FIRST Union submission

To

Auckland Council

Regarding the

Proposed Annual Budget 2023/24

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Submission on behalf of:

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1. Introduction

1.1 FIRST Union is a private sector trade union with 30,000 members across the retail, finance, commerce, transport, logistics and manufacturing industries. Roughly half of our membership reside in Auckland, including thousands of workers indirectly engaged by Auckland Council, primarily in the bus and waste and recycling industries. Our Auckland membership both contribute to Council revenue, and rely on Council services.

1.2 We oppose this Budget, both on moral and financial grounds, which we have highlighted outlined in sections 2 and 3. Moreover, we are concerned that Council has attempted to present this as the only option on the table to deal with the current situation. Auckland is emerging from a health crisis and remains is in the middle of a cost-of-living crisis, which disproportionately impacts the most vulnerable. This is set against the backdrop of a long-running housing crisis, and the impacts of an increasingly-apparent climate crisis. The financial impact of these crises dwarfs the impact of a 5 percent annual budget deficit, especially for a Council with an AA, significant capacity to increase both its revenue and its borrowings, and a net equity value of $53.8 billion in its latest full-year financial statements. Now is not the time for an austerity budget intended to cushion the blow of rising interest rates on already-wealthy asset owners.

1.3 We oppose the destruction of Auckland Council's economic and community development functions, through cuts in operational funding, particularly to Tātaki Auckland Unlimited.

1.4 We oppose the proposed sale of shares at Auckland Airport for $1.8 billion in Section 4, which have historically delivered revenue for Auckland and look set to do so again in the very near future. While we do not support asset sales, we ask why the Airport shares have been proposed as the candidates for sale, rather than Council's $2.9 billion ownership of golf courses, which cost the Council $160 million a year to serve a mere 6000 members.

1.5 As the bus driver union, we are strongly opposed to a proposed $21 million in cuts to bus services, outlined in Section 5. While this has been presented as a reprioritisation, there is no suggestion that additional funding will be found to fund these services in the future. These cuts will constrain the efficacy Auckland Transport's recent multi-million dollar investment improve bus driver wages and end the driver shortage, reducing the costs associated with growing congestion, carbon emissions and pollutants.

1.6 Finally, we present an alternative budget, that aims to fill Council's alleged $295 million hole not by cutting services, but by increasing revenue. It does so without proposing further borrowing, and with a proposed rates increase that remains below the rate of inflation.

2. A moral disaster

2.1 We are amazed that a budget like this (hereinafter 'the Brown Budget') has been proposed to the people of Auckland at a time like this. It represents a remarkable change of approach, from one of balanced growth and investment, to one of rapid and disjointed dispossession. Such a significant change of approach should have been presented as one option amongst a range of differing approaches (e.g. the Brown Budget, a high investment budget, and an midpoint between the two) that accurately reflect the conflicting interests – the winners of losers – of each approach. We have been presented with the Brown Budget without any suggestion that an alternative (let alone a range of alternatives) would be possible, let alone preferable.

2.2 There is, of course, a reason that the Brown Budget has been presented in this way. Brown ran on a platform of lower rates, following an extraordinary 5 percent rates hike in the 2022 financial year. That hike was intended to get on the other side of a temporary decline in revenue during the the largest global pandemic in a century, itself accompanied by the most significant global financial crisis in a century. Nevermind that the increase has worked, and Council's debt-to-revenue ratio is declining. What is important is that Brown is able to present to his constituency that rates are falling, even if only marginally. In December 2022 that promise was formalised in a press release that set the proposed rates increase (4.66. percent), indicating to asset owners that the Mayor would protect their revenue stream, and that rates rises would not further complicate the mathematics of property speculation.

2.3 Council's proposed approach to filling the alleged $295 million "budget black hole" consists, among other things, of a $125 reduction in operational spending, a $74 million reduction in debt servicing through sale of the airport shares, and a $41 million cut in in funding for regional services, and borrowing $75 million. Reductions in operational spending are being achieved across multiple Council agencies, including $44.5 million from Tataki Auckland Unlimited, $32.5 million from Auckland Transport, and $5 million from Eke Panuku.

2.4 Just one impact of these the $125 million cut is that local boards have been asked to cut costs by reducing library hours, with almost all local boards indicating that these cuts are likely on the cards in the Budget consultation materials. Cutting library hours will result in redundancies for librarians and support staff, as well as an impact on access to the diverse benefits that libraries bring to our communities.

