

Te Tahua Pūtea Tau 2021-2031

Te Tahua Pūtea Whakarauora

The 10-year Budget 2021-2031

Long-term Plan

Our Recovery Budget



Volume
2

Our detailed budgets,
strategies and policies

How this 10-year Budget 2021-2031 is arranged

Finding your way around the volumes:

Volume 1

Volume 1: An overview of our 10-year Budget

Section 1: An introduction to our 10-year Budget including a brief overview of the plans, strategies and budget that form the rest of this document.

Section 2: Our prospective financial statements for 2021-2031 and other key financial information.

Section 3: Report from the Auditor General.

Section 4: Supplementary Information including contacting the council, its structure and people. Glossary of terms and key word index.



Volume 2

Volume 2: Our detailed budgets, strategies and policies

Section 1: Our key strategies.

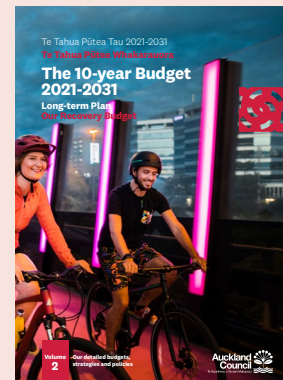
Section 2: Our Activities – summary information on the services Auckland Council delivers, performance measures and budget.

Section 3: Our key policies.

Section 4: Summary of the Tūpuna Maunga Authority Operational Plan 2021-2031.

Section 5: Our Council-controlled organisations.

Section 6: Supplementary information – Glossary of terms and Key word index.



Volume 3

Volume 3: Local Board information and agreements

Section 1: An overview of local boards, and their expenditure for 2021-2031.

Section 2: Specific information for each of the 21 local boards, including the local board agreements.

Section 3: Supplementary information – Glossary of terms and Key word index.



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Section One: Our key strategies

1.0 Strategic Overview and delivery for Māori and Climate Change

Setting our long-term outcomes through Auckland Plan 2050

The Auckland Plan is our 30-year spatial plan to contribute to Auckland’s social, economic, environmental and cultural well-being. As required by legislation, the plan provides direction on addressing Auckland’s key challenges of high population growth and environmental degradation, and how we can ensure shared prosperity for all Aucklanders.

The six Auckland Plan outcomes align with the four wellbeings:

THE WELLBEINGS

 ENVIRONMENTAL  SOCIAL  CULTURAL  ECONOMIC



BELONGING AND PARTICIPATION



All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.



MĀORI IDENTITY AND WELLBEING



A thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.



HOMES AND PLACES



Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.



TRANSPORT AND ACCESS



Aucklanders will be able to get where they want to go more easily, safely and sustainably.



ENVIRONMENT AND CULTURAL HERITAGE



Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage, for its intrinsic value and for the benefit of present and future generations.



OPPORTUNITY AND PROSPERITY



Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.

We track progress through 33 outcome measures that are monitored annually with an in-depth assessment every three-years. This is the basis of Council’s overall performance measurement framework.

Each Group of Activities (one or more related activities provided by, or on behalf of the Auckland Council Group and Auckland Council) contributes to one or more of these outcomes and their impacts are articulated in Part 2: Our activities.

The Auckland Plan also sets out our Development Strategy, that outlines how we will physically manage growth and change including how we will sequence growth and development. This provides direction for our infrastructure investments across the Council group in agreed priority areas as outlined in Section 1.2 Infrastructure Strategy of this Volume.

Council's focus for the next 3 years

Over the next three years we will focus our efforts and investments on three recovery objectives, guided by the Auckland Plan. This will help us to address our immediate challenges while staying on track to achieve our long-term outcomes:

- Community - Strengthen social cohesion and build inclusive and resilient communities
- Economy - Restore economic activity with greater equity and longer-term resilience
- Jobs - Enable sustainable employment opportunities

For each of the Auckland Plan outcomes, we will prioritise our investments in the following areas, acknowledging we are one of many organisations that will need to play a role in Auckland's recovery:

RECOVERY FOCUS GUIDED BY OUR LONG-TERM OUTCOMES

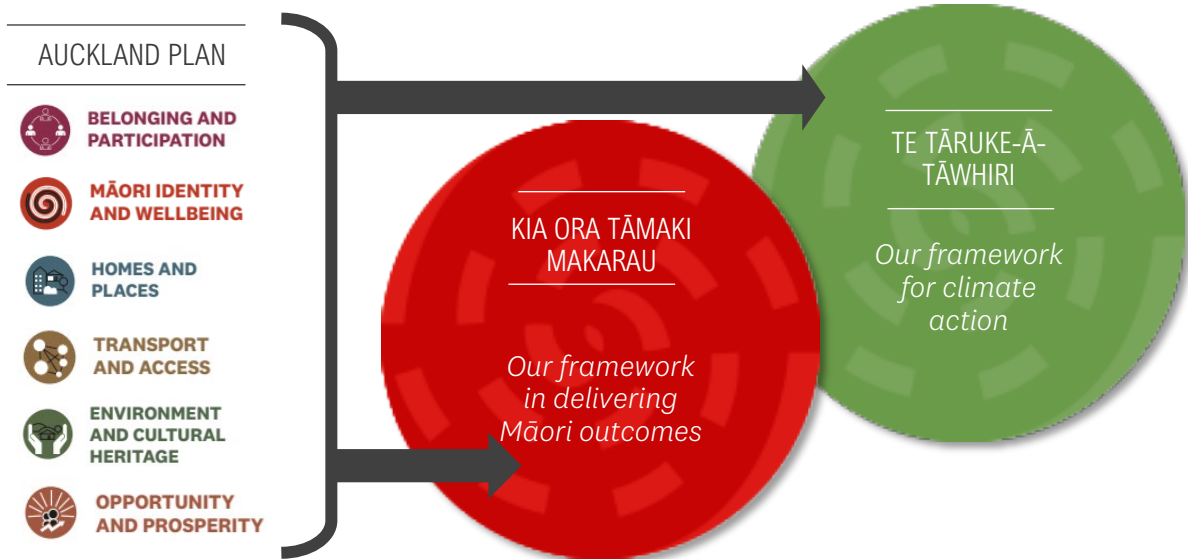
 BELONGING AND PARTICIPATION	<ul style="list-style-type: none">• Deliver services in a way that builds community resilience and are adaptable to community needs (Community)• Enable community-led solutions, including mana whenua and Māori communities (Community)
 MĀORI IDENTITY AND WELLBEING	<ul style="list-style-type: none">• Tailor services to whānau and tamariki (focussed on essential needs) and support sustainable solutions for Māori communities (Community)• Support Māori employment and business (Economy and jobs)
 HOMES AND PLACES	<ul style="list-style-type: none">• Provide infrastructure to enable housing development (including social and affordable) in priority growth areas (Economy and jobs)• Create jobs through infrastructure projects (Economy and jobs)• Provide a variety of housing costs and tenure options (Community, economy and jobs)
 OPPORTUNITY AND PROSPERITY	<ul style="list-style-type: none">• Consider the immediate needs of businesses (Economy and jobs)• Enable local business growth and innovative business practices (Economy and jobs)• Support Māori and Pacific youth transition into workforce (Jobs)

Read the Auckland Plan here:

<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/auckland-plan/Pages/default.aspx>

How it fits together

The Auckland Plan is implemented through our key strategies, regulatory plans, and funding programmes as set out in this 10-year Budget. It provides the strategic direction for council’s priorities and forms the basis for alignment with Kia Ora Tāmaki Makaurau and Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan - to lead a Council-wide response to delivering Māori outcomes and contributing to our regional climate goals.



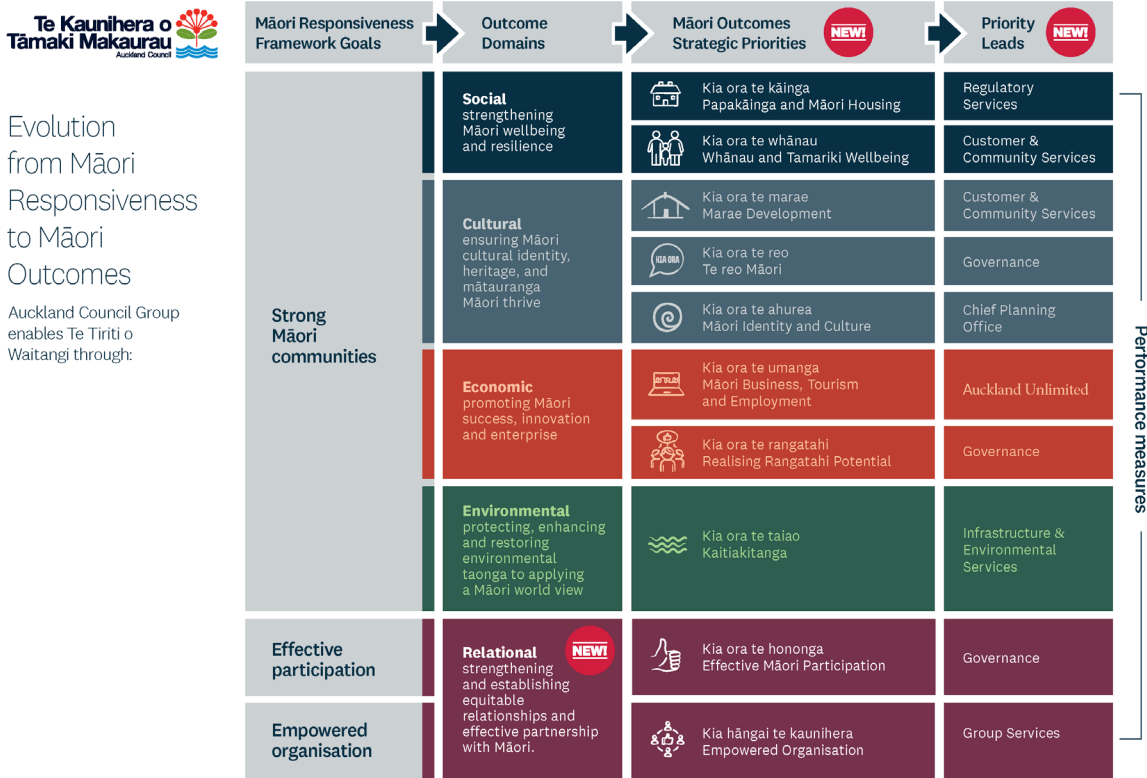
Auckland Plan Outcomes	Māori Outcomes	Climate Priorities
Belonging and Participation		Community and coast Food
Māori identity and wellbeing	Whānau and Tamariki Wellbeing Realising Rangatahi Potential Marae development Te Reo Māori Māori identity and culture Effective Māori participation An Empowered Organisation	Te puāwaitanga o te Tātai (Intergenerational whakapapa relationships of taiao (nature), whenua (land) and tangata (people) are flourishing)
Homes and Places	Papakāinga and Māori housing	Built environment
Transport and access		Transport
Environment and cultural heritage	Kaitiakitanga	Natural environment
Opportunity and prosperity	Māori business, tourism and development	Economy Energy and industry

Leading and influencing better outcomes for and with Māori

The Auckland Council Group has developed a Māori Outcomes performance measurement framework: Kia Ora Tāmaki Makaurau. This is an evolution of the Māori Responsiveness Framework, strengthening a shift from focusing on Māori responsiveness within the council group to delivering outcomes for and with Māori of Tāmaki Makaurau.



The 10-year Budget allocates \$150 million Māori Outcomes Fund (combined capital and operating expenditure) for activities that directly contribute to Māori identity and wellbeing through the delivery of Kia Ora Tāmaki Makaurau.



Kia Ora Tāmaki Makaurau is named for its overall outcome: holistic wellbeing for Tāmaki Makaurau. The Framework supplements the responsiveness approach to be relevant to the expectations and aspirations of Māori under the Treaty of Waitangi. The Framework aligns mana outcomes that Māori have identified as mattering most for them, with the 10 strategic priorities agreed to as part of the previous 2018-2028 10-year Budget.

Kia Ora Tāmaki Makaurau outlines the practical steps to deliver on priority-aligned Māori outcomes, by identifying focus areas where the council can best influence and direct resources for consistent delivery.

This outcomes-based approach shifts the council’s focus from internal responsiveness to the delivery of priorities to benefit Māori. The 10 priorities of the Māori Outcomes Framework will be delivered by the Māori Outcomes Fund, and department work programmes and baseline budgets. Ultimately, by delivering outcomes for Māori, there will be wider benefits Tāmaki Makaurau as a whole.

Where do we need to focus our efforts?

MARAE DEVELOPMENT

Goal: Marae are centres of excellence for whānau Māori and have an abundant presence in communities

Auckland Council contributes by:

- providing holistic support to marae as to ensure they are resilient, sustainable and thriving.
- supporting the role of marae through effective relationships, funding and planning



MĀORI BUSINESS, TOURISM AND EMPLOYMENT

Goal: Intergenerational wealth is created through a thriving Māori economy

Auckland Council contributes by:

- ensuring Mana Whenua, Mataawaka and key stakeholders are well-informed and have access to robust information on the shape and drivers of the Māori economy in Tāmaki Makaurau
- Supporting Māori businesses to innovate and thrive
- creating strategic alignment of stakeholders and key influencers in the Māori economy in Tāmaki Makaurau.



PAPAKĀINGA AND MĀORI HOUSING

Goal: Whānau Māori live in warm, healthy and safe homes and housing options meet the individual and communal needs

Auckland Council contributes by:

- improving infrastructure to support needs and aspirations
- providing expert advice and support



MĀORI IDENTITY AND CULTURE

Goal: Tāmaki Makaurau is rich with Māori identity and culture.

Auckland Council contributes by:

- ensuring matauranga Māori is valued and informs council activities
- ensuring Māori identity is reflected and promoted in the environment



REALISING RANGATAHI POTENTIAL

Goal: Rangatahi Māori realise their potential

Auckland Council contributes by:

- implementing programmes for rangatahi wellbeing and career development
- enabling rangatahi to participate in council's decision-making processes



TE REO MĀORI OUTCOMES

Goal: Ko te reo Māori te mauri o te mana Māori

Auckland Council contributes by:

- making sure te reo Māori is learned and practiced
- ensuring te reo Māori is seen, heard, spoken and learned throughout Tāmaki Makaurau



KAITIAKITANGA (PARTICULARLY WATER)

Goal: Mana whenua exercise kaitiakitanga of te taiao in Tāmaki Makaurau

Auckland Council contributes by:

- supporting mana whenua to exercise tino rangatiratanga and kaitiakitanga
- achieving Kaitiakitanga outcomes through council



WHĀNAU AND TAMARIKI WELLBEING

Goal: Empowered whānau Māori across Tāmaki Makaurau

Auckland Council contributes by:

- supporting Māori-led services
- creating welcoming spaces informed by te ao Māori



EFFECTIVE MĀORI PARTICIPATION

Goal: Mana whenua and Māori are active partners, decision-makers and participants alongside Auckland Council

Auckland Council contributes by:

- ensuring Māori are active Te Tiriti o Waitangi partners and decision-makers
- supporting a Mana Whenua governance forum and its strategic plan



AN EMPOWERED ORGANISATION

Goal: Council achieves outcomes and benefits for and with Māori

Auckland Council contributes by:

- honouring commitments and obligations under Te Tiriti o Waitangi
- developing competency of elected members and staff to work effectively with Māori
- supporting career development and progression of Māori and specialist staff
- ensuring Māori staff are connected and supported



Council's focus for the next 3 years

Delivering on Kia Ora Tāmaki Makaurau across the Council Group and establishing a clear pathway to monitor the impacts against the Māori outcomes:

- **Whānau and Tamariki Wellbeing** Supporting whānau and tamariki wellbeing through services delivered in council facilities (e.g. libraries) as well as support whānau safety through licensing activities.
- **Realising Rangatahi Potential** Council enables rangatahi participation in council activities to support rangatahi in leadership, training and employment.
- **Marae development** Delivering the Marae Infrastructure Programme that aims to ensure that marae are healthy and sustainable cultural hubs. Delivering the Cultural Initiatives Fund, an annual contestable grant available for marae covering capital works, maintenance, feasibility and concept design, strategic financial planning, governance and asset management.
- **Te Reo Māori** Delivering the Te Reo Action Plan that provides a strategic framework for council's contribution to revitalising te reo Māori. Delivering bi-lingual signage at key council and CCO sites and within parks and on other council assets, as well as announcements in Te Reo on public transport and in Council venues.
- **Māori identity and culture** Māori identity and culture is advanced through cultural experiences, such as events, and placemaking activities such as urban design and the application of Māori design principles in our spaces and places, sites of significance work, and Māori public art.
- **Papakāinga and Māori housing** Providing dedicated resources and support to Māori and mana whenua with technical matters related to resource and building consent processes, through the Regulatory Services Directorate and Māori Housing Unit to develop individual and whānau housing.
- **Kaitiakitanga** Council actively provides for Māori participation in the management of taonga resources. Council works with mana whenua and Māori in the management, restoration and protection of our water resources, and works with mana whenua and Māori to design/co-design and deliver environmental management and community-led conservation initiatives
- **Māori business, tourism and development** Council actively provides economic opportunities for Māori and supports Māori growth in business, tourism and enterprise. This includes promoting the growth of Māori entrepreneurship through smarter use of procurement and supply chains.
- **An empowered organisation** Council will work to ensure staff are enabled to meet obligations under Te Tiriti o Waitangi / The Treaty of Waitangi, through appropriate training through programmes such as Ngā

Kete Akoranga, and the MAHI strategy. This includes ensuring the council group focuses on delivering effective Māori Responsiveness Plans that are aligned to Kia ora Tāmaki Makaurau.

Māori measures and targets

This 10-year Budget identifies seven specific Māori measures and targets that align with the outcomes and mahi objectives of Kia Ora Tāmaki Makaurau - the Māori Outcomes Performance Measurement Framework. These measures are important to demonstrate progress of delivery against commitments to Māori. Measures are focused on the activities that council delivers and align to the outcomes of the Auckland Plan. Kia Ora Tāmaki Makaurau contains a range of additional performance measures that are reported on and help to build a holistic picture of performance across the council group.

Priority	Levels of Service	Performance measures	Groups of Activities
Kia Ora te Kāinga Papakāinga and Māori Housing	We support the Māori led housing and papakāinga development through planning & development processes	The number of Māori organisations and trusts supported to progress Māori housing and papakāinga development ¹	2.7 Regionally delivered council services
Kia Ora te Marae Marae Development	We contribute to resilient, sustainable, and thriving marae facilities and infrastructure that support marae as hubs for their communities	The number of mana whenua and mataawaka marae that received support ²	2.7 Regionally delivered council services
Kia Ora te Ahurea Māori Identity and Culture	We showcase Auckland's Māori identity and vibrant Māori culture	The percentage of local programmes, grants and activities that respond to Māori aspirations	2.7 Regionally delivered council services
Kia Ora te Ahurea Māori Identity and Culture	We deliver arts, wildlife, collections, sports, and events that provide experiences that are engaging and embraced by Aucklanders	The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	2.8 Council controlled services
Kia Ora te Umanga Māori Business Tourism and Employment	We deliver information, advice, programmes and initiatives to support the creation of high value jobs for all Aucklanders	Number of Māori businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention	2.8 Council controlled services
Kia Ora te Hononga Effective Māori Participation	We meet all planning legislative requirements	The percentage of adopted core strategies, policies and plans incorporating Māori outcomes or developed with Māori participation	2.7 Regionally delivered council services
Kia Ora te Hononga Effective Māori Participation	We provide opportunities for Aucklanders to contribute to community and civic life	The percentage of Māori residents who believe that they have adequate opportunities to have their say in decision making	2.7 Regionally delivered council services

¹Organisations include Māori community housing providers and incorporated societies. These are groups that council has supported to date in some way e.g. funding or support from Council's Regulatory Services department with the consenting process.)

²Support is in the form of direct funding or assets provided to marae to build the capacity of the marae to support Māori community wellbeing, AND the focus of the delivery is centred on the marae. There are 33 marae that are eligible to receive this support).

Monitoring progress

Overseeing the delivery of Māori outcomes will be the Māori Outcomes Steering Group. The Group has been established to lead and influence better outcomes with Māori for Tāmaki Makaurau/Auckland by:

- Driving a shift in culture across the Auckland Council group, in thinking and practice to improve outcomes for Māori in Tāmaki Makaurau
- Ensure that this cultural shift is embedded in ways that are self-sustaining and systemic
- Working strategically to progress Māori Outcomes across the council group
- Providing oversight of the Māori Outcomes Portfolio (the \$150m Māori Outcomes Fund and department budgets) ensuring collaboration across the Auckland Council group on the delivery of Māori Outcomes priorities, and associated work programmes.

Leading our regional response to climate change

Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan sets the blueprint for a zero-carbon, climate-resilient Auckland. This will require combined efforts from all of us – Auckland Council, government, mana whenua, mataawaka, businesses, communities and individuals. Collectively we need to:



- Reduce our greenhouse gas emissions: We have committed to playing our part in limiting temperature increase to 1.5 degrees Celsius above pre-industrial levels. This requires Auckland to halve our emissions by 2030 and achieve net zero emissions by 2050. Even with this increase, the impact on our natural environment, communities and infrastructure, will be significant. The longer we wait, the harder it will be to reach net zero emissions by 2050.
- Prepare for climate change impacts: It is likely that our current emissions pathway will result in an average warming of 3.5 degrees Celsius or more by 2110. Therefore, we must plan for uncertainty and prepare to adapt to the impacts of a continued ‘business as usual’ emissions pathway. This includes building low-carbon and climate resilient infrastructure and homes and increasing the resilience of our communities and natural environment to climate impacts.
- Tailor our approach because Auckland is unique: Our approach to climate action is strengthened through diversity and indigenous knowledge, with Māori cultural values and practices underpinning our actions for the benefit of all. By taking a holistic and equitable approach we can deliver better outcomes for Auckland.

Where do we need to focus our efforts?

TRANSPORT

Transport accounts for 43.6 per cent of Auckland’s total production emissions. We need to increase walking and cycling and provide accessible and affordable transport options. We also need to support a fair transition to zero emission travel.

INFRASTRUCTURE

Much of our existing infrastructure was not designed to cope with increasingly extreme weather events, sea level rise or increased flooding. We need to adapt physical assets that are at risk, expand green infrastructure networks, improve water management and enhance and protect our urban and rural ngahere (forest).

WATER SUPPLY

This will become a bigger issue as Auckland’s population increases and rainfall patterns change. We need to consider alternative water supply options and increase the resilience of our water system.

COASTAL CHANGE

Auckland has 3,200km of coastline. Climate change will increase the risk of coastal erosion, storm surges and flooding. We need to work with communities to plan for and manage the impacts.

ENVIRONMENT

A healthy natural environment is essential to our economy and society. Almost 50 per cent of our birds, reptiles and plants are under threat. We need to restore and enhance our natural environment, and help build the resilience of native species to climate change.

MĀORI

Māori connection to natural environments, through their role as kaitiaki, will be significantly affected by climate change. Impacts on sites of significance to Māori, such as coastal marae and urupa, need to be considered.

PLANTING TREES

We need to grow and protect our rural and urban ngahere/forests to maximise carbon capture and build resilience to climate change.

WASTE

Auckland has low rates of recycling and reuse of waste (35 per cent) compared to world leading cities. We need to support a zero-waste, circular economy that maximises the lifecycle of our natural resources and reduces waste.

ENERGY

We need to work across sectors to support a decarbonised energy system. This means more distributed and renewable energy options, improved energy efficiency and low carbon heat solutions.

BUILDING RESILIENT COMMUNITIES

Extreme weather events, droughts and the economic impacts of climate change will put increasing pressure on Auckland's diverse communities. We need to work with our communities and support them in developing the skills, knowledge and capacity to respond to climate change.

BUILDING A RESILIENT ECONOMY

Businesses must plan for increasing climate related disruption. Transitioning away from carbon intensive practices can deliver long-term growth, skills, job creation and sustainability. We need to focus on building a resilient and regenerative economy that allows Aucklanders to thrive.

CHANGING BEHAVIOUR

The consumption carbon footprint of the average Aucklander is around 13.5 tonnes per year. We need to reduce this to around 5.9 tonnes by 2030. This means making changes to our everyday choices about what we choose to eat, buy and how we travel.

