



# Emergency Budget 2020/2021

Submission to Auckland Council

19 June 2020

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### Background

1. The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 76,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.
2. The PSA is the principle trade union representing local government workers: we represent over 8,500 people working in local government across New Zealand.
3. The PSA has been advocating for strong, innovative and effective public and community services since our establishment in 1913. People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.
4. PSA members have a strong commitment to protecting the democratic integrity of our public institutions and our legislative framework - both at a local and a national level.
5. We are an organisation that is committed to the principles of the Treaty of Waitangi.

### The PSA in Auckland

6. The PSA represents approximately 24,200 members who live and work in Auckland, nearly 3,500 whom work for Auckland Council and its agencies (CCOs). All these members have a strong interest, as residents of Auckland, in the budget; and those members employed by

the Council and its agencies have an additional interest in how the budget will affect their jobs and working conditions.

7. We wish to speak to this submission, and the contact person is Ian Gordon, PSA National Organiser, 027 4575839 email [ian.gordon@psa.org.nz](mailto:ian.gordon@psa.org.nz).

## PSA vision for local government

8. Local democracy is a cornerstone value for the PSA: vibrant communities are underpinned by strong democratic institutions that aim to support and maximise citizen participation in local decisions. We support public ownership and control of services and facilities.
9. The PSA believes that the constitutional independence of local government must be supported and strengthened.

## The proposed budget

10. We welcome the opportunity to contribute to the discussion around the Auckland Council Emergency Budget 2020/21 process, as described in the partnership agreement between the PSA and Auckland Council.
11. Given the spread and nature of PSA's membership described above, we are in a unique position from which to comment and contribute as we seek to maintain, strengthen and develop our constructive relationship with Auckland Council. In addition to being employees, our members and their whanau are also: residents; ratepayers; politically active citizens and service users within Auckland. Hence this submission is developed using these different perspectives.

## Core Values

12. We base our submission on the following premises:
  - That strong vibrant local government is an essential element in civil society;
  - Public expenditure is an important ballast to local economies at times when the private sector is struggling financially;

- The Local Government Act 2002 makes it clear that local authorities have wide ranging responsibilities to pursue the four well-beings – social; economic; cultural and environmental - for the benefit of their communities. We believe that a proactive pursuit of these needs to be maintained in the widest context;
- Local government provides essential services to diverse groups throughout our communities. Within New Zealand, no local authority can match the scope, scale or importance of the services provided by Auckland Council and its' CCOs;
- That retaining employees, their institutional knowledge and organisational loyalty is vital to ensure that local government organisations can meet their responsibilities and continue to provide high levels of service to our communities.

## Auckland Issues

13. Auckland Council (including its' CCOs) is a significant employer within the region. As such, its activities have a wide economic impact. Auckland Council also provides a lead to other local councils and to employers generally as to what norms and standards should be applied in terms of employment terms and conditions.
14. **We support a 3.5% rates increase** as this will ensure that services are preserved, the Council can deliver on its long-term vision, ensure the capability and capacity to assist with community recovery from COVID-19 and retain more staff retaining their employment (with resultant spending in the economy).
15. Our unequivocal support for the maintenance of, and wider adoption of, the Living Wage as prescribed by Living Wage Aotearoa.
16. Whilst we accept that 'status quo' is unrealistic given recent events, we do nevertheless believe that a number of factors used to underpin assumptions contained in the Auckland Council Emergency Budget 2020/21 consultation documents are worthy of further examination and critique.
17. We have concerns regarding the validity in June 2020, of any of the assumptions made in April/May 2020 given the fluid nature of events (further fleshed out in point 21).
18. The PSA also advocates that capital spending must proceed in areas where Māori and Pasifika will benefit from development projects and job prosperity (such as the Southern Initiative locations as outlined in The Auckland Plan).
19. To implement budget reductions would undermine the terms of reference of the Royal Commission on Auckland Governance:
  - To provide Auckland with leadership and strategy

- To reconnect citizens and institutions of local governance – not sever the link by service retrenchment and undermine trust and confidence in Auckland Council.

## Financial Context

20. We believe that any financial decisions should be taken in the context of the Council's overall financial situation and its strategic objectives, rather than just responding to an immediate and short-term loss of revenue. This position is founded upon a number of factors:

- The cost of borrowing has never been cheaper
- Borrowing to invest is prudent
- The significant achievements made in the first decade of Auckland Council are in danger of being undermined by the possibility of the budget reductions being considered.
- Given the scope and scale of Auckland Council's activities – to take decisions based on short term time frames is, at best, narrow minded. The longer-term time frame must be central to any strategic decisions taken around expenditure which have implications well beyond the current financial year.