2.5 Tātaki Auckland Unlimited itself has been asked to deliver $27.5 million in funding reductions, on top of existing cuts of $17 million. This budget will completely eliminate the economic development functions of Tātaki Auckland Unlimited. With Auckland now excluded from central government economic development funding, NZ's largest city is now left with no economic development strategy or programmes. It will also impact service delivery and pricing at venues like Auckland Zoo, Auckland Art Gallery and stadiums and venues across the city. It will also impact Council's ability to bid for the large public events (like Rugby World Cups and the ASB Tennis Classic) that bring in revenue for Council, and support local businesses. Tataki's funding also support cultural events that help Tamaki Makaurau's broad range of migrant communities remain connected to their cultures and feel supported by our communities at large.

2.6 Cuts to Auckland Transport will be partly funded by a 6.5% increase in bus fares. This will impact some of Auckland's most vulnerable communities. Public transport enables vulnerable and low-income communities significant mobility benefits, while reducing congestion and carbon emissions. The context here is particularly difficult: fares were halved by Government in response to spiking prices after Russia invaded Ukraine and high inflation, stoked by looser pandemic monetary policy. Originally intended to be temporary, half-price fares have been increased on a number of occasions, and are now earmarked to last until 30 June 2023 unless further funding is announced in the 2023 Budget. In a short space of time, half-price fares have helped boost ridership to three-quarters of pre-covid levels, as well as bringing in new public transport users. The bus driver shortage is now the main constraint on growing ridership and, as we argue in Section 5, there are policies in place that are addressing that. However the combined impact of a 6.5% increase by Auckland Transport on 1 April followed by the end of half price fares on 30 June will result in a significant increase for low-income and vulnerable communities, and could inhibit their abilities to access services.

2.7 The $41 million cut in funding to regional services[1] consists of a $20 million reduction in general rates funding of regional services (such as community and education programmes, economic development and other social activities), a $8 million reduction in regional contestable grants, and a $16 million reduction to local board funding, overall a 5% cut to operational budget activities.

The $20 million reduction in funding regional services covers:

- Arts and culture programming (including Council funding for Pacific programming, Proud Centres, and support for exhibitions in Council arts facilities),
- education services,
- regional events (like Music in Parks and CultureFest),
- Community and social innovation programmes (including the Southern and Western Initiatives),
- Community programmes and social services (e.g. funding for Citizens Advice Bureau),
- Outdoor experiences supporting young people
- Funding and staff for Council's operational homelessness response,
- Regional coordination or support of community focused initiatives,
- Climate action related behavioural change activities,
- Defunding COMET, the Council-controlled skills traning organisation.

[1] The impact of these cuts were outlined by Whau local Board Member Sarah Paterson-Hamlin and journalist Sam Brooks https://thespinoff.co.nz/society/23-02-2023/is-41-million-in-savings-worth-the-decimation-of-aucklands-community-and-culture?fbclid=PAAaa4HQbYxsvJYh96RAFMiBogNS68QesWCrk4tqFFt7i1rpLI6emLqIc8vfo

The $16 million reduction in local board funding will further have a wide range of impacts on boards ability to deliver locally-driven initiatives and activities. For example, for the Whau Local Board, this includes funding for the Rape Prevention Eduation Whakatu Mauri Trust, YMCA North, Charlotte Museum, Vision West Community Trust, Whau River Catchment Trust and Avondale Community Action.

2.8 FIRST Union strongly opposes the impact on funding to the Southern Initiative, which has played a significant role in supporting beneficial labour market outcomes in South Auckland. This has included running programmes that connect the hardest-to employ with jobs in the construction sector, and creating grassroots support for families and Maori and Pasifka-owned businesses. The Council funding that the Southern Initative receives is multiplied four-fold by attracting government, charitable and private partnerships.[2]

[2] Todd Niall "Auckland's council budget: The tug of war between dollars and values" (13 December 2022). Available at: https://www.stuff.co.nz/national/politics/local-democracy-reporting/130730578/aucklands-council-budget-the-tug-of-war-between-dollars-and-values