PLANNING AND DEVELOPMENT

Past land-use and planning decisions have led to a car-dependent and emissions-intensive Auckland. We need to ensure our policies and the way we grow supports our climate goals.

ADVOCACY AND PARTNERSHIP

We need to strongly advocate to government and business to play their part in building resilient communities and introducing nationwide policy to limit rising temperatures. We also need to form partnerships with diverse groups to achieve our regional climate goals.

FOOD

Climate change will affect food production and the availability and affordability of food. We need to plan for a low-carbon, climate resilient local food system that makes the most of surplus food to feed people, plants and animals.

Council's focus for the next 3 years

There are a number of climate action initiatives across the Council group that are already underway. For example, we have:

- committed to improving our public transport options, walking and cycling infrastructure
- invested in increasing the resilience of our water supply infrastructure to climate change
- invested in reducing energy use from our Council properties and fleet.

Major shifts across all sectors will require additional investments with a focus on:

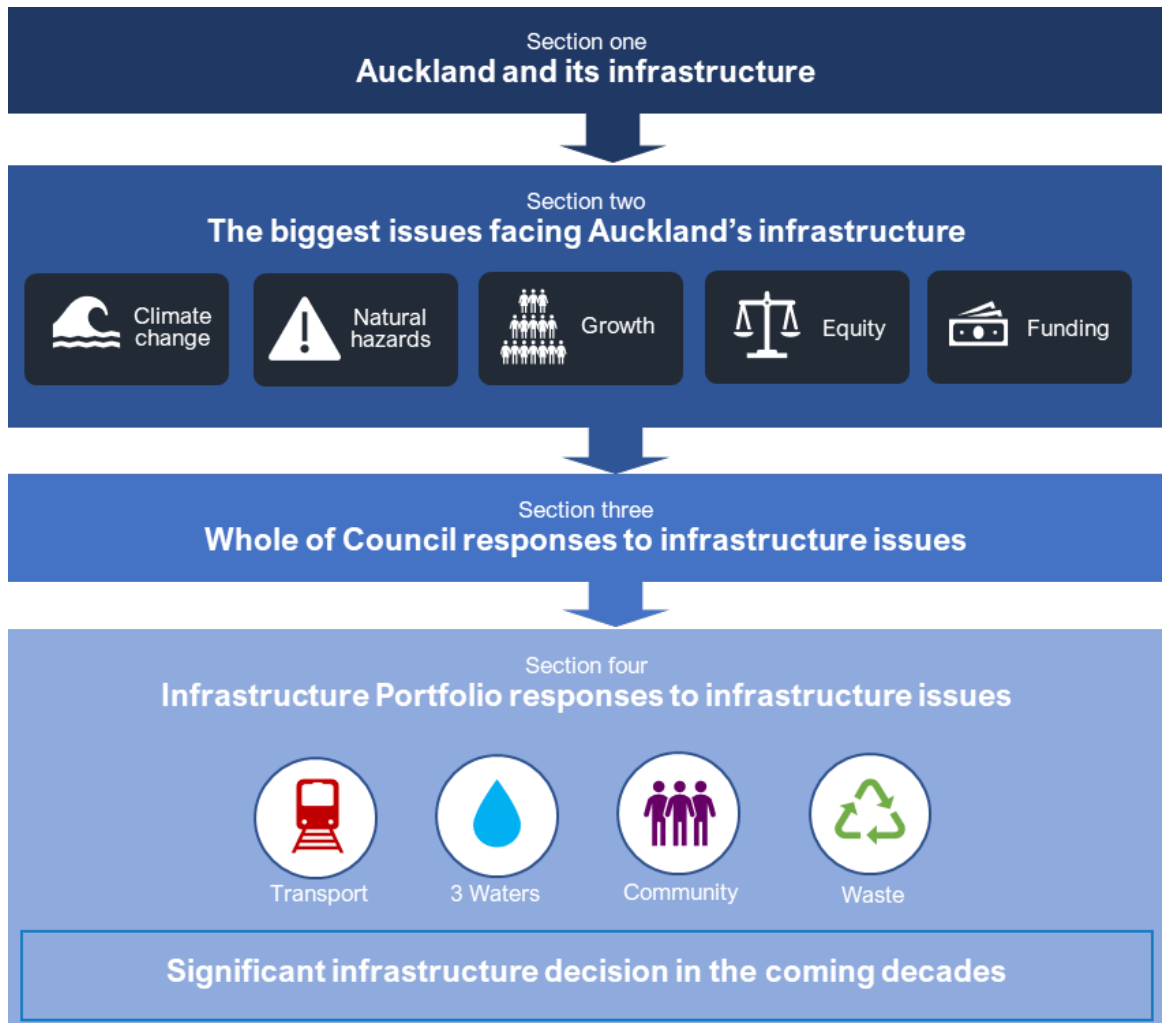
- changing what is within our direct control, recognising that this is limited
- establishing partnerships to empower individuals, mana whenua and community groups to achieve broader change across Auckland
- collaborating with businesses to identify innovative solutions for reducing emissions
- setting the foundations for larger projects and government partnerships in future

Read Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan here:

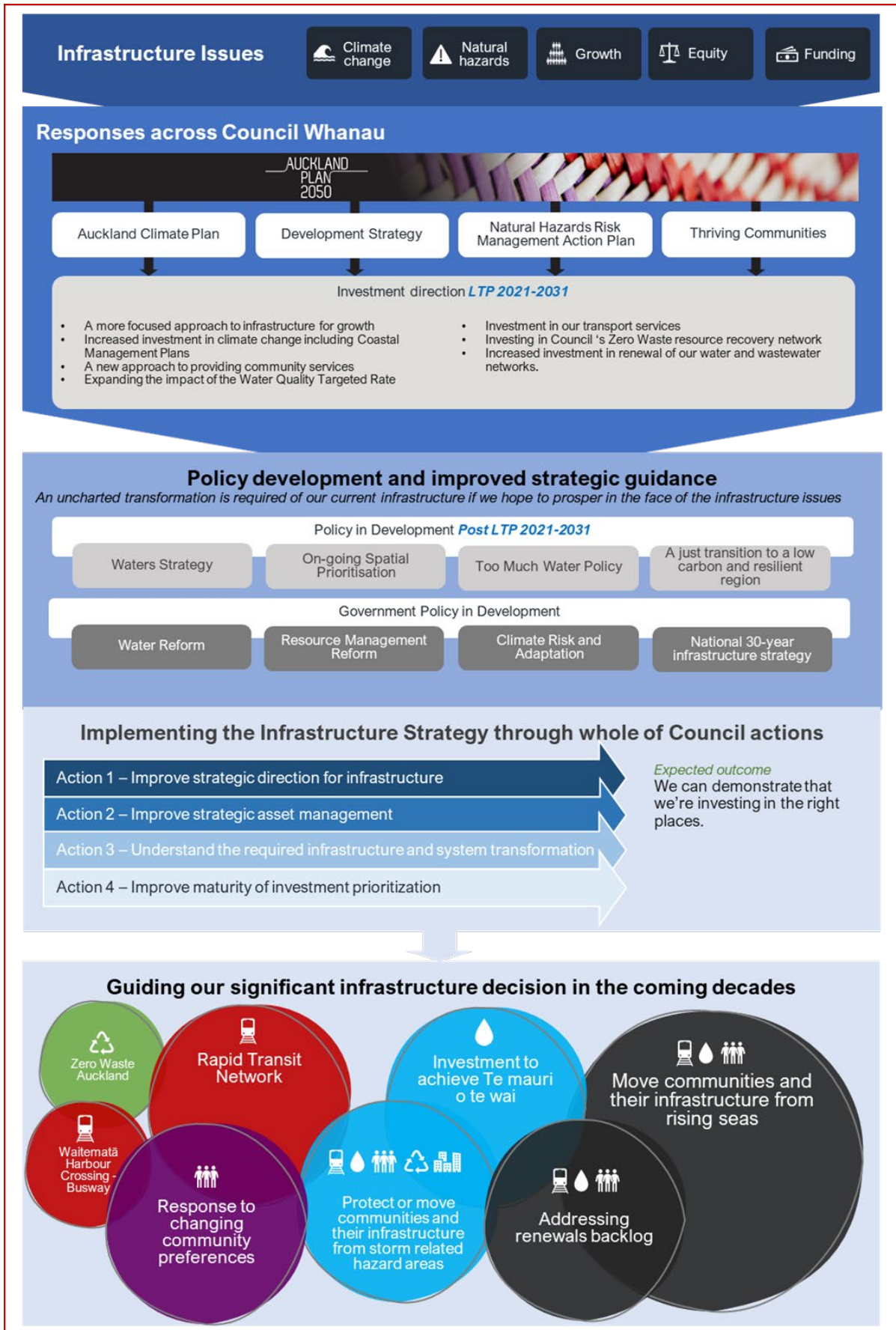
<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/topic-based-plans-strategies/environmental-plans-strategies/aucklands-climate-plan/Pages/default.aspx>

1.1 Auckland's 30-year Infrastructure Strategy

Infrastructure Strategy Contents and components



What does the strategy say we are going to do? (strategy on a page)



Section one: Auckland and its infrastructure

Infrastructure is the set of facilities and systems serving our region and its people. The role of this strategy is to take a long-term view of Auckland Council's infrastructure decision-making to ensure our infrastructure supports the aspirations of Aucklanders. This section provides the context for our infrastructure strategy because the direction we choose for our infrastructure builds on our place, our people, and our systems.

The role of the Infrastructure Strategy

The 2021 Infrastructure Strategy is Auckland's third; required as part of the Long-term Plan (which includes the 10-year Budget) under the Local Government Act 2002 (LGA). The strategy looks to the next three, 10 and 30+ years for Auckland Council's infrastructure; addressing big issues that impact our infrastructure, and ensuring our decisions and investments address these issues in a considered and coordinated way.

Our strategy meets the requirements of s101B of the Local Government Act by identifying big infrastructure issues and setting out how we plan to respond to those issues at both the council group level (Auckland Council and Council Controlled Organisations (CCOs)) and an infrastructure portfolio level (see Strategy Contents and Components above). Table 1 details the sections of this strategy that address the legislative requirements of Section 101B of the Local Government Act and

Table 2 covers Auckland Council group assets required under section 101B and other assets included at the council's discretion with a high value and level of expenditure that make a significant contribution towards achieving Auckland's strategic outcomes. Council has other infrastructure portfolios that have not been included in this strategy such as the Ports of Auckland, cultural and economic infrastructure and landmark venues managed by Auckland Unlimited and urban regeneration activities managed by Eke Panuku.

Table 1 Infrastructure Strategy key legal requirements

Infrastructure Strategy Section	Local Government Act s101B Requirements
Section Two Auckland's biggest infrastructure issues	S101B(2)(a) (key infrastructure issues) S101B(2)(b) (options for managing issues)
Section Three Whole of Council responses to infrastructure issues	S101B(3) (asset management approach)
Section Four Infrastructure Portfolio responses to infrastructure issues	S101B(2)(b) (options for managing issues) S101B(4)(a) (proposed expenditure) S101B(4)(b) (key decisions that need to be made) S101B(4)(c),(d) (assumptions behind management approach)

Table 2 Infrastructure Portfolios included

Infrastructure Portfolio	Delivery model and name of delivery entity	
Transport	CCO (Auckland Transport)	
3-Waters	Water Supply	CCO (Watercare)
	Wastewater	CCO (Watercare)
	Stormwater	Auckland Council (Healthy Waters) and Auckland Transport
Community	Auckland Council (Customer and Community Services)	
Solid Waste	Auckland Council (Waste Solutions)	

Auckland and our people

Tāmaki Makaurau is a region of abundance in both people and natural resources. We require significant infrastructure to support our daily activities and we ask a lot of that infrastructure to keep our region functioning well. A significant proportion of Auckland city's urban area is situated on a narrow isthmus, bound by multiple harbours which constrains development and plays a role in dictating our urban form. Alongside the natural environment sits our complex urban environment made up of thriving centres, housing, commercial and industrial areas.

Auckland Council recognises 19 iwi authorities with affiliation to the whenua, and Auckland Council is building a strong whanaungatanga/ partnership with those groups and Matāwaka groups who now call Auckland home.

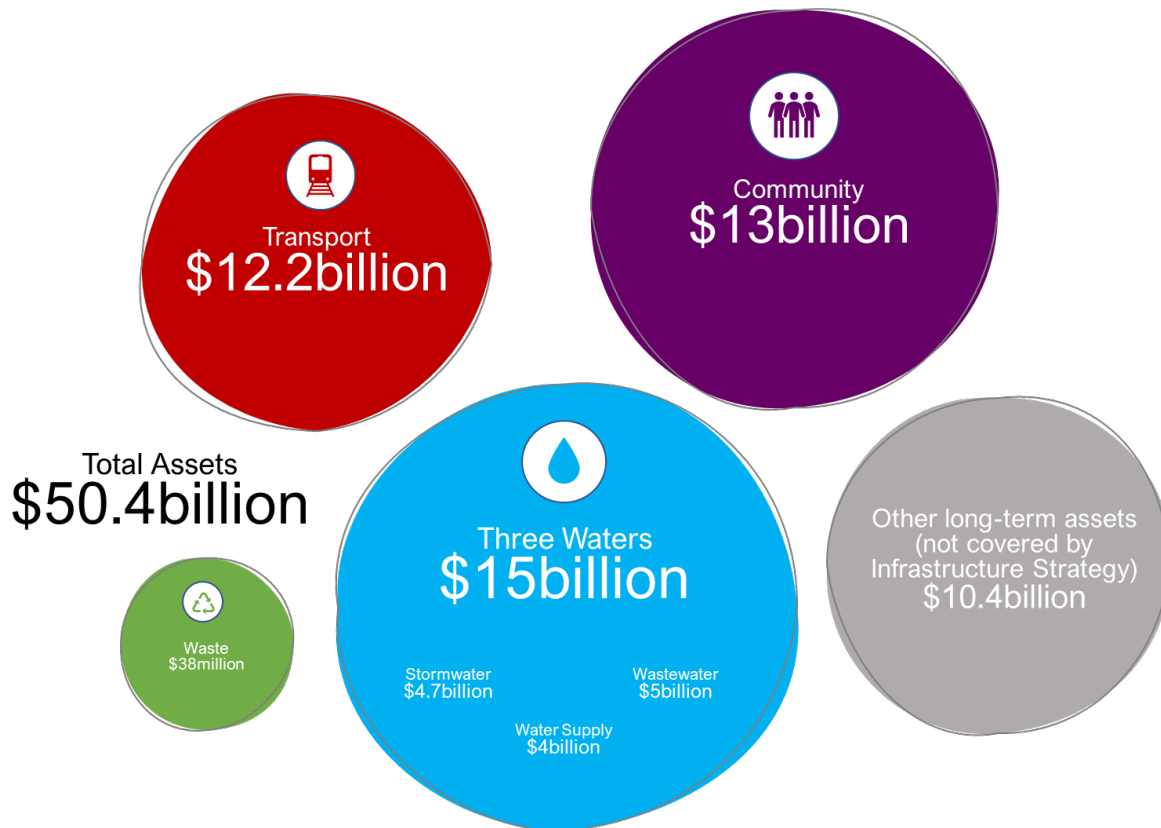
Auckland is home to around a third of the national population. Population growth has seen Auckland evolve into a culturally rich and ethnically diverse city. Auckland's strong population growth is likely to continue during the next 30 years. As an attractive destination for skilled workers, entrepreneurs and capital investment, Auckland's demographic change and population growth continues to drive economic development.

Auckland is New Zealand's largest commercial centre and in the year to March 2020 contributed 37.9 per cent of the nation's gross domestic product (GDP). It is likely that this trend of annual GDP growth will continue. As with any large, growing city, Auckland's success is reliant on successful infrastructure sustaining our high standard of living and increasing productivity.

Auckland's infrastructure

The value of council group infrastructure included in this strategy is a sub-set of Auckland Council's total long-term asset value as shown in Figure 1. Auckland Council infrastructure that is not included in this strategy includes that managed by the Ports of Auckland, Auckland Unlimited and Eke Panuku.

Figure 1 Total Asset Value and Sub-set Covered by this Infrastructure Strategy¹



Infrastructure systems are managed across the group, with more than two-thirds of the assets we own managed by Council Controlled Organisations (CCOs) - Watercare (water supply and wastewater), and Auckland Transport (transport and stormwater), with the remaining assets managed within the council. Across the Auckland Council group, we plan to spend \$64.7 billion on our infrastructure systems in the 2021-2031 period. The make-up of this investment across our infrastructure portfolios is shown in Figure 2 and Figure 3 below.

¹ Source: [Annual Report 2019/2020 \(aucklandcouncil.govt.nz\)](https://www.aucklandcouncil.govt.nz/annual-report/2019/2020)

Capital Expenditure FY22-51 (\$m)

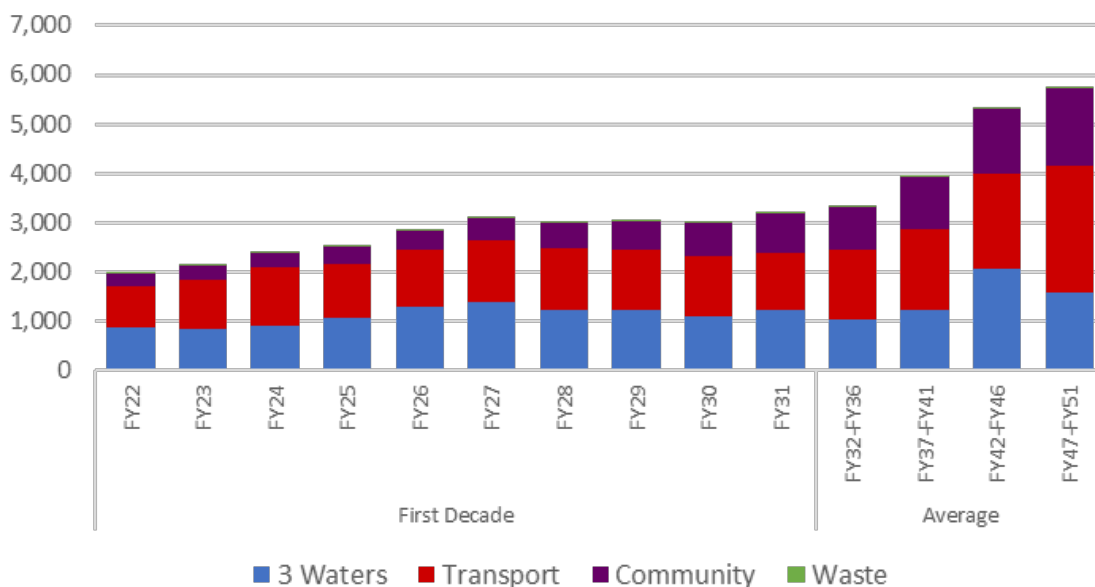


Figure 2: Auckland Council infrastructure capex FY22-51

Core Opex Expenditure FY22-51 (\$m)

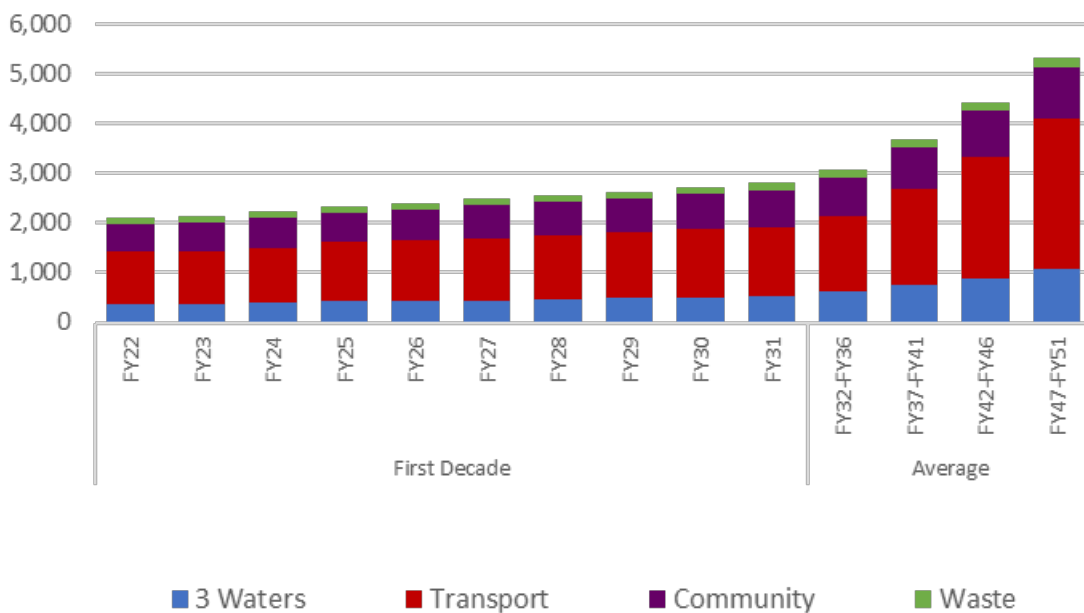
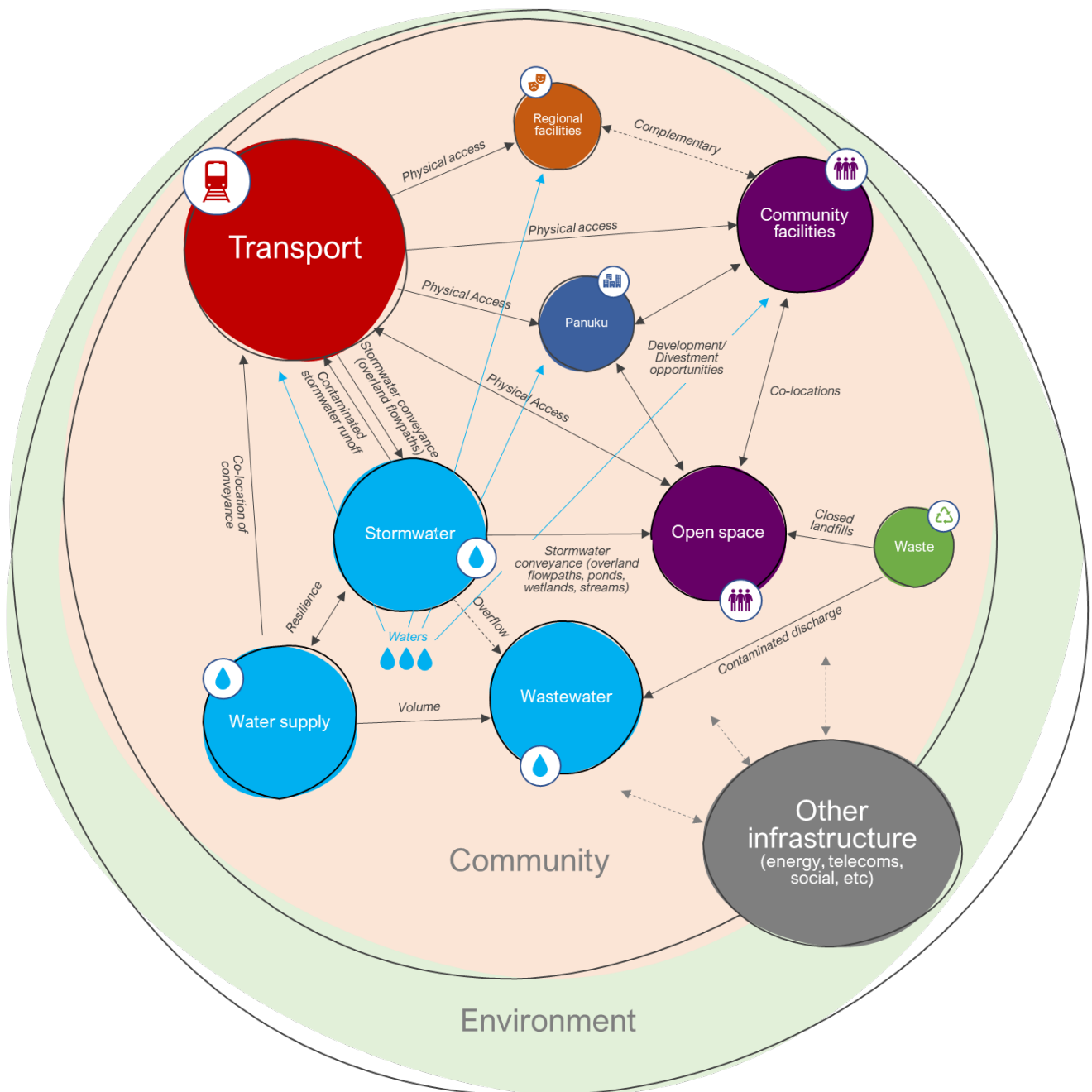


Figure 3: Auckland Council infrastructure opex FY22-51

Aucklanders recognise the value of infrastructure in our daily lives. Public feedback received on this Long-term Plan highlighted general community support for infrastructure investment. Notably, over 1200 comments referenced a need for infrastructure investment. Looking after our existing assets was an area of particular importance to submitters. The infrastructure covered in this strategy is much more than roads and pipes. It is a complex and interconnected system of built assets, natural assets, and services. What's more, infrastructure systems exist within and to serve other related systems, like communities and the environment as illustrated in Figure 4. Thinking about infrastructure as a system and recognising connections and interdependencies is important. It allows us to understand how infrastructure can evolve, where its vulnerabilities lie, and what can make it resilient.

