navigate the island.

Please let us know if we are on track with our priorities by submitting your feedback during the consultation period of 28 February to 28 March 2022.

Kia kaha, stay safe.

Ngā mihi nui

Izzy Fordham

Chairperson, Aotea / Great Barrier Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Community wellbeing initiatives such as continued grant funding support for mana whenua and community trusts.
- Marine protection initiatives with mana whenua and community such as the Ahu Moana pilot and marine education.
- Water resilience initiatives with mana whenua and community such as drinking water and freshwater management.
- Environmental protection initiatives such as the ecology vision programmes and riparian planting.
- Advocacy for joint funding of a bespoke public transport service to improve connectivity and reduce carbon emissions.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$1.9 million	$209,000	$0	$618,000
Capital Spend 2022/2023	$141,000	$450,000	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

- Do you support our focus on community wellbeing initiatives?
- Do you support our focus on marine protection initiatives?
- Do you support our focus on water resilience initiatives?
- Do you support our focus on environmental protection initiatives?
- Do you support our advocacy for a bespoke public transport service?

Te Poari ā-Rohe o Devonport-Takapuna

6.3 Devonport-Takapuna Local Board

He kōrero mai i te Heamana

Message from the Chair

I am pleased to present our proposed local priorities for the 2022/2023 financial year, which is year two of our 2020 Local Board Plan. While COVID-19 has created tremendous challenges, we remain committed to supporting our community organisations, local businesses and wider public as they navigate their way through these difficult times.

We will continue to fund our community partners and Business Improvement Districts to deliver a range of events and activities which enhance social well-being and boost economic development. We are also continuing our community emergency response plans to ensure our communities are prepared and ready for potential incidents in the future.

We propose to continue our important environmental initiatives, such as our pest-free coordinator roles, parks volunteers and Wairau Estuary restoration programmes. These programmes create community ownership and a collective buy-in to eliminate pests and weeds, as well as improve our waterways.

Despite the challenges of lockdowns, and availability of materials and contractors, we are committed to delivering new and renewed assets across the area. We will begin comprehensive restoration of the heritage Claystore building, and repairs and restoration of the historic WWII tunnel at Kennedy Park.

This year we are completing play space renewals at Allenby and Montgomery reserves and constructing a new toilet at the Tonkin Road end of Sunnynook Park. We will also continue to investigate building an exciting new skate park at Sunnynook.

The coming year will also see the completion of the Patuone Reserve walkway upgrade, and the renewal of the Takapuna Beach Reserve toilet block, which includes a fully accessible Changing Places room and other accessible play equipment. This will further enhance Takapuna Beach's reputation as a premier location which can be enjoyed by people of all ages and abilities.

Lastly, we will be advocating to Auckland Transport for additional funding to implement the enhanced option of our Belmont Town Centre Improvements Plan. We will also continue to advocate for upgrades to the park and ride, and ferry terminal at Bayswater Marina.

Ngā mihi nui

Ruth Jackson

Chairperson, Devonport-Takapuna Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Fund the Wairau Estuary restoration and industrial pollution prevention programmes.
- Continue to fund our community partners and business improvement districts to deliver a range of events and activities.
- Complete key planning documents, in particular the Local Parks Management Plan and the Greenways Plan refresh.
- Deliver a range of activations to promote our open spaces and provide active recreation opportunities.
- Complete the Takapuna community services and library needs assessment.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$13.1 million	$80,000	$1.9 million	$867,000
Capital Spend 2022/2023	$4.9 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Franklin

6.4 Franklin Local Board

He kōrero mai i te Heamana

Message from the Chair

As we commence our planning for 2022/2023, the challenges we have been concentrating on remain unchanged; unprecedented growth and development, environment issues and of course the social and financial impacts of COVID-19. The Franklin Local Board Plan 2020 focussed on responding to these challenges within our available budget and ability to influence other decision makers. It remains our blueprint.

In 2020/2021 we initiated a Local Economic Broker role, who we have funded to focus regional resources on delivering local economic outcomes, including local work and business opportunities. Some specific new initiatives underway include a locally accessible skills development hub, a localised screen production prospectus, and a new Tourism Development funding approach. We plan to continue to build on these and other initiatives this year.

Climate change and growth present unique challenges to Franklin communities and locally based industry. These challenges provide opportunities to look at new ways to get around, enhanced public facilities and changes to how we can deliver services and work with our communities that suit the Franklin area.

We will be taking a hard look at our community facilities and open spaces to understand where investment is needed, acknowledging that some facilities may no longer be fit for purpose and could be sold to fund other local facility improvements. Ardmore Hall and the adjacent Bell Field are two local facilities under consideration for sale and we are seeking your feedback on this as part of this consultation.

We will continue to advocate for a practical and localised response to the Government's new national policy statements that focus on water and housing so that the needs of our important primary industries and isolated communities are recognised and the risk of creating deprivation through isolation is mitigated.

This is the time to let us know if there is something we are not doing or saying that we should be. As a board we are thankful for the opportunity to serve our community and look forward to your feedback so that we can ensure that we are on track in delivering on community priorities.

Ngā mihi nui

Andrew Baker
Chair, Franklin Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Develop and facilitate new opportunities that help our communities work, develop skills and do business locally.
- Invest in council, community and private initiatives that restore and protect local streams, rivers, harbours and forests.
- Review the capacity and function of our local parks and community facilities and reconcile with anticipated growth so that we can direct our limited funds into assets that are future-fit.
- Explore improved and innovative service provision that addresses the inequities experienced in our geographically vulnerable and isolated communities.
- Continue to advocate for improvements to and development of roads of significance and of transport options that recognise the challenges unique to our rural and isolated communities and primary production industries.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$13.4 million	$224,000	$880,000	$1.2 million
Capital Spend 2022/2023	$9.3 million	$1.0 million	$0	$0

What do you think?

1. Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

2. Would you support the sale of Ardmore Hall and/or Bell Field if the proceeds of that sale were re-invested in Clevedon Showgrounds and/or public facilities in Clevedon Village e.g. Cricket grounds and the Clevedon Hall?

   a) Yes

   b) No

   Please provide comment to explain your response.

