

# Final Mayoral Proposal

## Auckland Council's Long-term Plan 2024–2034

### Mayor's Introduction & Overview

In introducing my initial proposal, I said this was a time to tackle our big financial challenges, and strengthen the financial and physical resilience of the region. I wanted to focus us on fixing Auckland and not kicking the can down the road.

In the months since, I am proud of the progress we have made as a team.

While there has been political disagreement, as you would expect, we have also found agreement and consensus on many critical matters. We received broad support from the public for the direction of our plan and for much of our individual proposals.

I am grateful for the constructive contributions from many Councillors, Local Boards, Houkura members, organisations, and the public. A particular thanks is owed to the members and chairs of the political working groups who contributed.

These contributions have made this final proposal much better.

Given the financial challenges that the council and our constituents face, we could not offer a whole lot of new spending or launch new mega-projects. Neither was their appetite for big cuts or austerity. So, we need to be focused on making the most of what we have. That means doing things *better, faster and cheaper*; and *fixing, finishing and optimising* before we start new things.

### Progress made in tackling our big challenges

It's worth reflecting on some progress already made since we went out for consultation on the draft Long-term Plan.

#### *Fixing Auckland's water*

First, we fixed one of our biggest funding challenges: the need to enable much needed investment in water infrastructure without a massive increase in water prices.

The Governing Body unanimously proposed a solution to the Government, who agreed to implement our proposal. The new model means Watercare remains an Auckland owned and controlled entity, but with the ability to borrow and invest more without impacting Auckland Council's credit rating.

Under the new model water charges will increase in July by 7.2% rather than 25.8% as had been proposed. To do that under our previous debt constraints would have required deep cuts to our capital programme. Under the new model, there is no need for any cuts.

So, in this final proposal, I am proposing we enable Watercare to get on with much-needed intergenerational investment in water infrastructure. This means Watercare can maintain the integrity of its assets. It can get on with finishing the Central Interceptor project, including extending it to Point Erin, and replacing the 100-year-old Huia Water Treatment Plant.

We can also deliver on our Water Quality Improvement Projects, meaning we can stop dumping sewage into our harbours and rivers, which leads me to my next point.

### *Making the most of our Port and Waterfront*

Another major focus has been to make more from our most significant assets – including the Port and waterfront.

In the recent past, the Port’s financial returns have been low and below the council’s cost of capital. This means ratepayers have been subsidising the Port. That cannot be justified, especially given the prime land it occupies.

We have fixed this too. Under the last Mayor, council had started considering leasing the Port and that process although controversial helped us understand what Auckland Council should expect as returns from the port.

In working together with the Port and the Maritime Union of New Zealand, we have come up with a much better plan that will deliver better financial returns to council than we projected with the Port lease.

In this plan, the Port has committed to deliver more than \$1.1 billion in profits over the LTP period. That is \$200 million more than they had previously forecast. Last year, the Port delivered profits of around \$42 million. By 2027, it will be delivering Auckland Council \$110million, or more than \$2 million a week.

The new plan will get us some great new public waterfront space for the city, improve ferry services, and provide a boost to our economy. This includes the release of Captain Cook and Marsden for the city, and some public access being granted on Bledisloe Terminal.

I’m pleased the plan also lays the groundwork for a longer-term term vision too.

### *A more efficient council, focused on value for money for Aucklanders*

We have continued the pressure on the organisation to find savings and be more efficient so we can fund extra services that our communities want without rates hikes.

Last year we made \$83 million in savings. We can deliver a further \$27.8 million next year, rising to more than \$60 million over the next three years.

I am pleased our new Chief Executive has taken up this challenge, and that he has made sure that the savings are shared across all levels of the organisation.

But savings aren’t everything. We must make sure we are getting value for money. In this proposal, I suggest we confirm the new budget responsibility rules we consulted on and other important value for money initiatives.

### *Safety initiatives*

Ensuring Aucklanders can feel safe in their city has remained a priority. So, with the help of Mayoral Office funding, we have also been able to fund several regional safety initiatives. This has included safety hubs in the city centre, and compliance wardens to fill the gaps in safety across the city and work with AT to improve safety on our public transport network.

## *A fundamentally different relationship with central Government*

We have made progress, too, in seeking a fundamentally different relationship with the Government so that Auckland can provide regional leadership and deliver for Aucklanders.

Last year, I published the Manifesto for Auckland which envisaged a relationship based on partnership and mutual respect. We already have runs on the board with a deal on water reform and a commitment to work with us on change regarding transport.

We have helped define our priorities for Government, including in any Auckland Deal.

## **Confirming the central proposal with some changes**

With that progress already made, this proposal largely proceeds with the “central proposal” we consulted on. This includes:

- Significant investment in priority areas: packages for transport and water infrastructure, flood resilience, community assets and open space, regional facilities, and Māori outcomes.
- Continued financial restraint: with a number of significant value for money initiatives.

This is based on making the most of what we have: no major cuts to services but limited new fancy stuff either, and it was the scenario that had the most public support.

But, there are several changes and I outline the main ones below.

## *Auckland Future Fund*

I propose we proceed with establishing a regional wealth fund called the Auckland Future Fund to improve the financial and physical resilience of council. This Fund is expected to provide us an *additional* \$400 million over the 10 years of the LTP; an annual benefit of 2.2% for ratepayers.

I want to again acknowledge the contribution of the Investments Working Party to developing this proposal.

Having listened to advice, the public and elected members, I have made some changes to the initial proposal:

- Capitalised with AIAL shares initially: Putting our airport shares in the Fund had strong support from the public. We could consider other contributions to the Fund in the future too. I'd like us to continue to consider how the Port could contribute to the Fund in the future, as initially intended, without compromising the new plan.
- Clear purpose to protect the real value of the Fund and make strong returns: The Fund's purpose would be to protect the real value of Council's intergenerational assets, so they can continue to benefit future generations, and to provide a stronger, steady returns to council to fund services and infrastructure. I do not propose using the Fund for self-insurance at this stage, which complicated things. We will retain our existing self-insurance fund and will need to keep looking into improving it.
- Strict protections against raids: We should put in place strict protections to ensure that future councils cannot raid the Fund for short-term gain. I propose we establish the Fund

as a trust which can provide a very high level of protection. I also want us to seek the added protection of legislation. A copy of a draft local bill is attached to this proposal.

This revised Future Fund essentially enables us to “swap” a single asset for a diversified asset portfolio that can be expected to provide a higher and steadier expected rate of return, and be more resilient to shocks that impact Council’s other assets.

Based on independent, professional advice the financial contribution to Auckland Council from the Future Fund is expected to be \$40 million more annually than dividends from our remaining AIAL shares, or \$400 million over the LTP. This is a 2.2% savings to each ratepayer.

A higher and steadier return will enable increased investment in services and infrastructure that benefit Auckland’s communities, without increases in general rates.

### *AIAL Legacy Fund*

I know there are some strong feelings about the airport shares.

My view is that the Future Fund honours the legacy of the councils that retained airport shares by making sure we protect the value of that intergenerational investment for future generations. It means that legacy continues and can be improved upon.

It has been pointed out that some areas of Auckland have already benefited from the sale of AIAL shares by legacy councils, which used the proceeds to provide better local infrastructure. This was compounded by a funding formula for Local Boards that locked in unfairness.

I am also proposing to do two more things to address this:

- Fairer Funding: Finally fix the unfairness in how Local Boards are funded based on legacy assets by accelerating Fairer Funding over the next 4 years.
- Reserve Fund: Set aside the increased returns from the Future Fund for Year 1 (which we weren’t counting on in the central proposal) in a Reserve Fund to “fix and finish” community projects in the legacy areas. This is expected to be \$20 million which could go to some important projects and help address imbalances.

### *Boosted transport package*

There was strong support for the priorities in our central proposal – fix the roads, cut low value initiatives, and make public transport faster, more reliable and easier to use.

I wish to proceed with these central proposals, which include the \$50 weekly public transport pass for buses, trains and inner ferries.

Transport was also an area in which many wanted to see us “do more” and I have made some changes to the proposed budget to recognise this:

- \$70 million in public transport funding to maintain bus services and track maintenance: The final proposal now includes \$70 million in additional operating spending for Auckland Transport, which is \$10 million more than the central proposal we consulted on. This is required to ensure Auckland Transport can maintain bus services and track maintenance.

This proposal still requires Auckland Transport to realise \$60 million in savings in FY25 so it can manage the cost pressures from public transport.



- \$14 billion capital programme: The final proposal includes a \$14 billion capital budget for Auckland Transport, up from the \$13.4 billion central proposal we consulted on. This includes the funding to fix the roads and make public transport faster, more reliable and easier to use. The extra spend will enable completion of the next four critical level crossing removals in Takaanini, which have been identified by Auckland Transport as the top priority for additional transport spending.

There is also a new one-off capital grant to boost the safety of bus drivers by funding installation of safety screens to protect drivers.

### *Fairer funding for Local Boards*

My original proposal was to accelerate fairer funding for Local Boards to address legacy imbalances, with a 50/50 combination of new funding and reallocation. This is to be progressed alongside properly empowering boards to make budget decisions and better advice to support decision-making.

There was strong support for accelerating fairer funding, but mixed views on whether this should include reallocation. The Joint Governance Working Party proposed an option that does not involve reallocation.

I've accepted the recommendation of no reallocation in principle because I want us to resolve this. However, I'm advised that the full recommendation of the Working Party will now have an additional impact on rates (above what was included in the central proposal) of around 1.5% in year 2, which is more than they were advised.

That seems a bit steep, so I propose we stage these increases over the next few years – with additional funding being allocated over years 2 to 4. My revised approach will have an impact on rates of 1 % in year 2 which is more reasonable. It also gives Local Boards some more time to plan for increases in funding.