Figure 4 Inter-relationships across our infrastructure portfolios



Auckland Council's role in our infrastructure

Council provides a significant amount of Auckland's infrastructure. Council seeks to provide infrastructure that delivers a public good, supports the four well-beings (social, economic, cultural and environmental) and produces Auckland Plan outcomes (see Section 1.0 of this Long-term Plan).

The focus of this strategy is the council's specific infrastructure, but we acknowledge that many other groups provide infrastructure to our region. To name just a few, Ports of Auckland and Auckland Airport (Auckland Council is a significant shareholder in both), the NZ Transport Agency, telecommunications network providers, electricity, gas and petroleum suppliers, health and education providers all provide infrastructure for Aucklanders. Many of these infrastructure systems also extend beyond Auckland, reflecting our need to import resources such as workers, energy, water and fuel.

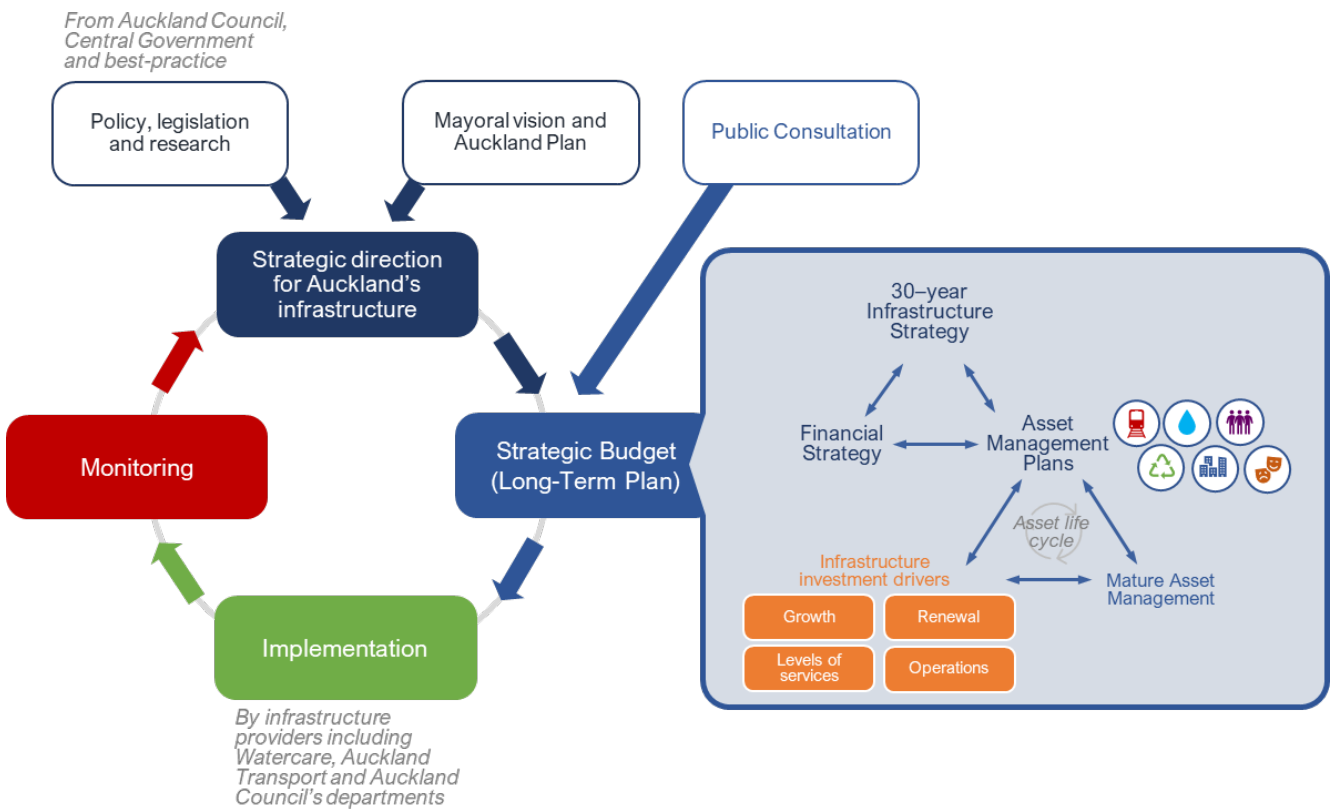
Though only part of Auckland's infrastructure story, the council is a leader in our region's infrastructure. Council's roles include:

- Planning and delivering council-controlled infrastructure and services;
- Delivering or subsidising infrastructure needed to support growth;
- Coordinating with other infrastructure providers to enable infrastructure development and management;
- Working closely with other infrastructure providers to manage risks and dependencies through groups like Auckland Engineering Lifelines;
- Civil defence and emergency management; and
- Regulation, through designating, consenting, monitoring, and developing rules and policy for infrastructure.

Managing our assets and our investments

Infrastructure is expensive. Infrastructure is the council's biggest asset and our biggest cost; this means it is our biggest opportunity to deliver outcomes for Auckland and our biggest risk if we don't manage it well. The Infrastructure Strategy fits within the complex process of managing the council's infrastructure and delivering our infrastructure systems as a whole as illustrated in Figure 5.

Figure 5 Cycle of Infrastructure Management



Key components	Description
Strategic Direction for Auckland's Infrastructure	<p>Strategic direction for Auckland (and our infrastructure) is provided by and national policy and legislation, and by regional direction - chief among this is the Auckland Plan.</p> <p>However, we acknowledge that the direction set is variable in its relevance to infrastructure systems, and in the way that it is interpreted and prioritised by infrastructure providers.</p> <p>In order to more clearly direct infrastructure investment towards delivering the outcomes we seek for the region, we have identified the need for strategic direction for infrastructure (see section three of the infrastructure strategy) that expresses the characteristics we require of our infrastructure to meet our aspirations.</p>
Strategic Budget	<p>Within the 10-year Budget, the strategic direction, financial planning, and asset management planning interact to form an investment package looking forward three, 10, and 30 years. Most of the council's planned investment is to maintain, grow, improve, and operate our infrastructure to support well-being. The 10-year Budget process provides a three-yearly opportunity for our community to provide input into the council's planned investment, approach to infrastructure and the council's strategic planning. This three-yearly consultation process is in addition to other engagement opportunities, for example at a project or programme level.</p>
Implementation and Monitoring	<p>The 10-year Budget and Infrastructure Strategy are put into action by the parts of the council group responsible for infrastructure provision. We also monitor the performance of this infrastructure to make sure that it provides the level of service and outcomes that Aucklanders expect.</p>

To manage such a large set of assets and their pressures for investment, we have robust systems of asset management. Each of our core asset portfolios is managed in a way that is tailored to the nuances and challenges of that infrastructure portfolio. Levels of asset management maturity also vary between asset portfolios and are subject to continual improvement.

Infrastructure investment is a complex challenge and requires balancing many competing demands to ensure that we spend our money in a way that will produce the most value for Auckland. Four key drivers of infrastructure investments (Figure 6) are: meeting new or changing demand for services (growth); renewing our existing assets; making sure that our assets perform as planned (levels of service); and operating our systems. *Note that each of our biggest issues in section two contains a summary of how the above drivers of infrastructure investment may be impacted (for example 11).*

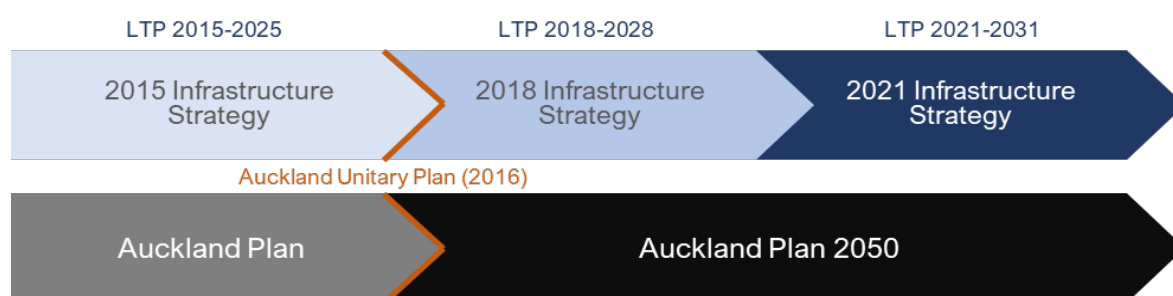
Figure 6 Infrastructure investment drivers



Progress since our last strategy

The 2021 Infrastructure Strategy builds from the foundation of our 2015 and 2018 strategies (Figure 7). In 2021 we have added solid waste, an additional asset portfolio, to recognise its long-term planning requirements. Solid waste has significant strategic requirements and aspirational targets (Zero Waste by 2040).

Figure 7 Our Infrastructure Strategies (2015, 2018 and 2021)



Our 2018 strategy was built around the three key Challenges in the [Auckland Plan 2050](#) which were translated for infrastructure into three big issues (captured as strategic responses in Table 3). These strategic responses also inform the biggest infrastructure issues in Section two of this strategy. We have worked hard since 2018 to address the big infrastructure issues and have made progress on a number of the strategic responses we identified. Key elements on this progress are identified in Table 3.

Table 3 Progress against 2018 Infrastructure Strategy

Strategic responses	Progress in approach	Investment responses
Coordinating investment and planning for growth	Priority areas for growth developed, and data gathering on costs of new infrastructure in support of the Auckland Housing Programme.	Auckland Transport growth projects are being developed across the region, for example, roading projects in areas such as Flatbush or Warkworth and extension of the cycleway network.
	Auckland Transport Alignment Project refresh.	CRL construction is underway to provide for doubling of our rail capacity.
	Council-wide coordinating group to manage approach to out-of-sequence developments.	Integrated planning of growth areas, such as the Hamilton to Auckland corridor.
Enhancing the performance of Auckland's infrastructure	Updated policies and technical guidelines such as the Subdivision Code of Practice and the Auckland Design Manual.	Working with the construction sector to encourage the recovery of more demolition materials. Water Quality improvements in the western isthmus, such as St Mary's bay. Leakage detection and repair investment in our Water Supply Network.
Creating resilient infrastructure networks	The Natural Hazards Risk Management Action Plan has been consulted on internally.	Construction underway of the Hunua 4 Water Tunnel; contributing to water supply and system resilience.
	Te Tāruke ā Tāwhiri – Auckland's Climate Plan has been consulted on publicly and adopted by Council in 2020.	Investment in public transport modes which has supported uptake of low-emissions options.

The Infrastructure impacts of COVID-19

The impact of COVID-19 on the council's infrastructure is significant and evolving. The main challenges are significant financial (budget) constraints (see Section 1.2 of this Long-term Plan), additional uncertainty, and specific challenges for our infrastructure portfolios (see Table 4).

New Zealand has responded well to the threat of COVID-19 and we are not experiencing the health and flow on societal impacts to the extent that other countries are. COVID-19 presents an opportunity to reset - for example, while less new assets can be built, we can work on climate risk and adaptation, particularly for our coastal communities. When we are able to fund more new assets, our communities will be better informed about risks from climate change, and together with our asset managers, we will have better direction for adaptation.

Additional uncertainty

There is uncertainty about how COVID-19 will play out globally, within New Zealand and within Auckland. COVID-19 adds to other uncertainty we already plan under such as the impact and consequences of natural hazards, climate change, population projections, community needs and aspirations, and cost escalation.





COVID-19 has challenged the underlying assumptions on which our infrastructure planning is based.

- **Growth assumptions:** The shared growth projections the council group uses have been reconsidered in response to COVID-19 border restrictions and the economic climate. While this changes Auckland's short-term growth projections, the longer-term expected growth, which is most material to infrastructure planning, has not changed significantly. Current financial constraints do, however, mean that the Council needs to take a more focussed approach to providing infrastructure for growth.
- **Behavioural changes:** Council must consider if COVID-19 has changed the way people live in a temporary manner or more permanently. If trends such as working from home more regularly become the 'norm' this might change the way infrastructure needs to serve us, and therefore the direction of investment might change. Ongoing work will need to be done to understand these implications.
- **Implications of deferring renewals:** Deferring renewals presents an elevated risk and potential for additional cost from dealing with failures reactively. This risk has been considered in our investment decision-making (see summary to section 4 of this strategy).
- **Changes to levels of service:** As the financial implications of COVID-19 are understood over the coming years, levels of service may need to respond to ongoing COVID-19 pressures such as affordability, changed behaviour, or increasing needs. There are no current changes required until the council has a better understanding of the impacts.
- **Longer term uncertainty:** The infrastructure strategy covers a 30-year period and the uncertainty over this timeframe, increased as a result of COVID-19, highlights the importance of adaptability, a principle which has become an underlying goal in the council's approach to COVID-19 recovery and can be applied to our infrastructure decision making.
- **Recovery and increasing our investment:** Due to financial constraints such as budget reductions, Council has reduced capability in the short-term to deliver a previously indicated increasing investment path for infrastructure. These budget restrictions will need to be balanced and rectified over time, but investment programmes are slow to halt and to ramp up again (due to contractual arrangements, supply chains etc) and will take time to return to desired levels.

Portfolio impacts

Impacts across our asset portfolios play out differently and are presented in Table 4.

Table 4 COVID-19 impacts across infrastructure portfolios

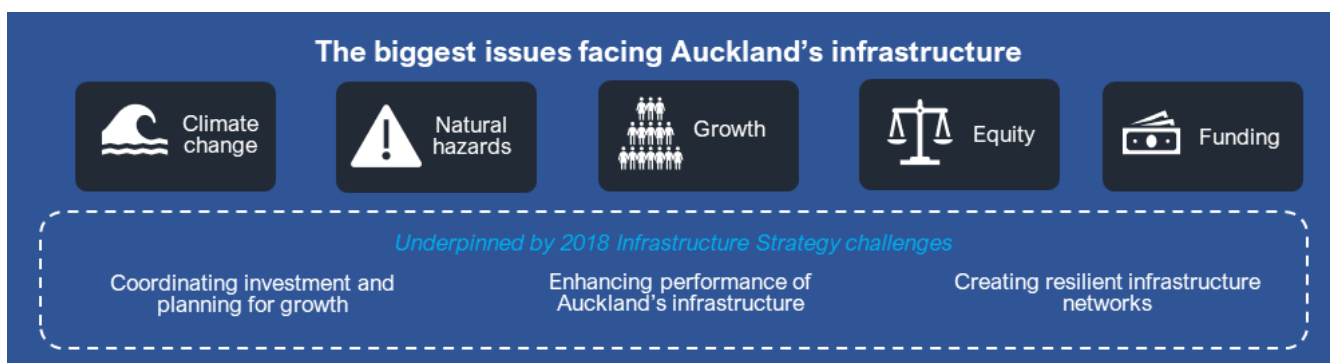
Infrastructure Portfolio	Impacts
	<p>Transport</p> <p>Immediate Impacts</p> <ul style="list-style-type: none"> Public transport patronage and revenue, along with parking revenue was reduced. Demonstrated what a lower emissions transport network might look like. Maintaining contractual commitments for projects already underway and a small amount of remaining uncommitted funding towards Eastern Busway project, and some safety and cycling projects. <p>Possible future impacts</p> <ul style="list-style-type: none"> Changes in behaviour, such as working from home, or generally travelling less from a local area, and use of public transport may be reduced due to concerns around physical distancing.
	<p>Three Waters</p> <p>Stormwater</p> <p>Immediate Impacts</p> <ul style="list-style-type: none"> Impact on delivering capital projects. Deferring some lower risk renewals, repairing assets to reduce the risk levels where possible and monitoring high risk assets. Reduced support to growth enabling infrastructure – primary focus on growth planning to avoid risks. <p>Water and Wastewater</p> <p>Immediate Impacts</p> <ul style="list-style-type: none"> Some growth projects may be deferred for a minimum of one year or more.
	<p>Community</p> <p>Immediate Impacts</p> <ul style="list-style-type: none"> Unable to provide all services when physical access is reduced or limited. Māori and Pasifika are disproportionately impacted and need extra support in the short-medium term. <p>Possible future impacts</p> <ul style="list-style-type: none"> Accelerates the requirement to change approach to service delivery (not only asset-based solutions) so services are adaptable to meet community needs and prioritise those of greatest need. Changes in behaviour, such as working from home, or generally travelling less from a local area. Changing behaviours also present an opportunity for innovation and efficiency (accelerated digital provision of some services etc).
	<p>Solid Waste</p> <p>Immediate Impacts</p> <ul style="list-style-type: none"> Temporary changes to inorganic collection. Global impacts made markets for recyclable materials more volatile and unstable. <p>Possible future impacts</p>

-
- Accelerated action for better quality markets and local onshore processing solutions at a national level.
-

Section Two: The biggest issues facing Auckland's infrastructure

Our 2021 big issues that are facing our infrastructure have been developed from a combination of the 2018 challenges, three subsequent years of infrastructure work, discussion with our asset managers and a fresh view of our context. The resulting five issues are the biggest we see today and maintain consistency with our previous Infrastructure Strategies through a common foundation in the Auckland Plan and the four well-beings. Many of the challenges we face in our environment, as a community, and as a region relate to our infrastructure. We also note that infrastructure issues (issues of infrastructure quality or management as distinct from external issues facing our infrastructure) are addressed in this document through asset management commentary and data in sections three and four.

Figure 8 The biggest issues facing Auckland's infrastructure



Our five big issues are challenges infrastructure providers face worldwide and reflect the current focus of both central government efforts and audit interest. These issues were also confirmed as important to Auckland's infrastructure through discussions with the council's asset managers. These issues are sources of uncertainty, which challenge our ability to plan for infrastructure in the longer term,

In this Infrastructure Strategy we have kept climate change and the associated issues and impacts on infrastructure separate from the impacts of natural hazards. There is a natural cohesion between these issues in that some natural hazards will be exacerbated by the impacts of climate (i.e. heat waves, drought, storm, coast erosion and land subsidence). However, the infrastructure responses to the issues do differ:

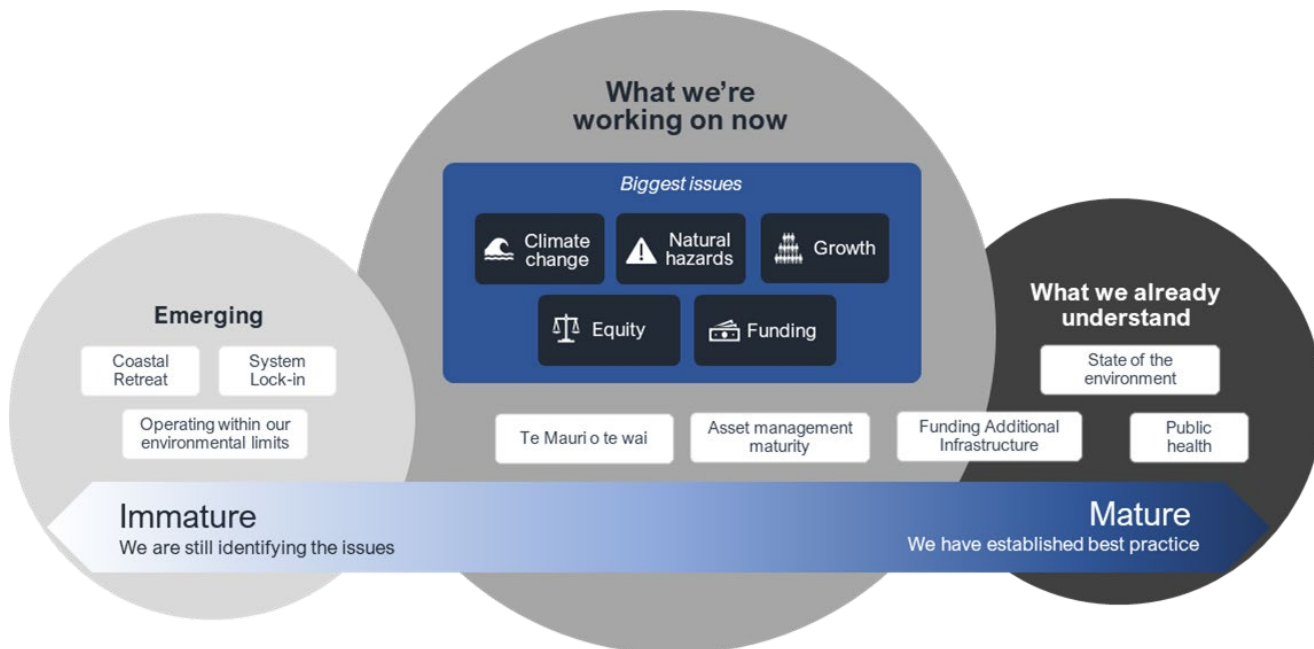
- The natural hazards issue and responses are described below and outlines the multiple hazards our infrastructure is vulnerable to now, and the interdependencies of our infrastructure. Resilience is the key response that needs to be invested in to improve disaster preparedness and to be ready for the possibility of multiple hazards occurring at the same time or in sequence (for example a large storm plus an earthquake, or a volcanic event during a drought).
- The climate change issue and responses are described below and outline the longer-term issues and impacts of retreat from low-lying and coastal areas as a result of sea level rise. Dynamic adaptive pathways and coastal compartment management plans as a key response that are being invested in.

By keeping climate change as a separate issue, we also want to clearly identify that infrastructure has a big role in mitigation of emissions. The embodied emissions of our built assets, and the emissions required to keep them maintained and operating is a huge burden in a carbon-limited world.

The issues facing our infrastructure have differing levels of maturity in relation to how well we understand them and how developed our response is (

Figure 9).

Figure 9 Maturity of our understanding of the big issues for infrastructure



We have used this assessment of maturity to identify the big issues that are the focus of this strategy – the ‘issues we’re working on now’ – these are issues where we are developing our understanding and response. They are also issues that will require significant decisions to be made in the next 30 years to achieve our aspirations for Auckland. Emerging issues will be addressed in future infrastructure strategies as their impacts become better understood, and as our current issues mature and the solutions become integrated into our business operations.

The biggest issues facing our infrastructure are described below, along with our progress towards understanding and addressing each issue (section two). Our Council group responses to the issues are set out in section three, and each infrastructure portfolio plan for managing their assets and these big issues is covered in section four.

Climate change



Infrastructure has an important role to play in how we reduce our emissions (mitigation) and how we prepare for the effects of climate change (adaptation)

The climate is changing in Auckland

Climate change is the challenge of our times. It is a force in motion and if we continue as we currently are, the impact on our communities and environment will be catastrophic.

We are building our understanding of [the impact of climate change on the Auckland region](#). Auckland is experiencing the effects of climate change now, and these will get worse over the coming decades. As temperature increases, extreme weather events such as storm surges and droughts will become more common and increasingly severe.

Working with national direction, the council is taking a leadership role at a regional level. The council declared a climate emergency in June 2019 and has adopted [Te Tāruke ā Tāwhiri – Auckland's Climate Plan](#) as the strategic and coordinating piece in our region's response. Te Tāruke ā Tāwhiri – Auckland's Climate Plan has two main goals:

- **Reducing our emissions** to play our part in keeping global emissions within a 1.5 degrees Celsius temperature rise threshold. Towards this, the Te Tāruke ā Tāwhiri – Auckland's Climate Plan sets a target of reducing emissions by 50 per cent by 2030 and net zero emissions by 2050; and
- **Preparing** our region for 3.5 degrees Celsius of warming; a precautionary approach based on the current global emissions pathway.