Te Poari ā-Rohe o Henderson-Massey

6.5 Henderson-Massey Local Board

He kōrero mai i te Heamana

Message from the Chair

I am pleased to present our proposed priorities for the 2022/2023 Henderson-Massey Local Board Agreement, which is part of council's Annual Budget. We are in difficult times, as it comes in the midst of a continuing global COVID-19 crisis, so we will need to plan carefully and work within budget constraints. Our highest priority will be supporting our community organisations to help resilience and recovery.

This is the second year of delivery on the Henderson-Massey Local Board Plan 2020, and we will continue with existing projects that already deliver on that plan. You told us during development of the plan that accessible community facilities, caring for the natural environment and responding to the challenges of climate change are important to you, and our priorities this year focus on those things.

We are going to start on two pieces of facility planning that will help ensure community facilities better meet local needs and reduce future planning and implementation costs.

We will start on the next stage of the Henderson-Massey Ngahere Action Plan, preparing the way for planting in parks and public spaces to increase tree coverage across Henderson-Massey.

We have listened to your calls for improvements to the Te Atatū Peninsula Coastal Walkway and have assessed the options. We have identified sections that can be delivered quickly and at relatively low cost, and will begin work this financial year.

Finally, we will continue to advocate for aquatic provision in the North-West; funding for a permanent facility for the Waitakere Outrigger Canoe (Waka Ama) Club in Te Atatū South; funding for the completion of all sections of Te Whau Pathway; funding to progress the Te Atatū Marae development and for the Waitangi at Waititi event to be supported as part of the regional event programme.

I look forward to hearing your views on these priorities.

Ngā mihi nui

Vanessa Neeson

Chairperson, Henderson-Massey Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Focus on supporting community organisations and initiatives that strengthen Covid-19 pandemic resilience and recovery.
- Implement Henderson-Massey's Ngahere Action Plan (the local response to Auckland's Urban Ngahere Strategy) by prioritising sites from the action plan and preparing for tree planting.
- Develop a Local Parks Management Plan for the development and protection of parks, reserves and other open space in the area. This will lower planning costs, by giving a consistent approach, and be more responsive to changing community needs.
- Develop a Sport and Active Recreation Facility Plan, to respond to local needs and issues and prioritise future development and investment.
- Upgrade sections of the Te Atatū Coastal Walkway that can be delivered quickly at a relatively low cost.
- We will also continue to provide quality parks, playspaces, libraries, community and recreation facilities.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$28.2 million	$239,000	$504,000	$1.2 million
Capital Spend 2022/2023	$14.4 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Hibiscus and Bays

6.6 Hibiscus and Bays Local Board

He kōrero mai i te Heamana

Message from the Chair

Most of us here in the Hibiscus and Bays Local Board area live within one or two kilometres of the beach. The coast is our playground, our escape, and our space to exercise in. Your local board understands how important it is to keep this coastline healthy, so we're funding projects such as restoring waterways that feed into our bays and harbours, planting trees in nearby open spaces, and renewing some coastal boardwalks and beach playgrounds.

Other ways we are protecting our beaches, is to continue planning the future look of Orewa Reserve and doing the same with the Mairangi Bay Beach Reserve. We are releasing the Whangaparāoa Shoreline Adaptation Plan early next year. We collaborated with neighbours and locals in Stanmore Bay on how to adapt when our coastlines change. We can't save everything from the sea and the tides, so this proposal outlines what is most important to us.

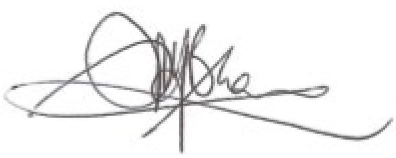
As nice as our coastline is, we still need to travel outside of the coastal areas. Like you all, I've sat in traffic jams at pinch points such as around Silverdale and near Glenvar Road in Torbay. But our advocacy is starting to be heard. We have now got a frequent feeder bus in Orewa (FTN), and you will start to see construction on the Penlink and Glenvar Roads projects in 2022.

As a local board, we will be your voice around the NZTA-led Penlink project, which will help ease traffic in the Whangaparāoa Peninsula. We are also working closely with Auckland Transport to ensure delivery of the East Coast Road/Glenvar Road Improvement Project works for us all. We haven't forgotten the small ticket transport items either – we continue to improve many of our walkways, through signage, lighting and renewal of the surfaces.

In our other priorities, we are renewing some more sports fields, assisting our business communities through economic development grants and will be telling you about a planned dog exercise park.

So, have we got the right balance? Tell us what you think.

Ngā mihi nui



Gary Brown

Chairperson, Hibiscus and Bays Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Renew sportsfields and connected facilities, such as lighting, around Freyberg, Stanmore Bay, Silverdale War Memorial and Victor Eaves Parks.
- Continue with Te Ao Māori and community-led conservation project which brings local iwi and volunteer ecology groups together to share practical knowledge of our area.
- Investigate and design new dedicated dog parks within the local board area.
- Start planting large specimen trees as part of the Urban Ngahere (forest) programme in selected reserves.
- Support our Business Associations with an economic development fund and assisting Silverdale's intention to establish a new Business Improvement District.
- Establishing new tracks in Bushglen Reserve in conjunction with expert advice from arborists.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$19.8 million	$300,000	$514,000	$1.0 million
Capital Spend 2022/2023	$12.9 million	$130,000	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Howick

6.7 Howick Local Board

He kōrero mai i te Heamana

Message from the Chair

It is my pleasure to introduce our proposed priorities for the 2022/2023 financial year. This is the second year of the Howick Local Board Plan 2020 and our three-year work programme.

We will continue to be flexible and ready to pivot when faced with interruptions related to COVID-19, so that we can maximise the benefit of local funds for our community.

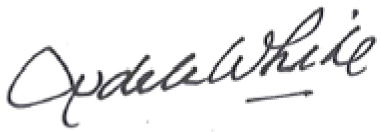
We also want to ensure that your voice is heard throughout the year, so we will aim to continue to provide opportunities for you to feedback on matters that directly affect your communities.

We have noted the key priorities for the board below, but we would like to reassure you that the board's work programme covers a much broader range of projects and activities.

While we recognise that council's 10-year Budget has recently been adopted, we will continue to advocate for construction timeframes for the Flat Bush Aquatic and Leisure Centre, and the Flat Bush Community Centre and Library, to be brought forward. Similarly, we continue to advocate for increased regional funding to address coastal management issues, and for funding to upgrade rural roads to urban standards.

