

A Better Budget for Tāmaki Makaurau Auckland: an Auckland Council Budget Submission Guide



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The Auckland Council 2023/2024 proposed budget says we have a budget shortfall that has grown to \$295 million for the year ahead, and that without taking the measures outlined in the proposal we will need to “make up the shortfall another way.”

The proposal says the shortfall comes from an expansion in services and assets, bringing higher maintenance costs, and that the challenge has been worsened by higher interest rates and inflation. The storm and cyclone events, the Council says, make dealing with the financial situation an even more significant challenge and that to ‘balance the budget’ the following are proposed:

- reducing operating costs by \$125m across the Council and Council-Controlled Organisations;
- 4.66% rates increase;
- selling the shareholding in Auckland International Airport (18% of the Airport’s shares);
- borrowing no more than \$75m (“current policy allows us to further borrow up to \$140 million”).

Not only does the budget proposal present a range of measures that can be avoided by taking up other conventional budgeting mechanisms, but many of the changes proposed will also have irreversible consequences for Tāmaki Makaurau, the climate emergency and Te Tiriti o Waitangi justice now and into the future. But, as the proposal states, we can “make up the shortfall another way.”

Please use the below to build your own submission to Auckland Council no later than Tuesday 28th March. All submissions are to be submitted via Auckland Councils website. We suggest reading our guide and accompanying resources before submitting, and ensuring you use your own words to avoid any duplication in submissions.

To make a submission, go to Auckland Council’s website [here](#).

This submission guideline corresponds to our Better Budget for Auckland which you can find on our website [here](#).

Question 1: Operating spending reductions

This section is about the withdrawal of funds from the community, culture, regional events, economic development and social services across Auckland Council and Council-Controlled Organisations. As we know, cutting and selling are no way to bring Auckland back on its feet – and back to its best.

Our communities are more important than ever and some of the organisations and services that are facing cuts are what make our communities resilient and connected - exactly what we need in the face of the kinds of emergencies and events that have occurred in recent times.

Some examples of areas where funding will be cut:

- Local Board discretionary funding is halved
- Homelessness coordination and initiatives (including Housing First and Māori-led outreach providers and support for rangatahi and people experiencing chronic homelessness)
- Youth centre funding reduced
- Bus services heavily reduced
- Community empowerment programmes reduced
- Citizens Advice Bureaus face closure from the cuts, with major impacts on 163,000 people who the Citizens Advice Bureau helped access their legal rights in relation to immigration, MSD, and KiwiSaver and other rights, over the last year.
- Community and education programmes reduced
- Funding to Auckland Zoo, Auckland Art Gallery, and other venues significantly reduced

More detail on the cuts is available on our website [here](#).

The form asks: What is your preference on the proposed operating cost reductions?

Our suggested response is: Select 'Other'

The form then asks: Tell us why, and which reduction you would not proceed with, if any:

Our suggested response is: To not proceed with any reductions and instead unfreeze the Water Quality and Natural Environment Targeted Rates, increase borrowing, and maintain the general rates package.

You may also suggest: an increase in general rates, a request for central government support, new targeted rates, and a lift in parking charges as alternative funding mechanisms.

Additional information on the options available are outlined on our website [here](#).

Then you can explain why the cuts are damaging. This is an opportunity to describe why any or a number of these cuts are particularly concerning. Some prompting questions are: *What is it about the proposed service being cut that matters to you? What does the impact of these cuts look like to you? What do these cuts not consider?*

Linking this to your personal perspective or roles is a good way to answer this. For example, are you an artist who has been building community events? A parent who wants to enjoy the venues, parks and events that bring people together? A resident who has seen the impact of homelessness services and programmes that have been built up over years?

Question 2: Amending Auckland International Airport Limited (AIAL) Shareholding Policy

This section is about how the budget proposed to sell the 18% of shares Auckland Council holds in Auckland International Airport.

Selling what is left of the Auckland Council's airport shares will have irreversible consequences. While selling the shares now brings in a chunk of revenue, all future revenue from dividends is lost along with a share in the extensive land airport holdings.

It will be very difficult to return the land and future value of the shares to the public once these shares are sold, which has major implications for mana whenua and Māori land interests (the Waitangi Tribunal cannot recommend the return of private land where mana whenua seek this under Te Tiriri o Waitangi claims) so airport land will be permanently alienated from Māori. It also has implications for future climate and other emergencies, as we need coordinated transport hubs, which is much harder when airports are privatised.

The form asks: What is your preference on this proposal to change the AIAL shareholding policy to enable the sale of all Auckland Council's shares?

Our suggested response is: Don't change the policy, keep all our shares and further increase rates and/or debt.