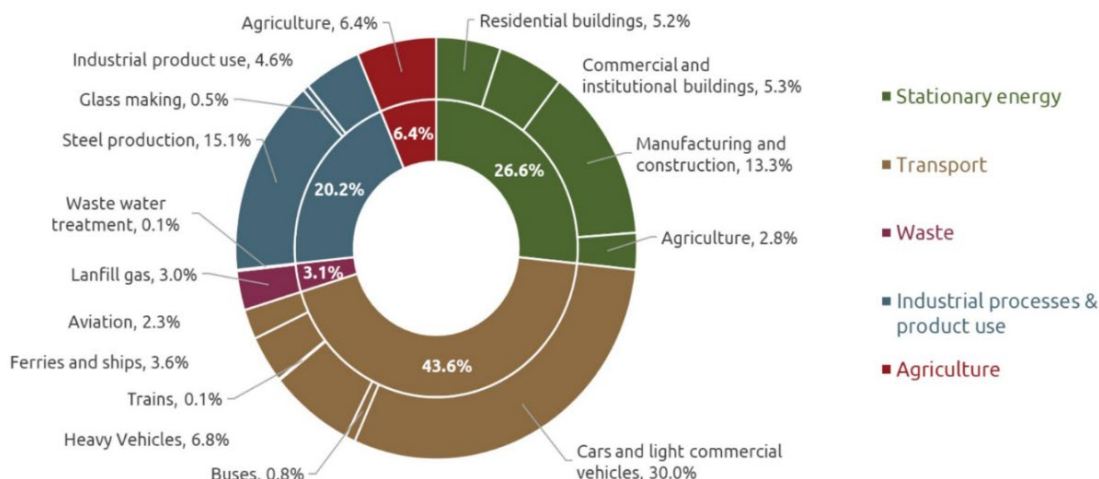
Climate change and infrastructure: a role in both mitigation and adaptation

Infrastructure is critically important to how our region fares through the next 10, 30, 50 and 100+ years of climate change. There will be climate related impacts on, and from, all different parts of our infrastructure systems. To make a difference, our response must be embedded in all of our infrastructure decisions. We know that we have a role to play in reducing emissions (mitigation) and preparing for climate change (adaptation), and that the actions we take contribute to both goals. Infrastructure follows how communities change; the central and local government response to climate change, and how communities are supported to respond to climate change, will drive the infrastructure response.

Transition to net zero emissions

As our infrastructure is a significant contributor to our region's greenhouse gas emissions, it has a role to play in our transition to net-zero emissions. The use of our transport network, for example, is our biggest source of emissions, producing 43.6 per cent of total regional emissions. In addition, the emissions associated with the manufacture of construction materials – the embodied carbon – is an important consideration. It is necessary to consider emissions over the lifecycle of an infrastructure asset.

Figure 10 Auckland's emission profile



The council group is taking action to better understand our emissions and reduce them. For example, Healthy Waters (council’s stormwater delivery entity) is developing a carbon calculator for use in their projects and procurement, and a major focus of Auckland Transport’s modelling has been on understanding emissions associated with use of our road network. Our infrastructure providers are at different stages on this journey; we know that we have more to learn about our climate impact and much more to do to reduce our emissions. For many parts of our infrastructure, carbon reduction will mean a fundamental shift in how we service our communities. Some of the approaches that are being implemented to reduce infrastructure emissions hold exciting potential, for example Watercare’s enterprise model, which sets a target of reducing the built carbon of its capital works programme by 40 per cent by 2024 against the baseline emissions for the programme.

Impacts of climate change on our infrastructure assets

Impacts of climate change on our asset classes are summarised here:

Transport asset classes	Impacts on Transport Assets
General	<p>Increased demand on existing assets to perform under a higher demand and extreme weather conditions resulting in the need for more frequent performance monitoring and maintenance.</p> <p>There is likely to be an acceleration of the move away from carbon heavy assets to carbon zero or carbon positive (sequestering/green) assets and therefore space reallocation, and expectations for zero carbon travel methods.</p> <p>Coastal land transport routes and on water transportation may have reduced access during storm events, and increased maintenance of these pieces of infrastructure.</p>
Public transport	Increased pavement and footpath maintenance (due to temperatures). Space reallocation due to greening of our assets to manage urban temperatures.
Walking cycling	
Road network	Temperature impacts on pavement performance. Stormwater impacted by more severe rainfall events. Increased greening of our assets may be required to manage urban temperatures and therefore require space reallocation.

Water asset classes	Impacts on Water
General	Increasing demand on existing water assets to perform under higher demand and extreme weather conditions requiring more frequent performance monitoring and maintenance. There is likely to be an acceleration of the move away from carbon heavy assets to carbon sequestering (green) assets.
Water supply	Less certainty for security of supply and more pressure on all sources of water. Increased breakages.
Wastewater	Increased breakages and overflows.
Stormwater	Increased breakages/blockages and failures. The likely need for species diversification in existing green assets.

Community asset classes	Impacts on Community Assets
General	Asset damage and disruption to service provision due to environmental changes.
Land	Increasingly difficult and expensive to acquire appropriate sites for community assets. Coastal recreational land will need to be offset with other land/solutions.
Buildings	Increasing need for facilities to act as emergency hubs/ civil defence centres.
Built structures	Increased risk of hazards damaging structures as carparks, lighting and retaining walls etc.
Green assets	Increasing pressure for these assets to mitigate against climate change and natural hazards (e.g., sports fields/public open space as flood mitigation).

Waste asset class	Impacts on Solid Waste Assets
Refuse Transfer Network	It will become increasingly important to continue operations and expand the refuse transfer network to achieve our zero waste and zero carbon goals.
Waste bins	The roll out of food scraps bins will be important in reducing household waste as our population growth puts pressure on our landfills to achieve our zero waste and zero carbon goals.

Preparing our infrastructure for climate change

Infrastructure is and will increasingly be impacted by climate change. This includes damage and disruption from increasingly severe natural events and their impacts like storms, flooding, and inundation. It will also involve the need for infrastructure resilient to more gradual changes like increasing periods of dry weather and sea level rise.

Auckland Council are undertaking a comprehensive set of actions to understand the vulnerability to the impacts of climate change of our infrastructure systems, and the networks and assets that they are comprised. For Auckland this is complex due to the length of coastline that Auckland has (approximately 3,700km), the extent of communities that live on that coast, and the varied geology, ocean and harbour systems, and current state of coastal environments.

The council group is building a solid understanding of the risks that climate change presents to our region [at an environmental and community level](#) and we measure and track these risks on multiple fronts. The proportion of Auckland Council assets exposed to natural hazards risks has been assessed at a coarse level to date (including assets at risk with 2 meters of sea level rise). However, the quantification of these assets does not reflect specific or probabilistic impacts of climate adaptation. It also doesn’t reflect the network impacts from assets being damaged (i.e., upstream asset performance). The next stage of this work is being progressed in 2021 and will work to assess the vulnerability of critical assets.

We are just beginning to understand how these risks will apply to our infrastructure assets and systems. For example, over the next five – seven years we are [developing management plans](#) for the stretches of Auckland’s coast. These management plans will be foundational in planning for our coastal infrastructure. They will inform decision making around assets and networks at risk from sea level rise, and changes in community composition around the coast that will need to be serviced by infrastructure. We are also working to develop climate adaptation targets for the Auckland region to guide and measure our adaptation response, this will include specific targets for infrastructure adaptation and will increase our ability to incorporate meaningful targets for climate adaptation into future LTP. Other examples of the work planned to support infrastructure adaptation are detailed in our infrastructure responses in Section four of the Infrastructure Strategy.

In addition to climate change impacts on an infrastructure system itself, infrastructure is in turn important for how we and our environment can ‘live’ and adapt to climate change. Infrastructure decision making of particular importance will be:

- How infrastructure can support communities that are more vulnerable to climate change, such as those already living in poverty or coastal communities, through providing services that will enable adaptation to climate change; and
- How we can evolve our infrastructure systems to be more resilient to climate pressures, support our communities and regenerate our environment.

Effective adaptation will reduce exposure and vulnerability as defined for Auckland [in the development of the Auckland Climate Plan](#). Appropriate adaptation will lower the long-term costs to our community. Climate change has become a consistent feature in our reporting. However, embedding climate uncertainty and adaptation across the Council group presents a challenge and will require funding flexibility and agility which is particularly difficult under current financial constraints. It will also require new approaches to infrastructure design and construction. We also need to take a leap to systems that absorb emissions rather than release emission (i.e. green infrastructure and water sensitive infrastructure) and providing low or zero emissions services in the place of significant emissions sources, such as transport.

Figure 11 Implications of climate change for our infrastructure investment drivers

<p>Growth</p> <ul style="list-style-type: none"> • Climate will need to be considered in our decisions about where to locate growth infrastructure so that we reduce (and don’t increase) our exposure to climate risk and minimise emissions. • New infrastructure is also an opportunity to evolve our assets to being climate positive and resilient. 	<p>Renewals</p> <ul style="list-style-type: none"> • Renewals projects provide an important opportunity to make changes to our existing networks to be more climate resilient and climate positive.
<p>Levels of service</p> <ul style="list-style-type: none"> • Climate change will challenge our ability to maintain our services, for instance in coastal areas where we may have to 	<p>Operations</p> <ul style="list-style-type: none"> • Potential increase in opex as more frequent and significant maintenance is required to our networks as a result of weather events.

<p>retreat from erosion, storms and sea level rise.</p> <ul style="list-style-type: none"> • Additional levels of service may need to be created as a result of a changing climate (i.e. canopy cover and/or urban heat) • Difficult decisions are required regarding our future levels of service: • Do we want to pay more to maintain some levels? Which ones? • Where are we prepared to reduce expectations and where will we be forced to? • Our measurement of infrastructure performance will need to better account for climate change risks. 	<ul style="list-style-type: none"> • Potential for savings or added benefits through reconsidered resilient systems.
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Options for a strategic response to climate change

Long-term options for response:

Options for responding to climate change exist at all levels of infrastructure decision making, from strategic direction setting to project level decisions. These options are (and will continue to be) developed following a Dynamic Adaptive Pathways approach and will include consideration of:

- To invest now or to invest later?
- How much do we spend and on what?
- Who pays? – which combination of council, central government, private individuals

Implications of options:

- The speed of our response will impact our ability to mitigate emissions (the sooner the better)
- Adaptation and resilience to climate challenges – scale of disruption to our communities will be lessened if we're prepared
- Cost to communities – scale of spend to prepare is generally less than that to respond
- We need a just transition – equity outcome for our current communities and future generations



Climate change strategic response

Funding

The direction set in this 10-year Budget is to take a step beyond status quo, funding the acceleration of the council's contribution to our regional climate goals, including:

- Expanding the council's Zero Waste resource recovery network
- Bringing forward the transition from diesel buses to electric or hydrogen, with no new diesel buses
- Urban ngahere investment in 11,000 additional street trees and 200 hectares of native forest in our regional parks.
- Building of understanding of and planning for infrastructure risk, including through coastal management planning

} \$152m

We will also:

- Further prioritise and embed emissions reductions in our infrastructure decision making. This will be actioned as part of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan (see Table 8)
- Build on our understanding of our infrastructure risks from climate change and develop a flexible approach for our infrastructure response based on Dynamic Adaptive Policy Pathways.

Budgeted
Opex
(staff
time)

This will be actioned as part of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan and the Natural Hazards Risk Management Action Plan (see Table 8)

- Develop and provide strategic direction for resilient infrastructure that will guide all of our infrastructure decisions. This will include defining infrastructure resilience and working towards valuing investment in resilience (see Table 9).

Investment responses

- Refer to portfolio investments (section four)
- Significant decisions and options (section four)

Hazards



Auckland's infrastructure needs to be prepared for adverse events

Understanding Auckland's hazards

As a region, Auckland is vulnerable to many hazards. When we experience an adverse event, the services that our infrastructure provide become even more important than usual to the wellbeing of our people. Therefore, it is crucial that we understand how our infrastructure and hazards relate and how we can make our infrastructure systems resilient to adverse events.

To ensure that Auckland is a resilient city, we plan. Hazard planning requires that we understand the likelihood of various hazards and the potential consequences they might have for our region, with a particular focus on critical and/or life-supporting infrastructure. This information provides us with a risk profile, which can be used in decision-making. Auckland's hazards are summarised in Table 5.

Table 5 Auckland's Hazards

Type	Description
Natural hazards	<p>Under the Local Government Act 2002, natural hazards are defined as those from atmospheric, earth or water related occurrences. In Auckland, the key natural hazards include flooding, severe winds and storm events, drought, volcanic activity, tsunami, coastal inundation, coastal erosion, land instability, tornadoes, uncontrolled wildfires, and earthquakes².</p> <p>Since the 2018 Long-term Plan, council has taken a significant step in our collective understanding of and approach to natural hazards through the development of the Natural Hazard Risk Management Action Plan (NHRMAP), due to be finalised this year. The NHRMAP sets out our current understanding of natural hazard risk across the region. The plan includes actions that the council can take to mitigate natural hazard risk and build resilience, including for infrastructure.</p> <p>Our understanding of Auckland's natural hazard risk is ever evolving. Due to climate change, the frequency of some natural hazard events is expected to increase, and as Auckland continues to grow and develop as a city, the potential consequences of natural hazard events also increase. NHRMAP works to keep our knowledge of Auckland's natural hazard risk up to date by:</p> <ul style="list-style-type: none"> • Developing mechanisms to monitor changes in land development in hazard-prone areas. • Developing and seeking funding for projects which improve information on natural hazard risk and consequences. • Developing and supporting projects and processes to improve our risk-based decision-making, mitigation, adaptation, and resilience building.
Other hazards	<p>We also recognize that natural hazard events are not the only source of risk for our infrastructure and communities. Other hazards that need to be considered include:</p> <ul style="list-style-type: none"> • Biological such as an epidemic or the introduction of a pest species; • Technological/infrastructure such as a dam failure or transport accident; • Security such as a hacking or terrorist attack on infrastructure; and • Natech events triggered by natural hazards impacting man-made systems (for example a storm that causes an oil spill) <p style="text-align: center;">Auckland Council's approach to hazard management is summarised in section three.</p>
Added complexity	<p>Multi-hazard and cascading hazards planning – planning for hazards (natural and otherwise) is not a simple task. Several hazards can occur simultaneously, leading to cumulative impacts on society and infrastructure (i.e. pandemic occurring during a drought). In other cases, adverse events can trigger other hazard events (i.e. a major storm leads to wide-spread land instability issues). Known as cascading events, these can be difficult to plan due to the many interdependencies of the hazards and their potential impacts.</p> <p>We can't continue to use the past to plan for the future - due to climate change, many of our natural hazard risks are not fixed (e.g. the frequency and intensity of storms in our region is expected to increase). This means that we are likely to experience stronger hazard events, more often, and our infrastructure planning needs to incorporate the possibility of escalating risk for the same probability event over time. It is important to note that not all hazard risk will be increasing due to climate change. The likelihood of earth hazards such as volcanic eruption and earthquake, will not be impacted.</p>

To mitigate hazard risk (from single, cumulative, and/or cascading events), we need to understand interdependencies within and between hazards and their potential impacts on our infrastructure systems. To ensure we use our resources as effectively as possible, we also need to understand which parts of our infrastructure are critical, where these critical parts are vulnerable to hazards, and where there are overlaps of critical assets of different types that might lead to catastrophic failure. Auckland's network infrastructures have a good understanding of criticality within each asset portfolios. An opportunity for improvement lies in better understanding of the interdependencies between our critical assets and networks (this is a NHRMAP action). This

² Many of Auckland's hazards are shown visually in [Auckland's Hazard Viewer](#)

knowledge of our infrastructure will also inform work to better understand a Council-wide view of vulnerability of our critical infrastructure and embed this into our asset management planning.

Preparing our infrastructure for hazardous events

Hazardous events can damage, destroy, and/or disrupt our infrastructure services. In some cases, infrastructure itself can become a hazard (e.g. broken gas pipeline). They can do this at a time when most needed to cope with a disaster. The cost to maintain levels of service and reestablish necessary infrastructure post-disaster is significant.

Council has statutory [civil defence responsibilities](#) to prepare for hazards, including a duty to ensure that our lifeline infrastructure continues to operate to the fullest extent possible in an emergency. In order to do this, we use the internationally recognised four Rs of emergency management – reduction, readiness, response, and recovery. We also recognise the importance of the fifth R – resilience – for our infrastructure. Resilience is defined as the ability to resist or recover from an unexpected shock and remain effective in a range of situations.

Building the resilience of our infrastructure is a key focus for this strategy and has been highlighted as a priority through The Auckland Plan, NHRMAP, Te Tāruke ā Tāwhiri – Auckland’s Climate Plan, and the [Auckland Emergency Management Group Plan 2016-2021](#). Council defines minimum standards for some utility infrastructure via codes of practice. However, we recognise that resilience will mean looking beyond minimum standards (refer to section three).

In recent Long-term Plans council has invested in important projects that increase the resilience of our infrastructure to hazards. These include diversifying and increasing redundancy in our water supply network through development of the Hunua 4 pipeline, and stabilising, naturalising, and increasing the conveyance capacity of important urban waterways such as through the Te Auaunga/Oakley Creek upgrade.

However, we also know that our infrastructure could be more resilient, some opportunities for council include:

- Ensuring that resilience is considered in a consistent way in our infrastructure investment decisions;
- Managing the risk and resilience of new infrastructure in hazard areas;
- Focussing on our most critical and vulnerable assets; and
- Creative thinking about how we break lock-in to infrastructure systems that are not resilient (as by continuing to invest in these systems, we may make it more difficult to adapt), and transform to more resilient ways of providing our community with services.

Figure 12 Implications of hazards for our infrastructure investment drivers

<p>Growth</p> <ul style="list-style-type: none"> • Hazards will need to be considered in our decisions about where to locate growth infrastructure so that we ideally reduce (and don’t increase) our exposure to risk. • New infrastructure is also a big opportunity to evolve our assets to being more resilient to hazards. 	<p>Renewals</p> <ul style="list-style-type: none"> • Renewals will be an important way to evolve our existing networks to be more resilient to hazards. • Renewals will also need to be approached strategically in relation to the most critical parts of our networks, interdependencies with other systems and our infrastructure vulnerability to hazards.
<p>Levels of service</p> <ul style="list-style-type: none"> • Levels of risk that our communities tolerate are reflected in levels of service. • Our measurement of infrastructure performance will need to better account for risks. This may include considering expectations of critical infrastructure 	<p>Operations</p> <ul style="list-style-type: none"> • Operational spending, for example, on well-maintained assets, can increase the resilience of those assets to natural hazards. • Potential increase in opex as more frequent and significant maintenance is

performance during adverse events (i.e. fail-to-safety).	<ul style="list-style-type: none"> required to our networks as a result of adverse events. Potential for savings or added benefits through more resilient systems.
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Options for a strategic response to hazards

Long-term options for response:

The Natural Hazards Risk Management Action Plan (**Table 8**) is setting the council direction for managing a number of key natural hazards. Implementation of NHRMAP and management of the relationship between hazards and infrastructure generally will require both investment and policy decisions to be made. Key options for these decisions relate to

- How we choose to define the goal for infrastructure – e.g. what does resilient infrastructure look like? What level of risk are we willing to accept across which hazards? And how is investment in resilience prioritised against other pressures?
- Investment - do we invest now or later? how much do we spend? what do we prioritise? And who pays? (which combination of public, private individuals and insurance)
- Explicitly defining and valuing infrastructure system resilience and using that valuation to increase the council investment in infrastructure system resilience.

The implications of the options:

- **Valuing the resilience of our infrastructure to natural hazards (and residual risk carried by the council and our communities) helps our communities to make decisions. The scale of disruption and impact on quality of life for our communities will be lessened if we're prepared for hazards.**
- **Cost to communities** will vary depending on the timing of investment – in general the cost to prepare for a disaster is less than that to respond/rebuild.
- A step-change in our focus on infrastructure resilience would likely require fundamental changes to our investment decision-making, for instance our investment priorities and infrastructure funding systems.



Natural hazards strategic response

Funding

The approach reflected in this 10-year Budget is to:

- Continue to grow our understanding of our infrastructure's vulnerabilities to hazards and the impacts of potential failures through the implementation of the Natural Hazards Risk Management Plan (see Table 8).
- Accelerated investment in coastal management plans to capture coastal inundation and erosion risk. This will be actioned via Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan (see Table 8)

Budgeted Opex (staff time)

Included in climate investment package of \$152m

We will also work to:

- Build natural hazard risk management more explicitly into our planning, including into the next round of AMPs to inform the 2024 LTP.
- Develop a shared vision for resilient infrastructure that informs all of our infrastructure decisions and the value of investment in infrastructure resilience (see Table 9).
- Refine understanding of the financial implications of hazards including: the value of infrastructure assets in hazard areas, the economics of a major hazard event, and the economic risk we carry across assets by hazard type.

Budgeted Opex (staff time)

- Work to guide and integrate Dynamic Adaptive Pathway Planning in the management of infrastructure.

Investment responses

- Refer to portfolio investments (section four)
- Significant decisions and options (section four)

Growth



Auckland's infrastructure needs to support our growing region in a coordinated way

The Auckland Region is big and growing. We are currently home to 1.7 million people and we expect to welcome between 20,000 and 30,000 new Aucklanders each year, reaching a population of approximately 2.3 million in the next 30 years. As shown in Table 8, Auckland's current population is lower than previously estimated, mainly because of Stats NZ's rebased 2018 population estimate.

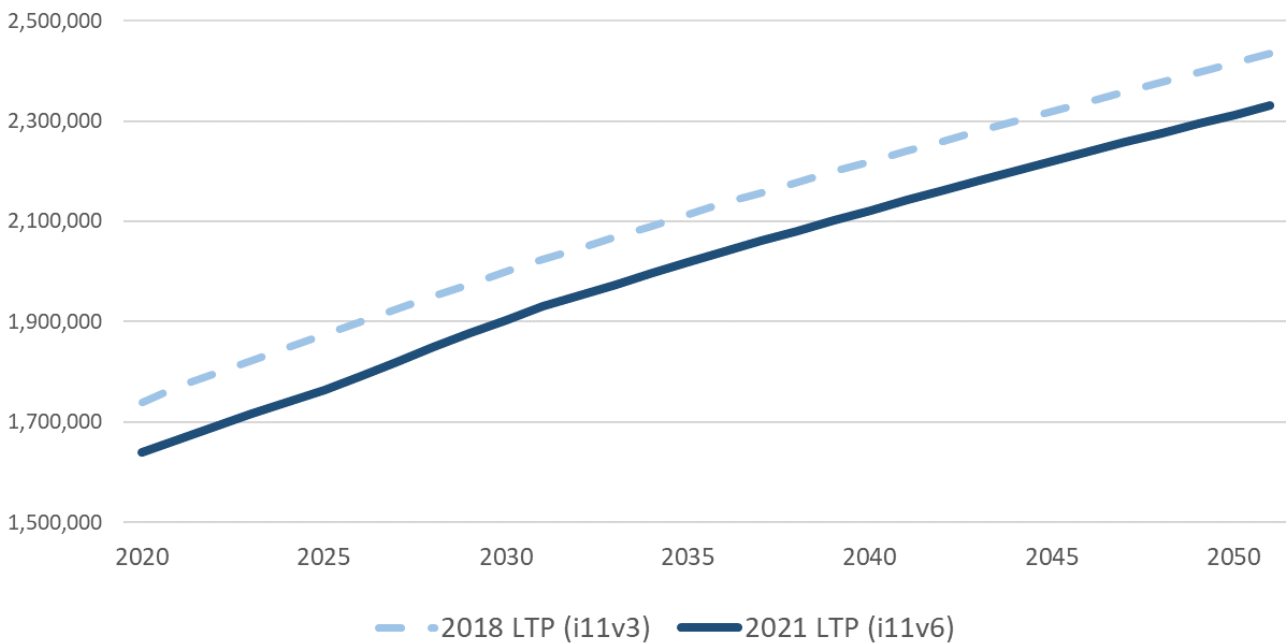


Figure 13 Auckland's projected population growth (population growth scenario i11v6; the basis for the 2021 LTP, compared to i11v3; the basis for the 2018 LTP)

Auckland is also becoming increasingly diverse. Our diverse communities encompass a broad range of differences including (but not limited to) ethnic and cultural diversity, gender, sexual orientation, disability, and location. As our population grows and changes, it is important that we continue to nurture and support our diverse community identities. Changing user groups, behaviours and patterns will influence our infrastructure.