We welcome your views on how we are tracking and whether we are moving in the right direction.

Ngā mihi nui



Adele White

Chairperson, Howick Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Greater focus on renewal and maintenance of assets.
- Investigate more community-led delivery of activities.
- Investigate partnering with local business to provide, for example, business awards, recruitment events and promotion of business growth.
- Investigate further options for dog parks in the local board area.
- Investigate options for mountain biking in the local board area.
- Investigate options for the skatepark and other wheeled play at Lloyd Elsmore Park.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$25.9 million	$415,000	$1.9 million	$1.1 million
Capital Spend 2022/2023	$5.1 million	$250,000	$1.2 million	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Kaipātiki

6.8 Kaipātiki Local Board

He kōrero mai i te Heamana

Message from the Chair

It has been a difficult time for the community, with Auckland in lockdown, many businesses unable to operate, and much uncertainty over future events and activities. During lockdown, Kaipātiki Local Board meetings moved online, and many local board projects were delayed. However, despite the challenges, we managed to deliver on many of our projects and have begun planning for 2022/2023.

We rely hugely on the work of volunteers in our community organisations, from delivering community development projects to park restoration. We are committed to supporting these organisations and ensuring that they are fully prepared should COVID-19 impact us further.

Delivering the kauri dieback mitigation work programme remains a priority We will upgrade and re-route bush tracks away from kauri trees and continue to install shoe-cleaning stations in our vulnerable reserves, to prevent the spread of kauri dieback disease. We will also work with Pest Free Kaipātiki to expand pest-free initiatives and education across the local board area. We will also continue to work with mana whenua on restoring te reo names to many of our parks and facilities.

Stormwater quality is an area that concerns the local board. We plan to continue monitoring our streams, and working closely with the Devonport-Takapuna Local Board on the quality of the Wairau Catchment. Sediment run-off from small developments is an area that we plan to address further.

We will progress stage two of the Beach Haven Coastal Connection through Hellyers Creek Reserve, and the next stages of track upgrades at Tuff Crater Reserve and Kauri Glen Reserve. The delivery of the new community facility at 136 Birkdale Road remains a top priority.

We also plan to continue delivering a number of playground upgrades, including Nell Fisher Reserve and Heath Reserve, and progress planning for Hinemoa Park, Stanaway Reserve and Spinella Reserve. Our SunSmart programme of shade over playgrounds remains a priority commitment.

We will continue to collaborate with community groups in Northcote and Eke Panuku Development to develop the Mitchell Building (Northcote Library) into a new community hub as part of the Northcote redevelopment project.

We will continue to advocate for funding to address the grandstand replacement at Birkenhead War Memorial Park, address the issues of water inundation at Little Shoal Bay Reserve, and continue to support the Uruamo Maranga Ake Marae proposal in Beach Haven.

I encourage you to provide your feedback on whether we have our priorities right for 2022/2023.

Ngā mihi nui

John Gillon

Chairperson, Kaipātiki Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Support our local community organisations to continue to deliver outcomes that provide a sense of belonging and wellbeing for our residents.
- Ensure our places and spaces are of high quality, accessible and well maintained by continuing to invest in the actions and priorities identified in the Kaipātiki Strategic Play and SunSmart Provision Audit.
- Invest in activities that protect and restore our natural environment, such as a small construction site ambassador programme and continuing to support community-led conservation work.
- Celebrate and protect our heritage by investigating opportunities to establish a heritage trail in Birkenhead alongside mana whenua, the Birkenhead Residents Association and the Birkenhead Heritage Society.
- Investigate opportunities to implement actions and priorities identified in the recently adopted Glenfield Centre Plan 2021.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$18.0 million	$342,000	$332,000	$1.1 million
Capital Spend 2022/2023	$6.9 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Māngere-Ōtāhuhu

6.9 Māngere-Ōtāhuhu Local Board

He kōrero mai i te Heamana

Message from the Chair

Talofa lava and greetings,

I am pleased to share the local board's draft key priorities and advocacy for the 2022/2023 financial year. When we approved our 2020 local board plan, we continued to prepare and maintain delivery of other parts of the plan. We continue to progress our local economic support, mindful of COVID-19's impact. The local board supported events and activities will progress once restrictions are lifted. The Upkeep of our facilities by monitoring our maintenance contracts provides families with quality, attractive places to visit and spend more time at home.

Also, with our libraries and leisure facilities reopened, we will observe central government guidelines to make us safer when we use them.

Our local board plan highlights outcomes that aspire to improve our local lifestyles and economic opportunities. We'll continue to invest and advocate through our action plans for our seniors, children, and youth of all abilities. The commitment to a community-led response to alcohol harm has been boosted. We continue to strengthen partnerships seeking opportunities with hau kāinga, iwi and mataawaka Māori through our various projects. We have sought an integrated approach from the Council Group towards Māori outcomes, by funding the Southern local board's Ara Kotui programme.

Auckland's aspiration to be waste and emissions-free requires budget commitment from the Council Group to support the board's Urban Ngahere planting plan, and evidence collected indicates that Māngere-Ōtāhuhu has the lowest tree canopy in Tāmaki Makaurau. Advocacy to the Governing Body includes additional budget towards our facilities projects and delivery of the Seaside Park carpark and access ways, completion of the Massey Homestead refurbishment, the David Lange Park destination development and our other capital projects. The continued delivery of Otahuhu Town Centre streetscape requires additional funding from the Council Group on top of the $23million already invested in this project.

We request your feedback on all these initiatives and/or any additional thoughts you may have to improve the Māngere-Ōtāhuhu Local Board area.

Ia Manuia

Lemauga Lydia Sosene

Chairperson, Māngere-Ōtāhuhu Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- A key focus is advancing our tree planting programme to help reduce our carbon emissions and care for the environment.
- Advocate to Governing Body for better quality facilities, parks and open spaces for children and youth.
- Identifying ways to leverage our strengths to establish our place in the future of Auckland.
- Promoting activities to showcase our local culture and talents into career pathways.
- Working with council to identify procurement, quality employment and social enterprise opportunities.
- Improving the well-being of our locals by supporting our local economy to become more efficient, resilient, and sustainable.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$15.2 million	$304,000	$1.5 million	$988,000
Capital Spend 2022/2023	$4.6 million	$300,000	$0	$0

What do you think?