### *A way forward on North Harbour stadium*

As I said in my original proposal, I was not convinced that the idea to demolish North Harbour Stadium and sell the land to invest in other stadium assets would have community support, so I did not think it should proceed any further and it did not. But something clearly had to be done.

Council consulted the community on a range of options. Feedback from the community was split and no clear consensus emerged.

As such, I think we need to keep things as they are (Option 1), and let the local community run a process to consider how to improve things. I've asked the Upper Harbour and Hibiscus and Bays Local Boards to lead a political working group on proposals for the North Harbour Stadium and Domain Precinct.

## **Budget Levers and Rates**

Based on the above, I am proposing overall rates increase for the average value residential property of 6.8% in FY25, 5.8% in FY26 and 7.9% in FY27 and then average rates increases of no more than 3.5% beyond that for the rest of the LTP.

This is different to what I proposed in my central proposal in the consultation mainly because of the changes to the AFF proposal and not using it for self-insurance, together with the change to funding for the Fairer Funding model starting FY26.

If we adopted the Joint Governance Working Party option for fairer funding, this would be 6.8% in FY25, 6.3% in FY26 and 7.4% in FY27.

## **Fixing Auckland**

This has been a mammoth process and we've all contributed to the final product. Let's land on a plan so we can get on with delivering it.

**Mayor Wayne Brown**

# Financial Strategy and Budget Levers

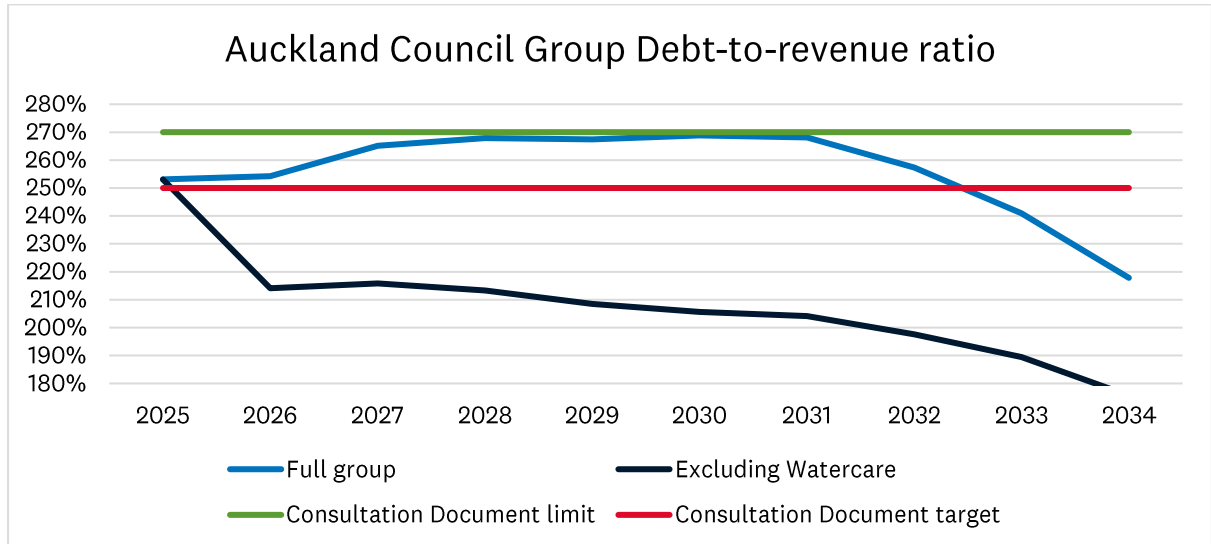
- **Refresh fiscal rules, reduce debt to revenue ratio to more sustainable long-term levels**
- **Maintain track to fully funded depreciation by 2028 to reduce pressure on debt**
- **Group budget responsibility and transparency rules, including better use of cost/benefit analysis**
- **Better, faster, cheaper: specific initiatives to achieve efficiencies and stop waste:**
  - Transform technology delivery to save \$94 million
  - Accelerate Group Shared Services and consolidation of service function to reduce duplication
  - Reduce layers of bureaucracy and management
- **Reduce Auckland Council Group operating costs**
- **Auckland Transport delivers \$60 million in net operating savings to mitigate public transport cost pressures**
- **Fix, finish, optimise: slow growth in capital expenditure and no new mega projects, focus on getting more out of what we have**
- **Asset sales target of \$300 million, which is only 1% of the value of investment in new and renewed assets**
- **Minimise rates increases to meet unavoidable cost pressures, including relating to storms and City Rail Link, then fall to levels at or near inflation**

## Fiscal rules

1. Our Financial Strategy must include benchmarks and rules to enable the assessment of whether the group is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.
2. We consulted on several changes to these rules, which I propose we confirm:
  - a. Debt-to-revenue: Reduce council's Debt to Revenue ratio limit to 270% with a long-term target of being below 250%. This represents the intention to permanently improve our debt position as a result of the sale of AIAL shares.
  - b. Fully funded depreciation: Maintain the track to fully funded depreciation by 2028 to reduce pressure on debt.
  - a. Debt servicing-to-revenue limit: Maintain a debt servicing cost to revenue limit of 15%, that we look to reduce over time.
  - b. Rates affordability (increases): New quantified limit on rates increases, which is based on inflation. The new limit is that average rates increases for existing ratepayers

should not exceed more than 1.5 per cent per annum above inflation, based on either CPI or the Local Government Cost Index.

3. Further changes to debt settings will be required because of Watercare’s financial separation, including in how we present the Group information. As such, I am signalling will need to explore changes to these Rules again in the next Annual Plan process.



## Group budget responsibility and transparency rules

4. The Council Group must be able to clearly communicate to Aucklanders and the Governing Body the value of its activities.
5. I have developed a set of new Budget Responsibility and Transparency Rules. I propose to confirm these new rules, which formed part of the Financial Strategy that we consulted on, including:
  - a. Fixed nominal baseline budgets:
    - i. Future annual budget processes are proposed to be based on an initial assumption of no increase to operating budgets from the preceding year. This encourages council departments and CCOs to continue to seek out savings to offset the inflationary cost pressures they are facing.
    - ii. Exceptions would likely apply for spending increases that are unavoidable due to contractual or similar commitments, or where the costs are necessary to implement specific council decisions or new Central Government legislation.
  - b. New standards for advice to Elected Members (both local board members and councillors) on spending decisions:
    - i. All advice to Elected Members on spending decisions is proposed to involve some effort to weigh costs and benefits, including some contestable advice (i.e. advice provided to Elected Members which is separate from the department asking to spend the money). This would require considering how we can understand and assess non-financial benefits.

- ii. For higher-value expenditure commitments a full cost-benefit analysis of the relevant options is proposed to be required.
  - iii. As a general rule, decision-makers would not approve investment where the benefit/cost ratio (BCR) is lower than 1.
  - iv. All advice would need to take a “whole of life” approach to both costs and benefits. For capital investment this would need to include clear information on the consequential operating costs and depreciation.
  - v. It is proposed that operational initiatives need to be clear about whether the service is to be permanent or is addressing a specific, current issue. It may be appropriate for decisions to include sunset clauses or review periods
- c. Transparency and financial accountability:
- i. Service profiles are proposed to be generated regularly which provide the basic financial and non-financial information for each service area of the council group necessary for elected members to effectively carry out their governance oversight responsibilities. These are accompanied by granular (line-by-line) financial information.
  - ii. The service profiles are to be supplemented by a programme of regular reviews of the service and financial performance of individual departments. This would provide an opportunity for elected members to focus on individual service areas in exercising their oversight roles.

## Operating costs

- 6. My plan continues to require significant financial restraint in terms of the operating costs of Auckland Council. This includes setting prudent baseline funding measures and requiring additional initiative to drive efficiency and value for money.
- 7. I propose to confirm the general approach taken in the central proposal. This included additional funding to meet storm-related costs, public transport costs and the massive increase required to fund the running of City Rail Link. But it otherwise looked to hold things steady or reduce costs.

### *Additional savings*

- 8. To meet my initial proposal the Council Group needed to deliver cost savings that hadn't yet been identified of at least \$20 million in year 1 rising to \$50 million in year 3 of LTP.
- 9. I have put additional pressure on the organisation to find operating savings so that we can fund the extra services that our communities want, like the additional funding for public transport that I am proposing here.
- 10. There is an additional \$7.8m savings target in FY25 than was in the central proposal for consultation, meaning a total savings target of \$27.8 million for year 1 of the LTP. This is noted in the table below and identified with assistance from the work done by the Revenue Expenditure and Value Committee.

Communications and marketing reductions	More basic levels of consultation spending	\$220k
Professional services savings	Reduce discretionary activity	\$1.1m
Defer “deliver differently”	Change timing with minimal or no service impacts	\$3.7m
Reduce Eke Panuku Waterfront activation spend from general rates	Seek advice from the City Centre Advisory Panel on opportunities to fund from City Centre Targeted Rate	\$500k
Additional unallocated savings from outsourced works and services	Reduce discretionary activity	\$2.3m
Total		\$7.8m

11. Additional savings in FY26 includes a reduction of \$7m in rates funding towards destination, marketing and major events costs, which we plan to offset by the assumed introduction of a bed night visitor levy of 2.5% generating between \$23-27m per annum from FY26.
12. I also expect staff to target interest cost savings of \$800k per annum from removal of the built heritage protection fund. This helps balance the rates increases for FY26, which are proposed to be higher due to Fairer Funding of local boards.

### *Auckland Transport*

13. Most of the operating cost pressure for the council group is coming from Auckland Transport, as a result increases in the cost of delivering public transport services, expansion in those services and the City Rail Link.
14. I am proposing we increase Auckland Transport’s operating budget by \$70 million to meet these pressures and maintain services. This is \$10 million more than the central proposal based on revised advice about what is required to maintain and improve services.
15. Given Auckland Transport had sought an increase next year of \$130 million to meet existing service levels, they will still need to deliver on \$60 million of savings.