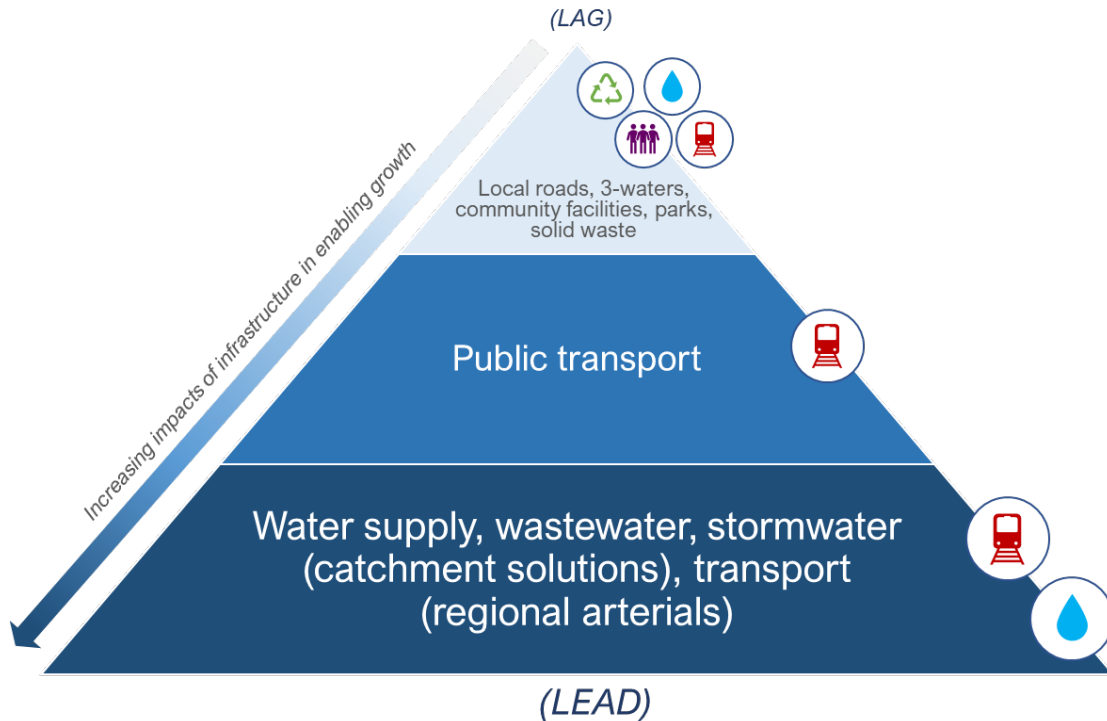
The role of infrastructure in growth

Infrastructure has an important role to play in supporting and shaping Auckland's growth. Much weight has been placed on this role in recent years.

The role that each infrastructure portfolio plays in enabling development to begin differs (Figure 14). Some, like water, wastewater, stormwater catchment solutions and transport, are 'lead' infrastructure. The presence or absence of these services can unlock or inhibit growth. Some, like public transport have a growth enabling role in

some situations. Others, such as community facilities may come later as 'lag' infrastructure and are critical to enabling good urban outcomes. Infrastructure also influences and shapes built-form, density, character, and exposure to natural hazards.

Figure 14 Influence of infrastructure in enabling development



Generally, developers fund and deliver local infrastructure within their development (such as water and wastewater pipes, stormwater assets, local roads and neighbourhood parks). Once developed, Council often takes ownership of this infrastructure along with the costs of maintaining and operating that infrastructure. Developers also pay a contribution towards bulk infrastructure (such as reservoirs, water treatment plants, arterial road upgrades, libraries and large parks), which is commonly delivered by Council where the infrastructure may benefit multiple areas, or Council is best placed to deliver a project of this scale.

Council delivers growth infrastructure on the principle that it will recover costs from those who benefit from the growth. Council funds this growth infrastructure through borrowing, then recovering this investment over time through mechanisms such as Development Contributions (DCs) or Infrastructure Growth Charges (IGCs). Limitations on council's borrowing capacity mean we cannot fund the infrastructure required to service all our projected growth needs through these mechanisms.

Auckland's approach to growth

Aucklanders need sufficient and affordable housing supported by quality infrastructure. This means locations and infrastructure that have the ability to provide for diverse needs and growth forms now and into the future.

A growing Auckland is not a new phenomenon, but our approach to accommodating growth is changing. We are having fewer children, live longer, and more people spend more of their lives in one or two-person households. Consequently, our housing preferences are changing, with increasing demand for more intensive housing in existing urban areas, and a shift in emphasis away from low-density, standalone dwellings. This shift is reflected in the quality compact approach in the [Auckland Plan 2050 Development Strategy](#), and the [Auckland Unitary Plan](#). Making quality compact a reality is a complex practical challenge for our infrastructure providers which we can think about broadly as two issues – coordinating infrastructure investment and keeping pace with growth.

Coordinating infrastructure investment

A key challenge of accommodating Auckland's growth is coordinating the supporting infrastructure.

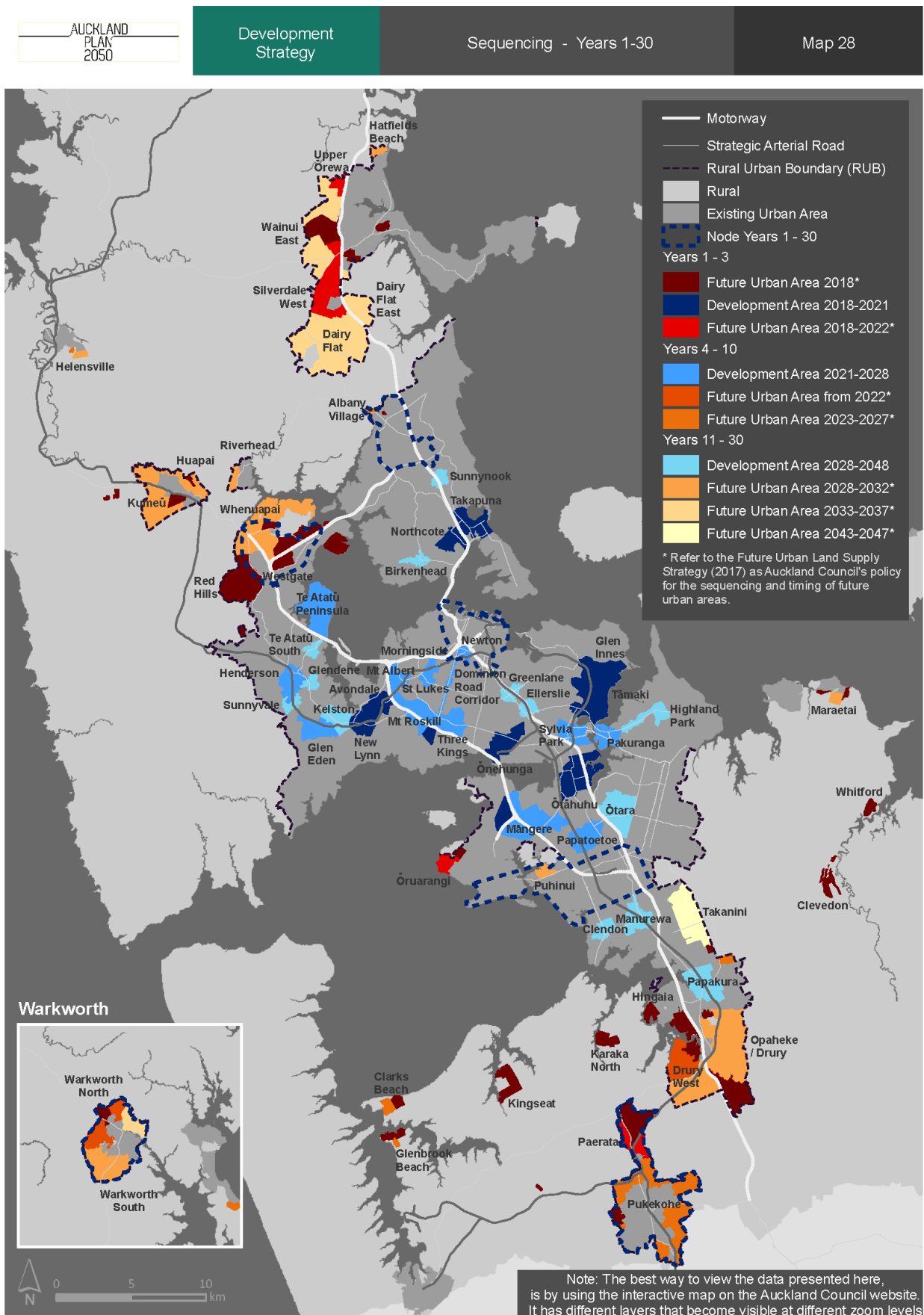
We work from a base of the council's projections and strategies to ensure that infrastructure investment is focused where the growth is happening or is anticipated to happen. The Council group uses a common agreed growth projection to ensure that our assumptions are aligned, but there is always uncertainty in anticipating where and when growth will happen.

Council strategies prioritise and sequence growth, which sets an agreed starting point for planning the supporting infrastructure. However, these strategies face pressure to respond to changing growth priorities, such as central government programmes and partnerships, and private plan changes.

Uncertainties, whether from changing population projections, or having to reprioritise because of shifting development pressures, make planning for infrastructure challenging. Much of our network infrastructure, in particular, has a long lead time – it takes many years to plan, design, and construct. Therefore, infrastructure planning benefits from clear and far-sighted information about where and when growth will occur and how [other infrastructure types are planning to respond](#). Our strategies balance providing certainty for infrastructure providers with the flexibility to respond to changes in demand for zoned and serviced land.

In addition to the top-down strategy setting for growth and an infrastructure response to this, input from infrastructure providers also informs the strategy. Infrastructure is an important factor in identifying growth areas where we can invest with no regrets, or low regrets. It can guide how, where and when we develop. For example, the presence of a rapid transit network station can make an area more accessible and therefore more attractive for growth and intensification. Stormwater considerations can shape the location and form of a development to reduce the potential exposure to flooding.

Figure 15: Auckland Plan Development Strategy - Development Sequencing Years 1-30



Keeping pace with growth

With steady growth pressure in Auckland, delivering infrastructure at speed is an ongoing challenge. We have doubled our annual spend on growth in the six years to 2019.

Under the National Policy Statement on Urban Development Capacity, the council produced a [Housing and Business Development Capacity Assessment](#). This demonstrated that Auckland had feasible development capacity (including a competitiveness margin as per Policy PA1) in excess of demand in the short and medium term (1-10 years) and included an approach for addressing a long-term shortfall, for example through delivery of significant developments in partnership with central government.

Now, Council has a responsibility (via the [National Policy Statement on Urban Development](#)) to provide bulk infrastructure to support sufficient development capacity. A Housing and Business Assessment (HBA) to assess the amount of infrastructure ready development capacity in the Auckland region is underway. The outputs of this work will indicate whether council is planning to deliver sufficient bulk infrastructure over the next 30 years to meet Auckland’s growth pressures. This work and a subsequent HBA completed by 2024 will inform infrastructure requirements for the 2024 10-year Budget and Infrastructure Strategy.

Our growth challenge exists in a constrained financial environment. We must balance our growth investment with looking after our existing assets and ensuring that they are performing for our communities. Council also has a duty to manage public spending responsibly (see Section 1.2, the Financial Strategy, for a description of how we approach this). For our infrastructure to keep pace with growth, we must therefore be innovative. We need to prioritise our infrastructure growth spend to where and when it will provide best value for Aucklanders. We also need to consider alternative infrastructure solutions that do not require building and that manage demand. Additionally, we have an opportunity to think creatively about how we invest in growth infrastructure, utilising new [tools for funding](#) provided in the Infrastructure Funding and Financing Act 2020.

Figure 16 Implications of growth for our infrastructure investment drivers

<p>Growth</p> <ul style="list-style-type: none"> • More Aucklanders means a need for more supporting infrastructure. Providing this new infrastructure needs to be coordinated and funded in line with growth, to reduce the risk of stranded assets, and reduce the holding cost of underutilised assets. • Prioritisation of growth investments to where they will deliver greatest value to Aucklanders through alignment with growth strategies. 	<p>Renewals</p> <ul style="list-style-type: none"> • Renewals projects provide an opportunity for necessary capacity increases in the existing system to be delivered efficiently. • Additional infrastructure to provide for growth adds to the ongoing need for renewals and the asset base that is depreciated.
<p>Levels of service</p> <ul style="list-style-type: none"> • With fast paced growth there is an even greater need to ensure the quality of vested infrastructure supports level of service targets. • Constrained funding means there is an ongoing tension between the need to provide more infrastructure to meet growth pressures and the need to provide quality infrastructure that meets levels of service targets. Meeting levels of service and community expectations for the 	<p>Operations</p> <ul style="list-style-type: none"> • Additional infrastructure for growth needs to be run and maintained, therefore generating a higher demand for operational spending (referred to as consequential opex).

provision of open space and access to clean waterways become more difficult with the encroachment of development into these areas.



Options for a strategic response for growth

The long-term options for response:

- Allocation of limited growth infrastructure funding through existing development policy and other pressures (private plan changes, crown priorities etc).
- Allocation of limited growth infrastructure funding towards more focussed investments; with investment targeted, for instance, towards joint programmes with the Crown.
- Increased growth infrastructure funding to meet growth pressures in all locations.

The implications of those options:

- Investment of limited infrastructure funds without focussed priorities can lead to uncoordinated and inefficient infrastructure provision.
- Targeting a focused set of growth areas enables infrastructure provision to adequately support development. A re-focussing on brownfields development in our growth priorities may also increase the efficiency of providing supporting infrastructure.
- Focussed investment means that the growth of some areas outside of the focus may have to slow down and/or be subject to greater scrutiny.
- Increased funding would require additional funding levers to be pulled, which would need to be considered with regard to prudent financial management in the longer-term (see the Financial Strategy in section 1.2).



Strategic response to growth

Funding

The approach reflected in this 10-year Budget:

- This Long-term Plan delivers a focussed approach, reflecting the council's existing commitments and joint work programme areas such as the City Centre (CRL Stations), the Auckland Housing Programme & Tamaki, the North-West and Drury. Public consultation on the Long-term Plan highlighted general public support for this focused approach and for growth through intensification of higher-density areas. There will be further prioritisation of growth-driven infrastructure projects to support each of these areas and sizeable investment in growth priority areas will continue beyond 2021-2031.
- Coordination of growth and infrastructure requires a connected cycle of top-down direction for infrastructure to respond to, and bottom-up infrastructure input to influence and inform the strategic direction. We continue to improve the flow of information to support this cycle through regular sharing of growth information and open decision-making.
- We will continue to be creative about how we develop infrastructure responses to growth including through financing, design, and demand management.

Contributions towards supporting infrastructure included in capital investment packages.

Budgeted Opex (staff time)

Budgeted Opex (staff time)

Investment responses

- Refer to portfolio investments (section four)
- Significant decisions and options (section four)

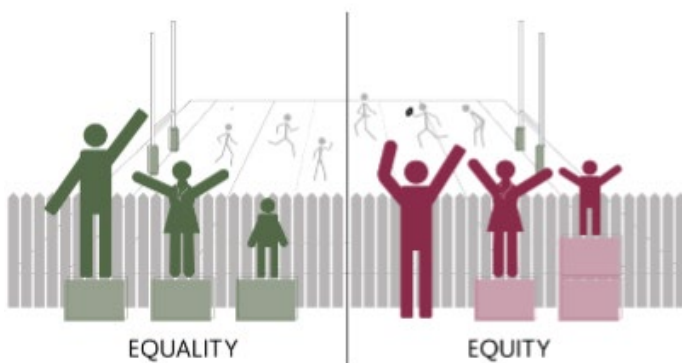
Equity



Infrastructure investment has potential to address disparities and serve communities of greatest need

Equity in Auckland

Equity is a big issue for our region. Sharing prosperity with all Aucklanders is identified as one of our three key challenges in the Auckland Plan. Equity can take a number of forms, importantly in terms of people and communities' access to opportunity, ability to take part in society, and chance to develop to their full potential.



Increasing equity means removing barriers and extending the range of opportunities and choices available for Aucklanders.

Actions are equitable when they acknowledge, mitigate, and redress inequitable outcomes by ensuring a fair and appropriate distribution of benefits and disbenefits. Adopting an equitable approach means redistributing various resources to reduce existing inequalities.

Inequity also applies to infrastructure provision. When Auckland Council formed in 2010, the levels of infrastructure services provided by legacy council areas were different. Those disparities between legacy council areas still exist³. In response, reducing inequity has become a central feature of council's strategic thinking, it can be found in:

- The Auckland Plan, for instance through the direction to “focus investment to address disparities and serve communities of greatest need”
- The development of specific organisations supporting parts of Auckland to be “prosperous, resilient places where children and whānau thrive” called Community and Social Innovation (previously known as TSI and TWI, The Southern and Western Initiatives respectively)
- The assessment of Te Tāruke ā Tāwhiri – Auckland's Climate Plan projects against communities of greatest need
- Our commitments to mana whenua and mataawaka; and
- Council's approach to investment as part of our COVID-19 response being supporting our most vulnerable communities.

This thinking is also guided by the reintroduction of the four well-beings in the Local Government Act 2002. In implementing this strategic direction, we recognise that infrastructure represents our biggest investment, and therefore a significant opportunity to improve equity. We recognise that equity is the least mature of the issues identified for this Infrastructure Strategy (refer

Figure 9) and therefore responses are still in development.

Infrastructure has a significant role to play in reducing disparities and sharing prosperity with all Aucklanders in both:

³ <http://www.lgc.govt.nz/assets/Uploads/Enhancing-Local-Government-for-Aucklanders-Recommendations-for-Auckland-Council.pdf>

- **Providing basic services equitably.** Targeting our investments to reduce disparities in access to infrastructure, so that communities in need can benefit from the resources and opportunities delivered by our infrastructure. This includes access to the benefits of our natural (blue and green) infrastructure; and
- **Supporting communities of greatest need,** by thinking about the services we provide differently, or leveraging investment in infrastructure to achieve most impact towards the Auckland Plan our infrastructure investment can contribute to Aucklanders' wellbeing.

Providing basic services equitably

When planning for our core infrastructure, we have used two main techniques to make sure that services are equitably provided within our community.

Firstly, targeting investment to our least well serviced communities has guided some aspects of our infrastructure planning, including:

- Approaching our community infrastructure as a network and considering how services are spread across the region to determine where additional services should be provided.
- A focus on having available and affordable transport choices can increase equity for communities by removing barriers and extending choice. For example, the Community Connect pilot⁴ will enable a 50 per cent discount on public transport for community service card holders, improving transport affordability for approximately 200,000 Aucklanders. The resulting improved accessibility can help to better connect people, places, and services.
- Auckland's Urban Ngahere (Forest) Strategy assessed tree coverage across the region. This can inform infrastructure investment through considering infrastructure's displacement of trees and opportunities to improve infrastructure and community outcomes by incorporating more trees in infrastructure projects.

Secondly, council also uses deprivation to guide funding for local infrastructure. [Deprivation scores](#) are used to target funding for locally driven initiatives which is allocated via [Local Board funding](#) where population-based funding is adjusted for deprivation.

Use of both deprivation and spatial assessments of infrastructure provision are a starting point and can be built upon. Improving our understanding of inequity and infrastructure will support our decision making in reducing inequalities, removing barriers to accessing the benefits of infrastructure, and avoiding creating new or reinforcing old disparities. An improved understanding of inequality will also be important in applying an equity lens to our other challenges, for example in setting climate adaptation targets for the region.

Providing services differently to support communities of greatest need

In addition to providing our core services fairly, we recognise the power of our infrastructure investments to benefit our communities of greatest need. Two potential ways that equity can be included in how we develop our infrastructure services are via:

- Leveraging our infrastructure investments to provide many benefits beyond those typically associated with infrastructure projects and improving the return on our infrastructure spend. For instance, projects like Te Auaunga have included capability-building benefits around fostering community training and enterprise using a sustainable outcomes toolkit; and
- Transforming our systems to respond to the needs of all and providing support for those who need it to access the benefits of infrastructure. For example, Auckland Transport's emphasis on mode shift (from cars to public transport, walking and cycling) can allow more of our people who can't access a car to better participate in society.

⁴ Identified as part of the Auckland Transport Alignment Project 2021 and to be fully funded by the Crown

Figure 17 Implications of equity for our infrastructure investment drivers

<p>Growth</p> <ul style="list-style-type: none"> • Opportunity to prioritise new infrastructure where it is needed the most and ensure that new infrastructure responds to the needs of its community, particularly communities of greatest need. • Leverage infrastructure investment to produce multiple benefits for communities. 	<p>Renewals</p> <ul style="list-style-type: none"> • Renewals present an opportunity to evolve our existing systems to prioritise the needs of the community, particularly communities of greatest need. • Leverage infrastructure investment to produce multiple benefits for communities.
<p>Levels of service</p> <ul style="list-style-type: none"> • Current measures are extremely variable in how they consider the equity outcomes possible from infrastructure investment. However, this may present an opportunity for improved measurements through the on-going long-term planning process. 	<p>Operations</p> <ul style="list-style-type: none"> • There is an opportunity to prioritise our operations to benefit communities of greatest need and leverage investment to produce multiple benefits for communities.



Strategic responses for equity

We have identified that there is an opportunity for infrastructure to better support our communities of greatest need. However, our understanding of this issue for Auckland is not yet mature enough to clearly understand the options available.

Recently released [research highlighting equity in transport in Auckland](#)⁵ (commissioned by the Ministry of Transport), and drinking water provision as part of housing and basic amenity data collected in the 2018 Census (analysed as part of a [national research project into housing and health](#) released in May 2021⁶) will assist in options development and decision-making.

We propose to build our understanding of the potential for infrastructure to address disparities, the possibilities of generating many benefits for our communities from our investments, and the opportunity to embed this in our infrastructure decision making. Gathering this information will allow considered presentation of options for equity in the 2024 10-year Budget.

Funding

Funding requirements to be developed with options for the 2024 LTP. Budgeted Opex (staff time)

⁵ https://www.mrcagney.com/uploads/case-studies/MRC_Equity_in_Aucklands_Transport_System.pdf

⁶ <https://www.healthyhousing.org.nz/wp-content/uploads/2021/05/Housing-that-Lacks-Basic-Amenities-in-Aotearoa-New-Zealand-2018.pdf>

Funding infrastructure



There continues to be a gap between the funding available through existing mechanisms and funding required to deal with the issues facing Auckland's infrastructure

Matching our infrastructure funding to our needs across Auckland's large and varied asset portfolios is a complex and sometimes delicate exercise. There are two areas where a funding gap can be present:

- To maintain or renew our established infrastructure networks; or
- To respond to infrastructure challenges by growing or improving our networks in some way.

Funding the maintenance and renewal of existing infrastructure

Maintaining and renewing Auckland's infrastructure represents a significant portion of our overall investment. Our Financial Strategy and our Revenue and Financing Policy guide how we fund and finance this in a prudent way.

Depreciation is a non-cash charge that represents the reduction in usability of our assets over time. Fully funding depreciation from rates and other current revenue sources means that we are not relying on borrowing to fund asset replacement expenditure over the long term, and represents a sustainable approach to looking after our assets. We are moving towards this full funding of depreciation by 2028 (see section 1.2, our Financial Strategy).

Understanding our existing infrastructure, its performance, and its maintenance needs is on-going work to ensure we are funding the right level of investment in renewals. The important pieces of information are:

- the condition and remaining life of our assets;
- which parts of our infrastructure systems are the most critical, and how do those interact with other assets in the same locations (i.e. will a failure of a critical transport asset cause failure of other types of critical assets); and
- what asset data do we have and how reliable is it, where are the gaps in our asset data and do we have a plan to fill those gaps.

Our major asset managers (three-waters, transport and community) generally have a good understanding of their assets. More information on the data used to guide their asset management and plans to improve and align this data across the council group is contained in sections 4 and 3 (respectively) of this strategy.