Tell us about your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Manurewa

6.10 Manurewa Local Board

He kōrero mai i te Heamana

Message from the Chair

We are looking forward to consulting with you on the second year of our 2020 Manurewa Local Board Plan and I'm pleased to present some of our proposed priorities for the 2022/2023 financial year.

The impact of the global COVID-19 pandemic means we'll need to plan carefully and work within budget constraints. We are still determining what the long-term effects of the pandemic will be on our local economy, for mana whenua, across our community and on our young people and we will prioritise both economic and social resilience in our planning. We'll advocate for more local procurement when Auckland Council is purchasing services and for the council to increase the current 5% minimum diverse suppliers target to prioritise Māori and Pasifika-owned businesses.

Financial recovery planning by the council means some of our proposed projects have been deferred. However, I'm delighted that we have been able to secure funding for some sportsfield improvements and lighting at both War Memorial and Mountfort parks, canopy covers at Manurewa Netball and Community Centre, and have completed fantastic playground upgrades at Gallaher Park and Manurewa Recreation Centre. Next year, we'd like to prioritise more play spaces, including at Anderson Park, work to progress the Clendon Reserve Revitalisation Concept Plan and continue partnering with community groups to deliver the Tōtara Park Masterplan to cater for the many visitors using the park every week.

We'll advocate for more equitable allocation of funding for Manurewa alongside increased decision-making by local boards. This would vastly improve our ability to renew some of our older assets, deliver more and different services and enable our communities to lead key initiatives more sustainably.

As a result of our advocacy to reinstate the Local Board Transport Capital Fund, we are already making headway on some key transport initiatives that improve road safety and allow us to proceed with the continuation of upgrades at Te Mahia station. This work will continue through the next year.

Finally, it goes without saying, that our environment continues to be a key focus. This will include playing our part in reducing carbon emissions, planting more trees, improving the Manukau Harbour, supporting the ongoing regeneration of the Puhinui stream, alongside mana whenua, and identifying ways to manage our waste.

We really encourage you to share your thoughts on our proposals and priorities and to be involved in shaping these for 2022/2023.

Ngā mihi nui

Joseph Allan

Chairperson, Manurewa Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- The following are **some** of our proposed priorities for 2022/2023:
- Deliver a range of targeted activities through our new Strengthening Our Streets framework (SOS) that support our neighbourhoods and public places to be safe, attractive and inclusive.
- Partner with mana whenua, Manurewa Marae and Māori organisations to showcase and celebrate Māori culture, aspirations, stories and identity.
- Develop a signature event that celebrates the richness of our cultural diversity.
- Work with community groups to deliver more social and recreational activities that connect people across generations and cultures.
- Work with the Manurewa and Wiri business associations on economic recovery solutions that support local businesses and connect local people with employment opportunities.
- Continue our focus on improving our harbour and waterways.
- Deliver initiatives that contribute to the reduction of carbon emissions, such as planting trees, reducing waste to landfill and advocating to the governing body for improved public transport infrastructure and the planting of more trees that help us reduce our carbon footprint.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$13.7 million	$116,000	$1.1 million	$1.2 million
Capital Spend 2022/2023	$2.1 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Do you support our proposal to combat climate change?

Te Poari ā-Rohe o Maungakiekie-Tāmaki

6.11 Maungakiekie-Tāmaki Local Board

He kōrero mai i te Heamana

Message from the Chair

The past two years have been difficult for everyone in Aotearoa, but I am proud of our community's resilience and ability to come together to support one another throughout the pandemic. It has been a privilege to take part in the work that local community groups have provided for our people. I also want to thank the whole community for the amazing mahi you have done throughout these difficult times and the kindness that you have shown to each other.

Manaaki whenua, manaaki tāngata, haere whakamua

(Care for the land, care for the people, go forward)

I wanted to start my message to you with this whakataukī (proverb), as it reminds me of what our community has continued to tell us is important to support our community now and into the future. It encompasses what we are working to achieve each year and the key lenses of Te Ao Māori, community wellbeing and climate action woven throughout our local board plan.

Whilst we have been working on our priorities set last year, we recognise that there is still more to be done to achieve our goals, while also operating within the constraints of limited resources. With this in mind, our focus for the 2022/2023 financial year is to continue progressing the priorities we set with you last year.

Striving to empower our communities is extremely important to us, so we will continue to advocate for equity and accessibility to be the overarching principles that guide Auckland Council's decision-making. We will also work towards this by supporting our businesses to overcome challenges and succeed, and continue celebrating our diverse histories, cultures and identities, with a focus on initiatives that enable Te Ao Māori to be seen within our community.

We have heard from our community groups that they see a need for more coordination and collaboration between themselves, so we will continue fostering this through our strategic partnerships activity.

Our community has told us that protecting and enhancing the environment is important, so we will continue working in partnership with our community to restore our waterways and regenerate our eco-systems. The impact of climate change has also become more apparent, so we will work towards making our community feel resilient and prepared for its effects.

Please let us know if we are on the right track with our priorities by providing your feedback. We look forward to hearing from you.

Tu'a 'ofa atu,

Maria Meredith

Chairperson, Maungakiekie-Tāmaki Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Supporting our local businesses by working with the BIDs to deliver placemaking initiatives in our town centres.
- Supporting social enterprise and innovation projects that have a positive social or environmental impact.
- Supporting initiatives that celebrate our diverse histories, cultures, and identities, in particular, those that celebrate Te Ao Māori, such as Te Kete Rukuruku.
- Empowering our communities by continuing to build on our strategic partnerships activity by focusing on increasing collaboration between our community groups.
- Supporting climate change initiatives focused on building our community's resilience and preparedness for climate change.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$12.9 million	$175,000	$1.1 million	$920,000
Capital Spend 2022/2023	$6.8 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Ōrākei

6.12 Ōrākei Local Board

He kōrero mai i te Heamana

Message from the Chair

We will continue to deliver the projects we've previously committed to while working within tight financial constraints.