3. A financial disaster

3.1 We disagree with the idea that Council has a $295 million budget hole to fill, and that budget cuts are the way to do it. The Local Government Act 2002 does not require Councils to run balanced budgets if they deem it financial prudent to do otherwise, having regard to a range of factors including maintaining a predicted level of service provision.[3] As a matter of course we believe that Government-set Council debt levels are excessively low, however Auckland Council's current debt-to-revenue level already allows for a further $1.6 billion of borrowing, and the ratio itself has been declining as post-pandemic revenue grows. Ratings agencies – which effectively summarise Councils' financial positions for the large-scale institutional investors that purchase Council debt – verify this position, affirming Auckland's AA status. Standard & Poor issued a report on Auckland Council's credit rating just before the Budget, noting that:

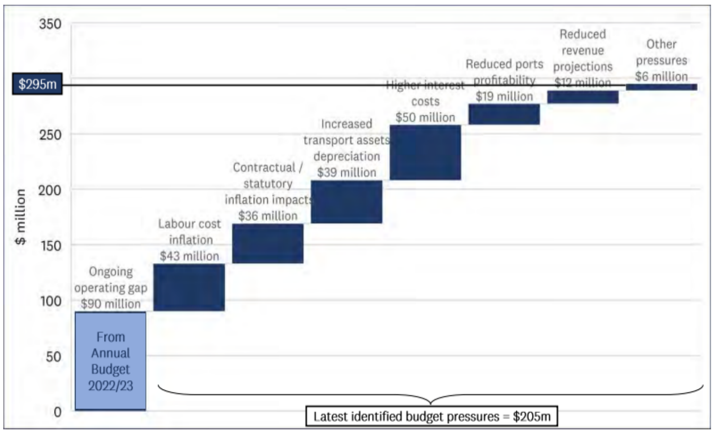

Figure 1: The alleged budget black hole

> Auckland Council's after-capital deficits are narrowing over our forecasts as the New Zealand local government's revenue growth outpaces expenditure. This should stabilize debt levels.
>
> The council's strong economic and liquidity profiles, experienced management, and New Zealand institutional rating underpin our rating.
>
> We are affirming our 'AA' long-term and 'A-1+' short-term issuer credit ratings on Auckland. The outlook is stable.[4]

3.2 Starting from this position, the 'budget black hole' requires a leap of faith. The immediate causes identified are high inflation and interest rates. Our members are, of course, extremely aware of the rising cost of living, the increasing cost of debt servicing, and in some instances, the threat to their employment as rising borrowing costs impact businesses. These cuts attempt to shift costs from Council's balance sheet onto those of Aucklanders, a city largely made up of working people. This makes little sense. Because Councils can tap much deeper sources of funding, Auckland Council's forecast average interest rate during the period is 4.61 percent, while working people face mortgage rates of 6-7 percent (and much, much higher general borrowing rates).

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[3] Section 100, Local Government Act 2002: https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM172357.html#:~:text=100%20Balanced%20budget%20requirement,-(1)&text=A%20local%20authority%20must%20ensure,that%20year's%20projected%20operating%20expenses

[4] Bernard Hickey "A challenge to Wayne Brown's debt crisis excuse (15 March 2023). Available at: https://thekaka.substack.com/p/a-challenge-to-wayne-browns-debt

3.3 We suspect that the 'budget black hole' will never reach the $295 million level signaled in the budget documents. With monetary tightening reaching its peak before previously projected, it seems likely Council will now enjoy lower-than-feared rates over the coming years. Firstly, for several months now, longer-term interest rates have been lower than short-term rates (indicating that banks are predicting declining rates), and banks hardly increased borrowing rates after the latest OCR hike. Secondly, RBNZ's February 2023 Monetary Policy Statement ('MPS') charts a lower inflation path than the November 2022 MPS (upon which the Budget was based), and therefore a faster OCR peak, plateau and then decline. Thirdly, the failure of a string of banks in the US and Switzerland (effectively caused by high interest rates) is causing central banks across the world to reconsider previously-signaled rates hikes, with NZ banks now picking a lower peak.[5] And finally, the hole was partly-premised on forecasts of reduced income from its port, however half-year results published in February 2023 have led to a seven-fold increase in interim dividends and a similar dividend expected in the net quarter.[6]

3.4 Council is refusing to tap the obvious revenue source in front of it, rates from fast-appreciating capital gains. The value of Auckland's houses stock grew by almost fifty percent over the pandemic period, while rates increased by only 13 percent. The proposed 4.66 percent rates increase runs contrary to the trend of recent years, in which rates hikes have generally been 1-2 percent higher than CPI, enabling Council to increase its service provision and investments in new infrastructure. Other Councils are responding to this environment in a different way, with Wellington Council, for example, proposing a 12.3 percent rates increase.