## Capital Expenditure

### *Fix, finish, optimise*

16. We should confirm the direction of the capital programme in our central proposal.
17. This includes slowing down the planned steep growth in our capital programme so we can play catch-up with the associated costs. It’s not the time to start big new projects, it’s time to consolidate: finish what we’ve started, fix what is broken, and get the best out of what we have.
18. Even with these changes, our capital expenditure is growing as we invest in Auckland. Big increases in capital expenditure in the first year of the LTP are driven by the Category 3

property purchases, our Making Space for Water programme and transport investment to finish the Eastern Busway, buying new trains, catching up on renewals and CRL cost overruns.

### *Housing and growth infrastructure*

19. Rapid population growth in Auckland is creating substantial demand for infrastructure investment which far exceeds Auckland Council's capacity to fund and finance this using its current set of funding tools.
20. Proceeding with new development in areas without the necessary public infrastructure in place will create major problems in terms of poor housing and urban development outcomes.
21. Auckland Council and Government have agreed to work together to progress the infrastructure needed for the Auckland Housing Programme areas (including Tamaki, Mt Roskill and Mangere) which will ultimately see around 40,000 houses developed in quality urban neighbourhoods.
22. With our existing funding tools, we are able to include \$415 million of transport, stormwater and parks and community infrastructure in this LTP. However, this is only about 29 per cent of the \$1.45 billion that we understand is needed over the next 10 years. We have worked with Kainga Ora to develop a proposed funding package that will see this gap closed using the government's Housing Acceleration Fund, development contributions and transport subsidies.
23. Provided that the Government can confirm its support for the use of the Housing Acceleration Fund as we have envisaged prior to the final audit and adoption of this plan, I am proposing to include the full \$1.45 billion infrastructure programme in this LTP. Without this support we can only afford to include the more limited \$415 million investment package. This won't achieve the housing outcomes that we would like to see, but we must live within our means.
24. If the full programme can be included in the LTP, this will increase the total Group capex over the 10 years by \$1.03 billion, including \$473 million for transport.
25. For the priority areas of Drury and the inner Northwest (Redhills, Westgate and Whenuapai) large amounts of land has been rezoned for housing, but the necessary infrastructure should be staged over a sensible timeframe. We are planning to provide the necessary infrastructure over a 30-year horizon and use development contributions to make sure all developments in those areas pay their fair share of the costs.

## **Better, faster and cheaper: cost savings and value for money initiatives**

### *Fit for Purpose technology*

26. We should confirm our intent to transform the way we deliver technology across the council group. The financial benefits from this initiative should deliver operational cost savings of \$94 million over the long-term plan.

## *Group Shared Services*

27. There is a pressing need to stop the duplication across all our common functions (where possible) in the group and have one quality version of these services available for all council entities to use.
28. Since we went out for consultation, I am pleased to see a better, faster plan has been put in place for Group Shared Services and I congratulate the Chief Executive and all involved for moving more quickly on this. I still want to see this go further and now that we have Watercare's future confirmed, that they should be able to be part of the solution to find operational efficiencies.

## *Property Management*

29. A review of the Group Property model is continuing and the findings to date continue to suggest that there may be synergies between the property teams across the council group and an opportunity for them to be working more effectively together. The Chief Executive is tasked with moving this forward.

## *Other duplication*

30. We also made progress on consolidating other council services where there is duplication, and reducing overhead costs. I hope to see reduced duplication across the group in the next financial year, including in events and economic development.

## *Further cost savings initiatives and improving procurement*

31. Too much of what we do costs too much. Getting value for money requires sustained and consistent effort.
32. An area that needs improvement is the planning of procurement activity and management of the contracts that result. Too much of the wasteful spending in the council group comes from poor planning, which often starts with external designers and consultants who don't have accountability for budgets. By the time it gets to the sourcing stage, the horse has already bolted around cost blowouts.
33. The issues around procurement in council need to be solved in a systemic way. We must start by looking at the standards we require for our built infrastructure and services. Too often these are over the top and gold-plated when more simple standards or requirements will do.
34. We also need to review the idea that bigger is better. Unless that comes with rigorous benchmarks and contract management, how do we know we are still getting value from our large operations and maintenance contracts? Some services may need to be disaggregated and this will be considered in a forthcoming review of our large contracts.
35. We need to improve the quality of the financial and operational advice that goes into commissioning new projects or services, especially for our local boards. The changes to the Financial Strategy will drive independent reviews of business cases and budget bids being proposed by business units. This should stop poor-quality spending.
36. The focus should always be on the value or benefit we get from the new or additional spending. As a result of the changes to the Financial Strategy, I am expecting a refreshed



Procurement Strategy to be developed for the council group that sets some of these rules and expectations in place. Having procurement as a shared service should ensure these rules are enforced consistently across all departments in the council group. There will be savings.

37. We should also confirm the following initiatives and focuses for this plan:

- a. Review design standards: a programme of review of design standards, to ensure they are not getting in the way of pragmatic cost-effective outcomes (e.g. design standards for rural paths requiring concrete instead of compacted metal).
- b. Road renewals and dig once: a major almost \$6 billion spend, but there are ways to ensure we are spending smarter. Utilise road renewals smartly to improve roads, without gold-plating.
- c. Temporary traffic management transformation: Progress is being made on a project we initiated to transform AT's approach to TTM, which is a huge portion of the cost of many capital programmes.
- d. Seismic strengthening: the Government has agreed to our request to review seismic rules. I am not convinced our current spend is justified and we should slow down while we wait that review.
- e. Enabling local boards to waive accountability reports for community grants: accountability reports can make the grants process unnecessarily cumbersome and bureaucratic.
- f. Review provision of services that have been previously provided by community / sporting groups under legacy council: e.g. marking of fields, cleaning of changing rooms.
- g. Property and office space: Local Boards, CCOs and other related organisations should use existing facilities rather renting new ones, where this is possible. It makes no sense to lease space off commercial landlords when we have empty space in perfectly adequate buildings which Aucklanders own.
- h. Facilities maintenance: I have heard concerns from some councillors that the costs of maintenance, particularly our parks and open spaces are getting out of control. I think there is merit in reviewing these costs and contractual structures to see if there are better and cheaper ways to do the work. I want to focus particularly on Regional Parks first and encourage in-house rangers and volunteer providers to deliver maintenance and minor capital works. I also want to sit down with council's big maintenance contractors to agree on ways we can save money on these expensive contracts. I am open to considering in-housing some aspects of these services.

## Asset sales

38. I am proposing we maintain an asset sales target of \$300m over the 10 years of LTP.

Council has a large portfolio of assets, and this target is less than 1% of what we propose to invest in new assets over the next 10 years. Achieving any asset sales target is challenging and I have proposed we confirm the policy changes to make selling assets easier and allow this target to potentially be increased if required during the LTP

## Rates

39. I am proposing an overall rates increase for the average value residential property of 6.8% in FY25, 5.8% in FY26 and 7.9% in FY27 and then average rates increases of no more than 3.5% beyond that for the rest of the LTP.
40. This is different to what I proposed in my central proposal in the consultation mainly because of the changes to the AFF proposal and not using it for self-insurance, together with the change to full new funding for the Fairer Funding model starting FY26.
41. I am pleased that the additional savings will bring down our projected rates increase in the first year of the LTP to 6.8% from the 7.5% that we consulted on. This responds to what many of our community including local boards have told us. The people in our communities are hurting financially and we can take some of the rates pain away for them. This is the lowest average rates increase of any major metropolitan council in NZ.
42. I am proposing that we confirm the following targeted rates as noted in the central proposal:
- a. **Natural Environment Targeted Rate:** Our threats to the natural environment on land and in our harbours are always changing. I am proposing that we resume this targeted rate at the previously planned level to raise around \$32.6m in 2024/2025. I understand there are cost pressures against this funding, but I believe there are better ways to deliver more with the same funding, including leveraging community-led activity as well as working alongside and prompting central government agencies to take meaningful action. I also want at least \$200,000 of this funding applied to work dealing with marine pests, particularly “Caulerpa” in the Hauraki Gulf alongside central government.
  - b. **Water Quality Targeted Rate (WQTR):** Recent events have shown us the challenges facing water quality, particularly in our harbours. There are large programmes of work to address this already underway. But artificially constraining this work with a targeted rate of 10 years doesn't work in my view. I am proposing that we fund the expanded full programme of water quality stormwater projects of \$779m but set the targeted rate so that it covers only the annual programme operating and interest costs in each year. The rate will increase over time to ensure costs are covered in each year as the level of investment grows. The growth of the rate will be set to hold the impact on overall rates increase to no more than an additional 0.1 per cent in years two and three when the affordability pressures are greatest, and by no more than an additional 0.3 per cent in the latter years. This way it will treat capital expenditure the same as other council capital expenditure and funded using debt, and we avoid unspent money in reserves in the time it takes to get projects going. This is just good practice and will reduce the targeted rate impact on total rates, as well as aligning the funding for WQTR with the approach to Making Space for Water costs.
  - c. **Climate Action Transport Targeted Rate (CATTR):** this rate stays in place. I am proposing to broaden the description of bus services being delivered by this rate, rather than listing individual bus services, so that there is flexibility to respond to changing environment. In the long-term, I think we should have the flexibility to ensure

this rate is spent on activities that get the best return in terms of emissions reduction and public transport.

43. The long-term differential strategy (LTDS) has been paused for a while and looking at the benefits delivered for business ratepayers, it seems fair that they contribute the current business level of the total rates take, being around 31%. There was little feedback against this. I am proposing that we now do away with the LTDS and maintain the business rates level as it is, and apply this differential to the three targeted rates above. There is no impact on the overall average rates increase for residential ratepayers from this change.