I am proud that, despite another year of COVID-19 restrictions and a lockdown that turned out to be far longer than we had all anticipated, the Ōrākei Local Board continues to focus on delivery of all the various initiatives that make the board area a wonderful place to be. This includes multiple renewals and refurbishments across parks and reserves in our area, ecological restorations and enhancement works, and continued support of our community groups.

We believe the projects we have proposed for 2022/2023 will continue to deliver on our three-year direction outlined in the 2020 Ōrākei Local Board Plan. In developing this local board agreement as part of council's Annual Budget process, we are seeking your views in order to hear what's important for our communities and to ensure that what we've proposed reflects that. With your help, we look forward to developing this final local board agreement of the Ōrākei Local Board 2019-2022 term, during which so much has been achieved despite COVID-related constraints, and where there is much more to come.

Finally, my sincere thanks to our council staff, board members and, particularly, our community for working together, constructively, in awkward situations to make the most of our situation. Kia kaha.

Ngā mihi nui

Scott Milne

Chairperson, Ōrākei Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- continue to improve water quality including Newmarket/Middleton stream and at Waiatarua and Waiata reserves
- continue to develop and enhance our parks and sportsfields, concentrating on Colin Maiden and Churchill Parks, Tahuna Torea, Waiatarua wetland and Crossfield reserves
- continue to expand and deliver environmental programmes at Pourewa Valley with our community
- deliver the planting and growing phase of the Ngahere (Urban Forest) Strategy
- design and deliver the new Meadowbank community centre
- work with our communities to transform public spaces including Mission Bay, Ellerslie War Memorial Hall and St Vincent Avenue streetscape
- continue to advocate for connections to the Glen Innes to Tamaki Drive Shared Path
- continue to fund local events and work with BIDs and business associations to support COVID recovery.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$12.6 million	$358,000	$566,000	$964,000
Capital Spend 2022/2023	$6.4 million	$150,000	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Ōtara-Papatoetoe

6.13 Ōtara-Papatoetoe Local Board

He kōrero mai i te Heamana

Message from the Chair

Malo le foe. Malo le folau manuia. Ua sousou le tai i lenei vaitau o le Koviti19. Tau ina ia fusia pea tatou i le alofa ma le onosa'i ma tutu fa'atasi aua o le tatou malosiaga lena.

With a new lockdown comes new challenges and as a result we have developed three key priority areas from our 2020 Ōtara-Papatoetoe Local Board Plan to focus on this year.

The areas we know are important to our community are jobs, digital equity and sustainability. As a local board we are committed to requesting local procurement for all available projects, and supporting opportunities for our residents to learn new skills. We know digital equity and upskilling was an area of need before COVID-19, but lockdowns have exacerbated this through the necessity of online learning, working from home and requiring technology to stay connected. With the increasing intensification we will be seeing in our area, we also cannot lose sight of the steps we need to take to help tackle climate change. We are wanting to work with community groups and mana whenua to develop new sustainability initiatives that will increase environmental education and provide new opportunities for our residents.

In addition to our ongoing advocacy initiatives, there are new areas that we will be advocating for this year. We would love for there to be an Eco Park in South Auckland, which will bring jobs, sustainability opportunities, and enterprise to the south. The second new advocacy item will be for Auckland Council to increase the current 5% minimum diverse suppliers target to prioritise Māori and Pasifika-owned businesses.

While we have prioritised some areas, we are continuing with our other ongoing projects, including rebuilding the toilet and changing room facility at Aorere Park, phase two of the playground development at Hayman Park and engaging with you on the Manukau Sports Bowl proposals. We also look forward to continuing to build on, and strengthen, our relationship with mana whenua and find new opportunities to work together for our community.

We want you to let us know whether you think we are focusing the right areas and, if not, what you would like to see prioritised. We look forward to hearing your thoughts.

Ngā mihi nui

Apulu Reece Autagavaia

Chairperson, Ōtara-Papatoetoe Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Support programmes that are focused on getting locals into jobs and providing new training opportunities.
- Invest in groups that are working towards digital equity and upskilling to provide all residents better access and ability to use it. This includes those who require it for schooling, work, and connection.
- Explore a range of new environmental and sustainability projects to address climate change through community-led projects and by working with mana whenua.
- Continue to support our local town centres through placemaking initiatives, mentoring and grants for economic recovery.
- Use contestable local community grants to fund initiatives, programmes and events led by local community groups or organisations to achieve Local Board Plan outcomes and objectives.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$16.7 million	$284,000	$1.2 million	$1.1 million
Capital Spend 2022/2023	$6.3 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

1. We want to enable (facilitate /support) local COVID -19 recovery and sustain community resilience. What are your priorities for your neighbourhood, street, or community?
    - increase opportunities for upskilling, employment
    - support social enterprise development
    - digital literacy and access
    - any other comment.
2. Our board believes that acting now is critical to protect the future of our environment and surroundings where we live. We propose to progress a few initiatives and want to know which of these are most important for your whanau, neighbourhood, street or community:
    - eco Neighbourhoods
      (Groups of neighbours are supported to lead sustainable low carbon lifestyles, reduce emissions in their local area and improve environmental outcomes for their community).
    - compost hub
      (A community space that grows kai and collects food scraps to reduce waste to landfill, teaches gardening and composting skills and connects people who have food scraps to give to those wanting more for their compost.)
    - waste minimisation education
    - any other comment.
3. We want to support arts projects and initiatives led by the local community to foster strong communities. Do you support this?

Tell us of any example of a project that can be valuable for the communities of Ōtara-Papatoetoe

Te Poari ā-Rohe o Papakura

6.14 Papakura Local Board

He kōrero mai i te Heamana

Message from the Chair

I am very pleased to present to you our proposed priorities for the 2022/2023 financial year.

This will be the second year of the Papakura Local Board Plan 2020, and we will continue with projects that have already begun to deliver on our plan. However, we also know that we will need to adapt to the challenges of planning in uncertain times and with tight budget constraints.

We don't know yet what the long-term effects of the extended COVID-19 lockdown will be on our local economy, but we know that our local businesses will need all the support they can get. We'll work with the Papakura and Takanini Business Associations to support local businesses and attract new economic opportunities to the area. We'll also explore how we can bring more visitors to enjoy our historical and cultural attractions, and our recreational walking and cycling trails.