## Challenging Assumptions

21. Whilst we appreciate that we have been provided with considerable data regarding the current budgetary process, we do however have several reservations as to how decisions have been reached, and the validity of the assumptions used to reach those decisions. Having carefully considered and critiqued the detailed financial information provided, we are concerned that there is a perception that an expenditure reduction is required. Our concerns can be summarised thus:

- Given that Central Government– and multiple others overseas are using fiscal policy levers to increase expenditure to stimulate economic growth, it seems counter intuitive to propose reductions in both revenue and capital expenditure.
- Reductions in excess of \$500m in expenditure in the short-term seems counter-intuitive in the context of a Long-Term Plan that details budgeted revenue at \$5.4bn. This is less than 10% of the Long-Term plan budget (and falls short of qualification for the Government Wage Subsidy for organisations with a revenue reduction test of

at least 30%). The arguments for this reduction do not seem to be supported by the detailed financial information provided.

- There seems to be unnecessary urgency in achieving cost reductions in a short space of time – one year. A more prudent approach would be to project and plan over a longer time frame, as to do otherwise is likely to have lasting impacts on the delivery of services to the community. We suggest negotiating with the credit agencies for a three-year recovery for Auckland Council to spread the cost impact. We are mindful that Auckland Council’s credit rating potentially impacts at a national level.
- In the Supporting Information on p.55 of the indicative prospective financial statements there is a planned operating surplus of \$335m. We cannot see how this equates to statements elsewhere in the Consultation Document that the ‘budget will not balance’.
- The budgetary figures for 2020/2021 are based on assumptions of the Governments Alert levels for the financial year – with Level Two in place for the first quarter, and Level One the rest. We are now at level 1. How credible are figures used to calculate the scenarios for expenditure reduction?
- We are confused by the supporting information showing an operational cash surplus of \$910m yet austerity measures are implied by an “Emergency Budget”.
- Given that considerable bids have been made to Central Government for its ‘Shovel Ready’ Fund – we would advocate for a sliding scale approach on significant financial decisions in relation to capital projects when the outcome of this process is known – especially given that Fast Track legislation has already been used to advance six cycleway, roading and rail capital projects in the Auckland region.
- We note that there is reference made within the proposed budget to reducing or cancelling already agreed pay movements for PSA members covered by the PSA Collective Agreement. It is inappropriate that these matters are discussed as part of a public consultation process on the budget, and we respectfully note that these agreements can only be changed by agreement between the parties.
- We are particularly concerned that there has not been widespread public consultation around the impact on services the expenditure reductions will have. We suspect that public perceptions of the three options provided in the Emergency Budget consultation material would be starkly different if the full impact of service reductions were explicitly communicated to the wider Auckland public.

- There is a lack of clarity in the Emergency Budget documentation around the question of debt:
  - It would appear that the Emergency Budget is based on a worst-case scenario – something which is not reflected in supporting documentation. The consultation document states the most likely scenario is for a period of disruption of around six months, which is estimated to cost around \$250m – rather than \$400m.
  - Has Auckland Council explored with relevant funding agencies the possibility of higher debt to revenue figure of 270% in the short term? Or is this a figure that Auckland Council has set itself? In unprecedented times surely Auckland Council would consider increasing its debt to revenue figure. We are aware that the Government is looking at ways to enable councils to borrow more and that the Office of the Auditor-General has advised Local Government NZ<sup>1</sup> that it is comfortable with councils taking on more debt in the current circumstances and that included borrowing more to fund operational expenditure.
  - Given the statement that “Council has considerable financial flexibility in the near term to deal with unexpected shocks”, we do not understand why there is a perceived need to reduce expenditure. Our concern here is strengthened by Auckland Councils COVID-19 Financial Update which clearly stated: “A [debt to revenue ratio] above 270% (Council policy limit) is unlikely to be of great concern to rating agencies.” We are interested to learn what exactly has changed to impact on this previous position – given the general healthy financial position of Auckland Council portrayed in the detailed documentation around the Emergency Budget 2020/2021.
  - With its financial clout, we would encourage Auckland Council to consult with both funders and ratings agencies to identify alternative approaches to drastic and damaging expenditure reductions.
  - The graphical presentation of the debt to revenue ratio is somewhat misleading – with axis beginning at 200% - ergo creating a disingenuous picture.
  - There is some confusion as to how a prudent debt to revenue ratio is arrived at, and how at different times, different levels are deemed to be acceptable

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<sup>1</sup> <https://www.newsroom.co.nz/2020/03/31/1107573/councils-and-government-seek-debt-response-to-crisis>

- previously 305% was deemed to be an acceptable debt to revenue ratio for 2020/2021, with an associated \$400m cash operating deficit. However, we are now presented with the two proposed rate increase scenarios (2.5% and 3.5%) which require the ratio to be capped at 290% in 2020/2021 and reduce to 270% in 2021/2022. With each of these debt to revenue ratios, no context is provided as to how each of these figures was arrived at.
- Given the historic low cost of borrowing, and the longer-term projected trend of low interest rates, we urge Auckland Council to take advantage of this opportunity rather than seeking to cut expenditure.