## **Non-Rates Revenue**

44. We need to continue to drive non-rates revenue to limit rates increases. We are progressing a number of the areas set out in the Revenue Working Group's recommendation. We need to phase this work over the next year, alongside our usual work to increase charges to maintain cost recovery at appropriate levels.

# Transport

- **\$14 billion transport capital programme**
- **Fix the roads: fully fund council's share of road renewals (\$5.5 billion) if co-funding is available and the Unsealed Road Improvements programme (\$124 million)**
- **Make public transport faster, more reliable and easier to use:**
  - \$70 million additional operating spending to manage cost pressure
  - \$50 weekly public transport pass, a maximum weekly charge for adults
  - Introduce open loop ticketing, pay for public transport with payWave
  - Expansion of the Fareshare scheme to help employers to pay for public transport costs
  - \$610 million to progress removing of level crossings
  - \$600 million on network optimisation, including dynamic lanes and small capital works that will improve reliability of buses
  - Finish existing Rapid Transit projects, including CRL and Stage 3 of the Eastern Busway, and progress work on additional affordable projects to complete the network
- **Cut and reduce low value initiatives**
- **Cut congestion by making the most of what we have, progress on Time of Use Charging**
- **Reduce transport-emissions in line with target to reach net zero by 2050**

## An integrated transport plan

45. There was widespread support by the public for our central proposal for transport investment and spending.
46. However, there was also support for doing more to speed up the transport system and make it more reliable, towards public transport. I support this too.
47. We continue to progress towards an integrated transport plan for Auckland, which requires us to work with Government. This proposed programme focuses on my vision of a faster, less congested, more resilient, low carbon transport system for the people and goods of Auckland.
48. I am proposing \$14 billion of investment in our transport system over the next decade. This is less than what was required to fund Auckland Transport's entire capital programme (\$24 billion), so requires us to make choices and trade-offs, but more than the "do minimum" budget too. It is still a significant programme.
49. The key priorities that underlie my proposed transport investment are based on the priorities I announced in my Letter of Expectation:

- a. Complete existing transport projects on time and on budget
- b. Ensuring road renewals and maintenance are properly funded, so we avoid potholes
- c. Halt low-priority initiatives that are not yet underway
- d. Achieving significant gains in network performance through smaller-scale improvements
- e. Making public transport faster, more reliable and easier to use
- f. Progress work on affordable Rapid Transit projects that Auckland needs

## Fix the roads: fully fund renewals and Unsealed Road Improvements programme

50. We need to start by looking after what we already have, including properly funding the renewal of our existing roads, cycleways, and busways. It is essential that we keep our roads in good order, otherwise they will further deteriorate, leading to the widespread potholes we have seen on our State Highways, which I will not see repeated in our city.
51. Unsealed rural roads also contribute unnecessarily to sediment runoff, which ultimately leads to worse environmental outcomes.
52. We should confirm our plan to fully fund renewals (\$5.5 billion) and the Unsealed Road Improvements programme (\$125 million).
53. The proposed investment does come with one important condition. We can only afford to fund renewals if we have access to a fair contribution from the National Land Transport Fund.

## Make public transport faster, more reliable and easier to use

54. Aucklanders are more likely to use public transport if it is fast, reliable, and easy to use. Rather than making it harder for people to drive around, we need to focus on getting our public transport system functioning properly.

### *Funding required to maintain levels of service*

55. I am proposing we increase Auckland Transport's operating funding by \$70 million to meet the cost pressures required to maintain and improve public transport services.
56. This is an additional \$10m of council operating funding beyond the central proposal (expecting a further \$10m matched by government) to be allocated as follows:
- a. Track maintenance: \$5m towards increased rail track maintenance to ensure there is less disruption to the frequency of train services. I am told that this is critical to improving rail patronage which has been badly impacted by covid and service reliability issues. I agree this is a focus area; and
  - b. Protecting bus services: \$4m to ensure no Auckland suburb loses their bus service; and
  - c. Enhancing bus services: \$1m to increase the capacity of the most popular and well utilised bus services, including school services where students have been left behind.
57. I propose to continue to allocate \$6m per annum from the Climate Action Transport Targeted Rate (CATTR) to fund bus services in the Northwest for a period of 3 years.

Proceeding with the consultation proposal for this rate allows more flexibility in the spending of CATTR funds, as long as particular KPI's are met over the life of the programme. If this allocation did not occur significant additional bus service cuts would need to be made, which is not an acceptable outcome to councillors.

### *Making it easier to use our existing services*

58. More is required to make public transport attractive to Aucklanders. I am proposing we confirm the key initiatives in our central proposal to make public transport easier:
- a. Introducing a weekly cap of \$50: which will cover bus, rail & inner harbour ferry services. This will cut costs for regular commuters as well as encouraging regular users to use public transport for more of their journeys. I expect this to be rolled out by the end of this year.
  - b. Contactless payment: Enabling Aucklanders to use payWave to tag-on, rather than just HOP cards which will lower the barriers to using public transport for Aucklanders as well as visitors. This is an interim step before a national ticketing system.
  - c. Small capital works: In addition to this, over \$200 million is proposed to spend on small capital works that will improve reliability of buses as well as the standard of stops, shelter & safety.
59. There are two new initiatives too which were not included in the central proposal:
- a. Expanding Fareshare: Auckland Transport have been trialling a Fareshare scheme which allows employers to easily cover part of the cost of their employees' public transport, taking advantage of the removal of fringe benefit tax from public transport passes. This will now be expanded to all businesses with at least 5 employees. Auckland Transport is also investigating further innovative fare products that reward people who make regular public transport trips.
  - b. Safety for bus drivers: I am also proposing a one-off capital grant to boost the safety of bus drivers by funding installation of safety screens to protect drivers. I have always been focussed on safety, particularly for those who are providing critical services on behalf of council. This grant will be \$2.5m which I am hoping will be matched by NZTA. I want this \$5m to start straight away focussed on the highest risk bus services and to see these screens on 80% of buses within 2 years.

### *Make the most of existing mega-projects – including level crossing removal*

60. We need to complete existing transport projects, notably the City Rail Link and Eastern Busway. This includes allowing for the full funding of the 50% council share of the cost overruns of the City Rail, as well as covering other associated costs like new trains & depots and level crossings required to operate the new services. This plan will also cover the fully updated operating & depreciation costs.
61. Over the next decade we need to focus on improving our rail network to make the most of the City Rail Link.

62. My initial proposal included over \$190 million to progress removing level crossings, including those needed for the City Rail Link, as well as progressing work on the next priority level crossings in Takaanini. However, I noted that further funding was needed.
63. I am proposing to increase Auckland Transport's 10-year capital budget by \$600m, taking it to \$14 billion. The extra spend will be focused on completion of the next four critical level crossing removals in Takaanini. These projects have long been seen as critical, but no one has managed to progress their delivery. They have been identified by Auckland Transport as the top priority for additional transport spending.
64. Following the opening of the City Rail Link, barrier arms on these crossings will be down between 54% and 78% of the time, which is obviously unacceptable as would cause intense congestion in the Takaanini area. Removing these four level crossings and replacing them with three road overbridges and two active mode bridges will reduce traffic congestion, improve safety and allow more rail passenger and freight services to run.
65. Auckland Transport will need to work with the New Zealand Transport Agency (NZTA) and KiwiRail to consider the most appropriate funding and delivery model for these projects, so we can get on and deliver them. More level crossing removals across Auckland will ultimately be required if we are to make the most of the City Rail Link so a long-term funding and delivery model makes sense.
66. I will continue our advocacy for a greater share of these costs to be borne by the Government, KiwiRail and NZTA.

### *Reduce travel times with network optimisation and dynamic lanes*

67. Rather than focusing on more mega-projects, I want to focus more of our transport spend on improvements for small scale transport improvements that make a big difference to how we travel around the city. Over \$600million is proposed for investment in network optimisation, including dynamic lanes and small capital works to improve public transport and get traffic and our buses moving.
68. I want us to make sure this funding is protected through the RLTP process.
69. I have included funding to progress investment required for Time of Use Pricing, though details of this will require more work with the Government to confirm details around ownership and operation of the scheme.

### *Progress the Rapid Transit network*

70. We also need to make progress improving public transport, including building a Rapid Transit Network for Auckland, however this needs to be done in an affordable way and staged over time.
71. To progress the Rapid Transit network I am proposing to focus on busways. This includes finishing Stage 3 of the Eastern Busway, improvements to the Northern Busway including building Rosedale Station, a new bus station at Westgate and interim bus improvements on the Airport to Botany corridor.
72. We are also engaged in work on a permanent Northwest busway and improvements to the Mangere to Airport corridor.

## Cut spending on low-value initiatives that cost too much

73. In my initial proposal, I slashed the budgets for raised pedestrian crossing and expensive cycleway. But I retained significant budgets for low-cost cycleways and for sensible safety initiatives. These things can be delivered better and cheaper.
74. We should confirm that direction, which has been locked into place with the new Governing Policy Statement anyhow.

## Regional Fuel Tax

75. The axing of the Regional Fuel Tax has required us to reconsider our capital programme. A number of projects have been cut from the budget or descope as a result.
76. This includes Stage 4 of the Eastern Busway (the Botany Interchange) which is no longer funded – a reduction of \$298.7m or 88% of the project. There have also been part deferral or reductions in the road improvements for Glenvar Road (reduced by 30%), network resilience, cycleways, Matiatia Landside Park and Ride, Henderson Rail-Bus Station Improvements, and the Point Chev Town Centre Layover.