We know that protection of our natural environment is a priority for you. We'll continue our work on improving the health of our waterways, and we'll look for opportunities to help our community adapt to the impacts of climate change.

Alongside this work, we'll continue to advocate for increased provision of shared walking and cycling pathways and access to public transport. We want to see a joined-up cycling network for the south, that builds on the success of the State Highway 1 Southern Path. We'll also continue to advocate for Papakura train station to be fully developed as a public transport hub as part of a vibrant metropolitan centre in Papakura.

I encourage you to take part in shaping our priorities for 2022/2023, and look forward to hearing your views.

Ngā mihi nui

Brent Catchpole

Chairperson, Papakura Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Work with the Papakura and Takanini Business Associations to support local businesses and grow local prosperity and employment.
- Support age friendly and inter-generational activities that link older people and rangatahi.
- Explore opportunities to link visitors and residents with our historical and cultural attractions and recreational walking and cycling trails.
- Continue to deliver a range of community-led events and activities that make use of our parks and facilities to bring people together and promote wellbeing.
- Continue to work with neighbouring local boards, local communities and mana whenua on projects that improve our environment and the health of our waterways.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$10.6 million	$72,000	$392,000	$1.0 million
Capital Spend 2022/2023	$3.2 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Puketāpapa

6.15 Puketāpapa Local Board

He kōrero mai i te Heamana

Message from the Chair

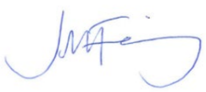
Over the next year, we hope to build on what we have started since the adoption of the 2020 Local Board Plan. It is a bit tricky to plan for the near future given the challenges presented by COVID-19, and so flexibility is key.

We will be working on ways to increase local participation in our decision-making, as this is pivotal to achieving so many other community ambitions. In a community as diverse as ours, we know that many of our people like to form connections face to face, and it is those relationships that enable participation. This is hard to do when the focus has been on staying apart for everyone's safety, so new approaches are needed.

Alongside the impacts of a global pandemic are the threats and opportunities we face in addressing climate change; locally, nationally and worldwide. We know our communities have a strong interest in environmental issues and we have proposed a range of measures we think will not only improve our streets, parks and open spaces, but also enable locals to get involved directly in making positive change.

As we respond to these challenges, we keep in mind that our communities will grow and change significantly over the coming decade. We understand that the local board has a vital role in supporting this change and in helping all our people to shape the Puketāpapa of our future.

Ngā mihi nui



Julie Fairey

Chairperson, Puketāpapa Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

Partnering with people across our rohe, working towards a sustainable and equitable Puketāpapa through the following priorities:

- Climate action and awareness, through ecological volunteering programmes, expanding our Urban Ngahere (forest) canopy cover, and getting people involved in the low carbon journey.
- Enabling people to come together and use their voices to influence local decision-making.
- Supporting our communities to recover from the impacts of COVID-19, through community emergency resilience initiatives, as well as partnerships and programmes that support local businesses and social enterprise.
- Promoting social inclusion at a neighbourhood level by building partnerships and supporting initiatives like Neighbours Day, library outreach, and EcoNeighbourhoods.
- Continuing to improve our facilities to create a Puketāpapa to be proud of, including upgrades to Lynfield Recreation Centre and Cameron Pools, and improving access to public drinking water.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$9.4 million	$164,000	$6,000	$1.1 million
Capital Spend 2022/2023	$1.6 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Rodney

6.16 Rodney Local Board

He kōrero mai i te Heamana

Message from the Chair

Our work programme for 2022/2023 will be the second, and middle, year of delivery of our 2020 Local Board Plan, and it proposes to keep building on the work of the past year.

With the budgets we have available to us we propose to continue focusing on our core business which is ensuring our local parks, public amenities and townships meet the demands of a growing community. We will also continue to support the community and property owners with environmental improvements focusing on pest control and improving our rivers and harbours.

Strong population growth in many of our towns is putting heightened demand on infrastructure, community facilities and parks. We want to ensure our local towns and amenities are fit for purpose, and cater to our growing communities, and so will continue investing in our towns during 2022/2023. We also need additional resourcing allocated to local boards to create town centre plans that support positive growth, and for improvements to the public transport network across Rodney to better connect towns and villages, and support climate action.

Rodney's expansive geography is one of our key features, but the quality of our waterways is affected by sediment, and our flora and fauna are vulnerable to pest plants and animals. We propose to continue investing in our natural environment, and to work with volunteer environmental groups. We will also advocate for more regional funding to eradicate pest plants and animals in Rodney, and for increased funding for our regional parks.

A further proposed advocacy is for emergency management processes that are in tune with the needs of our rural communities. We have seen how weather events can bring devastation to communities – and our preparedness for such emergencies is key to reducing their vulnerability.

The past 24 months have been challenging as we've grappled with the COVID-19 pandemic. Residents in the North-West were also affected by flooding in late August. These are difficult times, and we acknowledge the pain in our communities.

Your feedback is important as we strive to ensure our decisions are the right ones for our communities. Tell us what you think – have we got it right?

Ngā mihi nui

Phelan Pirrie

Chairperson, Rodney Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Continue to deliver improvements and upgrades to our village and town centres, including town centre planting, furniture maintenance, and uplifting shared open spaces.
- Progress renewals or construction of key community facilities, including the new playground in Dida Park Drive, Huapai, the optimisation of Riverhead War Memorial Park, the Goodall Reserve skate park rebuild, the new central park development in Milldale, and the renewal of the larger assets in Wellsford Centennial Park.
- Continue to improve our freshwater ecosystems through riparian fencing and planting to reduce sediment.
- Improve our local biodiversity and natural environment by eradicating pests, and carrying out restoration work.
- Continue to progress the outcomes identified in the Green Road Master Plan, particularly park maintenance and concept planning.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$16.7 million	$449,000	$320,000	$1.2 million
Capital Spend 2022/2023	$9.7 million	$1.9 million	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Upper Harbour

6.17 Upper Harbour Local Board

He kōrero mai i te Heamana

Message from the Chair

I am pleased to share with you our proposed approach for the 2022/2023 financial year. For the second year of the 2020 Local Board Plan, we are proposing to invest in initiatives and planned projects that deliver on our current agreed priorities. At this time, the full impact of the most recent lockdown in Auckland on our budgets is unknown.