## Impact of options

### Employees

22. The loyalty of Auckland Council employees is in danger of being eroded. Whilst nationally employee turnover is in excess of 20% (The New Zealand National Staff Turnover Survey, 2019) - with all of the adherent costs associated with this, within Auckland Council turnover is under 13% (Auckland Council Workforce Analytics Dashboard March/April 2020) - reflecting a stable workforce. This is a clear demonstration of employee commitment and loyalty to Auckland Council and its objectives and obligations to improve the well-being of all Aucklanders.
23. We would strongly advocate that the loyalty of the workforce to be central to the budgetary decision taken by Auckland Council. The Auckland Council Group is only as good as the people it employs, who are its biggest asset. This is a sentiment which is strongly articulated from feedback collated from our members employed by Auckland Council.
24. The importance here of the motivation, commitment and loyalty of Auckland Council employees cannot be underestimated. Public comments by the Mayor around restructuring the organisation and the potential of redundancies have been neither helpful, nor constructive. The implication from these statements implies a predetermined objective to reduce headcount. This has the knock-on effect of making staff feel vulnerable – and is not a reflection of the loyalty and commitment demonstrated by employees of Auckland Council.
25. There is a deep concern that combined organisational and budgetary review is focussed on a general headcount reduction amongst permanent staff. The upshot of this seen elsewhere is a reliance on external contractors who lack institutional knowledge, or the organisational loyalty noted above – as well as the wider attendant issues and costs associated with the casualisation of work. The trend to outsource functions further accelerate the ‘hollowing



out' of the Auckland Council's ability to fulfil its statutory responsibilities and undermines the connection between citizens and Auckland Council. We have seen elsewhere that externalisation of roles also undermines the idea of public service motivation. There simply is no longer institutional loyalty and the attendant advantages which Auckland Council currently benefits from.

26. The importance we attach to the concept and pursuit of an Accredited Living Wage rate cannot be underestimated. The impact of this is immense given the wide-ranging impact (wage) poverty has on families and the knock-on effect that has on wider social service provision and society as a whole. The economy cannot recover on the back of low wages and the Council should play its part in this by continuing to pay the (Accredited) Living Wage to its own employees and to extend it to contracted workers.
27. The importance of maintaining jobs paying at least the Accredited Living Wage is also impacted by the proposed reductions in Capital Expenditure. Many of those employed by sub-contractors on capital works are paid at or below the Accredited Living Wage. As such, any reductions in employment levels of those indirectly employed by Auckland Council also entails the wider social costs that a reduction in direct employees would have.
28. We are opposed to short term savings which cause long term cost.
29. We would support the redeployment of staff to bolster and support essential front-line services – assisting in enhancing service levels to pre-COVID-19 levels.
30. Proposed reductions in education and training budgets ignore the fact that if staffing cuts were to occur, then other employees would be required to undertake relevant education, training and development to fill the void left by redundancies. Over and above this, is the fact that the proposed cuts would remove from the payroll experienced employees in whom Auckland Council has invested substantial sums in terms of education, training and development.
31. Reduction in staffing levels and increase in workload and stress will prevent staff from delivering services to the high level that Aucklanders expect, and place Auckland Council at risk in terms of its obligations under the Health and Safety at Work Act 2015.
32. Redundancies threaten Auckland Council's position as being a model employer re equal opportunities and an employer of choice – over and above the associated costs of redundancy; institutional knowledge loss and the need to educate, train and develop new staff.

## Services

33. We are opposed to reductions in service levels because these adversely impact upon the more vulnerable sections of our community and do not correlate with the policies objectives and desired outcomes associated with pursuing the four well-beings. An immediate example here is the proposed 28% reduction in library budgets despite the significant increase in online library usage during lockdown (3722 new eMembers, and nearly half a million eBooks and eAudiobooks loaned during lockdown). Moreover, most of the lending from libraries is still print material and this may increase again now that lockdown is over. Since re-opening, library staff have had high workloads with over 57,000 items returned on the first day open, over the first three week 603,000 items were returned and 557,000 fresh items were checked out and new services are being provided included 'Ready-to-Go Reads' which offer patrons of all ages a "lucky dip" bag of five books from their favourite genre, hand selected and packed by local librarians for patrons to collect.
34. There are concerns around the health and safety of Auckland Council facilities associated with budget reductions – both for those employed in facilities and service users.
35. Any revenue cost service level reductions – and attendant staff headcount reductions - proposed by the Emergency Budget 2020/21 will severely impede any attempts to rebuild service delivery capacity to pre COVID-19 levels.
36. Ongoing service innovation and enhancement is dependent upon continuous staff education, training and development. The proposed 50% reduction in training budget - some \$3.75m - seriously undermines not only existing services, but also future developments and innovations.
37. Over and above these identified issues, we believe that the reputational damage to both Auckland Council and Auckland itself would be considerable.