## Operating cost savings

77. Auckland Transport's operating funding requirement from council was proposed to rise \$130 million next financial year, which is twice as much as the rest of the council combined, and was unacceptable. Therefore, I have asked AT to making savings or increase revenue to reduce this figure to \$70m per year. This will need to be made up of a number of different initiatives:
- a. Savings in Auckland Transport internal costs, including consultant & marketing spend.
  - b. Removal of low value programmes that don't match my focus on the basics.
  - c. Increased revenue from enforcement and parking – an additional 50 enforcement officers are funded to enforce parking and temporary traffic management rules.
  - d. Savings from more efficient Temporary Traffic Management.
  - e. Changes to media procurement (enabling Lotto advertising).
  - f. Optimisation of the bus network to remove 'ghost buses' from the network. Auckland Transport will need to carefully work through which services to remove to mitigate any impact on communities.

## Temporary Traffic Management

78. I am determined as ever to reduce the unjustifiable social and economic disruption caused by the current approach to temporary traffic management. The number of cones, the frequency of lane closures, and the length of time roadworks remain in place for are excessive and unnecessary.
79. AT's transformation project has started to make changes – this includes charging contractors more to use road space.
80. In the coming weeks, I will announce the outcome of the review I commissioned into the AT's progress and what other measures that need to be taken to change the approach.



## Auckland Future Fund

- **A new regional wealth fund for Auckland to secure its long-term financial future and make the most of its strategic assets, while reducing risk by diversifying our asset base**
- **Initial \$1.3 billion investment of Auckland Airport shares, with the potential for future investments (including from the Port)**
- **Enable Auckland to “swap” a single asset for a diversified asset portfolio that can be expected to provide a higher and steadier expected rate of return**
- **Strict protections to preserve the real value of council’s intergenerational strategic assets so they continue to benefit future generations**
- **Better returns expected to contribute \$400 million more over 10 years, or an annual savings to ratepayers of 2.2% of rates**
- **Over time, will deliver increased investment in Auckland – as can be seen with wealth funds around the world**

### Long-term challenges

*Auckland Council faces major long-term risks from climate change and other environmental challenges*

81. The Auckland floods and Cyclone Gabrielle demonstrated that the region faces long-term risks because of climate change and other major environmental challenges.
82. These risks include the increased risk of damage to Auckland Council’s physical assets, costs of transitioning to a net zero economy, and less access to capital and insurance. This year alone, the cost of insurance for the council’s assets increased by more than 44 per cent.
83. We need to have a credible plan to show Aucklanders how we can deal with the risks to our assets and finances that may come from climate related risks.

*Current financial assets are not diversified*

84. One thing we know about risks, especially climate risks, is that having all our eggs in Auckland is the last thing we want if something bad happens to Auckland.
85. The same disaster be it climate, pandemic or natural hazard will impact Auckland International Airport Limited (AIAL) and Port of Auckland Limited (POAL), as well council’s other assets. It makes sense to spread our risks and look to earn a better cash return. Access to funds in times of crisis a big risk to organisations, and we are not immune.
86. If we retain our strategic ownership of the Port, it becomes even more critical to manage the exposure in AIAL shares. This was clearly demonstrated during the COVID-19 pandemic when dividends suddenly plummeted to zero – meaning council had to cut services or hike rates at exactly the wrong time,

## Auckland Future Fund

87. I propose we proceed with establishing a regional wealth fund called the Auckland Future Fund to improve the financial and physical resilience of council.
88. The Fund is expected to provide us better return – an additional \$400 million more over 10 years, or a 2.2% benefit to ratepayers – while protecting the real value of our intergenerational assets.
89. Having listened to advice, the public and elected members, I have made some changes to the initial proposal which I set out below.

### *Initially capitalised with AIAL shares, with future potential*

90. I am proposing the Future Fund is initially seeded with our shareholding in Auckland International Airport Limited (AIAL), described as option 3 in the consultation. This was the option that had strong public support.
91. But the plan for the Future Fund is not to “set it and forget it”. Its establishment gives us the vehicle and mechanism to create long term wealth for the Auckland region and to protect the value of our intergenerational financial investments. So, I want us to look at options in the future to further capitalise the Future Fund.
92. Investing the dividends of the Port into the Future Fund (option 4) did not receive public support at this time and it would require significant rates hikes in year 2. However, as our other major intergenerational financial asset, I still think the Port could contribute to the Fund in the future and I want to progress work on that.
93. The work envisaged in our new plan for the Port enables us to work with them and the other parties on options for the Port to contribute to the Fund. This should be in a way that has a positive impact on rates and that meets the core purpose and principles of the Future Fund. There are several options that could be considered such as investing excess profits (above projections) or special dividends.
94. These options have not been consulted on or explored yet, so I propose the Investments Working Party continue to explore them collaboratively and consistently with our new arrangement, and report back for the next Annual Plan process.

### *Clear purpose – protect the value of intergenerational assets and deliver a strong annual return*

95. The Future Fund would have two purposes:
- a. To protect the real value of Council’s intergenerational assets, so they can continue to benefit future generations.
  - b. Provide a strong return to council every year to fund services and infrastructure.
96. I do not propose using the Future Fund for self-insurance at this stage. This will ensure it has a clear purpose and maintains its value. We will retain our existing self-insurance fund, and in the future, investigate options of how both of these funds can be managed together in a way that provides benefits to council without risking the capital of the Future Fund.

97. With these refined purposes, the Future Fund can be operated simply. Annual releases from the fund can be provided to council to fund services or infrastructure. These release payments would, over the medium term, be lower than the earnings of the Future Fund (inflation-adjusted) so that the Future Fund maintains or grows its capital base.

### *Stricter protections enshrined in a trust deed and legislation*

98. The Fund must be robustly protected from divestment in future for short-term gain.
99. The proposed structure is an unincorporated non-charitable trust, with council as trustee, a Statement of Investment Policy Objectives, and professional investment managers. The trust deed will contain a high level of protection against divestment.
100. A trust is a robust and well-known structure, which will ensure that funds are protected to be used for the long-term purposes that they are set aside for.
101. However, I want us to seek the added protection of legislation over the top of that. A copy of the draft local bill is attached to this proposal. I note that legislation of this nature already exists for the New Plymouth Perpetual Investment Fund, which passed through Parliament unanimously only last year.
102. The legislation and trust deed can establish the following principles that must be followed:
- a. the AFF is a long-term fund which should be managed and applied for the benefit of the current and future communities of the Auckland Region:
  - b. the AFF should be managed and applied with the intent of maintaining or increasing the real value of its capital over the medium term:
  - c. the Council may only depart from the principle in subsection (b) if:
    - i. at least 75% of the Council's Governing Body resolves, on reasonable grounds, that:
      - A. the AFF can be applied in a way that will achieve a benefit that is better for current and future communities of Auckland Council than maintaining the real value of the capital of the AFF; and
      - B. reducing the real value of the capital of the AFF is the best available means of achieving that benefit; and
    - ii. the decision is explicitly provided for in its long-term plan; and
    - iii. the proposal to provide for the decision was included in a consultation document in accordance with section 93E of the Local Government Act 2002.

### *Strong financial benefits - \$400 million over 10 years*

103. The Future Fund essentially enables us to “swap” a single asset for a diversified asset portfolio that can be expected to provide a higher and steadier expected rate of return and be more resilient to shocks that impact Council's other assets.
104. Independent advice on expected long-run average returns from the AFF are estimated to be 7.24% net of operating costs. That means the expected annual distribution to council would be around 5.24%. This is a lot more than the expected dividends from the AIAL

shares while still leaving around 2% in the AFF every year to maintain and grow the Fund over time.

105. The increase return is an annual savings to ratepayers of 2.2% of rates.
106. A higher and steadier return will enable increased investment in services and infrastructure that benefit Auckland's communities, without increases in general rates.

### *Liquidity support*

107. The Future Fund can still be used to provide liquidity support for council consistent with the protection of the Fund.
108. That means we need less standby credit facilities, which in turn means a saving of at least \$1 million per annum from the establishment of the Fund. Our advice is that there would be very little, if any, chance of this ever being required so why should we pay those costs to bankers instead of banking it ourselves. If the liquidity facility was used, there would be a commitment that it be paid back in a short period.

### *Securing the future*

109. Around the world, there are many examples of successful regional and sovereign wealth funds. They are a proven tool to accrue profit for the benefit of a region's economy and citizens, providing stability through diversification and growing wealth for future generations.
110. Setting up a fund like this is a way for us to help future generations deal with our greatest challenges. If we do this, over the long-term our region and council will much better off.

### *AIAL Legacy Fund*

111. I know there are some strong feelings about the airport shares from some councillors.
112. In my view, this revised proposal honours the legacy of the councils that retained airport shares by making sure that we protect the value of that investment for future generations. It means that legacy continues and can be improved upon.
113. It has also been pointed out to me that some areas of Auckland have already benefited from the sale of AIAL shares by legacy councils, which used the proceeds to provide better local infrastructure.
114. This problem has been made worse by an unfair funding model for local boards, which locked in an inequitable distribution of funding based on legacy infrastructure and existing assets. This issue needs to be put to bed once and for all, and we need to move quickly.
115. The main way I propose to fix this problem is by accelerating Fairer Funding for local boards.
116. With a fast setup of the Future Fund, I am also proposing we set aside the increased returns for year 1 (which we weren't counting on in the central proposal) and put this in a \$20 million reserve fund to "fix and finish" community projects in the legacy areas that are underserved.
117. I have in mind projects like Manurewa's Memorial Park upgrade, the Manukau Sports Bowl, Waikaraka Park upgrades, or other regional projects. This is a reasonable way to

acknowledge that legacy while we wait for Fairer Funding to work. If this proposal is adopted, we will receive advice from staff about how to ensure a rigorous process is followed for the allocation of this money to projects.

