The Northern Action Group Incorporated

WHY AUCKLAND'S FUNDING SYSTEM MUST CHANGE NOW

! WHATS WRONG?

- Rates and services are **poorly connected**
- Local contributions do not clearly reflect **local services**
- Ratepayers cannot readily see **where their money goes**

? WHATS THE PROBLEM?

- One general rating system is doing **too many jobs**
- **Cost, benefit, and who pays** are obscured
- Funding decisions become harder to **explain and defend**

HOW DO WE FIX IT?

- Council now has the **data, GIS, and service information**
- **Area and catchment funding mechanisms** already exist
- Growth funding reforms create the opportunity to **redesign the system**

IT'S TIME TO MAKE AUCKLAND FUNDING FAIR, TRANSPARENT AND ACCOUNTABLE

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AUCKLAND FUNDING MODEL

An integrated framework for rates, levies, growth, and equity

Five funding streams · one equitable system for funding Auckland's services and assets

OVERVIEW

The five funding streams

Growth Funding DCS + INFRASTRUCTURE LEVIES	*Growth pays for growth — but only its share*
Regional Funding GENERAL RATES + NON-RATES REVENUE + GRANTS	*Every Aucklander contributes to regionwide services.* *Non-rates revenue goes to the stream that matches its purpose.*
Local Board Area Funding LOCAL RATES	*Local communities fund their local services and service levels*
Facility Catchment Funding CATCHMENT RATES + GROWTH FUNDING	*Current beneficiaries fund their share: growth funds the future-user share*
Regional Equity Pool DEDICATED REDISTRIBUTION	*Ensures a fair baseline of access across Auckland*

FUNDING STREAM 01

Growth Funding

DEVELOPMENT CONTRIBUTIONS (DCS) + INFRASTRUCTURE LEVIES

Sources:

- Developers / growth areas
- Different bases for different development types

Uses:

- Growth share of new assets
- Growth share of upgrades
- Area-specific or project-specific infrastructure

Growth pays for growth — but only its share

FUNDING STREAM 02

Regional Funding

GENERAL RATES + NON-RATES REVENUE + GRANTS

Sources:

- General rates
- Fees & charges (e.g., venue hire, parking, regulatory fees)
- Government grants & subsidies
- Commercial revenue (e.g., Ports dividends, leases, investments)
- Other income (e.g., fines, user charges)

Uses:

- Regionwide OPEX (transport, governance, regulatory, regional parks)
- Regional CAPEX (renewals + upgrades)
- **Regional Equity Pool** (redistribution to under-served areas)
- Allocation by purpose to the other four streams

> ***Regional overhead is shared equally across ratepayers, with non-rates revenue reducing the amount required from rates and allocated by purpose across the five streams.***

FUNDING STREAM 03

Local Board Area Funding

TARGETED LOCAL BOARD AREA RATES

Sources:

- Local rates (targeted, uniform and general) and charges

Uses:

- Local OPEX (operations, maintenance, overheads)
- Local renewals and local upgrades
- Local service level uplift
- Local service gaps and local equity responses

Local communities fund local choices, local services and local levels of service

FUNDING STREAM 04

Facility Catchment Funding

FACILITY CATCHMENT RATE

Sources:
- Existing users / beneficiaries through catchment rates
- Future users / growth through Growth Funding

Uses:
- Major facility/project CAPEX (new or upgraded facilities)
- Catchment-specific OPEX for large facilities
- Time-limited project funding (sunset when paid off)

Those who benefit contribute – current and future users fund their share

Regional Equity Pool

DEDICATED REDISTRIBUTION FROM REGIONAL FUNDING STREAM

Sources

- A portion of regional rates
- A portion of non-rates revenue
- Government co-funding (where available)

Uses:

- Correcting historic under-investment
- Lifting service levels in deprived or under-served areas
- Funding renewals backlog
- Supporting local boards with low revenue capacity

ALLOCATION CRITERIA

Deprivation index

Facility age / condition

Service level gaps

Population growth

Renewals backlog

Ensures fair baseline access to community facilities and services across Auckland

How the streams fit together

Cost type	Funding source
OPEX · Operating expenditure	
Regional services	Regional Funding (rates and non-rates)
Local services	Local Board Area Funding
Major facility OPEX	Facility Catchment Funding
CAPEX · Capital expenditure	
Renewals	Regional + Local
Upgrades	Regional + Local + Catchment
New assets	Growth Funding + Catchment + Regional where network-wide

The Regional Equity Pool may fund any or all of these OPEX and CAPEX projects, activities or services.

THE MODEL IN SUMMARY

Growth pays for growth.

Regional Funding pays for regionwide services and the Equity Pool

Local communities pay for local service levels.

Facility catchments fund the users share of major facilities.

A dedicated equity pool corrects historic unfairness.