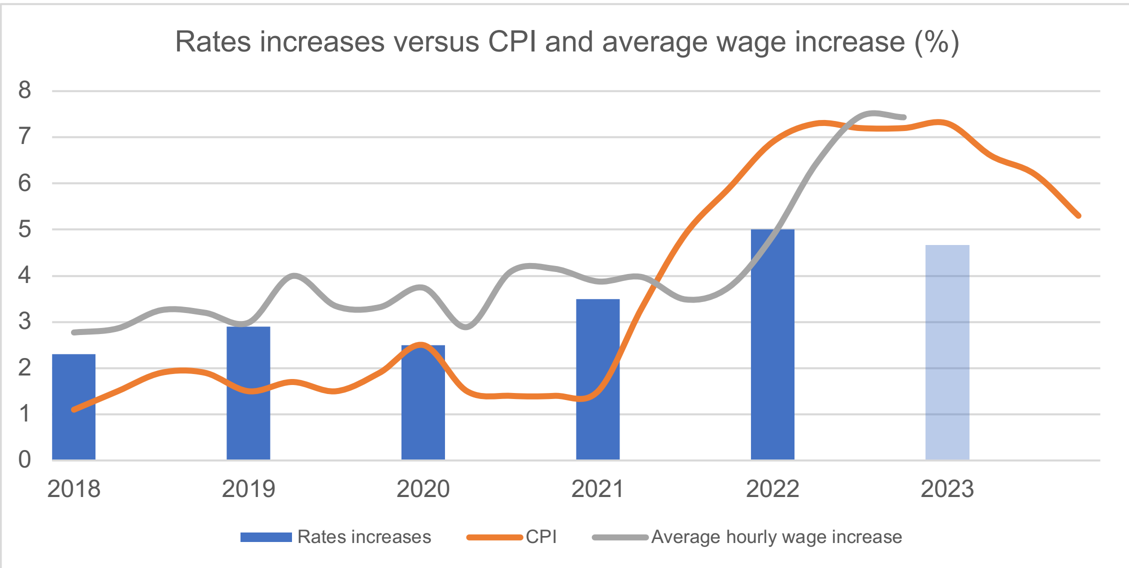

Figure 2: Infoshare databases CPI001AA and QEM002AA.

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[5] Ireland Hendry-Tennent "Major bank changes its interest rates prediction in wake of GDP data" (16 March 2023). Available at: https://www.newshub.co.nz/home/money/2023/03/major-bank-changes-its-interest-rates-prediction-in-wake-of-gdp-data.html

[6] "Ports of Auckland reports $20.8m underlying half-year profit" (22 February 2023). Available at: https://www.rnz.co.nz/news/business/484661/ports-of-auckland-reports-20-point-8m-underlying-half-year-profit

3.5 The income of Aucklanders has also grown substantially, with the average hourly wage grew 15.1% from the March quarter of 2020 to the December quarter of 2022.[7] Inland Revenue data suggests that the increase in income for the wealthiest New Zealanders, many of which live in Auckland, was much greater: in the year to 2021 alone, the taxable income of the top 20 percent grew 12.2% (a $14,750 increase), the taxable income of the top 10 percent grew by 16.3% (a $26,392 increase) and the taxable income of the top one percent grew by 44.3 percent (a $191,918 increase).[8]

3.6 There is now an emerging consensus that decades of underinvestment in infrastructure have left Aotearoa in general, and Auckland in particular, exposed to the risks presented by climate change, including extreme weather events. The stormwater network needs significant reinvestment, there is little renewable energy capacity nearby and the vast mass of the transport network is painfully car-centric. Bernard Hickey highlights the incongruity of the Auckland Budget approach alongside this underinvestment:

> If the Crown and most of our councils were assessed in pure financial terms by auditors and shareholders, they would be accused of skimping on reinvestment to give their customers lower prices and creating regular non-cash financial losses because of the very-real liabilities being built up and not measured. A board of directors would fire the CEO and CFO and tell them to put up their prices, particularly if they were a monopoly with a legislated power to force customers to pay them every year, and to invest in their underlying asset base to reduce future liabilities.[9]