All our asset managers work continuously to improve their asset management planning processes. This includes working towards a more optimised asset management approach including improving data confidence and moving to more sophisticated asset condition data and deterioration modelling for all assets, particularly our most critical assets. Having an optimised approach to renewals doesn't mean that we are replacing every single asset before it fails, it means that we are better managing our risks related to renewals. Work has been done to understand the risk associated with our capital programme, and whether the risk contained in the renewals component of the capital demand can be managed within the 10-year budget. The results are described in section four of this strategy.

Responding to challenges

Beyond maintaining our assets, the infrastructure issues above (climate change hazards, growth and equity), and other issues both mature and emerging, present pressures for additional funding. Table 6 provides examples of the funding challenges of the biggest issues facing our infrastructure. It also provides opportunities to consider funding mechanisms that are yet to be realised.

Table 6: Our big issues for infrastructure and examples of their funding pressures and opportunities

Issue	Funding pressures	Funding opportunities
Climate Change	As the impacts of climate change grow, there will be infrastructure costs associated with a transition to zero-carbon infrastructure (e.g. electric buses), coastal retreat, and climate adaptation (mitigating the impact of increased hot days and higher impact storms). These costs are emerging; they have not previously featured in our infrastructure funding approach and are likely to extend to tens of billions of dollars.	The council is unlikely to be able to fund these costs alone, however investment sooner to enhance our natural life-supporting systems (wetlands, mangroves, aquifer recharge, greening our city including tree canopy cover and maintenance), will have a better return on investment than waiting to invest in urgent response solutions.
Natural Hazards	Natural disasters, including those exacerbated by climate change, will produce infrastructure recovery costs. Investment in resilience will also be necessary (and is more cost-efficient than rebuilding after a disaster) to maintain services that our infrastructure provides for Aucklanders.	We currently have financial options available for disaster recovery. However, improving our ability to target and fund resilience, which might include redundancy in our systems, could improve outcomes in disaster events. This will be considered in the Council responses to these issues outlined in section 3.
Growth	Funding mechanisms such as Development Contributions (DCs) or Infrastructure Growth Charges (IGCs) are used to deliver growth infrastructure, but rarely cover the full cost of the infrastructure. Therefore, we face a funding challenge of capturing funding from those who benefit from growth.	Reducing the costs of growth can also create a return. By incentivising growth in areas with existing infrastructure, benefits of more efficient provision of infrastructure can be realised.
Equity	The way we fund infrastructure can impact equity outcomes. Funding structures can dictate who bears the cost of infrastructure development and whether it is affordable to the community. Investment decisions also affect who benefits from the infrastructure.	Investing in infrastructure that benefits our communities, particularly those of greatest need or most vulnerable can also create a return on investment. This might include increased GDP through greater levels of access to employment, benefits from increasing the productivity of commuting and enabling communities to be self-sufficient in times of crisis.

Funding tools

Auckland Council has a suite of tools available to meet these funding requirements, including:

- Rating (both general and targeted)
- Growth charges, development contributions, and special purpose vehicles;
- Fees and charges for the services we provide; and
- Partnerships, for instance with central government or the private sector, working towards shared priorities.

Our Financial Strategy (see Section 1.2) outlines our plan for using these tools within parameters of prudent financial management and affordability. This represents the council's approach to funding our activities and provides the framework for who pays for infrastructure, and when and how the costs are recovered. Watercare is moving towards 100 per cent recovery of the cost of infrastructure through infrastructure growth charges by 2025. This reflects the recommendation of the Productivity Commission of full recovery for the cost of growth assets.

An issue for infrastructure funding is that the outcomes we seek in response to our significant challenges cannot be achieved through use of our funding tools alone. The size of the funding response required is simply too large. This means that in addition to using our suite of tools in the best combination available, we also must look beyond them.



Options for strategic responses to infrastructure funding

The options for long-term response related to the council's financial management are addressed in the Financial Strategy (Section 1.2), those levers that can be pulled through infrastructure decision-making include:

- Infrastructure investment aligned towards the delivery of strategic priorities.
- Consideration of our expectations of the services our infrastructure provides including reviewing our demand management.
- Working with central government towards shared priorities.

The implications of those options

- Greater strategic alignment of our infrastructure investment enables better delivery against outcomes with limited funds.
- Demand management can reduce or delay funding pressures.
- Consideration of infrastructure expectations could lead to changed (increased, decreased, or different) services.
- Working with central government on the tools available for infrastructure funding could increase the council's ability to deliver infrastructure.



Strategic infrastructure funding direction

The approach reflected in this 10-year Budget:

- Final capital investment budgets have been determined after considering public feedback and reviewing the final results of our risk-based capital prioritisation work.
- Continued advocacy and collaboration with central government regarding infrastructure funding tools.

- Investigation of new funding mechanisms that could support desired outcomes, for example mechanisms that recognise return on investment in the long-term. This will be explored in our strategy work outlined in section three which will support the development of the 2024 LTP
- Further development of the strategic alignment of infrastructure investment (see section three).

Other issues

Our infrastructure faces a number of other issues that already have well-established responses but still require significant investment over the next 30 years. They are well understood as issues, and we know we need to invest in them, now and into the future, potentially beyond the 30-year scope of this infrastructure strategy. Ultimately, for our investment strategy, if we don't spend money on them now there is a detriment to the overall system. Action on these issues is happening at a national, regional, and local level. Table 7 summarises some of the established approach to these issues and notes the live issues for Auckland's infrastructure.

Table 7 Other infrastructure issues

Issue	Examples of nationally coordinated response	The role of Auckland's infrastructure
<p>State of the Environment and ecosystem health is a bottom line the environment is our essential infrastructure, and our built infrastructure exists within it</p>	<ul style="list-style-type: none"> • NZ Biodiversity Strategy • Essential Freshwater work programme including the NPS Freshwater Management and a requirement to deliver te mana o te wai • NZ Coastal Policy Statement • Resource Management Act (and future reforms) 	<p>Opportunity to transform Auckland's infrastructure to resilient systems that reduce impacts, better support our environment and regenerate ecosystems.</p>
<p>Maintaining and improving public health outcomes much of our infrastructure exists to manage public health</p>	<ul style="list-style-type: none"> • Drinking water standards • Water Reforms • Transport safety 	<p>Maintaining and improving public health outcomes (Much of our infrastructure exists to manage public health). All of our infrastructures prioritise investment in health and safety of our communities over anything else.</p>
<p>Robust asset management mature processes to ensure that we're looking after our assets and investing to create value</p>	<ul style="list-style-type: none"> • Infrastructure Commission • Meta-data (shared data) standards project. • Guidance around quality asset management. 	<p>Opportunity to increase the strategic alignment of our asset management, including around building resilience, managing risk, and evolving our infrastructure.</p>
<p>Compliance with regulation Close monitoring and forward planning required to comply with the large number of consents held and meet changing standards</p>	<ul style="list-style-type: none"> • Resource Management Act (and future reforms) • Building Act • Local Government Act 	<p>Auckland Council holds a great many consents, ranging from very small and temporary, to those that influence a whole network – such as the discharge consent for the Snells Beach WWTP. Our infrastructure providers have systems in place for monitoring compliance and planning for consent renewals. These systems feed into our asset management planning. Significant legislative reform is underway; changing standards and approval requirements are also a trigger for infrastructure investment.</p>





Section Three: Whole of council responses to infrastructure issues





This section summarises our current and planned responses to big infrastructure issues across the council group. Responses that are specific to each infrastructure portfolio are summarised in section four.

Current responses across the council group strategy

Council recognises the magnitude of the issues we face in managing our infrastructure. We have done significant work in recent years to set strategic direction across the council group in a clear and consistent way – this direction guides our infrastructure response.

Table 8 Strategic direction for infrastructure issues

Key document	Infrastructure issues	Specific direction for infrastructure
Auckland Plan		The Auckland Plan provides a 30-year vision for our region: addressing key challenges of growth, shared prosperity, and environmental degradation. All Council group policy, operations, and investment should contribute to delivering Auckland Plan outcomes. This includes equity outcomes, Māori identify and wellbeing, social and natural hazard resilience, access to and between the important places for our communities, and an aspiration for future-proofed infrastructure.
Development Strategy/ Future Urban Land Supply Strategy		Development Strategy and the complementary Future Urban Land Supply Strategy set out how Auckland is expected to grow and change over 30 years using the quality compact model. These strategies support the spatial prioritisation of our infrastructure investment and need to be linked to growth-enabling infrastructure included in this Infrastructure Strategy.
Te Tāruke-ā-Tāwhiri Auckland's Climate Plan (ACP)		Via our ACP commitments, our infrastructure decision-making must contribute to our emissions reduction targets and adaptation to a changing climate. The ACP will strongly influence our infrastructure investment through embedding climate impact assessments into the business case process, promoting dynamic adaptive pathways planning (DAPP) as a tool for transitioning our networks, and encouraging climate resilience in all new infrastructure.
Kia Ora Tamaki Makaurau: Māori Outcomes Performance Measurement Framework		Kia Ora Tamaki Makaurau is our Māori outcomes performance measurement framework, focused on holistic wellbeing for Tamaki Makaurau. It includes 10 mana outcomes; a number of which relate directly to Māori infrastructure (such as kia ora te kāinga: papakāinga and Māori housing, and kia ora te marae: marae development), and others which can be supported through the council's infrastructure decision making (including kia ora te taiao: kaitiakitanga, and kia ora te whānau: whānau and tamariki wellbeing).

Key document	Infrastructure issues	Specific direction for infrastructure
Natural Hazards Risk Management Action Plan		NHRMAP is a 10-year plan capturing the council's actions to reflect our roles and responsibilities in relation to natural hazards. Many actions relate to the management of our infrastructure and includes building our understanding of infrastructure vulnerability and work to embed natural hazards into our asset management and planning.
Auckland Waste Management and Minimisation Plan		Sets a region-wide goal of zero waste by 2040. Acknowledges that we have most influence in Council managed or generated solid waste, including that in the lifecycle of infrastructure. The Plan is an opportunity for Council to lead by example and address our own waste practices associated with infrastructure lifecycles.
Coastal Management Framework for the Auckland Region		The Coastal Management Framework establishes a process for developing management plans for our coastal areas: addressing issues including sea-level rise and coastal erosion. The management plans will be foundational for planning for our coastal infrastructure and connected networks in the coming generations and for connecting our infrastructure decisions with the plans for our coastal communities.
Thriving Communities		Thriving Communities is council's plan for supporting community-led development and social change. It sets out principles and actions for community development that apply closely to social infrastructure but are also very relevant to other infrastructures.

Risk Management

Each of the issues described in section two essentially presents significant risks and uncertainties that face our infrastructure. Therefore, risk management and informed risk-taking will continue to be central to our infrastructure management, and we must recognise those risks that present the greatest potential to deliver or hinder the outcomes we seek for Auckland.

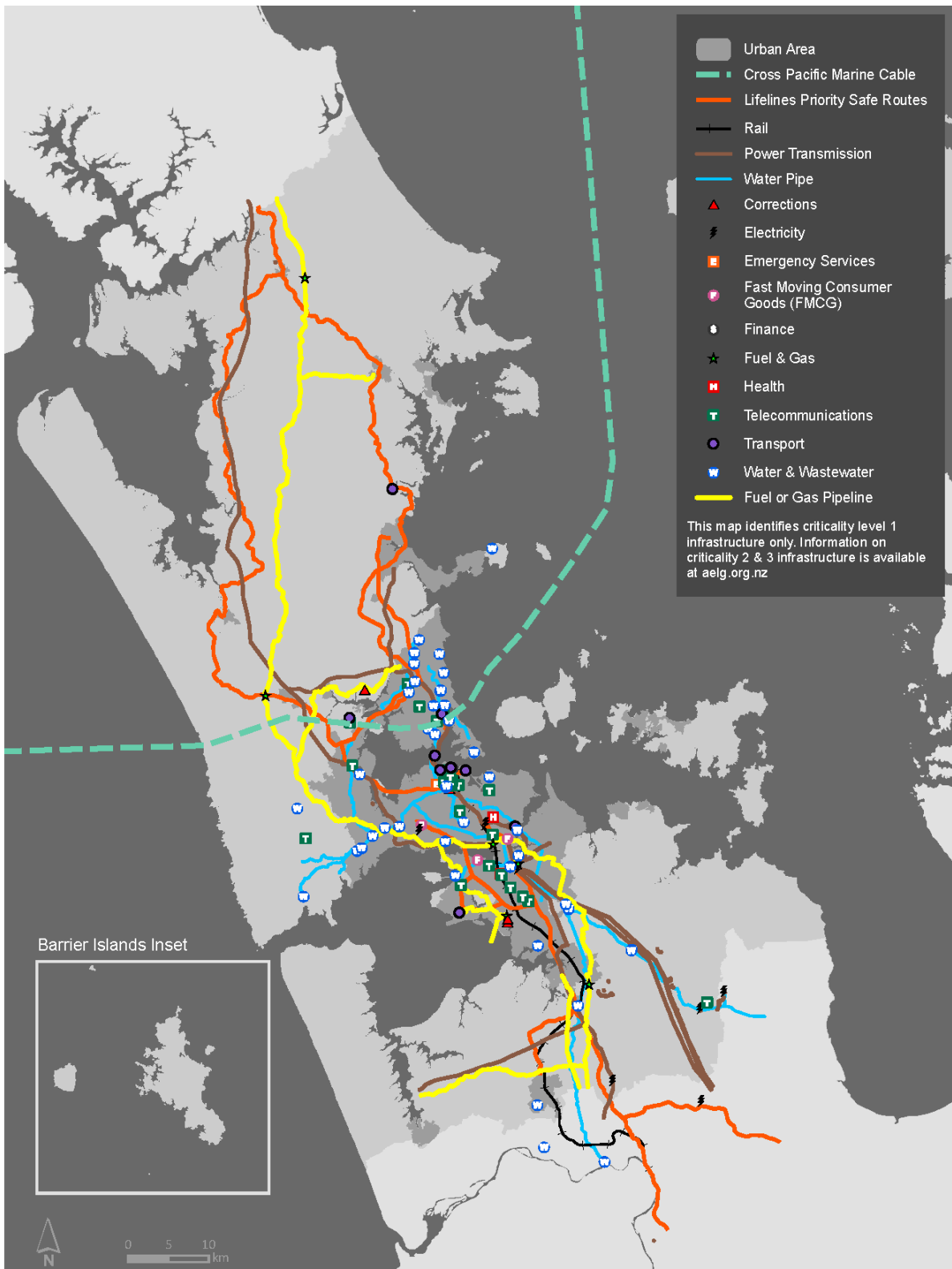
Council has an established approach to risk management which includes:

- an enterprise risk management framework (aligned with ISO 31000) which provides a common platform for all risk management activities;
- an integrated and strategic approach to risk transfer (insurance) with a key objective of ensuring that the Council group has the financial resource to recover from catastrophic and other events; and,
- clear oversight of risk, including through the risk and assurance disciplines, governance oversight such as the council's Audit and Risk Committee, a robust financial planning process incorporating the 10-year Budget and Annual Plan and external oversight by Audit NZ and the Office of the Auditor General;

This risk management approach provides a solid foundation for informed infrastructure decision-making. In addition, we see an opportunity to further build the connections between risk and infrastructure strategy. For example, work is planned through the Natural Hazards Risk Management Action Plan to improve the consideration of risk management in our asset management, including through our measurement of infrastructure performance (Levels of Service). A basis of quality risk information will further support Council to make good decisions and can enable Council to take advantage of opportunities and innovation to deliver necessary change in our infrastructure systems.

Risk management is also built into the way that we manage our assets, particularly through our focus on critical parts of our infrastructure systems where failure poses significant risk. As a key member of the Auckland Engineering Lifelines Group, understanding the consequences and likelihood of failure, and also the changing demands on our infrastructure systems, allows us to better manage risks to these networks. Our critical assets are prioritised in investment programmes and in emergency contingency planning, as they are essential for Auckland to function (see Figure 18).

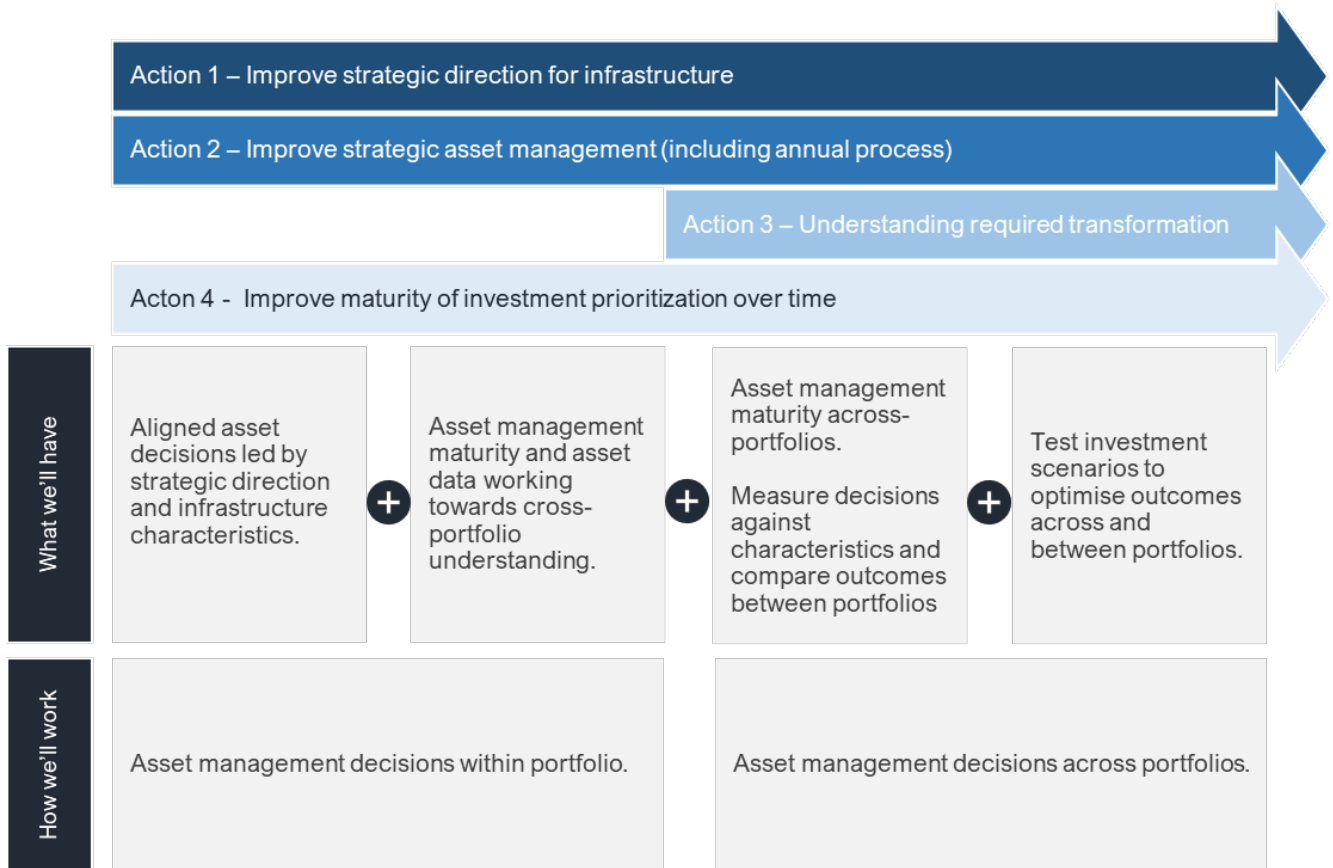
Figure 18 Auckland's Critical Engineering Lifeline Infrastructure



Planned response across the Council group

Building on our existing direction above, we have identified key opportunities for how we will approach the biggest issues facing Auckland’s infrastructure. The following outlines a three to five-year programme to further develop strategic direction for our region’s infrastructure. The actions planned (Figure 199 and described below) are interrelated and will act as building blocks to achieve a good strategic planning process.

Figure 19: Strategic Planning Process Improvements and Outcomes



Provide strategic direction for Auckland’s infrastructure

Our current response (Table 8) shows that our whole of group policy relates closely to the big challenges we identify in this strategy. We have clear goals in the areas of climate mitigation and adaptation, hazard management, growth, and equity. However, our policies have been established with much more than just infrastructure in the frame, and we know that there could be more clarity in how they apply to our infrastructure to strengthen the direction they provide to our investment decisions.

Our resilience aspirations provide a good example of this.

Resilience is currently the focus of significant strategic, organisational, community and operational effort for council. The Auckland Plan, the Te Tāruke ā Tāwhiri – Auckland’s Climate Plan and the NHRMAP specifically look to resilience. Infrastructure presents a key opportunity to deliver resilience; there is a growing body of evidence that resilient infrastructure has a significant return on investment⁷. We know that resilient systems share a number of common characteristics, however, without agreement on what these characteristics might be, the aim of resilience is being used differently across our infrastructure portfolios. Therefore, we plan to define

⁷ [The Insurance Bureau of Canada](#) reports that investment in resilient infrastructure has a return on investment of \$6 in future averted losses for every \$1 spent proactively. The [Infrastructure Sustainability Council of Australia](#) reports that sustainably rated infrastructure is projected to deliver a minimum of \$1.6 for every \$1 spent.

infrastructure resilience as an organisation. This will build on previous work on infrastructure resilience. In developing definition and characteristics, the definition may include attributes such as those in Table 9.

Table 9 Attributes of resilient infrastructure (adapted⁸)

Resilient infrastructure attributes	
Strong	With the power to resist attack or other outside force
Diverse	With a number of functionally different parts in order to protect the system against various threats
Efficient	Makes good use of the resources it requires
Autonomous	With the capability to operate independently of outside control
Known	Managed with good understanding of the system, its context, and risks
Collaborative	With multiple opportunities and incentives for broad stakeholder participation
Adaptable	With the capacity to learn from experience and the flexibility and resources to change
Inter-dependent	With system parts connected so that they support each other
Fails to safety	Continues to function to the fullest extent possible in an emergency

Action 1: Improve strategic direction for infrastructure

Develop strategic direction for Auckland's infrastructure, including defining the characteristics that we want of our infrastructure systems

We propose to develop, agree, and embed this direction in the 2021-2024 period, building from a foundation of mātauranga Māori and the Auckland Plan 2050. A shared and agreed direction for infrastructure will provide a basis for alignment for our infrastructure investment. Such as:

- Resilient infrastructure systems;
- Climate positive infrastructure;
- Infrastructure that supports equitable outcomes; and
- Sustainable infrastructure systems.

Improve strategic asset management processes

Managing our assets well must include strong links to the council's aspirations for Auckland, we refer to this as 'strategic asset management'. Building the links between our strategy and how we manage our infrastructure has many benefits, including:

- providing decision makers and the public with confidence in the value of our investments;
- using our infrastructure purchasing power to achieve more for our communities;
- reducing the risk of misplaced infrastructure investment, for example, stranded assets that have not adapted to cope with the biggest issues facing our infrastructure; and
- helping us to know what is most important in the face of financial constraints, allowing us to make robust and transparent decisions around changing levels of service, retiring assets and networks, or focussing investment.

⁸ adapted from Godschalk 2003 noting the experience of cities and how well their infrastructure systems responded to shocks.

In some cases, our strategic asset management is being done well. For instance, prioritisation within the council’s community portfolio is closely linked to Auckland Plan outcomes. However, we also know there are opportunities for improvement – the recent [review of Council Controlled Organisations \(CCOs\)](#) identified a need for clearer strategic direction; enabling our infrastructure providers to translate strategy into work programmes. The review also recommends annual updates and submission of asset management plans within council and establishment of a strategic planning process involving discussion of CCO work programmes and priorities.