We are committed to progressing delivery of a wide range of identified sport and recreation needs. We have prioritised funding to enable delivery of both stage 1 of the Scott Point Sustainable Sports Park sportsfields, and – using our Local Board Transport Capital Funding - the delivery of shared paths in the first stage of this project. This will much improve connectivity around Scott Point for residents and the school community, alongside the long-awaited sporting infrastructure. We also remain committed to progressing the Caribbean Drive sportsfield upgrade, as well as the installation of a new toilet facility.

Our Upper Harbour Greenways Plan offers an aspirational blueprint for a quality walking and cycling network. In 2022/2023, we propose to continue to deliver on our priority locations, including a new pathway in Rosedale Park and a new walkway in Wharf Reserve. Further connections will be added as funding allows.

We will continue to support initiatives that strengthen our communities' resilience and deliver on environmental outcomes. We intend to invest in work that protects or enhances our local environment, activates our parks, and we will continue to support a wide range of valued community groups who help us to meet our community needs.

We are interested in hearing your thoughts about improving provision for off-leash dog walking around the local board area, and opportunities for increased diversity in play provision to ensure that we better cater for all ages and abilities as we undertake renewals.

We will continue to advocate for improvements in both public transport provision and improvements to our cycling network.

While we're not proposing any major changes to existing budgets and work programmes, we welcome your feedback on this approach. We will consider your feedback as we finalise our Local Board agreement and work programmes for 2022/2023.

Regards,

Lisa Whyte

Chairperson of the Upper Harbour Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- progress delivery of stage 1 of Scott Point Sustainable Sports Park
- Caribbean Drive sports field upgrade and a new toilet facility
- implement actions from our Greenways Plan, including progressing works for the new pathway in Rosedale Park and delivering a new walkway in Wharf Reserve
- renew several playgrounds, including Devonshire Reserve play space (renew and upgrade), Herald Island Domain, and Hobsonville War Memorial Reserve
- look at ways that residents and visitors alike can better navigate their way through and between the wonderful parks and open spaces of the Upper Harbour for recreation and enjoyment opportunities.

We will also continue to:

- invest in initiatives that build local resilience and support community connections.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$12.1 million	$226,000	$735,000	$870,000
Capital Spend 2022/2023	$12.8 million	$0	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Waiheke

6.18 Waiheke Local Board

He kōrero mai i te Heamana

Message from the Chair

On behalf of the Waiheke Local Board, I am pleased to present our key proposed priorities for 2022/2023. This is our second local board agreement since the adoption of our Local Board Plan 2020.

A number of focused strategic plans have been significantly advanced over the last year and these provide direction for future investment. They include the Waiheke Island Area Plan, the Rangihoua/Onetangi Sports Park Management Plan and the broader omnibus Local Parks Management Plan (for all our reserves). The Waiheke Island Climate Action Plan and the Ngahere (Forest) Strategy also provide clear pathways to improve our island's carbon footprint. We will progress these in collaboration with our community and businesses, in conjunction with supporting Electric Island with its goal for Waiheke to become fossil-fuel free by 2030.

Waiheke's rich cultural heritage is paramount, and we plan to develop agreements with mana whenua intended to recognise their role in sharing planning for the rohe of the Waiheke Local Board, and to recognise their own aspirations.

We will continue to fund initiatives that build the identity of Waiheke as an island sanctuary in the Hauraki Gulf. The Waiheke Destination Management Plan, once completed, will provide guidance on how to support and sustain our environment and community in balance with economic development. Ecological restoration, pest management and water quality improvement programmes continue to be core priorities.

Healthy and affordable housing provision are critical challenges, and we intend to implement and advocate for key actions identified in the local board's Housing Strategy and the Waiheke Area Plan.

The Waiheke 10-year Transport Plan provides a prioritised project list, which includes walking and cycling projects from the Pathways Plan. These will be progressively delivered as budgets allow. We will continue to advocate to Auckland Transport, our Governing Body and government for competitive and equitable ferry services.

Progress on transport elements of the Mātiatia Strategic Plan are moving ahead following approval of funding within the Auckland Transport Regional Land Transport Plan. Stakeholder and public consultation will progress as these matters are clarified.

We look forward to hearing whether you think your local board is on the right track.

Cath Handley

Chairperson, Waiheke Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- progressing the Mātiatia Strategic Plan
- continuing delivery of the Tawaipareira Reserve Concept Plan, including a new playground, learn to ride and pump track
- progressing prioritised actions within the Rangihoua/Onetangi Sports Park Management Plan
- implementing recommendations from the Waiheke Destination Management Plan and collaborating with businesses and tertiary providers to create diverse economic/career opportunities on the island
- commencing the growing stage of the Waiheke Ngahere (Forest) Strategy to enhance biodiversity, increase canopy cover and improve Waiheke Island's carbon footprint
- working with our community and businesses to progress actions within the Waiheke Island Climate Action Plan
- supporting initiatives which protect, restore and enhance the island's natural environment.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$6.4 million	$138,000	$0	$739,000
Capital Spend 2022/2023	$2.5 million	$150,000	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Te Ika Whenua o Waitākere

6.19 Waitākere Ranges Local Board

He kōrero mai i te Heamana

Message from the Chair

While we continue to grapple with the profound challenges of climate change, over the last year two other critical events have reinforced the need for us to support our communities to be as resilient as they can be.

The severe storm event of August 2021, at the beginning of Auckland's longest lockdown, has been a reminder of the need for financial and practical support to prepare for climate change and extreme weather events in the Waitākere Ranges Local Board area. In this Annual Budget, we want council's Governing Body to identify a flexible regional resilience budget for Auckland, which can be administered locally, and which recognises the isolation, physical and environmental risks to our communities.

Living through the latest COVID-19 lockdown has also made us all keenly aware of the importance of social connection. In 2022/2023 we will focus on how we can continue to safely provide public amenity, while recognising changes to our local urban environment. We will continue to make improvements to local parks in and around Glen Eden and Swanson, including putting more shade in parks and along street berms.

We look forward to building on our existing relationships with Te Kawerau ā Maki and Hoani Waititi Marae as an integral part of taking Waitākere Ranges into the future. We are also conscious that this is a time of great pressure on our rangatahi and will consider how we can support them across our work programmes.