## The future

38. Auckland Council and its' CCOs are arguably facing the most momentous budgetary decision since their creation in 2010. We are aware of the multiple achievements made by the organisation in the last decade – achievements made possible by both the vision of the organisation and the endeavours of its employees, many of whom are our members. These achievements have wider economic and social impact upon New Zealand, more than just within the Auckland area itself. There is a danger that the budget decision taken now by Auckland Council can have one of three impacts:

- 0% will effectively destroy many of the advances/achievements of the last decade. We will go backwards – losing ground which cannot be reclaimed.
- 2.5% will undermine and slow the advances and achievements – and make the objective of being a world class city much harder to achieve.
- 3.5% will build and strengthen the advances/achievements, strengthening the city, invest in vital infrastructure projects and maintain jobs/incomes – noting the multiplier effect that Auckland Council expenditure has more widely. This is not to seek an expenditure increase over that already proposed, rather to maintain expenditure at pre-COVID-19 levels – a position clearly supported by the *Mayoral Proposal – Ten year Budget 2018-2028* published in November 2017.

39. We firmly believe that Auckland Council should adopt the increase of 3.5% to maintain:

- Jobs within the wider Auckland Council Group – with the possibility of greater workforce mobility – thus mirroring the model utilised by the wider public service.
- Services.
- Infrastructure development.
- Institutional and civic reputation.

40. Further, given that an incoming chief executive will want to put their stamp on Auckland Council, the PSA advocates to separate the Auckland Council Budget 2020/2021 from the Organisational Review Exercise. This would remove a certain urgency and provide for immediate capacity to manage the recovery process. This would serve to allow the incoming chief executive a ‘clean slate’ upon which to deliver their *long-term* strategy without the strait jacket of historic *short-term* decisions.

41. We look forward to partnering with Auckland Council in implementing the ***Recovery and Renewal Budget 2020/21***.

42. Attached as Appendix 1 is a detailed line by line review and comment on the proposed budget.



**Ian Gordon**  
**PSA National Organiser**  
 PSA, Private Bag 68906  
 Newton, Auckland  
 Email: [ian.gordon@psa.org.nz](mailto:ian.gordon@psa.org.nz)  
 Mobile: 027 4575839

**AND Auckland Council PSA Regional Delegates Committee**

## PSA comments on specific matters in the proposed Emergency Budget

### General comments:

- Cancelling or reducing service provision and reducing Capital spend will have a time and cost impact when council wants to return to previous levels – hire new staff, set up services again, locating experienced people etc.
- The reduction in capital project spend will have a negative impact (in terms of job security) to both council employees running existing projects and the construction and consultant industry within Auckland. The ongoing viability of these suppliers, and the people employed across Auckland by these businesses, will be impacted negatively by a sudden reduction in Council procurement.
- If staffing levels are reduced, we will lose experience, institutional knowledge, and the ability to deliver services effectively.
- PSA and our members want to see a commitment by the council group to retain staff in employment and find other savings opportunities and revenue sources. Council could look at redeploying staff into areas with high demand, for example front-line services such as libraries whose workloads have significantly increased post-lockdown.
- Concern about closure of facilities – what will happen to employees if facilities are closed or services are reduced or cancelled? Is council intending to re-start those services in the future? What are the costs of making employees redundant? What are the costs associated with re-hiring and training new employees? Also, what are the health and safety risks to staff and to service users if facility upgrades and renewals are deferred?
- If employees are made redundant, this will have high impacts both on staff and on communities. The Emergency Budget documentation suggests that the impacts will be non-existent to moderate, but this is not the case:
  - Employees who are made redundant will lose income and thus the ability to support their whānau and to contribute to Auckland's economic recovery.
  - Employees whose jobs are retained will face significant health and safety issues. They will be under pressure to take on additional workload and will be under a lot of stress, especially to maintain the service levels that the community expects and that has been indicated by council e.g. the re-opening of all libraries at full hours. This is unsustainable and can lead to employee burnout and long-term impacts on their wellbeing.
  - In many parts of council, services are already being delivered as efficiently as possible with as few staff as possible – due to previous restructures and staffing cuts. Any further redundancies are likely to impact on the provision of services to communities.

- This will have detrimental effects on communities, on the long-term viability of some services, and on the wellbeing of staff who are put in this position.