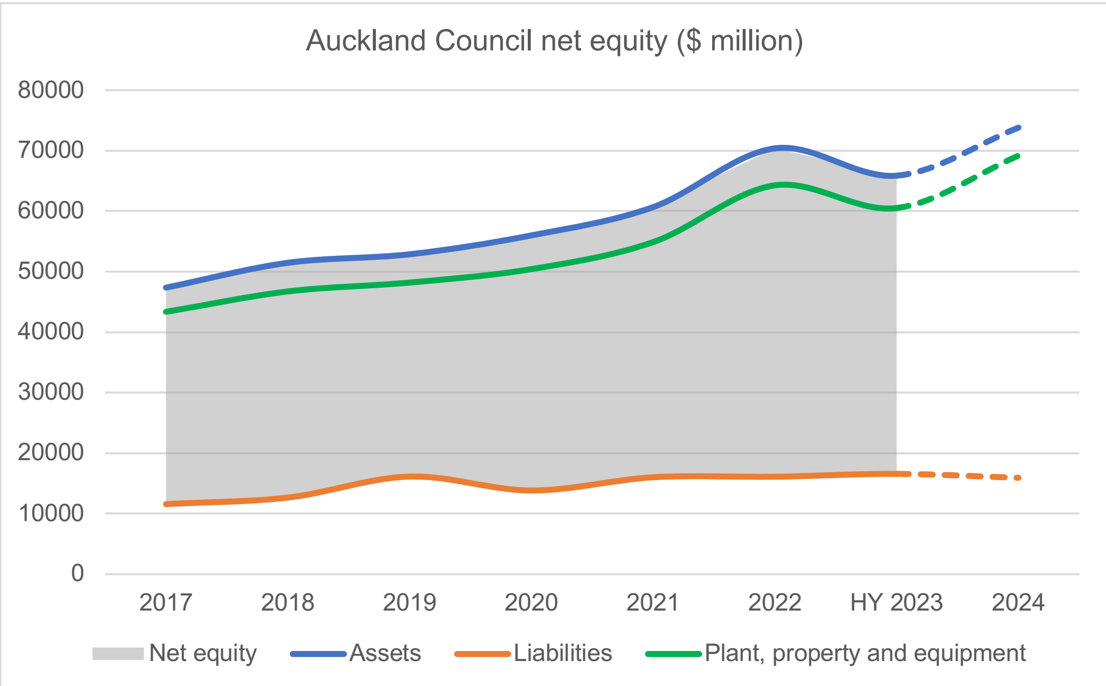

Figure 3

[7] Infoshare QEM002AA
[8] Inland Revenue "Taxable Income Distribution of Individuals" (2022). https://www.ird.govt.nz/-/media/project/ir/home/documents/about-us/tax-statistics---current/revenue-and-refunds/revenue-collected/taxable-income-distribution-of-individuals.xlsx?modified=20230116031259&modified=20230116031259
[9] See Fn 4.

3.7 Despite the challenging immediate economic environment Council's financial position is continuing to improve, as shown in Figure 3. In the 2022 financial year Council's asset value increased 16 percent ($9.7 billion) to $70.4 billion, while liabilities increased 0.6 percent ($91 million) to a net equity position of $54.9 billion. This is almost $20 billion higher than in 2017, a 51.7 percent increase over that six-year period. Despite short-term speed wobbles, net equity is projected to continue to increase to $57.8 billion at the end of the next financial year.

4. Opposing strategic asset sales

4.1 In principle, we are opposed to asset sales, particularly of strategic assets and infrastructure like airports. As investment into transport infrastructure at the national level scales up to combat the climate crisis, the airport – with its inter-modal links – will be a crucial node of any future national transport network. Auckland Council has a strong need for a political input into these discussions to ensure that the benefits of investments can be maximised for all Aucklanders. Maintaining control of the airport shares is a matter of crucial public importance.

4.2 Moreover, we believe that the airport shares are a poor financial candidate for an asset sale. As tourism revenue grew, airport revenue from 2014 to 2019 more than tripled, and in the years 2017 – 2019 Council's airport shares delivered upwards of $40 million per year (see Figure 4). It is true that during the pandemic these shares did not deliver dividend revenue as tourist numbers collapsed and operational expenditure rose, however recent data shows tourist numbers have come roaring back, and shareholders can rightly expect a windfall payoff within the next few years. Based on previous years, we estimate revenue in the 2023 financial year to sit within a range of $20 – 40 million.