The form then asks: Tell us why

You might refer to some of the above issues highlighted or simply how the sale of shares like this ensures a one-off return only - with all future possible opportunities for income from this large shareholding or a stake in what is carried out at the airport lost to the multinational corporations who are likely to buy these shares.

You might refer to some of the other levers mentioned above in question one to support your answer.

Question 3: Managing rates and debt

As our Better Budget points out, there is much more that can be done to leverage rate increases and borrowing at this time:

Council is opting to pause two important targeted rates that they don't have to. The Council says its reserves from the Water Quality Targeted Rate and the Natural Environment Targeted Rate are not spent, and that these rates can be suspended for a year. Now is not the time to freeze funding for water quality or the natural environment. According to the Council's own consultation document, pausing these targeted rates is a big benefit for business: it saves owners of average value business property \$376 a year and owners of average value residential property \$77 a year.

The Council is proposing to borrow \$75 million, stating it cannot borrow more than \$140m without breaching internal policy, but as the Council these policies can be adjusted (as the Council has recognised by acknowledging it would need to amend its airport shareholding policy to sell off its shares).

Increasing levels of borrowing with plans to leverage revenue from existing sources and increased rates can ensure Auckland's strong credit rating is not impacted.

The form asks: What is your preference on our proposal to manage rates and debt?

Our suggested response is: Select 'other'

The form then asks: Tell us why

Here you can outline how rate changes, including unfreezing the Water Quality Targeted Rate and the Natural Environment Targeted Rate, will generate much needed revenue that can help avoid the proposed cuts. Unfreezing these rates for the coming year is estimated to raise over \$50 million in annual revenues.

Increasing general rates a little more than is currently proposed should also be considered. Rates are relatively low in Auckland, and other cities are facing higher rates jumps: Wellington is facing a rates rise of almost 13%. This can justify a slightly greater contribution from home-owners to maintain community services and public assets.

You could also outline why increased debt should be a serious consideration at this time of need, and following years of challenging economic circumstances.

Much of the argument against increasing debt is around the issues increased debt can create for future Council operations and expenditure, or around the Auckland Council's credit rating. In telling the Council why you think they can make better use of debt you could explain how:

- this is precisely the time to take advantage of Auckland Council's excellent credit rating
- that Auckland Council is not facing a debt crisis (Auckland's debt is at 250% of its revenue, well below the 290% debt ceiling)
- that debt to revenue ratios measured by the Council's own benchmarks have been trending down
- that inflation and interest rates are expected to go down over time.

Question 4: Storm response

This question is about how the budget responds to ongoing extreme weather events to ensure resilience and recovery. Investment in appropriate infrastructure now can help prevent some of the kinds of impacts we have seen already in 2023.

Investment in stormwater infrastructure and other infrastructure now is necessary to reduce future costs, not only financial costs, but ecological and human costs where extreme weather events are estimated to occur more often.

Including detail on how the flooding affected you, your whānau or your community is a great way to let the Council know how this investment is needed.

The form asks: What is your preference on our proposal to manage the impact of future storms?

Our suggested response is: Proceed with the proposal to increase our operating budget by around \$20 million each year.

The form then asks: Tell us why

Here you could draw on concerns around the impact continued underinvestment in infrastructure could have in light of predicted increases in the frequency of extreme weather events. Prompting questions include:

- How have recent flood and extreme weather events impacted you and your whānau? For example: *water was cut off, you faced property damage, you had to evacuate your home*
- *Why does this concern you personally? For example, health and safety, your general wellbeing, financial security, the accumulative impact of flood damage on you and your whānau in the face of other social and economic challenges.*
- *Why is investment so important right now to get Auckland Council back on track and to prepare the Council for the future?*

Question 5: Local Board Priorities

There are 21 Local Boards within Auckland Council that look after our neighbourhoods and local area facilities and activities like libraries, community centres, public pools and gyms, and parks. Local Boards are being asked to re-prioritise where they direct their funding in light of the Council's proposed cuts. Reduced opening hours and increases in charges to use these services are proposed avenues for this area of the budget.

These reductions also include reductions to regional services like community and education programmes, regional arts and culture programmes, regional events, economic development, and other social services activities such as homelessness funding and community empowerment. For example, the Whau Local Board funds organisations such as Rape Prevention Education Whakatu Mauri Trust, Vision West Community Trust (a leading service provider in the response to floods and Cyclone Gabrielle), and Avondale Community Action which would be considered for cuts under this section of the budget.

Detail on each of the Local Boards cuts are located on the Council's website [here](#). You can check what local board area you live in using [this link](#).