Action 2: Improve strategic asset management

Establish an annual strategic asset management process

We propose to scope and implement a strategic asset management process in the next three years. That would include:

- assessment of asset management maturity using a framework such as the [Treasury Framework for Asset Management Maturity](#)⁹ to inform appropriate levels for portfolios
- establishment of a regular feedback loop between infrastructure and strategy to improve strategic alignment consistent with ISO 55000;
- annual update and submission of asset management plans within council to assess and align strategic direction;
- coordination of approaches to key asset management functions, for example – criticality and data improvement planning, demand management and risk management;
- opportunities to collaborate and optimise the benefits our assets deliver for Aucklanders; and
- establishment of key principles for asset management, for example the use of Dynamic Adaptive Pathways Planning to manage risky, uncertain, and long-term, issues

Develop policy to support a planned approach to infrastructure transformation

Achievement of our strategic direction will require fundamental transformation of our infrastructure systems. Transformation is particularly difficult for infrastructure as we become locked into large, inflexible, or expensive systems; from which, change is difficult and slow. Therefore, we need to develop policy and process to support transitions and break down lock-in barriers. We expect that this policy would relate to the following:

Table 10 Transformation policy development

Principles	
A systems view of infrastructure	Moving away from thinking about individual roads, pipes, and libraries, to thinking about a series of systems, or a single infrastructure system that exists to provide services and functions that contribute to wellbeing. A systems view of our infrastructure would allow the focus to be on the outcomes that our infrastructure delivers. This holistic approach opens up opportunities for coordination between infrastructure portfolios to be made to deliver wellbeing more efficiently.
Innovation	Innovation can be challenging, as long-established investment structures and patterns can be difficult to change. However, the Council group has also demonstrated a willingness to take on and test new technologies and processes (i.e. social procurement and ISCA ratings). We must harness creativity, the power of our rangatahi, and foster a culture of innovation to help us provide services to Aucklanders. We see value in encouraging innovation and embedding innovation opportunities in our infrastructure decision-making processes.
Engaged Communities	Fundamental changes happen most effectively and efficiently when the community is engaged and on board. We see integrating our infrastructure planning with big discussions that are happening in our communities as essential to delivering change.

⁹ Based on the International Infrastructure Management Manual (IIMM) 2015 and used to underpin Central Government’s Investor Confidence Rating.

Principles

There are coming opportunities for people to engage with the scope, scale and nature of our infrastructure, for example, through the development of Auckland's coastal management plans, in community conversations about climate change, and in the decisions generated by national direction around freshwater and urban development. The role of local boards in understanding and planning for the aspirations of their communities also presents an opportunity for engagement with infrastructure investment.

An adaptive approach

The infrastructure transformations must be managed within significant levels of uncertainty. We need approaches to making these changes that acknowledge this uncertainty and allow us to identify ways forward. Adaptive approaches, such as Dynamic Adaptive Pathways Planning will underpin our transitions through allowing us to identify future scenarios and pathways forward that manage, reduce, or avoid risk. These approaches also build-in the necessary flexibility to allow pathways to change and adapt along the way.

Action 3: Understanding required transformation

Develop policy settings that remove barriers to, and supports, the transformation of our infrastructure systems.

We propose to scope and develop policy in the years three to five of this 10-year Budget, including:

- embedding a systems view of infrastructure;
- fostering innovation;
- encouraging community engagement; and
- establishing adaptive approaches as a principle for infrastructure planning.

Advanced Prioritisation

Prioritising investment in a transparent way enables our communities to know that Council is spending our infrastructure dollar to create value for our region and to meet our goals for Auckland.

Asset managers across the Council group are using robust systems of asset management, and several are very mature in their asset management processes. However, we also know that asset management is an extremely complex challenge; requiring that competing priorities are balanced, such as, growth areas, managing renewals, divestments, resilience, innovation, funding, and levels of service.

In addition, planned establishment of a strategic asset management process, setting clear strategic direction, and developing policy settings to support transformation will represent a significant shift in our infrastructure direction. Each of these pieces of work will also increase the sophistication and clarity with which we approach the asset management decisions we make at both a macro and micro level. We see an opportunity to bring this direction together to clearly influence our infrastructure decision-making through advanced prioritisation.

This 10-year Budget has included a foundational exercise in risk-based investment prioritisation (see section four of this Infrastructure Strategy). This exercise has provided decision-makers with an understanding of how our investments relate to our risks. This work will be built on as described below (Action 4) to ensure we have better information about the trade-offs between our investments, and better strategic alignment of our investment as Council and central government strategies and policy develop.

Action 4: Improve maturity of investment prioritisation over time

Build on the planned strategic direction, strategic asset management and transformation policy to deliver advanced prioritisation.




Advanced prioritisation would be scoped and developed in years 3-5 of this 10-year Budget. This would include clarification and consistent application of principles, attributes, and weightings, supporting infrastructure investment decisions to:

- Balance competing priorities;
- Demonstrate value for money and strategic alignment; and
- Have improved accountability and better inform our communities and our governance.

Section four: Infrastructure Portfolio responses to infrastructure issues

The most likely scenario for capex and opex investment across Auckland Council's infrastructure portfolios is summarised in Table 11. This scenario represents our investment response to the issues discussed in section two of this Infrastructure Strategy. Over the 10-year budget period the Infrastructure Strategy covers around 75 per cent of the group's capital investment and 67 per cent of opex expenditure.

Table 11 Planned infrastructure investment covered in this Infrastructure Strategy

		10-year capex (\$b)	10-year opex* (\$b)	30-year capex (\$b)	30-year opex* (\$b)
 Transport	Roads and footpaths	\$7.3	\$5.8	\$27.7	\$29.9
	Public transport	\$4.1	\$11.7	\$21.6	\$49.2
 Three waters	Stormwater	\$1.5	\$1.9	\$7.2	\$8.2
	Water Supply	\$4.1	\$3.5	\$15.9	\$16.6
	Wastewater	\$5.5	\$5.0	\$17.4	\$22.6
 Community	Community	\$4.6	\$8.3	\$28.7	\$34.3
 Solid Waste	Solid Waste	\$0.07	\$1.4	\$0.14	\$4.9
Infrastructure Strategy total		\$27.1	\$37.6	\$118.6	\$165.7
Other investment and services		\$4.7	\$18.1	-	-
Financial Strategy total		\$31.8	\$55.7	-	-

*core opex and depreciation

Financial forecasts in the Infrastructure Strategy are in nominal dollars and account for inflation in capital and operating costs. Group financial assumptions, including significant forecasting assumptions such as inflation, can be found in the Financial Strategy (section 1.2 of Auckland Council's 10-year Budget 2021 – 2031 Volume 2). More detail on the planned investment for each infrastructure portfolio (Transport, Water, Community and Solid Waste) over both the 1-10 year and 11-30 year timeframes can be found in the following sub-sections.

Building blocks for the most likely investment scenario

Each of Auckland Council's infrastructure portfolios has built an investment plan based on common factors:

- assets within each portfolio;
- challenges specific to each asset portfolio and the planned responses;
- the implications of the five big infrastructure challenges identified in section 2 and the planned responses specific to the asset portfolio;
- asset data used to underpin asset management planning,
- assumptions, including Levels of Service and approach to renewals, using to inform the most likely scenario,

The specific information and assumptions used to build each portfolio investment plan are described in the sub-sections below.

Forecasting confidence

Confidence in investment forecasts is higher in the short term where many projects have detailed costings and contracts have been awarded. In the medium-long term there is a less certainty of project costs as these are generally based on an order-of-magnitude estimate. In the longer-term, we also have less certainty around the assumptions that underpin the most-likely scenario. Specific sources of forecasting confidence for each infrastructure portfolio are addressed in the portfolio sub-sections below, and the overall impact of any uncertainties on infrastructure planning is summarised as follows.

Levels of Service

Confidence around levels of service is greatest in the early years of this strategy. The pressures that the issues described in section two will assert on our infrastructure are easier to predict in the first decade of the Long-term Plan and we also cannot easily anticipate the types of solutions that will have been developed by year 30. Particularly with regard to issues such as climate change, we consider that we are planning with high levels of uncertainty at the 30-year time horizon. This uncertainty could impact the cost, priorities and very nature of our infrastructure systems. As a result, we are adopting more flexible and adaptive approaches to planning for our infrastructure.

Growth

The key growth assumptions that impact planning for infrastructure are:

- Projected growth – how much, when, and where;
- Priority locations for growth – as indicated by the Council, central government and others; and
- Funding for growth.

Each of these assumptions are made with greater certainty in the first years of this strategy compared with the outer years. Confidence in these assumptions increases our ability to address the challenge that is coordinating infrastructure development with the accommodation of growth (as described in the growth and funding issues above). Confidence in our growth assumptions is managed at an acceptable level as we are able to produce defensible growth projections and are increasing the certainty of our growth priorities and funding priorities and options through a focussed approach to growth and central government partnerships.

Asset life

The useful life of the relevant asset classes is defined in the summary of significant accounting policies (section 2.2). The assumptions made around asset lifespan evolve slowly as pressures and technologies change. These changes can influence our infrastructure planning, but are not a source of high uncertainty as our infrastructure renewals are generally managed using an optimised approach (rather than being replaced based on asset life) as described in the portfolio sub-sections below.

Risk-based capex prioritisation

For every 10-year Budget, Auckland Council is required to make difficult decisions about the level of investment appropriate to manage risk. The 2021-2031 10-year Budget investment decisions have been more difficult than most due to the financial impacts of COVID-19. A risk-based capital investment prioritisation exercise has been undertaken using criteria to assess which investments are the most important for addressing our greatest risks, and to inform and provide confidence in our investment allocations. The exercise assessed which investment demands across the group are the most critical to:

- Service delivery risks; including those associated with health & safety, legal, maintaining existing levels of service and critical asset renewals.
- Financial risks; that would impact revenue, funding or the cost of our investments.
- Strategic alignment risks; that would challenge our ability to meet targets associated with COVID recovery, the Auckland Plan, Maori outcomes, climate mitigation and adaptation, the environment and Auckland's development.

To understand the risk carried by our renewals demand, within the assessment we have categorised our renewals projects by the risk associated with deferring the project. Figure 20 shows the results of this which is that 100 per

cent of our most critical renewals projects and 96 per cent of our non-critical renewals projects across the Council group can be funded within the 10-year budget.

Percentage of renewals delivered within the 10-year budget

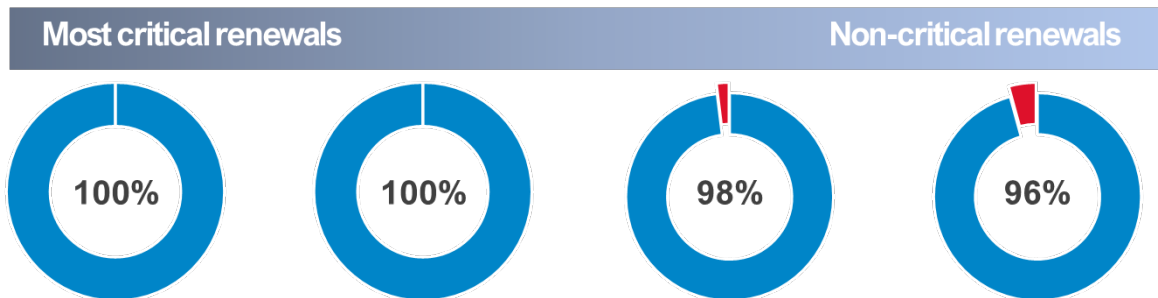


Figure 20 Percentage of renewals completed in the 10-year budget by renewal criticality

This work has enabled Auckland Council to achieve a balance between funding maintenance of the current system and funding growth and level of service improvement. It also ensures that funding levels are sufficient to maintain existing levels of service and that the cost of asset renewals is not being deferred to future generations.

This work will be built on in the coming annual asset management cycles to ensure we have better information about the trade-offs between our investments, and better strategic alignment of our investment as Council and central government strategies and policy develop. More detail about our plan to improve strategic alignment in our asset management processes, is contained in section three of this Infrastructure Strategy: Planned response across the Council group.

Asset Renewal Investment

Over the 10-year Budget Auckland Council will invest around \$10.9 billion renewing infrastructure assets. Over the same period our assets will depreciate by around \$11.6 billion, as shown in Figure 21. Renewal investment levels are impacted by the amount of funding available and the timing that assets are due for renewal. This 10-year Budget infrastructure renewal investment will ramp up from the FY20/21 Emergency Budget over the first half of the decade and will average around the same level as depreciation from FY25 onwards.

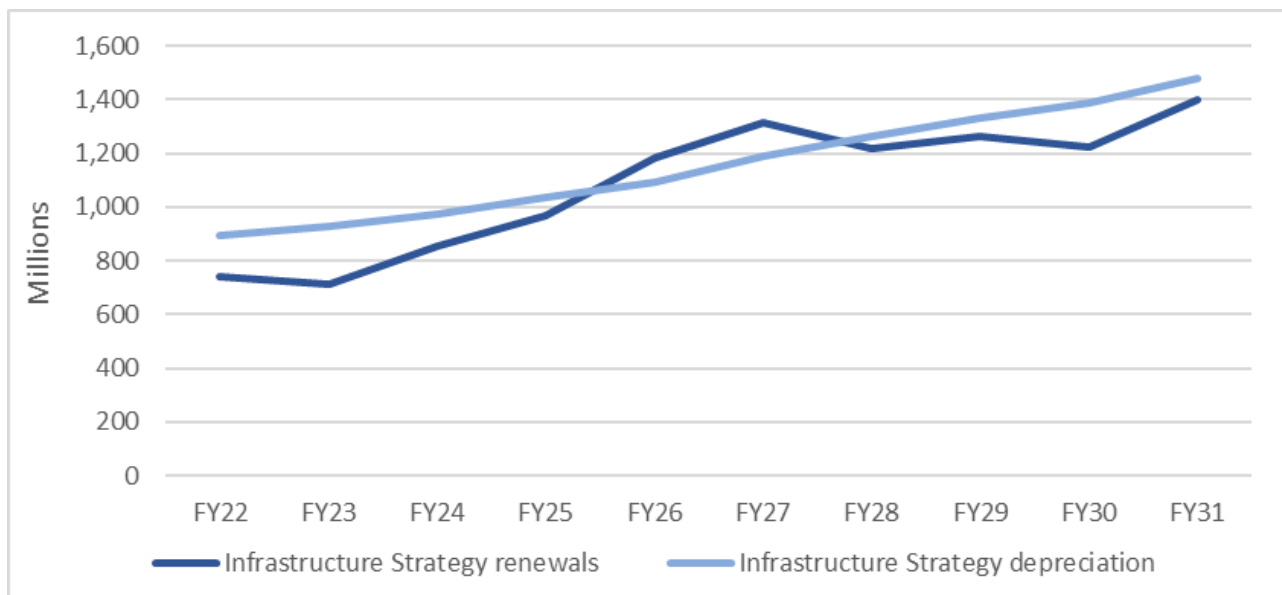


Figure 21 Infrastructure renewals investment and depreciation



Transport

connects people, places, goods and services by providing access through an integrated transport system.

Asset Portfolio Overview

Asset categories and values

Road pavements	\$6.8b	7,661km of road pavements (regional arterial, collectors, access-low volume, unsealed roads)
Stormwater	\$1.7b	89,141 catchpits, 2,640 manholes, 4,848 soak holes, 3,598 treatment devices, and 13,552 kms of stormwater channel
Bridges, walls and structures	\$1.0b	1,248 bridges and major culverts, 4,461 retaining and sea walls
Public transport	\$1.5b	1,482 bus shelters, 7 bus stations, 7 bus park and rides, 40 rail stations, 72 electric trains, 10 diesel trains, 22 rail park and rides, 23 ferry wharves, 5 ferry buildings
Footpaths and cycleways	\$0.9b	7,460km of footpaths and 350km of cycleways
Traffic systems, signs and markings	\$0.1b	857 controlled intersections, 46,590 traffic signal components, 163,004 road signs
Parking	\$0.2b	2,064,256m ² of at grade car parks, 11 car park buildings, 969 payment machines
Street lighting	\$0.2b	122,347 streetlights

Transport Infrastructure Portfolio

Assets are worth **\$12.2 billion**

Depreciated by \$351m in 2020

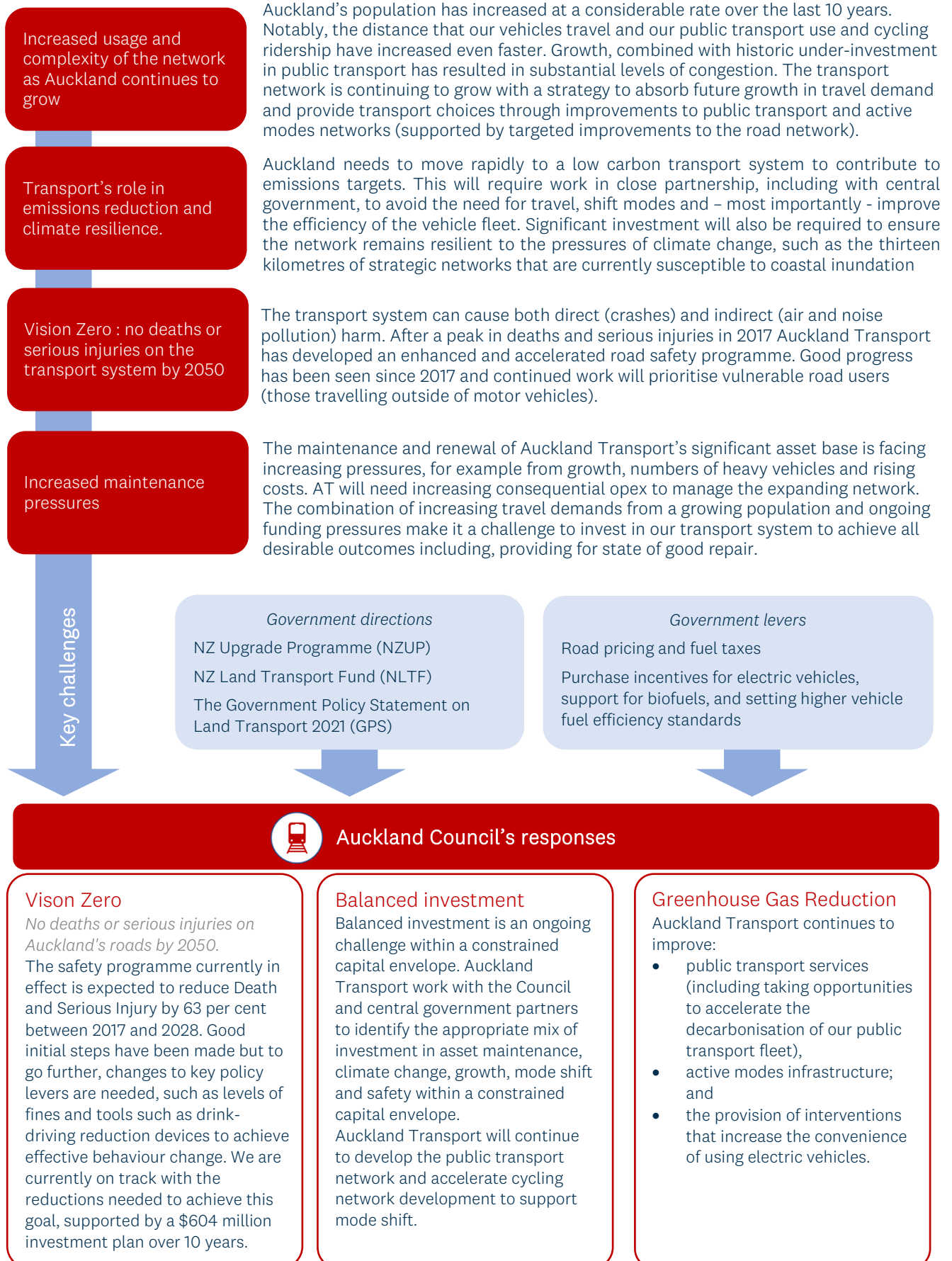
Auckland Transport is responsible for managing Auckland's roads, footpaths, cycleways, and public transport network. Auckland Transport also manages on-street and off-street parking.

Operating context unique to this portfolio¹⁰

Transport assets and services are planned, funded and provided for in a unique way. Auckland Transport, Waka Kotahi (NZ Transport Agency) and KiwiRail are the main planning and delivery agencies for Auckland's transport network, with Auckland Council and Waka Kotahi as the primary funding sources. The [Auckland Transport Alignment Project](#) (ATAP) process aligns the priorities of Auckland Council and the government and sets out an agreed strategic response for the development of Auckland's transport system over the next 30 years. Timing and decisions around ATAP are critical as ATAP informs the 10-year Budget, Regional Fuel Tax (RFT) and Regional Land Transport Plan (RLTP). ATAP does not replace the statutory decision-making responsibilities of Auckland Council, Regional Transport Committee (RTC) or the Auckland Transport Board.

¹⁰ The asset management plan (AMP) for contains more detail on Auckland's major transport assets. It is available

Transport specific challenges and responses



Transport responses to key infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.



Climate change

- Transport emissions are Auckland's largest single source of greenhouse gas emissions, accounting for 44 per cent of total emissions. On-road transport is about 38 per cent of the total. Te Tāruke-ā-Tāwhiri sets a regional goal of a 50 per cent reduction in emissions by 2030 (on 2016 levels), and a 94 per cent reduction by 2050. The council and Auckland Transport are committed to the goals, but modelling estimates that current infrastructure and services investment plans, even if fully funded, would fall short of the required contribution from transport. Further investment decisions, including decisions on costs and funding, need to be made through ATAP.
- Fundamentally, achieving large reductions in transport emissions requires new policy levers to support:
 - a shift to low and zero tailpipe emissions vehicles, starting with the car fleet
 - reductions in the distance travelled and frequency of trips by private vehicles, and a shift towards more efficient modes such as public transport, walking and cycling.
- From the beginning of this LTP period Auckland Transport will procure only zero emission buses. 50 per cent of the bus fleet will be zero emissions by 2030 and the full fleet will be zero emissions by 2040.
- There is likely to be an acceleration of the move away from carbon heavy assets to carbon zero or carbon positive (sequestering/green) assets.
- Investment in infrastructure and services to encourage mode shift from cars to public transport, walking and cycling.
- Auckland Transport has developed and costed renewals investments to improve resilience to climate change.
- Example investments in low carbon transport (10-year total):

City Rail Link (Council share)	\$1,272m
Eastern Busway: stages 2-4	\$866m
Urban Cycleways Programme	\$139m
On-going Cycling Programme	\$306m



Hazards

- Auckland Transport has established the proportion of its network that is exposed to natural hazard risks which covers sea level rise, flooding, tsunamis, and seismic risk. The next stage of this work is to assess the vulnerability of critical assets and to develop mitigation plans.
- Coastal inundation analyses include the most recent climate change modelling from the National Climate Change Risk Assessment. These analyses will be updated as required and in response to improved local forecasts and modelling, especially of the impacts of intense rainfall and of drought.
- Sea level rise is resulting in more flooding and erosion of the network. Increased rainfall (weather bombs) means our road drainage systems needs more capacity to overcome flooding.

- We manage assets to minimise the risk that critical assets will fail and are developing responses for key assets in case these safeguards should fail.
- Increasing demand on existing assets to perform under a higher demand and extreme weather conditions resulting in the need for more frequent performance monitoring and maintenance. Route management may be required to adapt our transport systems to be more resilient and flexible should storms or other hazard events interrupt routes temporarily.



Growth

- Auckland Transport's role is to optimise investment in priority areas for growth, for example those identified through the Auckland Plan 2050. Auckland Transport has identified a range of options for transport infrastructure to support all key growth areas across Auckland. The costs of meeting the infrastructure requirements in all growth areas are significant.
- The current forecast population growth cannot be met with expansion of the road network alone and a significant shift is needed. Auckland's strategy for managing growth and demand, as set out in ATAP, emphasises improving the attractiveness of public transport, walking and cycling, and other choices, and reducing the proportion of journeys that are made by single occupant private vehicle.
- An increasingly focussed approach to transport growth investment is planned through this 10-year Budget (and associated ATAP and RLTP) which aligns, at a high level, with the growth focus areas indicated in the 10-year Budget. A growing and more diverse Auckland may mean a change in the expectations for the Public Transport networks and their integration with each other (i.e. through smart networks) and with emerging transport methods, for example e-scooters and autonomous vehicles. This might also include becoming Auckland's preferred zero-carbon travel method.