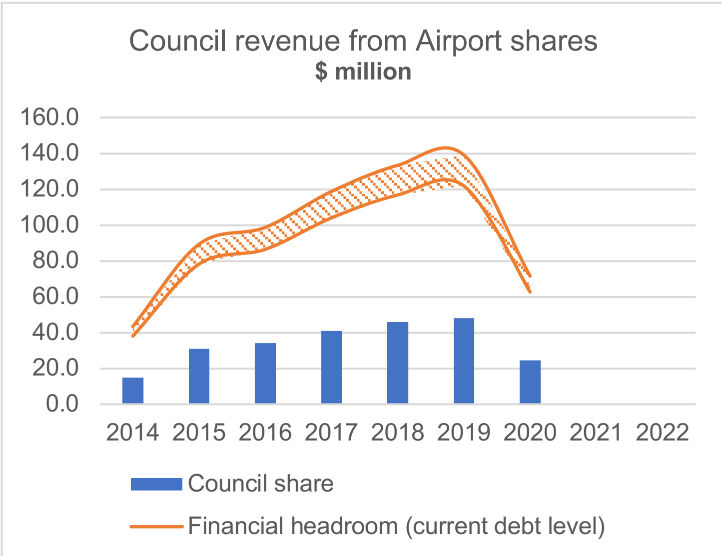

Figure 4

4.3 Further, given Council's debt sustainability measures are measured as a ratio of debt to revenue, any increase in revenue provides significantly more capacity for borrowing. We can see this in Figure 3, that shows the amount of borrowing (termed here 'financial headroom') provided by the airport shares revenue, measured as range between the current debt to revenue ratio (254%) and the maximum allowed ratio (290%). Large revenue streams like this create greater capacity for borrowing to fund address cost blowouts rather than cutting services. Under these rules, it makes sense to hold onto assets that deliver revenue.

4.4 There are other Council assets that could have alternatively been considered for sale. Auckland Council owns 13 golf courses, collectively valued at $2.9 billion. A 2018 cost-benefit analysis of the Council-owned golf courses showed a net cost (i.e. costs minus benefits) of $160 million to taxpayers. These courses counted only 6,415 individuals as members, meaning an annual cost to Council of $24,941.54 per member, roughly six to seven times the average rates bill per household. Chamberlain Park, which served 292 members at a net cost of $24,389,018, or a net cost per person of $83,524, roughly twenty times the average rates bill per household.[10]

4.5 We remain opposed to the sale of strategic assets and infrastructure, and think it should be a last resort for other assets of lower importance such as Council's golf courses. Nonetheless, we believe that golf courses need to chart a course to becoming, at the very least, revenue-neutral, to offset the $160 million they currently cost ratepayers. There are a range of approaches that could be explored in this respect, including increasing green fees, increasing membership, implementing different cost structures, and making their facilities available for other kinds of events. Some combination of these approaches and others is likely required.

4.6 At the same time, some golf courses may wish to explore reducing the size of their golfing area, and developing land for high-density Council-owned public housing, or leasing other areas for other forms of development. The development of the Eastern Golf Course in Melbourne – which will deliver 913 homes set amidst significant green space - show how this can be achieved well, unlocking significant financial benefits.[11] In the Auckland environment, we would propose Council leases parcels of land currently comprising golf courses to develop into high-density public housing with built-in social services. Investment capital could be expanded by partnering with iwi and Kiwisaver investors, while simultaneously partnering with Council-funded homeless initiatives to best target need and maximise the benefits of these investments.

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[10] Martin Jenkins "Cost-Benefit Analysis: Publicly-owned Auckland Golf Courses" (31 May 2018). Available at: https://ourauckland.aucklandcouncil.govt.nz/media/3x0lrbto/cbas-may-2018-remaining-courses_status-quo-scenarios-final_-not-a-policy.pdf

[11] Bernard Hickey "How to redevelop a golf course for housing properly" (6 December 2022). Available at: https://thekaka.substack.com/p/how-to-redevelop-a-golf-course-for#details

5. No cuts to bus service expenditure

5.1 The Budget is proposing a $21 million cut (termed as a 'reprioritisation') to bus service expenditure, which was planned to be funded by the Climate Action Targeted Rate (CATR). This is achieved by freezing current services, following the recent cancellation of bus services in 2022 due to the bus driver shortage, and relatively low public transport patronage (67 percent of pre COVID-19 levels). At the same time, there is a proposed fare increase of 6.5 percent, intended to increase revenue by $4 million to offset cuts made to the Auckland Transport operating budget.