## Specific comments

### Emergency Budget consultation

Page	Text / info	Comment
9	"Our capital investment lever has the most impact on jobs and business activity in Auckland."	Is this true when you consider the compounding impact of the number of staff council employs? Spending will significantly contribute to Auckland's economic recovery.
11		Why isn't the original budget for Opex shown?
13		Concern re deferral of transport safety projects. This will have a significant externalised cost in deaths and serious injuries. [See also comment re p.26 of Supporting Information]
17	"most planned renewals for buildings, playgrounds and open space being deferred (80-90 per cent of renewals deferred) with potential closures of community assets if they become a health and safety risk – this means very few replacement of old playgrounds, old library or community halls, cracked walkways and old pools where that was planned for next year"	What happens to employees working in these facilities? When will facilities be deemed a health and safety risk and be closed? What happens to employees and their jobs if facilities are closed?
17	"no seismic remediation of community facilities, meaning possible closure of some facilities if deemed a risk to continue operating"	What happens to employees working in these facilities? When will facilities be deemed a health and safety risk and be closed? What happens to employees and their jobs if facilities are closed?
17	"reduction of investment in library collections by one third and no new on-line library services or technology"	This is not reflective of the significant increase in online service use since the start of lockdown. If libraries are closed (which is likely considering that a number of buildings need upgrades which now

Page	Text / info	Comment
		may not happen) then they still need to be able to provide services online. Also, they provide vital services to vulnerable people who are still staying in lockdown. [See also comment re p.25 of Supporting Information: "28% reduction in library budgets"]
20	Closure of animal shelter(s)	What happens to the employees? Has a change process started? Will there be proper consultation with employees?
20	"reduction in staff and staff costs and internal efficiencies in the Environmental Services, Waste Services and Regulatory Services departments - \$3.43 million"	Regulatory staff have not indicated that workloads are dropping significantly. What will be the impact on employees? Has a change process started? Will there be proper consultation? [See also comment re p.20 of Supporting Information]
21	"voluntary salary reductions for six months for staff earning over \$100,000 (assuming a 75 per cent take-up) - \$3.71 million saving"	Does the \$3.71m include all voluntary pay cuts so far, or are some included in the \$67m of savings that have already been found? Has council had a 75% take-up? If not, are we likely to get there? What are the actual savings from this?
21	"discussion with the Public Service Association (union) on options relating to this year's annual remuneration review for staff, and whether it should be limited or cancelled - \$8.6 million saving"	This is a contractual obligation. For council to presume a savings amount and specify this as potential savings is not in good faith. Council has indicated in other parts of this engagement document that they do not want to break contracts for capex projects but seem to be suggesting this approach with us.
21	"reduction of the Independent Māori Statutory Board budget - \$200,000 saving"	We are unclear whether this is within the remit of Council to do? Note also our comments in the main submission about continuing to pursue outcomes for Māori.
21	"reductions in governance staff - \$650,000 saving"	Has a change process started? Will there be proper consultation?

Page	Text / info	Comment
22	<p>"setting a formal target for savings from removing duplication across council-controlled organisations – \$5 million"</p> <p>"additional savings targets across Finance, Planning and Governance Divisions - \$16.65 million."</p>	Are these staffing costs? Does this imply staffing reductions?

### Supporting information

Page	Text / info	Comment
11	<p>"The current budget position reflects a \$150 million reduction in operating expenditure due to both the direct impacts of COVID-19 disruption and reductions in discretionary expenditure to help mitigate the financial impacts of the situation. While large, this only serves to offset a portion of the \$550 million projected revenue reduction in the "most likely scenario" giving rise to the projected \$400 million reduction in net operating cashflow."</p>	[Note: This \$150m includes \$120m savings from Auckland Council]
12	<p>"54... workforce cost reductions through voluntary pay reductions, consideration of options for this year's pay review (including whether it should be limited or dropped altogether), reducing the staff training budget by half, and a review of Auckland Council's operating model with an expectation of a reduction in permanent staff numbers"</p>	As per other comments on these proposed measures.
12	<p>"57. Because back office costs have already been significantly reduced, further reductions in operating expenditure will almost certainly affect the services delivered to our</p>	<p>What happens when Council wants to return to previous service levels? Will you hire more staff or expect the remaining employees to pick up that workload?</p> <p>Or can you redeploy the staff while the</p>

Page	Text / info	Comment
	community. Because the revenue problems are primarily affecting the 2020/2021 financial year, temporary rather than permanent reductions in service levels may be adequate to prudently manage through this situation."	services are temporarily reduced?
12	"58. The implications of service reductions depend greatly on the particular area of spend. Many reductions will impact on jobs, either within council or across the wider Auckland economy. The nature of many services provided by or on behalf of the council are associated with lower paying jobs, so some service reductions may have a disproportional effect on lower income households."	This is an equity issue. PSA will work with Auckland Council in good faith to try to avoid this Emergency Budget having a disproportional effect on lower income households.
13	"61.... a package of \$54 million of further savings and temporary service level reductions..."	What happens when you want to return to previous service levels? Will you hire more staff or expect the remaining employees to pick up that workload? Or can you redeploy the staff while the services are temporarily reduced?
13	"63. For rates increase scenarios below 2.5 per cent, the further reductions of the kind shown in Section 2.4 of the Supporting Information would be required to increase the saving in operating costs to \$100 million or more. This could include: • delaying the start of implementing a living wage policy for contracted cleaners... • permanently closing and vacating some community facilities with low utilisation rates..."	This would have an unacceptably high impact on members and on the communities that council serves.  Does this imply that the living wage for contracted cleaners is guaranteed under both the 2.5% and 3.5% scenarios?
14	"64... It is estimated that a 0 per cent rates increase would also result in council job losses of the order of 900	How many job losses at 2.5% and 3.5% rates increases?