Take a look at your local board by clicking on the 'supporting information' link under your local board and go to the page numbers outlined there so you can reflect on the proposed 'priorities' when you answer the below.

The form asks: Which local board area(s) do you want to give feedback on? Once you select your local board, a summary of the proposed 'priorities' appear.

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

Our suggested response is: Depending on the projects being prioritised, select your answer. You might choose to select 'Other' if you support one or two of the priorities but not the others, since this is not an option given on the form (and then explain why in the text box underneath)

The form then asks: Tell us why

Think about what has been going on in your local area, the services you use that are mentioned under consideration for cuts. Talking about how cutting services to your Local Board would impact you and your community and why you think that these should be considered a priority should be described. You could note that it is proposed that all environmental services provided by local boards will be cut, from around \$200,000 per local board to \$0. You could ask whether this is appropriate after a once-in-a-generation flooding disaster and cyclone that has required strong local responses.

The form then asks: If funding for local board activities is reduced, which three of our services do you not want to reduce funding for? (i.e. which are most important to you?). Here you can select your three most valued services by selecting the boxes.

The form then asks: Tell us why these are most important to you

Speak to the most valued services you outlined above, why these are important to you and your community and what reducing or cutting these means to you, your whānau and your wider community.

Question 6: Changes to other rates, fees and charges

Targeted rates ensure Auckland Council can raise funds for specific services and projects, such as ensuring adequate funds are available for climate action and responses to critical events as a result of the climate emergency.

The Council proposes using funds from the Climate Action Targeted Rate (CATR) to avoid Auckland Transport paying for intended bus services and reduce the total investment in bus services.

The form asks if you support the following:

Cost changes in waste management, including: (A) a 10.6 per cent base rate increase, (B) an option for a new 80L bin in the former Auckland City Council and Manukau City Council areas (80L bin price will be \$143.71), and (C) an increase to the 240L refuse bin price (from \$254.15 to \$287.41)

- These changes are proposed due to significant increases in labour costs and road transport-related costs, and to introduce a new, smaller bin size to what is currently available.
- **Our suggested response is: Support these changes**

Introduce a one-off fee of \$40 for those residents wishing to change their bin size.

- This is proposed to more closely align the charge for this service with the actual costs of people swapping out their bins
- **Our suggested response is: Support these changes**

Extend the food scraps targeted rate to the new areas that will receive the service this year.

- This is proposed to cover the costs of the food scraps service as it is extended beyond the North Shore and Papakura throughout 2023-2024.
- **Our suggested response is: Support these changes (and you may wish to suggest these services to be extended beyond Auckland's remaining urban and semi-urban parts, to cover all of Auckland; detail this in the feedback box at the end of this question).**

Swimming Pool/Spa Pool Fencing Compliance Targeted Rate

- Proposed to reflect the actual costs of the service and an increase in the fee for follow-up inspections.
- **Our suggested response is: Support these changes**

Change which bus services are funded by the Climate Action Targeted Rate from what was planned, to ensure that we can continue to deliver the climate and service outcomes for which the CATR was established

- This is proposed to take the \$10.5 million generated by the Climate Action Targeted Rate (CATR) for the 2023/2024 year to fund additional bus services
- **Our suggested response is: Oppose these changes**

Question 6: Continued

The form then asks: do you have any feedback on the proposed changes in the tables above, or the other proposed changes to rates, fees and charges?

Here you can elaborate on anything you feel strongly about regarding the targeted rates. For example, the cutting of planned increase in bus frequency funded by the Climate Action Targeted Rate.

The Council attempted to introduce an Accommodation Provider Targeted Rate which would act like a tourist tax for visitors to Auckland.

However, this is currently held up in the courts.

The result is that the council does not have that funding allocated to tourism promotion. In addition, this budget proposes to cut all funding for promoting Auckland to tourists. This will lead to fewer visitors to Auckland in the coming years.

You may want to suggest that the council could continue to investigate small additional charges on tourists to raise money to invest in the long-term economic development of our city.

Question 7: What else is important to you?

Here you might reiterate and reinforce some of the points you have made above, in the spirit of investing in our city, our people and our future.

Auckland Council should be investing now – in tourism, public transport, the arts, and other social services. Investing in the city will bring revenue back.

To emphasise your point, you can draw on the fact that these investments can be funded through a mix of borrowing and leveraging of rates set out above and further detailed in our Better Budget [here](#).

The Better Budget is an alternative that shows how the Council can address the so-called shortfall and provide the foundation for a budget that is more flexible, fairer, and better for Tāmaki Makaurau Auckland over the long term.

To make a submission, go to Auckland Council's website [here](#).