## **Making the most of Auckland's Port and Waterfront**

- **A new plan, backed by the Port and unions, for making the most of Auckland's most significant asset – its Port and waterfront.**
- **Port operation remains in council ownership, with enhanced oversight, and a new tripartite relationship between Auckland Council, POAL and the Unions**
- **Much better financial returns to Auckland Council – over \$1.1 billion in profits in next 10 years, exceeding projections from the potential lease**
- **Plan for the central wharves to deliver new public space, better ferries and cruise in the medium term – including release of Captain Cook and Marsden wharves and public access to part of Bledisloe Terminal**
- **Reduced contribution from Port to city centre congestion**
- **Boost to the Port's economic contribution for Auckland.**
- **Reaffirmed commitments to meeting community expectations around environmental protection, health and safety and operational standards.**
- **Groundwork for the long-term vision: planning for the future of the Waterfront, Port and the Upper North Island supply chain**
- **New ocean swimming pool at Karanga Plaza**

### **A new plan for the Port and Waterfront**

118. I am proposing a new plan, backed by the Port and unions, for making the most of Auckland's most significant asset – its Port and waterfront. The key benefits of this plan are:
- a. Much higher returns to Auckland Council.
  - b. Greater certainty for Port, its workers and users.
  - c. New outstanding public waterfront spaces.
  - d. Better, faster, more reliable ferry services.
  - e. Stronger economic boost to Auckland from cruise and freight.
  - f. Reduced city centre congestion.
  - g. Reaffirmed protection for the environment, health and safety and meaningful work at the Port.

- h. A foundation for long-term strategic alignment of the Council, Port, workers and other stakeholders.
  - i. Progress towards certainty about the long-term future of the Waterfront, Port, and the Upper North Island supply chain.
119. If endorsed by the Governing Body, we will enshrine this plan in a new tripartite accord.

*Retention in public ownership, with enhanced oversight*

120. Council will not progress with leasing the Port, but, consistent with Port's operational independence, will exercise enhanced council oversight of the Port's strategic direction.

*New tripartite relationship between Auckland Council, POAL and the Unions*

121. A new tripartite accord will be based on shared commitments to work together on the goals set out in this Plan and make the most of the Port and Waterfront. It will provide a foundation for good faith collaboration and long-term strategic alignment.
122. A new agreement will include tripartite commitments to:
- a. work together on the shared goals set out in this plan to make the most of the Port and the space it occupies;
  - b. deliver open, efficient and sustainable port services in alignment with community expectations; and
  - c. good faith, transparency and regular discussion, including on the Port's strategic direction and long-term planning, and the future Upper North Island Supply Chain.
123. This recognises the importance of the employees of the Port, and the importance of the Maritime Union of New Zealand and other Unions in the Port operation.

*Much better financial returns to Auckland Council – over \$1.1 billion in profits in next 10 years, exceeding projections from the lease*

124. The Port has agreed to deliver significantly improved profits to the city, improving its profit forecasts by \$5 million in FY25, \$15 million in FY26 and \$20 million in FY27; at which point it will be contributing about \$2 million a week to the city. These increased returns will require increased charges and improvements in productivity.
125. The revised numbers are to be included in the Port's Statement of Corporate Intent and the council's LTP. They deliver more than \$1.1 billion in profits over the LTP period: \$200 million more than previously forecast under the "enhanced status quo" and \$172 million more than the projected net returns from investing proceeds of the lease.

*Making better use of the central wharves to deliver new public space, better ferries and a boost to cruise in the medium term*



126. My vision is that Auckland could have the most loved waterfront space of any harbour city in the world. This requires working through the many competing demands and aspirations for the space.
127. Auckland Council and Eke Panuku have developed a Framework Plan for the central wharves to make better use of Auckland's prime waterfront space which would deliver:
- a. Outstanding public waterfront spaces in the city's heart:
    - i. Captain Cook, Marsden wharves and the Breastworks (the adjoining east-west wharf space behind the red fence) transformed into public space, with a mix of recreation, swimming, public events and art, food and drink, hospitality, commercial and maritime uses.
    - ii. Long awaited opening and access to Admiralty Steps and Breastwork will provide a significantly enhanced east-west access on the water's edge.
    - iii. Public access can be provided to parts of Bledisloe Wharf as a shared space for public and cruise.
  - b. Better, faster, more reliable ferry services: eliminating conflicts between cruise and ferries over time, and accommodating electric charging, will improve ferry services so they can make a greater contribution to our transport network.
  - c. Economic boost from an enhanced cruise: by enabling larger cruise ships and building new fit for purpose facilities, moving from the ferry basin, will provide a big economic boost from the cruise industry.
  - d. Continued economic contribution from Port activities: without compromising its operations.
128. This Framework Plan resolves many persistent challenges currently evident that have not been resolved through previous ad-hoc responses given the competing demand for space. The Framework Plan provides fresh thinking for the wharves and water space that opens opportunities for a range of uses.
129. The success of these plans will be based on cooperation and joint planning, and inclusion of mana whenua, stakeholders and the public. To this end, it has been agreed:



- a. Auckland Council and Eke Panuku will work with the Port, mana whenua and other stakeholders to complete master planning for the central wharves, so it can progress to a publicly endorsed plan. This will include a broader plan / strategy for cruise.
- b. POAL will also work with Council and Eke Panuku input, and the other stakeholders, in developing its new infrastructure and precinct plan. POAL's priority is ensuring operational safety and fit for purpose infrastructure, it would accommodate community / future public access opportunities where possible within operational requirements.
- c. In principle POAL as a commercial business can fund this infrastructure which can create intergenerational legacy for Auckland.



*Excerpt from Framework Plan, with addition of shared access to part of Bledisloe Terminal*

130. The costs of the masterplan are estimated at \$6m spread out over a number of years. This cost is able to be covered by Eke Panuku in their existing budgets without impact on any of their other programmes of work. However, the Mayor's office will contribute \$1m of funding to kickstart the masterplan in FY25.

*Planning for the future of the Waterfront, Port and the Upper North Island supply chain – providing for long-term strategic alignment*

131. We still need to plan for the future and a long-term vision.
  - a. Providing certainty for the Port, its users, and workers: I want council to affirm an intent to support the Port to continue as a key import port of Auckland for the foreseeable future – which could well be 30 years or more – and until a long-term strategy for the Port and the Upper North Supply Chain is determined.
  - b. Progressing work on the appropriate commercial model for the Port to deliver maximum value to Auckland in line with the Council's ownership objectives, which includes:



- i. Investigating rationalisation of Port ownership in the Upper North Island, to promote the most efficient long-term outcomes for Auckland and New Zealand.
- ii. Council considering further, in good-faith and collaboration with the Port and Unions, a property company / operational company split, given the potential of this model as a precursor to rationalisation. Council will undertake to work with the other parties to work through their concerns about this model.
- iii. Progressing a long-term initiative to develop a Comprehensive Waterfront Plan, building on recent work, with stakeholders to resolve the optimal use of port land for Auckland.

This could include ways the Port could contribute to the Future Fund.

- c. Progressing work on the long-term strategy for the Port and the Upper North Supply Chain: It is accepted that a new main import port in the Upper North Island is needed in the future. While future development does not need to be centrally planned, all parties agree that working together to support a long-term strategy for Port development outside Auckland’s city centre and the infrastructure required to support the Upper North Island Supply Chain. When significant Port consolidation occurs in the city centre, a just transition for workers into decent work is necessary.
- d. Support for completion of existing infrastructure plans: I support the completion of Bledisloe North and Fergusson Wharf as this infrastructure is consistent with council’s ownership objectives for the Port, enables land release, and will create an intergenerational legacy for Aucklanders.
- e. No further expansion into the Harbour: The Port affirms its firm position that the planned infrastructure set out in the plan completes the Port’s footprint. *It will not progress plans to extend the Port a further inch into the Harbour.*

### *Reduced contribution from Port to city centre congestion*

- 132. The Port will continue implementation of “time of use” charging for trucks to reduce the contribution of Port traffic to city centre congestion. The Port, Auckland Council and Unions will continue to support rail and coastal shipping and investigate ways to improve the competitiveness of these modes. The plan also supports the growth of ferry patronage and removes cruise-related traffic from Princess Wharf and Queens Wharf.

### *Boost to the Port’s economic contribution for Auckland.*

- 133. The Plan supports the Port’s economic contribution by providing greater confidence or certainty required to invest in improved facilities, supporting the completion of its infrastructure plan and plans to boost the cruise industry.
- 134. I am pleased that under the plan, the Port has reaffirmed its commitments to meeting community expectations around environmental protection, health and safety and operational standards.

## A new swimming pool to connect the harbour



135. I said I wanted to bring a new way for Aucklanders to connect to the waterfront with a swimming pool.
136. Eke Panuku currently has a project plan to update the swimming area around the Karanga Tidal Steps in Wynyard Quarter with a diving platform. I am pleased to say that working with my office, they now have a plan to create a waterfront swimming pool by creating a pontoon structure around the tidal steps. I want to acknowledge the work they have done with my office to ensure that the pool can be ready by summer 2024 and completed at no extra cost within existing budgets.
137. This will also solve a current navigation and safety challenge with boats going in and out of the Viaduct Harbour. It is a win for finding different ways to deliver more for the same money, will provide a boost for Wynyard Quarter businesses, and it will not impact any other Eke Panuku projects.