We have set out our immediate key priorities here - both for things we can implement as a local board and for things we can advocate for on your behalf. Now, we need you to tell us if we've got it right. We look forward to hearing from you.

Ngā mihi nui

Saffron Toms

Chairperson, Waitākere Ranges Local Board

Introduction

Each year, we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

Some of our proposed top priorities for 2022/2023 are:

- Strengthening our governance partnerships with mataawaka and mana whenua partners.
- Working with local communities to design and implement year two of a robust Climate Action Plan.
- Supporting communities across our rohe to prepare for extreme weather events, particularly remote coastal and bush communities.
- Supporting a digital upcycling project which is being run in partnership between The Western Initiative and Prospect School, which is promoting active participation of rangatahi in the economy.
- Continuing to develop quality parks and playgrounds, libraries, community and recreation facilities such as Waitākere Quarry.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$7.3 million	$319,000	$369,000	$771,000
Capital Spend 2022/2023	$3.2 million	$450,000	$0	$0

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Waitematā

6.20 Waitematā Local Board

He kōrero mai i te Heamana

Message from the Chair

I am proud to present the proposed local priorities for the 2022/2023 financial year.

We will continue to support our community and businesses through the COVID -19 pandemic and the extended lockdown over the past year. We are also mindful of the ongoing challenges mitigating climate change.

We are committed to building stronger relationships with mana whenua in our local board area. We are exploring options to enhance staff resources to support Māori partnerships and deliver programming that responds to Māori needs. We will continue to look at ways in which we can increase te reo Māori in our signage.

We will focus on growing our urban ngahere (forest) and prioritise planting at sites identified in the ‘Planting Opportunities List’. This initiative will help deliver the goal of achieving 30 percent of tree canopy cover within our local board area by 2050.

We will continue to respond to homelessness and to improve the dignity and wellbeing of these community members. This includes supporting initiatives that provide basic amenities, such as drinking fountains and showers.

We want to make sure our business leaders and Business Improvement Districts can achieve economic recovery and growth. We will make local business recovery a priority.

We will continue working towards the restoration and cleaning of key waterways. We will prioritise local projects that combat climate change, such as energy efficiency, waste management and active transport.

Our focus is also to improve our parks and make sure that park space is accessible and enjoyable for all ages. We will seek to maintain and restore our libraries, community centres and community spaces.

We know improving food sustainability and increasing biodiversity within our region are important priorities. We will be advocating for more community gardens, green spaces, and regenerative urban farms.

Ngā mihi nui

Richard Northey

Chairperson, Waitematā Local board

Introduction

Each year, we deliver activities, projects and services in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction for the local board.

What we propose in your local board area in 2022/2023

Our proposed priorities for the 2022 / 2023 budget include:

1. Addressing Climate change and protect our natural environment. Initiatives include
    a. planting trees to ensure we have an urban ngahere (forest)
    b. walking, cycling and placemaking projects
    c. continuing work to restore our streams
    d. providing advice and making it easier to reduce emissions and waste.
2. Māori outcomes
    a. explore opportunities to support Māori initiatives and businesses
    b. enhance staff resources to support the delivery of Māori outcomes.
3. Local parks – improve and activate
    a. the results from the diversity review of our parks will be informing our planning
    b. deliver improvements to Heard Park, Point Erin Park and support community gardens.
4. Continue to support response to homelessness
    a. support community groups and initiatives in this space.
5. Community Facilities
    a. detailed design for the Leys Institute restoration
    b. activating Myers Park and Albert Park cottages.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$20.3 million	$274,000	$9.1 million	$1.1 million
Capital Spend 2022/2023	$6.4 million	$0	$0	$0

What do you think?

Tell us about your thoughts on our proposed priorities for the local board area in 2022/2023 – have we got it right?

Te Poari ā-Rohe o Whau

6.21 Whau Local Board

He kōrero mai i te Heamana

Message from the Chair

As chair of the Whau Local Board, I am aware that this has been a challenging year for residents of our area. We have had ongoing Covid-related lockdowns, which have impacted on many people's incomes, relationships, mental health and wellbeing. Businesses have struggled, events have been cancelled and we have not been able to work and socialise in the ways we usually do. Furthermore, the horrific terror event at Lynnmall created distress, but also showed how cohesive and supportive the Whau community is.

Lockdowns have also challenged Auckland Council's revenue and delivery of services. Covid-19 financial recovery planning by the council means the proposed Whau Aquatic Centre and Crown Lynn Park have been deferred for a few years.

Despite the challenges, we are continuing in the general direction we set in the Whau Local Board Plan 2020. In the 2022/2023 financial year, we will be working to progress Climate Action initiatives, the Avondale multi-purpose facility as well as Avondale streetscape improvements. We will be continuing to seek ways to enhance Māori identity in the Whau. While we continue to deliver sections of Te Whau Coastal Walkway connection, we will also advocate for regional and national funding to complete this project. We will continue to invest and advocate for an improved tree canopy in the Whau, all the while ensuring that our treasured parks continue to meet the needs of our community.

I encourage you to take part and provide feedback on council's Annual Budget– let us know if you think we are on the right track and help shape not only the Whau's, but Auckland's future.

Ngā mihi nui

Kay Thomas

Chairperson, Whau Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our proposals for the 2022/2023 financial year.

What we propose in your local board area in 2022/2023

- Climate Action – support council and national initiatives and aim to increase Whau's urban tree canopy by continued investment in ecological planting projects and progressing the Urban Ngahere project – knowing, growing and protecting.
- Avondale Town Centre - progress work on the Avondale multi-purpose facility and streetscape improvements.
- Māori identity – promote te reo, and enhance visibility of Māori history in the Whau.
- Te Whau Coastal Walkway – develop the connection from Rizal Reserve towards Ken Maunder Park.
- Park improvements – focused on Green Bay, Kelston, Glen Avon, New Windsor and Rosebank, including future-proof planning for Olympic Park and all amenities.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2022/2023	$12.6 million	$186,000	$1.0 million	$1.1 million
Capital Spend 2022/2023	$16.3 million	$0	$0	$0

What do you think?

We would like your feedback on our proposed priorities for the local board area in 2022/2023 – have we got it right?

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Te Kaunihera o Tāmaki Makaurau