Page	Text / info	Comment
	staff members."	
20	Reduction in regulatory revenue	Regulatory staff have not indicated that workloads are dropping significantly. What will be the impact on employees? Has a change process started? Will there be proper consultation?
25	28% reduction in Libraries budget	<p>This is not reflective of the role that libraries play in our communities, especially the significant increase in online service use since the start of lockdown. OurAuckland reported on 10 June 2020 that during lockdown:</p> <ul style="list-style-type: none"> <li>• 3772 new eMembers joined</li> <li>• nearly half a million eBooks and eAudiobooks were loaned</li> <li>• Central City Library's Heritage Talks moved to virtual meeting app Zoom in mid-March, with hundreds of attendees.</li> <li>• Library staff launched a podcast series 'Book Bites' to make sure customers could still receive recommendations from their local book experts.</li> </ul> <p>Since re-opening, library employees have had a very high workload:</p> <ul style="list-style-type: none"> <li>• over 57,000 items returned on the first day open</li> <li>• over the first three weeks 603,000 items were returned and 557,000 fresh items were checked out</li> <li>• new services are being provided including 'Ready-to-Go Reads' which offer patrons of all ages a "lucky dip" bag of five books from their favourite genre, hand-selected and packed by local librarians for patrons to collect.</li> </ul> <p>And online library services are still in high demand:</p> <ul style="list-style-type: none"> <li>• borrowing of eBooks and</li> </ul>

Page	Text / info	Comment
		<p>eAudiobooks after libraries re-opened is still significantly higher than this time last year.</p> <ul style="list-style-type: none"> <li>• Events/talks will continue to be provided as webinars as well as in-person.</li> </ul> <p>Local Boards have indicated that there is a demand for all libraries to return to full opening hours, and clearly there is an expectation that these additional services and additional workload will continue in Level 1.</p> <p>A 28% reductions in budget will mean major operational and/or staffing cuts. This will be a major impact on (and failing to care for) employees and communities.</p> <p>If some libraries are closed (which is likely considering that a number of buildings need upgrades which now may not happen) then they will still need to be able to provide services to their local community online.</p> <p>Additionally, Auckland Council's libraries also provide vital services to vulnerable people who are still staying in lockdown.</p>
26	Potential Impact of Reduced AT 2020/21 Safety Capex on Death and Serious Injuries Outcomes for the 2018/28 Road Safety Programme Business Case (PBC)	This is a concern. Aucklanders do not want to see more deaths and serious injuries on our roads.
p.38	<b>Section 2.3: Proposed measures to achieve \$120 million savings</b>	
38, #1	<p>The council is in discussion with the PSA on options relating to this year's annual remuneration review for staff, and whether it should be limited or cancelled. Those discussions will continue over the coming weeks.</p> <p>Estimated financial impact \$8.60m Staff impact: Moderate Ease of implementation: Easy</p>	PSA reminds council that members' remuneration is a contractual agreement, and a limitation or cancellation of it is in effect a pay cut for all members. This may put some members in a difficult financial position. It will also have flow-on effects to the community as it will decrease the spending ability of employees, limiting their use and support of local businesses and services. The inclusion of council breaking this contract as 'cost savings' is in contrast to

Page	Text / info	Comment
	Community impact: None	council's statements in the Emergency Budget documentation that they value "Honouring contractual commitments". PSA members are extremely committed to doing their part to support council through this difficult time and have already taken up a number of voluntary measures to help council save money, including voluntary salary cuts and reduced hours of work. PSA will continue to discuss the remuneration review with Auckland Council in good faith.
38, #2	Voluntary salary reduction scheme for six months from 1 July 2020. 5% reduction \$100-175k, 7.5% reduction \$175-275k, 10% reduction \$275k and over. Assumed 75% uptake.  Estimated financial impact: \$3.71m	As per comments in above table
#3	Voluntary 4-day weeks Possible voluntary offer to staff to reduce hours e.g. 4-day working week - impact cannot be quantified  Estimated financial impact \$0.00m Staff impact: Moderate Ease of implementation: Moderate Community impact: None	When will council measure this? If we get savings from this will that mean less savings are needed from other measures? What is the flow-on impact on services, staff workload and the community if hours are reduced? Community impact: will impact not only on level of service, but also on spending power of staff, and therefore have flow-on effects to community and wider Auckland economy. Also, please note that council and CCO employees are part of the community. Note: many PSA members are on low salaries and cannot afford to take a reduction in hours or salary. This includes council employees providing vital front-line services.
#7	50% reduction to staff training and conference budget of \$7.3m  Estimated financial impact: \$3.75m Staff impact: Low	This has the potential to negatively impact employees who need to meet professional development requirements for professional registration. Employees may end up having to pay for this out of pocket which may not be possible for (or may have a significant negative impact on) those on lower incomes.