## Water

- **Implement new model for Watercare with balance sheet separation, to enable necessary investment in water infrastructure and avoid big price increases**
- **Maintain Watercare’s capital programme so it can preserve the integrity of its assets, drinking water, reduce wastewater discharges and provide for growth**
- **Enable finishing the Central Interceptor project, including extension to Point Erin, and replacement of the 100-year-old Huia Water Treatment Plant.**
- **7.2% increase in water prices for next 3 years**
- **Fund the expanded full programme of water quality stormwater projects (\$779m)**

### A new model for Watercare

138. Auckland Council has worked with the Government to enable a financially sustainable model for Auckland’s water. The Government took our suggestions seriously to put water rates on a much more sustainable footing for the infrastructure we need.
139. Following that agreement with Government, Watercare’s Board have agreed a price path of 7.2 per cent increases per year for the next three years. This allows them to deliver a full capital investment programme while keeping water affordable.
140. I want Watercare to focus on recovering the costs for growth infrastructure from the contributors of that growth.
141. My proposal will provide Watercare with the required debt headroom in FY25 to deliver on their full capital programme while the Government implements Local Water Done Well through legislation, and I propose that we prioritise finishing the Central Interceptor to Point Erin.
142. Watercare to will be able to get on with much-needed intergenerational investment in water infrastructure. This means Watercare can maintain the integrity of its assets and our drinking water and wastewater services, as well as provide for growth.

### Water quality stormwater projects

143. I am also proposing that we fund the expanded full programme of water quality stormwater projects of \$779m.

## Climate Change, Storm Recovery and Resilience

- **Deliver *Making Space for Water* over 10 Years to ensure our region is resilient to flooding**
- **Fund storm recovery, home buyouts and property risk mitigation scheme**
- **Continue work to reduce Group climate emissions, focusing on opportunities to save money and deliver cheaper**
- **Investigate options for renewal energy generation on using under-utilised council assets (e.g. Solar Panels on council-owned land and buildings), to reduce energy bills and emissions**

### Making Space for Water

144. I want to carry on with our plan for Making Space for Water. This means committing to doing the programme which has now been revised from what we initially consulted on.
145. The programme still includes funding for nine initiatives:
- a. **Blue-green networks in critical flood-risk areas:** Stormwater solutions (stream daylighting, widening, and realignment), enhancing parkland or open space, and property acquisition and removal.
  - b. **High-risk properties:** Working with property owners on engineering solutions, managed retreat, and property acquisition.
  - c. **Culvert and bridge upgrades:** The assessment, replacement, and upgrade of vulnerable assets.
  - d. **Overland flow path management:** Work to repair, maintain, and monitor overland flow paths, and educate property owners.
  - e. **Rural settlements:** Responding to three waters needs in storm-affected communities including marae and papakāinga, and supporting community resilience planning.
  - f. **Flood intelligence:** Investment in planning and modelling tools to enhance council decision-making.
  - g. **Stream rehabilitation:** Vegetation management, slope stabilisation, bank battering, stream channel modification, and advice for property owners.
  - h. **Community-led flood resilience:** Advice for property owners in high-risk areas, industry-specific advice, public events, and awareness campaigns.
  - i. **Increased maintenance:** Maximising stormwater networks' efficiency, including street sweeping, catchpit cleaning, and weed clearance from streams.
146. A proportion of the cost of the Making Space for Water programme is still funded through the cost sharing agreement with the Crown relating to Category 3 buyouts. The rest of it will need to be funded through rates so I want to make sure we are getting the best value for the spend and levels of risk, not for gold plated solutions.

147. What has changed since consultation is that we need more money directed towards category 3 buyouts to reduce the number of residents in situations of intolerable risk.
148. Our staff tell us that accelerating the physical works for the remainder of the programme is not recommended. I agree that we need to do the best we can, when we can, and only accelerate those things that can be done better, faster and cheaper.
149. So, I am proposing that we continue the updated central proposal for the Making Space for Water and flood resilience work phased over 10 years with three main components:
  - a. Category 2C Risk Mitigation Projects (including blue-green networks) for three severely storm-impacted areas over two years;
  - b. Risk Mitigation and Resilience Projects (including blue-green networks) for nine severely storm-impacted areas over ten years; and
  - c. Regional flood resilience projects delivered over ten years.

## Climate Emissions

150. I am committed to reducing council's emissions and to Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, but I am not convinced our plan that has been developed is investment ready. More work is required.
151. My overarching direction to Council Group for this plan is as follows:
  - a. Incorporate climate change considerations (whole of life GHG emissions and resilience) into work programmes and decisions, based on realistic assessments.
  - b. Savings targets in operational and capital expenditure should target areas where both cost and whole of life greenhouse gas emissions can be reduced and should not reduce well performing emissions reduction projects or investments.
  - c. Focus on lowest cost delivery of climate positive projects, such as, in the transport area:
    - i. implementation of tactical improvements that align with renewals
    - ii. delivery of priority lanes for buses using existing space
    - iii. low-cost neighbourhoods interchange
    - iv. consider cheaper alternatives for large projects, focusing on key priorities
  - d. Work towards reducing the impacts of climate-related risks which also reduces long-term cost to council and community by continuing to fund activities that reduce the likelihood of stranded assets, support community resilience and reviewing the Unitary Plan
  - e. Ensure appropriate accountability for Auckland Council leadership (including CCOs) through the measurement and reporting on the climate performance of their decisions.
152. I have commissioned advice from staff on whether we can generate more renewable electricity on underutilised council land and assets, to reduce our emissions and our energy costs. But, again, this is not investment ready at this stage.

## Local Boards

- **Accelerate fairer funding for Local Boards to address legacy imbalances**
- **Retain the Local Board Capital Transport Fund**
- **Continue the track to empower Local Boards with more decisions about assets and budget**
- **Better support for Local Board decision-making, including a new a task force on asset optimisation**

### More powerful Local Boards with Fairer Funding

153. I have spoken a lot about properly empowering and funding local boards to be fully in charge of local matters and to make the council decisions that have been allocated to them. We will continue with the initiatives to improve the funding model and budget decision-making of local boards.

#### *Fairer Funding*

154. Local boards are often at the heart of their communities. Many turn up to the Governing Body year after year with lists of things they are unable to afford in the current funding structure, or that the organisation is unable to support. Others seem to have money to spend on free ice cream.
155. It would surprise most Aucklanders to hear that local boards are not funded evenly, and sixty-nine per cent of public feedback supported our initiative to accelerate a Fairer Funding model.
156. Putting local board funding on a fair footing, split between population, deprivation and land mass, rather than a potpourri of whatever assets they had in 2010 seems sensible to me. But, despite proposing to invest more in local board funding than ever before, a few local boards seemed to think any element of reallocation between each other would result in them all missing out.
157. The vast majority of local boards supported the Fairer Funding 'Central' or 'Pay More' options. Two who dissented raised concerns about the ability for local boards to continue delivering services and making good decisions for their communities. Kaipatiki Local Board disagreed with the Fairer Funding proposal as it felt their budget would reduce over time, but suggested the 'Pay More' variation would have the least negative impact on them. It's clear this is complex, and the result of years of well-meaning kicking of the can down the road.
158. The Joint Governance Working Party made a recommendation of proceeding with Fairer Funding with no reallocation. I've accepted the recommendation of no reallocation in principle because I want us to resolve this. However, I'm advised that the full recommendation of the Working Party will now have an additional impact on rates (above what was included in the central proposal) of around 1.5% in year 2, which is more than they were advised.

159. That seems a bit steep, so I propose we stage these increases over the next few years – with additional funding being allocated over years 2 to 4. My revised approach will have an impact on rates of 1 % in year 2 which is more reasonable. It also gives Local Boards some more time to plan for increases in funding.
160. Under this new model, no Local Boards will receive less funding than they would under the current funding policy.

### *Better advice and tighter controls*

161. With additional funding and budget responsibilities, comes additional accountability, and I encourage community members to question how their local boards are spending ratepayer money to get the best outcomes for their community, without blaming the inequities of an outdated funding model.
162. I mentioned the importance of procurement, and focus on the value derived from spending, as part of my drive to change our fiscal rules. This should be a critical part of the make-up of the Fairer Funding changes to the Local Board Funding Policy.
163. My proposal will end up giving many local boards more money to spend over the course of the LTP. This cannot be done in a wasteful way without proper planning and clear measurements of the benefits that will come from that spending. This includes better procurement advice and focus on value.
164. The budget responsibility and transparency rules apply equally to local board decisions as they do to the Governing Body, and I expect staff advice to be there to support that. When I asked local board members in late 2023 what we could do better as an organisation, there was clear recognition from elected members that this support is needed.

## **Community Assets, Services and Open Space**

- **Invest \$4b capital expenditure and \$6.7b operating expenditure in community assets, services and open space**
- **Sport and Recreation Facilities Plan to address deficit in indoor sports facilities, including addition \$35 million over three years**
- **Implement recommendations of the Regional Parks Political Working Group**
- **Pause funding for seismic upgrades pending review of standards**
- **\$5.9m per annum to allow our animal control officers to do their job more efficiently, including improvements and increasing capacity in our animal shelter network**

### Overall funding approach

165. Aucklanders love and value our parks and open spaces as well as our community assets. However, some of these assets are not fit for purpose.



166. Council had already made the decision in the last LTP to move towards a model that requires fewer physical assets to deliver services to our communities. This was because we just don't have the financial capacity to renew all of our ageing community assets.
167. In my initial proposal I said the way Aucklanders interact with council services is changing but having a large, ageing asset base to deliver these services from gives us less flexibility to respond to these changes.
168. This challenge is shared by the local boards for local assets and the wider council for regional assets and the solution is not just building new assets or replacing old ones but to think differently about how we deliver services.
169. We need to start to reduce the overall number of these assets and integrating services into fewer assets to avoid renewal costs and adapt to climate change. We should add parks and assets where needed in priority locations and shift service delivery to other models in other areas.
170. We also need to partner with community groups and other organisations so that we can transition to a different community investment model focussed on multi-use services, partnerships and digital services.
171. I am proposing we continue with our proposal to spend \$4b on capital expenditure and \$6.7b on operating expenditure over the LTP period.
172. This includes \$700m of operating expenditure that we will be tagged to helping council transition to fewer renewals and more innovative ways of delivering council services or "Deliver Differently".
173. However, I am proposing to slow down the funding to "Deliver Differently" by up to two years until there is improved advice available to local boards on how to fund those services their communities want delivered differently. I am not convinced there is enough good information for local boards to make these important decisions, especially now that there will be increased Fairer Funding for local boards.
174. There is very little service impact from this slow down but there will be vastly improved advice to ensure the money is spent in the right places.