5.2 It goes without saying that FIRST Union are strongly in support of expanding public transport ridership, to deliver high quality unionised jobs in the bus industry, reducing traffic congestions and carbon emissions, while transitioning our fleet to electricity. Public transport is crucial to securing the mobility of vulnerable and low-income communities, and for many of our members it is how they reach their job, how they pick up their kids from school and how they visit their whanau on the weekend. Public transport is crucial to achieving better mode shift outcomes, and we have advocated for fare reductions and fare free policies to better incentivise this, while simultaneously recognising the need for investments in expanding the reach and regularity of the network. We were thrilled to see the government recently announce that the Public Transport Operating Model would be replaced with the Sustainable Public Transport Framework, and want to see Councils, including Auckland Council, invest in owning and operating its own bus services rather than sending profits offshore to private equity funds.

5.3 For these reasons, it was particularly sad to see how the driver shortage – itself driven by poor wages and conditions in the sector – has been weaponised by the Brown Budget to cut public transport expenditure. On top of cuts to services already made in November 2022, a further 588 fewer is taking place per week following the February 2023 Network Recast, and others are likely to proceed. This will remain the case until the November 2023 Northwest Busway Improvement project is finished, at which point 450 more trips will be added. In addition, it is noted that "[i]f further savings are required, this will likely require a significant reduction in public transport services compared to the currently committed schedule."

5.4 Council notes that cancelled services "will not be reinstated until demand increases and more bus drivers are recruited", however it is unclear exactly what is meant by this. The bus driver shortage has been one of the primary demand-inhibiting factors. Once the shortage is fully addressed and service provision returns to normal, confidence in the transport system will grow and demand will return. On this basis, we believe that services should be reinstated as soon as there are drivers available to fill the shifts.

5.5 The bus driver shortage was the result of a decades of wage repression in the bus industry, followed by a pandemic that pushed many drivers out of the industry. A number of policy changes suggest that this shortage will be addressed in the near future:

5.5.1 In the last twelve months, negotiations between unions, public transport authorities and bus operators have resulted in substantial increases in bus driver wages, co-funded by government. In some instances this funding has increase driver wages by as much as 20 percent, with some operators now paying base rates just shy of $30 an hour. That engagement has proceeded under the shadow of a proposed Fair Pay Agreement, which parties agreed would set a base rate of $30 in urban areas and $28 in the regions.

5.5.2 In December 2022 the Government announced new immigration rules for bus drivers, including a time-limited two-year residence pathway through a sector agreement. Within a month, more than 100 employment offers had been accepted by overseas candidates. Anecdotal discussions with bus operators suggest that most operators of urban services have now effectively charted pathways to filling their enterprise-level labour shortages.

5.6 The combined effect of these policies suggest that bus driver shortage will likely end within the space of a few months, possibly before the 2023/24 budget period even begins. Cancelled routes should be reinstated as soon as there are drivers available to fill them.

5.7 Despite opposing the reprioritisation of bus service funding, we do support committing funds towards the Northern Busway Improvement project, which is expected to have a substantial impact on reducing traffic congestion, carbon emissions and other pollutants. We expect that the increased revenue identified in our alternative budget proposal at [6] will enable the Northern Busway Improvement project to be funded and delivered at the same time as maintaining these services.

5.8 We also oppose the 6.5 percent increase in bus fares, to be implemented on 2 April, which is expected to add up to 20 cents per journey while half-price fares remain in place. We will not know for sure until the 2023 Budget is announced in May, but commuters may also face the removal of half-price fares, currently set to expire on 30 June 2023. These increases will substantially impact the ability of many Aucklanders to move around the city.

6. An alternative budget

6.1 In this section, we present an alternative approach to filling the $295 budget hole that the Brown budget seeks to address. It relies on no new debt, and, because it increases Council's revenue by $295 million (rather than reducing expenditure) it significantly increases Council's capacity to borrow within existing debt to income ratios, by up to $856 million. Furthermore, it still deliver a rates increase below the general rate of inflation.