Page	Text / info	Comment
		This is an equity issue and could limit current and future career opportunities for some people, as well as limiting council's abilities to deliver services via professionally registered staff.
p.39 #15	<p>Business support services Optimisation of business support services offering through more efficient delivery model, reducing duplication</p> <p>Estimated financial impact: \$1.3m Staff impact: Moderate Ease of implementation: Hard Community impact: None</p>	We would not support this measure. Business support staff in council already have very high workloads and are generally on low salaries. These are the people who make sure that everything happens to keep council running on a day-to-day basis, in particular supporting specialist staff and ensuring that council's administrative processes are followed. They support much of council's cost recovery by making sure that council can on-charge professional services where appropriate. Business support staff also ensure that specialist and manager roles are supported, freeing up their (generally more highly paid) time. If we reduce business support staff, a higher cost will be incurred by the time needed for other staff to pick up this administrative workload.
#17	<p>Additional savings targets allocated to Finance, Planning, Governance divisions</p> <p>Estimated financial impact: \$16.40m Staff impact: ? Ease of implementation: ? Community impact: ?</p>	Is this going to be staffing cuts? Because if that's so, it will have a high impact on employees, on service provision, and on the community. (note that council employees are also part of Auckland's community)
p.40 #25	<p>Environmental Services Staff reductions Mix of staffing initiatives, including bringing work in-house.</p> <p>Estimated financial impact: \$0.39m Staff impact: Low Ease of implementation: Easy</p>	<p>Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p>

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	Community impact: None	
#26	<p>Regulatory Services</p> <p>Front of house services</p> <p>Review front of house services by driving uptake of online and telephone services to maintain service levels</p> <p>Estimated financial impact: \$0.34m</p> <p>Staff impact: Moderate</p> <p>Ease of implementation: Moderate</p> <p>Community impact: Low</p>	<p>Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p>
#27	<p>Regulatory Services</p> <p>Animal Shelter consolidation</p> <p>Reduction in number of animal shelters from 3 to 2, supported by operational changes to retain service levels. Waiheke animal shelter closure with operational changes to support ongoing service.</p> <p>Estimated financial impact: \$0.30m</p> <p>Staff impact: Moderate</p> <p>Ease of implementation: Moderate</p> <p>Community impact: Low</p>	<p>Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p> <p>Section 67 under the Dogs Control Act 1996 each local authority is responsible for providing dog pound provisions or ensuring suitable custody, care and exercising of impounded animals and with closures of facilities it is questioned whether Council can adequately achieve and provide adequate care to the future impounded animals.</p>
#28	<p>Pausing induction, graduate and training programmes for one year.</p> <p>Manages expected lower consenting volumes.</p>	<p>Does this mean that there will not be other staffing reductions in consenting? What happens if the expected reduction in volumes does not eventuate?</p>
#30	<p>Customer &amp; Community Services</p> <p>Staff management</p> <p>Management of staff to reduce overtime and use of temporary staff and contingent workers across all services</p>	<p>Good to see the prioritisation of protection of employment for permanent employees. What are the implications of this proposed measure on workload though?</p>

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	<p>Estimated financial impact: \$m  Staff impact: Low  Ease of implementation: Moderate  Community impact: Low</p>	
#32	<p>Customer &amp; Community Services  Outsourcing Outsourced works savings target of 5% across the division, to be delivered through efficiencies</p> <p>Estimated financial impact: \$1.25m  Staff impact: None  Ease of implementation: Moderate  Community impact: None</p>	<p>Good to see the prioritisation of protection of employment for permanent employees. What are the implications of this proposed measure on workload though?</p>
#33	<p>Customer &amp; Community Services  Facilities opening hours review  Direct facility costs savings achievable by reducing opening hours, based on utilisation information and with local board consultation.</p> <p>Estimated financial impact: \$0.8m  Staff impact: High  Ease of implementation: Moderate  Community impact: High</p>	<p>Thank you for acknowledging that this will have a high impact on staff. How does this work with the current service provision - e.g. most libraries going back to full hours and being already understaffed?</p>
p.41	<p>Measures involving a reduction of programmes, services and events</p>	<p>Most of these proposed measures are stated in the documentation to have no impact on staff. Does this mean that there will be no staffing reductions associated with these proposed reductions or cancellations of programmes, services and events?</p>
p.42 #50	<p>Strategy &amp; Service Integration  Staff reductions  Mix of staffing initiatives including not filling vacancies and adjusting work programmes</p>	<p>What are the implications of this proposed measure on workload?</p>