## **Sports and Recreation Facilities Plan**

175. There is support for us to try and address the infrastructure deficit for indoor sports facilities in Auckland. So, I am proposing to continue with \$35m additional for Sport and Recreation Facilities Investment Fund being split \$10 million in year two, \$10 million in year three and \$15 million in year four of the LTP to be funded from the "Deliver Differently" funding for community facilities.
176. As I have said before, we also need to spend smarter to deliver the step-change in infrastructure required. Council cannot afford to build the full network of sports facilities that Aucklanders need, but we also need to avoid scattering our funding around too thinly. We need to do more to leverage other sources of funding, signal areas of priority and assist in aggregation. I am proposing to:
  - a. Refine the criteria of the Sport and Recreation Facilities Investment Fund, so that a large proportion (say 70%) is no longer contestable, utilising the independent Single



Facilities Priority Plan that Aktive has commissioned to inform decisions on where capital investment should be placed.

- b. Assist in leveraging different funding available from other partners (such as licensing trusts, iwi and Foundation North) for priority projects. This can include providing seed funding or supporting the aggregation of funding from source for priority projects.
  - c. Pursue, as a matter of priority, working with the Ministry of Education and local schools to find better opportunities to share sport and recreation assets. I wrote to the Minister of Education on this in March this year and have yet to receive a reply.
  - d. Look at developing a regional sports and recreation facilities network investment plan that looks across all local board areas to prioritise investment.
177. I believe this would see Auckland's facility priorities delivered rather than the status quo, which is seeing them stall or not eventuate at all.

## Safety Funding

178. Ensuring Auckland is a safe and vibrant city is important. City safety has been a challenge that we are having to deal with. I have already created a safety framework focusing on the three pillars of safety: reducing crime; improving social wellbeing; and activation of spaces.
179. Through partnerships we have seen the establishments of safety hubs within the CBD, increased community patrols by Community Patrols New Zealand and increased funding for our compliance team who have employed a team of compliance wardens to deal with low-level issues and provide reassurance to the public. We have an improved partnership with Police by jointly funding four CCTV surveillance operators focusing on the CBD to support crime prevention.
180. This budget continues to support \$500,000 of funding to support outreach services for the homeless. I have also provided additional funding to support youth homelessness initiatives, as means to prevent long-term homelessness in the city.
181. I want to continue working closely with the government on further funding and resources to reduce crime and support social wellbeing. The \$2 million of government funding that was split between local boards and business associations has been well-used to support local solutions for local problems.

## Regional Parks

182. Auckland's Regional Parks are extremely popular and highly valued by the people of Auckland. The parks network presently comprises 28 regional parks, encompassing 41,000 ha of land and 210 km of coastline. The parks attract some six million visitors a year.
183. I want the organisation to continue with implementing the recommendation of the Political Working Group of Regional Parks.

## Seismic strengthening

184. In my original proposal I wrote that my initial conversation with the Government have been positive about looking at whether the seismic regulations are appropriate. They have now confirmed a full review of the standards.
185. I propose to pause spending on seismic upgrades of council assets (except works already underway or contracted) until we have reviewed our standards and assured ourselves we are not wasting vast sums of money.

## Regional facilities and development

- **Maintain funding for economic development and events for Year 1 and plan for a bed night visitor levy for Year 2**
- **Locally-led process to investigate options to make better use of North Harbour Stadium Precinct**
- **Maintain urban regeneration programmes**

## Economic Development and Events

186. I propose to maintain the current (reduced) funding levels of \$25m for economic development and major events and destination activity for year 1 of the plan, as proposed.
187. However, I want to progress work at pace towards a bed night visitor levy of 2.5% generating between \$23-27m per annum from FY26. The industry is broadly aligned and discussion with the Government has been positive, so we just give it the impetus it needs.
188. That means we should plan to reduce our contribution to destination, marketing and major events costs by \$7million from year 2. This was an area where the public appeared to be supporting a “do less” approach.

## Stadium investment Plan

189. There are 4 major stadia in Auckland, but some are underutilised and don't make enough money to pay their operating costs let alone set money aside to do capital improvements.

### *North Harbour Stadium*

190. As I said in my proposal for the draft Long-term Plan in December 2023, I was not convinced that the idea to demolish North Harbour Stadium and sell the land to invest in other stadium assets would have community support, so I did not think it should proceed any further. But something clearly had to be done.
191. North Harbour Stadium is the least-utilised stadium in Auckland Council's outdoor stadium network and currently requires the highest net subsidy by ratepayer per attendee.

192. Council consulted the community on a range of options for the North Harbour Stadium and Domain Precinct. Feedback from the community was split. Many of those who supported keeping the stadium said there was room to do better, including possibly some form of redevelopment.
193. Given the split feedback, I think we need to keep things as they are (Option 1), and let the local community run a process to consider how to improve things.
194. First, I want clarity on the future purpose, vision and role of North Harbour Stadium in what is a competitive market for commercial content and fixtures.
195. By achieving greater clarity on the future state for North Harbour Stadium as a regional facility or a community facility, analysis and recommendations to Governing Body should then follow on the most appropriate ownership, funding, governance, and operational management model, along with any possible improvements for the precinct. Form follows function.
196. Any recommended changes must ensure North Harbour Stadium will provide a service which:
- a. serves and meets the needs of the community
  - b. improves utilisation of the stadium
  - c. reduces the cost to serve and financial impact on ratepayers
  - d. makes the North Harbour Stadium and Domain Precinct sustainable in the long-term
  - e. involves local people who are committed to the success of North Harbour Stadium
197. Given my focus for the council group on cost-effective delivery and making the most of what we have, I don't want ratepayers heavily subsidising promoters to provide commercial content in a location they would not otherwise have chosen. Similar to all council investment I expect a positive benefit-to-cost ratio.
198. The local boards who gave feedback on the stadium universally agreed that option three, to change the operational management to ensure greater use by the community, should be explored.
199. This work should be overseen by local people then put to us as regional governors and Tātaki Auckland Unlimited, noting that North Harbour Stadium is currently owned by the TAU trust.
200. I've asked the Upper Harbour and Hibiscus and Bays Local Boards to lead a political working group on the North Harbour Stadium and Domain Precinct. This should be led by the local board chairs and deputies, and involve key stakeholders. I want them to report back to the Governing Body by 31 August 2024 on a process and timeframe to achieve clarity on the future purpose, vision and role of North Harbour Stadium.
201. This may very well lead to other ideas not previously come up with, and I thank the local boards for providing a constructive way forward.

### *Western Springs and Go Media Mt Smart*

202. We cannot fund the full capital needs of our other stadiums now. I propose we meet the essential costs of these stadia. In particular, we have not proceeded with the initiative to invest approximately \$70m into Go Media Mt Smart Stadium to improve the main

stadium, develop a 10,000-capacity secondary stadium and high-performance facilities in partnership with the private sector.

203. Neither is there any additional funding to improve Western Springs, but we should keep exploring ways to make the most of this valuable asset.

### *Auckland's national stadium*

204. The works of the Stadiums Political Working Group continues towards identifying preferred options for a “national stadium”, including any options for a city centre stadium that could be built without additional ratepayer funding. At this stage, Eden Park is our national stadium, and it does an excellent job, as demonstrated during the recent FIFA World Cup, and there is no proposal to change that.

## **Regional facilities and amenities, including Auckland War Memorial Museum, MOTAT, and ARAFA**

205. We will need to maintain funding levels for the facilities and amenities that we are required by law to fund. However, I do not think the *status quo* is tolerable or sustainable. Auckland Council is the only council that gets told what it is required to fund in this area, without democratic accountability or even the ability to set outcomes.
206. We are working with the Government this, supported by the Political Working Group.

## **Urban Regeneration**

207. I propose we continue with the plan to restore Eke Panuku's \$100m Strategic Development fund to deliver agreed urban regeneration objectives. This will allow Eke Panuku to carry on funding property acquisitions through existing asset sales without coming back to council for more funding. I am proposing that Eke Panuku maintain its capital investment funding through this LTP period.

## **Māori Outcomes**

- **Increase Māori Outcome funding to \$171 million over 10 years**

208. I have listened to the feedback on my proposal for increased funding for Māori outcomes in our central proposal, and this has widespread support. I am proposing that we increase the funding by \$3 million a year from year 4 of the Long-term Plan so that there is a total funding increase of \$21 million over the 10 years from \$150 million to \$171 million.
209. This increase in budget must be accompanied by a review on how this spending can be better done in partnership with Māori, iwi, mataawaka and mana whenua to achieve our shared goals, such as energy efficient marae, and initiatives to recognise Tāmaki Makaurau's unique identity.
210. This was a key recommendation of the Māori Outcomes Political Working Group, and includes exploring opportunities to partner with central government and external funders, to increase the impact of what money we do put in.

211. Simply allocating money to a fund will be ineffective unless Auckland Council actively works as a partner with Māori. I am pleased to see the work underway on relationship agreements by Ngā Mātārae, and have met with iwi leaders and the Independent Māori Statutory Board during the development of this proposal.
212. I am also interested in how we can use procurement better to improve Māori Outcomes, as recommended by the political working group.
213. We need to leverage the good work that is already happening and identify new opportunities to partner on delivering better outcomes for Māori in Tamaki Makaurau, not just deliver more funding.

## **Additional Ad-Hoc Funding Requests**

214. There have been a range of additional ad-hoc funding requests. I propose we deal with these without impacting our overall rates and funding levels.