The components of this budget are:

- Getting the golf courses to pay their fair share - $160 million
- Revenue from retaining the airport shares - $20-40 million
- Unfreezing the Water Quality Targeted Rate and the Natural Environment Targeted Rate, $50.9 million
- A general rates increase of 2.2%, $44 million
- Returning parking and enforcement revenue to pre-covid levels, $20 million

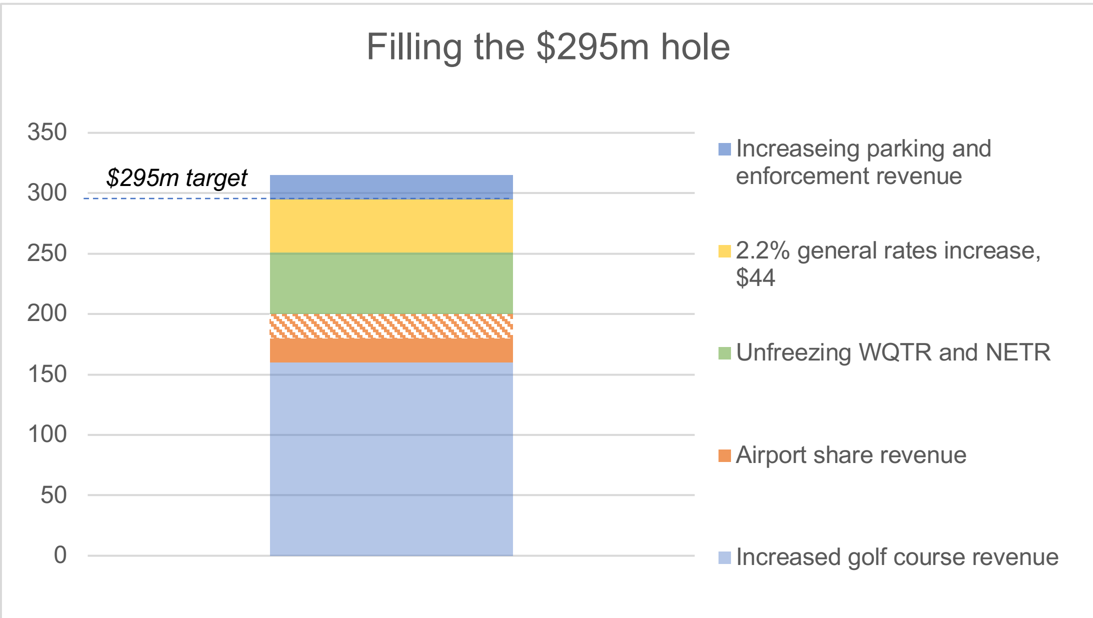

Figure 5

6.2 Imposing a requirement on the 13 Council-owned golf courses that they become revenue-neutral will deliver $160 million in revenue. It is proposed that this is achieved through a combination of increased revenue from golfing operations, and the leasing of land for other more productive purposes, potentially including the development of public housing, with co-investment from Kiwisaver and iwi investors.

6.3 The 2023 half-year results for Auckland Airport shares confirmed that a half-year dividend would not be delivered but was silent as to full-year distributions. Given the return of tourism numbers, we expect that in FY2023 the airport shares will deliver $20 to $40 million in revenue (represented in Figure 3 by the orange bar and the orange shaded bar); if this sits at the lower end of the bracket then we believe it will be followed by a likely windfall dividend in the next financial year.

6.4 In the last financial year, Council collected $50.9 million through the Water Quality Targeted Rate and the Natural Environment Targeted Rate. The Brown Budget proposes to freeze those two rates. The case for freezing these rates has not been adequately elucidated, and they bring in significant revenue (most of which is funded by businesses) to support Council environmental activities.

6.5 In the year to 30 June 2022, rates revenue reached $2.12 billion. A 2.2 percent increase in rates would therefore bring in $44.1 million more in rates revenue. This would bring the average annual increase to 6.86 percent, still below the general rate of inflation experienced throughout the 2023 financial year.

6.6 Auckland Transport is facing heavy cuts, which will result, inter alia, in a 6.5 percent increase to bus fares. We believe that Auckland Transport is better off increasing the revenue from parking and enforcement to pre-covid levels, which have fallen more than forty percent, from more than $90 million a year to $65 million a year. Enforcement has collapsed and many parking charges haven't moved in years. By increasing parking charges and adequately resourcing enforcement, revenue can be restored to much higher levels. Council should similarly fast track the implementation of congestion charges to generate further funding to to expand the reach and regularity of the public transport network.

6.7 If any of the proposed increased revenue streams does not deliver, Council should fill the shortfall with debt. Council's debt-to-revenue ratio has been declining in the last two years, and by further increasing its revenue through a range of above-listed strategies, Council ability to borrow would increase by up to three quarters of a billion dollars, without impacting Council's debt to revenue ratio.