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	<p>Estimated financial impact: \$0.49m  Staff impact: Low  Ease of implementation: Easy  Community impact: None</p>	
#51	<p>Governance EM remuneration  Remuneration Authority set elected member remuneration below budgeted level.</p> <p>Estimated financial impact: \$0.3m  Staff impact: None  Ease of implementation: Easy  Community impact: None</p>	Will this actually be happening?
#54	<p>Governance Staff reductions  Staff reductions initiatives</p> <p>Estimated financial impact: \$0.65m  Staff impact: Moderate  Ease of implementation: Hard  Community impact: None</p>	<p>Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p>
p.42	<p>Other initiatives still to be identified including operating model changes</p> <p>Estimated financial impact: \$24.74m</p>	Will this include staffing reductions?
p.43	<b>Section 2.4: \$100 million of further savings and temporary service level reductions</b>	
p.43	<p>Auckland Council Group efficiency target</p> <p>We are setting a formal target for the removal of duplication between organisations in the Council Group. This will be achieved through increased shared services and implementation of any structural</p>	<p>Thank you for acknowledging that this will have a high impact on staff. Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and</p>

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	<p>changes the council decides to make following the completion of the CCO review. This should improve back-office efficiency without impacting front line services.</p> <p>Estimated financial impact: \$5.0m Staff impact: High Ease of implementation: Hard Community impact: None</p>	<p>the regional economy. Please also note that council employees are also part of Auckland's community.</p>
p.44	<p>Regional Facilities Auckland (RFA) operational cost savings</p> <p>RFA propose to reduce staff costs by a further \$2.2m by considering options such as analysis of a 4-day week, workforce optimisation strategies and voluntary salary reductions. Further discretionary savings of \$1m will be achieved across repairs and maintenance, professional services, advertising and marketing and IT expenditure.</p> <p>RFA is also projected a net benefit of \$2.6m from the extension of the WINZ Wage Subsidy.</p> <p>Estimated financial impact: \$5.8m Staff impact: High Ease of implementation: Moderate Community impact: None</p>	<p>Thank you for acknowledging that this will have a high impact on staff. Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p>
p.44	<p>RFA - Auckland Live &amp; Art Gallery exhibitions – reduced level of service</p> <p>RFA will reduce additional programming that were planned for Auckland Live's public programmes and to Auckland Art Gallery's exhibition programme with the proposed cancellation of a third significant exhibition, to generate a combined \$1.1M savings. This will be</p>	<p>Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p>



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	<p>in addition to the previous cancellation of the Monet and Picasso exhibitions.</p> <p>Estimated financial impact: \$1.1m Staff impact: Moderate Ease of implementation: Easy Community impact: High</p>	
p.44	<p>Panuku Development Auckland operational savings</p> <p>Panuku have proposed to reduce staff costs, functional support and corporate operating costs that will result in \$3m of savings.</p> <p>Estimated financial impact: \$3.0m Staff impact: High Ease of implementation: Moderate Community impact: None</p>	<p>Thank you for acknowledging that this will have a high impact on staff. Any staff reductions have the potential to be high impact to staff (both to employees who are made redundant and to employees who are retained but whose workloads often increase significantly), to service provision, and will have flow-on effects to the community and the regional economy.</p> <p>Please also note that council employees are also part of Auckland's community.</p>
p.44	<p>Panuku Project readiness</p> <p>In line with the deferral of capital expenditure spend on Panuku's project and procurement planning will be reduced. For some projects, completing readiness work too far in advance of delivery may lead to rework being required. Not progressing readiness work will mean longer lead in times should capital funding become available in the future.</p> <p>Estimated financial impact: \$2.4m Staff impact: High Ease of implementation: Moderate Community impact: Low</p>	<p>What are the high staff impacts expected? Will this involve staffing reductions, increase in workload, or both?</p>
p.45	<p>2021 Events funding to be reduced</p> <p>We were planning additional funding of \$30m to support the large</p>	<p>Will there be any potential staffing reductions associated with this reduced events funding?</p>

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	<p>programme of events in 2021 including the 36th Americas Cup. We are proposing to scale this back to \$20m. This will mean less activation and promotion with less ability to leverage wider economic benefits from the events. It will also mean less traffic management and event public transport services which may reduce public attendance, create a poorer visitor experience and may result in greater disruption when large events are being held.</p> <p>Estimated financial impact: \$10.0m  Staff impact: Low  Ease of implementation: Hard  Community impact: Moderate</p>	
p.45	<p><b>Additional reductions under 2.5% rates increase scenario are required and outlined below</b></p>	<p>PSA does not support the additional reductions under a 2.5% rates increase scenario. It has an unacceptably high impact on our members and on the communities that Auckland Council serves.</p>