Equity

- Equity of access and transport choice remains a key challenge for Auckland. The Auckland Plan 2050 prioritises the provision of genuine transport choice, particularly in areas of need. ATAP and the RLTP have an important social equity dimension, and uses accessibility to jobs, by car and public transport, as measures of the performance of the transport system. ATAP 2021-31 includes an allocation of funding for a Community Connect pilot. This will enable a 50 per cent discount on public transport for community service card holders; approximately 200,000 Auckland residents.
- For existing assets, the impacts of historic investment choices in West and South Auckland, relative to Central and North, are visible. For example, the aesthetic condition of footpaths is worst in West Auckland and best in the urban North.
- Auckland Transport now has consistent design standards for new and renewed assets that apply in all areas. However, the rate of improvement is linked to the rate of renewals undertaken.



Funding

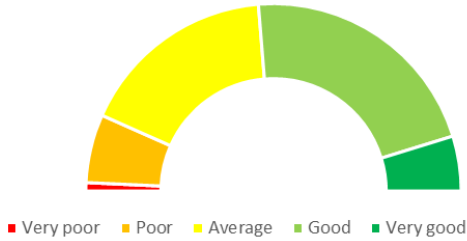
- The disruption caused by COVID-19 is a key driver of the financial pressures that Auckland Council faces. The primary impact of this disruption is on our revenue sources. Over the four years from 2020/2021 to 2023/2024 we are projecting a revenue reduction of between \$750m and \$1billion. Transport funding and priorities are the product of a partnership with central government. The Auckland Transport Alignment Project (ATAP) brings together Auckland Council and central government to align transport objectives and investment priorities. The ATAP 2021-2031 programme will invest around \$31.8 billion into critical transport infrastructure and services around Auckland.

Planned transport investment and supporting data (most likely scenario)

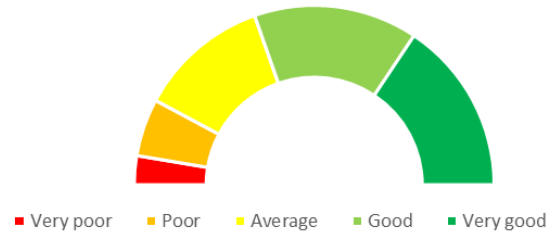
Asset data

Asset condition

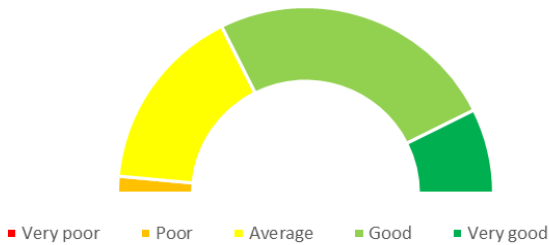
Bridges, walls and structures



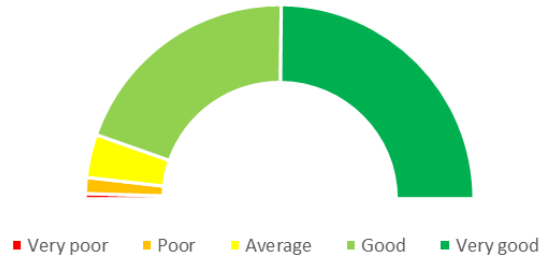
Road network



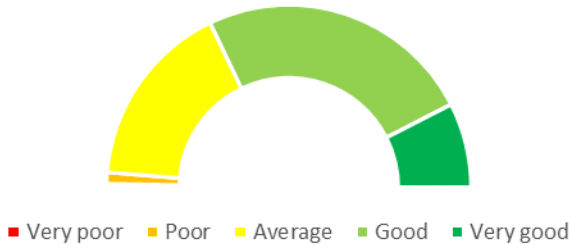
Footpaths and Cycleways



Public Transport

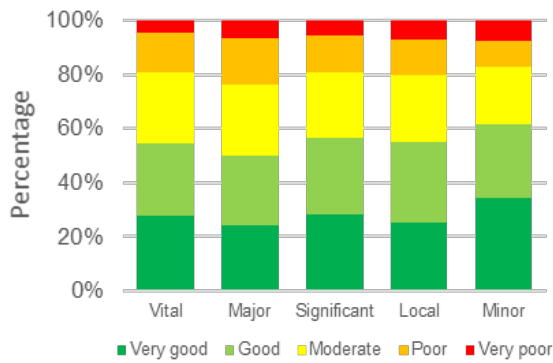


Catchpits, manholes and soakholes

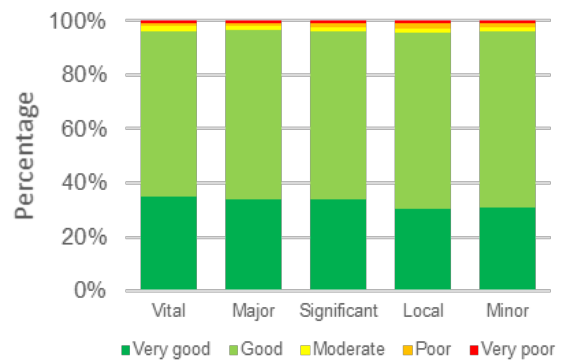


Condition data shows that AT's assets are mostly in average or above condition. The condition of transport assets is assessed through regular AT's inspections specific to the asset type. Each asset type has an intervention level based on a fit for purpose level of service. Since 2018, Auckland Transport has encountered rapid deterioration of road pavements in some areas, due to growth-related construction traffic, and heavy commercial vehicle usage – including heavier axle weights from double decker buses and electric buses.

Asset criticality



Pavement Surface and Base by Criticality



Footpath and Cycleways by Criticality

Auckland Transport inspects all critical assets and uses asset criticality alongside asset condition to prepare an asset risk framework. This methodology helps to rank assets from those most in need of intervention to those where no action is needed. It is rare for critical assets to fail as Auckland Transport regularly inspects its assets and takes action early to manage risk.

Auckland Transport also manages bridges and culverts that have both transport and stormwater functions that are critical. These major culverts and bridges are subject to preventive inspections every two years and are in good condition.

Data confidence and asset management maturity

Auckland Transport is considered to be between “intermediate and advanced” in its asset management maturity. Several audits have been completed by Waka Kotahi, the Road Efficiency Group and independent consultants to assess Auckland Transport Asset Management Plans and related processes. Auckland Transport has developed a comprehensive asset management improvement programme which is being implemented and will further enhance the maturity of Auckland Transport’s processes and responses.

Auckland Transport has a good level of data confidence as reflected by its assessment of major asset classes, however there is room for improvement to better inform investment planning. There is a high level of confidence in footpaths, cycleways and carriageways, and a medium level of confidence in bridges and retaining walls. Data for critical stormwater assets (bridges and culverts) is validated continually through two-yearly preventive inspections, while lower confidence levels in non-critical asset classes such as catchpits is not considered significant and low numbers of newly found assets are reported by our maintenance contractors.

Auckland Transport is committed to maturing its asset management practices as they relate to data and good-quality infrastructure services management. An Asset Management Investment Portfolio Steering Group has been established, led by the Executive General Manager, to oversee the measurable maturing of Auckland Transport’s asset management practices. Work is underway as part of Enterprise Asset Management to include systematic reporting of data completeness, quality, and timeliness.

The One Network Road Classification framework classifies New Zealand’s roads based on various factors (such as traffic volumes and connections to important destinations) and supports Auckland Transport to make its investment decisions and enable comparisons with other road controlling authorities.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section three (Whole of council responses to infrastructure issues) of the infrastructure strategy.

Transport Assumptions

The following section outlines the assumptions that are specific to managing our transport assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to transport, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

In the short term, COVID-19 creates uncertainty, for instance as it limits our ability to predict transport behaviour. COVID-19 is by far the most significant factor driving short run changes to AT's levels of service and we have already seen its impact on our public transport levels of service. However, the impact of COVID-19 is expected to be limited in duration and is therefore not considered highly uncertain for our long-term planning. Over the remainder of the first decade, a range of cost increases associated with providing public transport services and operating associated infrastructure will put the opex budget under pressure. Significant trade-off decisions will be required, and there is a risk that cost pressures will mean that Auckland Transport will not be able to deliver the improvements to public transport services that are needed to achieve policy outcomes.

Uncertainty in the assumptions that underpin infrastructure planning is acknowledged, however, the most likely scenario is outlined here. More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service assumptions

Performance measures	FY 2022- FY 2031	Expected trend to 2051
<i>Levels of service: We provide safe, high quality and efficient local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers</i>		
Year-on year change in the number of deaths and serious injuries on the local road network, expressed as a number	Reduce by at least 50 per year	↑ (ongoing reduction towards vision zero)
Average AM peak period lane productivity across 32 monitored arterial routes	Increasing from 30,000 (FY22) to 35,000 (FY31)	→
Proportion of the level 1A and 1B freight network operating at Level of Service C or better during the inter-peak	90% (FY22 onwards)	↓ (increasing congestion, especially on the motorways, is likely to lead to a projected decrease in LoS)
Percentage of key signalised intersections in urban centres where pedestrian delays are reduced during the interpeak period.	55% (FY22) increasing to 65% (from FY24)	↑
Number of cycle movements past 26 selected count sites	Increasing from 3.67 to 6.56m (FY21)	↑
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed rural roads	88% (FY22) improving to 92% (by FY31)	→

Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban roads	78% (FY22) improving to 81% (by FY31)	→
Percentage of the sealed local road network that is resurfaced	6.0% (FY22) increasing to 7% (FY23 onwards)	→
Percentage of footpaths in acceptable condition	95%	→
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes <i>Specified time frames are defined in Auckland Transport's customer service standards: one hour for emergencies, two days for incident investigation as a high priority, and three days for an incident investigation as a normal priority.</i>	85%	→
Proportion of road assets in acceptable condition	92% (FY22) increasing to 95% (by FY31)	→
Levels of service: We specify, contract for and promote public transport services and provide safe, high quality public transport infrastructure		
Total public transport boardings	82m (FY22) increasing to 154m (by FY31)	↑ (ongoing increase in total boardings)
The percentage of public transport trips that are punctual	96% (FY22) increasing to 97% (by FY31)	→
The percentage of passengers satisfied with public transport services	Remaining in the 85-87% range from FY22 – FY31.	↑
The percentage of the total public transport cost recovered through fares	30-34% (FY22) increasing to 48-51% (by FY31)	→
Percentage reduction of greenhouse gas emissions from Auckland Transport's assets* (baseline 2018/19) <i>*This includes emissions from activities such as electricity used in office spaces, staff travel for work, and the Auckland Transport's corporate fleet. Assets also include public transport facilities and trains.</i>	6% (FY22) increasing to 50% (by FY31)	→

Growth assumptions

Transport asset growth projections are consistent with projected population growth. It is acknowledged that forecast population growth cannot be met with expansion of the road network alone and a new approach is needed. In new growth areas, road infrastructure is provided by developers, however residents of these areas will still travel on arterial roads in the existing network, and options to expand the capacity of these key links are very limited.

Key demand metrics for 2019/2020 are impacted by COVID and therefore reflect steep decreases in transport demand during periods of lockdown. These demand metrics are not considered to reflect long-term trends and, therefore, have not been used in AMP forecasts. To support long-term planning, Auckland Transport assumes that total travel demand will increase in proportion to population, with freight demand increase in proportion to economic as well as population growth. Through ATAP, a regional transport approach has been developed and agreed that emphasises an expanded role for public transport, walking and cycling as travel choices, to offset the impact of growth. The additional assets consistent with dwelling growth in turn lead to consequential maintenance and operations costs, and in the long term will also impact renewal costs. This is also the case for Auckland's expanding public transport, walking and cycling networks.

Auckland's strategy for managing growth and demand, as set out in ATAP, emphasises improving the attractiveness of public transport, walking and cycling, and other choices, and reducing the proportion of journeys that are made by single occupant private vehicle. The ATAP strategy also aims to encourage more long journeys and freight trips to be made on the motorway network and on identified roads suitable for high volumes of traffic and for heavy vehicles, allowing for safer walking and cycling in areas with high place values. Demand management measures, such as road pricing, are also integral to optimising the existing network.

Management of asset lifecycle through our approach to renewals

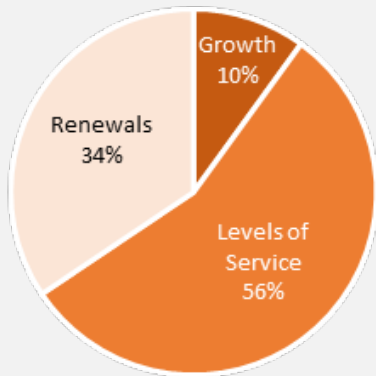
It is critical to invest adequately in transport asset renewals for public safety, to reduce risk of asset failure and to maintain levels of service. Auckland Transport's first priority is to maintain and renew the current network and deliver the necessary services on that network. Renewals costs continue to rise due to Auckland's expanding asset base.

Prioritisation according to the One Network Road Classification forms part of a comprehensive approach to renewals planning across the full transport asset portfolio, guided by national and international best practice. Auckland Transport maintains an inventory of all assets and uses criticality, condition, performance, and risk data to inform and optimise the renewals investment plan.

In general, transport assets are not allowed to "run to failure", because the risk of disruption and collateral damage when assets fail outweighs any potential cost saving from postponing asset renewals. Auckland Transport, therefore, replaces significant transport assets before they fail, based on an optimised renewals process. For some assets, it is appropriate to replace each asset at the end of its useful life, however, for other assets there are obvious benefits to replacing assets in a planned way. Renewal of non-critical Auckland Transport stormwater assets generally occurs at the same time as other roading renewals, or when asset failure occurs (for example, a catchpit lead was found to have been collapsed though maintenance).

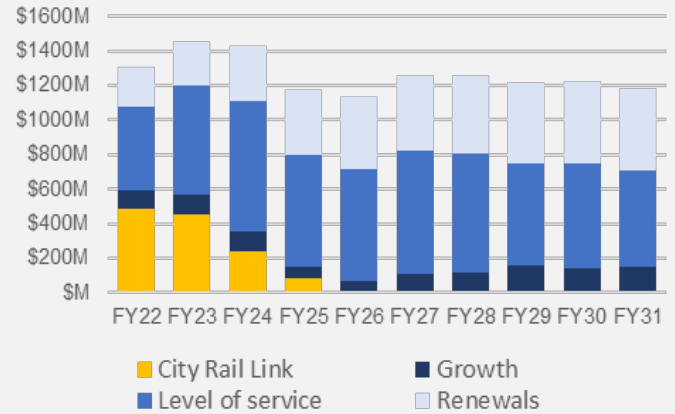
Investment years 1-10

Capital expenditure split



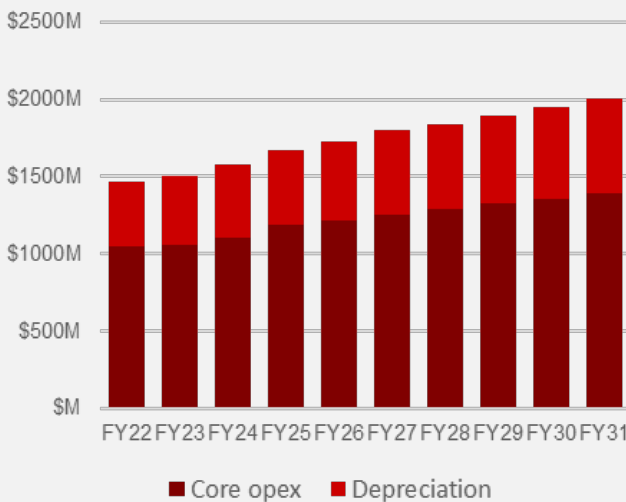
Improving service levels for Auckland's public transport infrastructure, roading and active mode infrastructure makes up the largest portion of Auckland Transport's 10-year investment at \$6.3 billion.

Capital Expenditure (\$m)



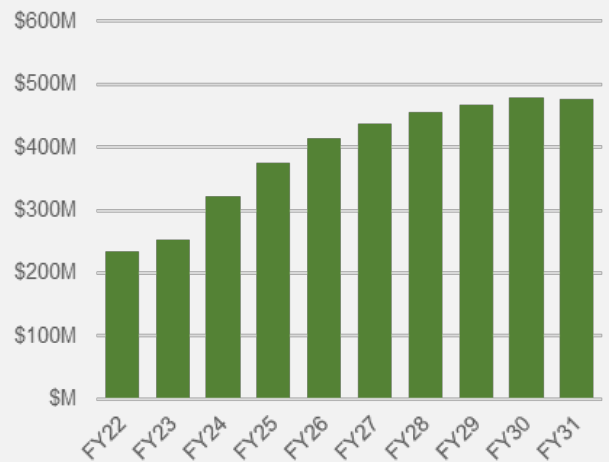
Auckland Transport will deliver around \$11.37 billion of capital investment over the next ten years in addition to council's remaining \$1.27 billion investment in CRL.

Operational Expenditure (\$m)



Opex budgets for transport increase over the decade to cater for population growth, increased cost of delivering public transport services and to operate new assets such as the CRL from 2024.

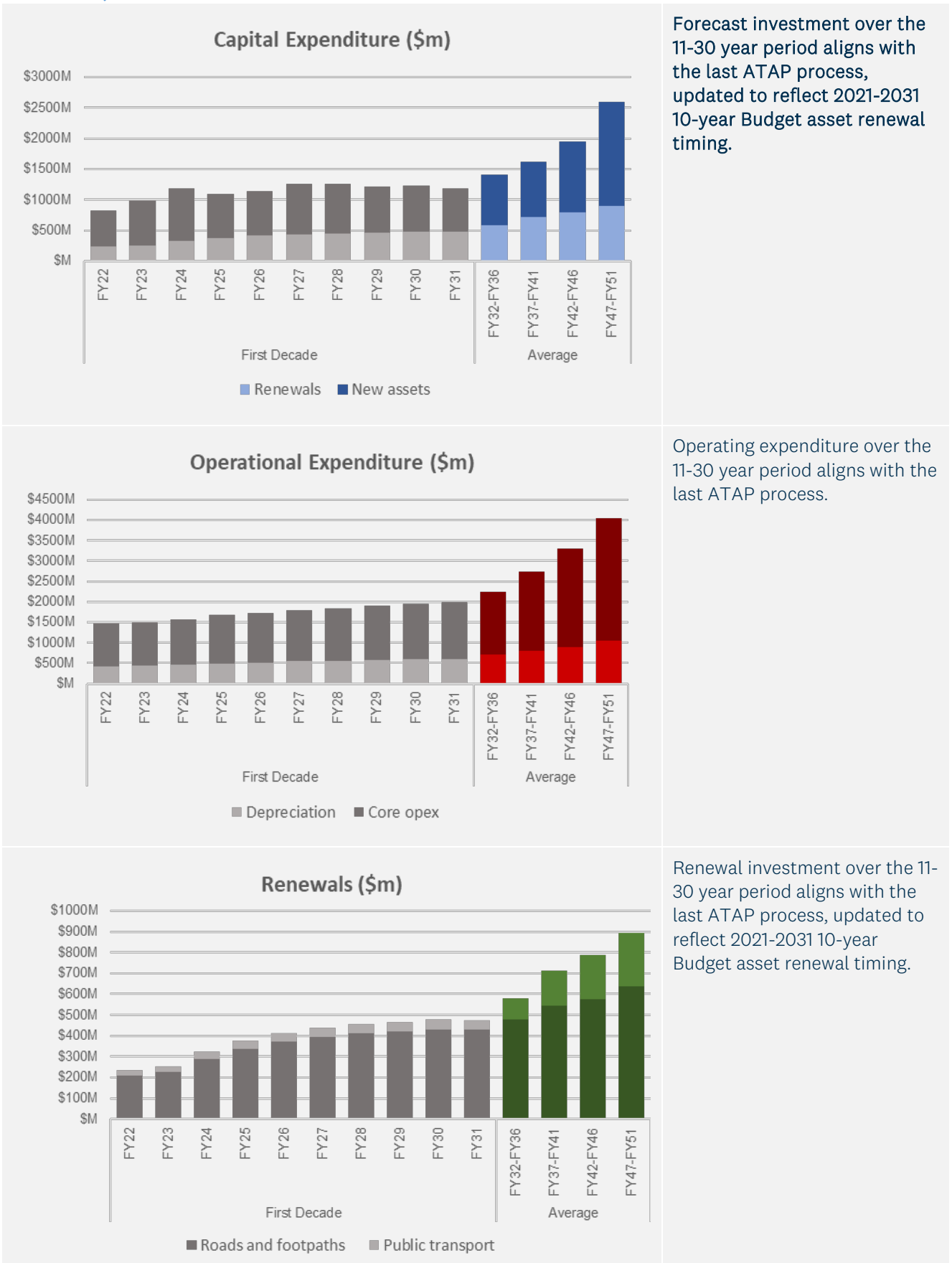
Renewals (\$m)



Auckland Transport is facing increased renewals requirements and associated costs. To address the asset renewals challenge, we will invest a total of \$3.9 billion in this LTP (compared to \$3.8 billion in the 2018 LTP).

Major projects/programmes (Year 1-10)	
Transport	\$millions
City Rail Link	1,272
Asset renewal programmes	3,931
Safety programme	657
Connected communities	310
Customer and business technology programme	353
Eastern Busway: Stages 2-4	866
On-going cycling programme	306
Rosedale and Constellation Bus Stations	59
Wynyard Quarter Integrated Road Programme	46
Downtown crossover bus facilities	220
Northwest SH16 Interim Bus Improvements (externally funded)	85
Lincoln road corridor improvements	106
Urban cycleways programme	139
Local board initiatives	200
CRL Day One - Rolling Stock Package	413

Investment years 11-30



Major projects/programmes (Year 11-30)

Transport capex

Public transport – new assets, including:

- Airport to botany
- Northern Busway Enhancements
- Northwestern Busway Enhancements
- Ongoing improvements to the rail networks
- Full electrification of bus network.

Public transport - renewals

Roads and footpaths – new assets, including:

- Continued investment in multi-modal arterial corridors in key growth areas
- Ongoing development of the cycle network
- Completion of the Connected Communities programme
- Ongoing safety investment.

Roads and footpaths – renewals

Growth investment - supporting the development of priority growth areas, including:

- the Auckland Housing Programme & Tamaki
- the north-west
- Drury



Three Waters

Water Supply	An interconnected system of built water network, treatment plants, natural environments and sources that delivers public health, safety, well-being and prosperity to Auckland.
Wastewater	A system of built wastewater network and treatment plants and that delivers public health, safety, well-being, prosperity, and environmental outcomes to Auckland.
Stormwater	A system of built stormwater network, natural waterways, overland flow paths, and coastal receiving environments that delivers public health and safety, property and infrastructure protection and environmental outcomes.

Asset Portfolio Overview

Asset categories and values¹¹

Water supply	\$4 billion	11 water supply dams	87 reservoirs
		16 water treatment plants	77 treated water pump stations
		9,426 km of treated water pipes	17 abstraction points (ground and surface)
		53,127 hydrants 104,071 valves	36 raw water aqueducts and tunnels
		450,636 water meters	259 small water supply sources + associated systems
Wastewater	\$5 billion	8,327 km of pipe	170,227 manholes
		18 wastewater treatment plants	528 wastewater pump stations
		359 small wastewater systems treatment facilities	
Stormwater	\$4.7 billion	6,300km of pipe	626 ponds and wetlands
		154,000 manholes	600 treatment devices
		115,000 catchpits – 6% owned by Auckland Council, a large percentage owned by Auckland Transport	2000 public soakholes – <5% owned by Auckland Council
		3,000 rain gardens and other water sensitive devices	
	>\$50 billion ¹²	Natural assets for stormwater conveyance, including, 16,650km of streams, 69,000km of overland flow paths, aquifers, 3,700 ha of freshwater wetlands	

Three Waters Infrastructure Portfolio
Assets are worth **\$15billion**
Depreciated by **\$315m** in 2020

¹¹ Auckland Council Annual Report 2019/20 2020 depreciation – Water supply \$111m, Wastewater \$144m, Stormwater \$60m.

¹² this is an estimate of the cost of built systems providing the stormwater conveyance services that our regions streams and water bodies currently provide. The replacement value (i.e. the cost to replace these natural assets with like-for-like assets if we lost them) has not been valued.

Operating context unique to this portfolio¹³

Our drinking water and wastewater services are largely provided through Auckland Council's delivery agency Watercare. Watercare is a Council Controlled Organisation and is a limited liability company with an independent board of directors. Watercare is funded through its own charges (connection and volumetric charges). These charges are set by the Watercare board. Watercare owns, operates and maintains all assets associated with these services. Auckland Councils rural customers manage their own water and wastewater needs.

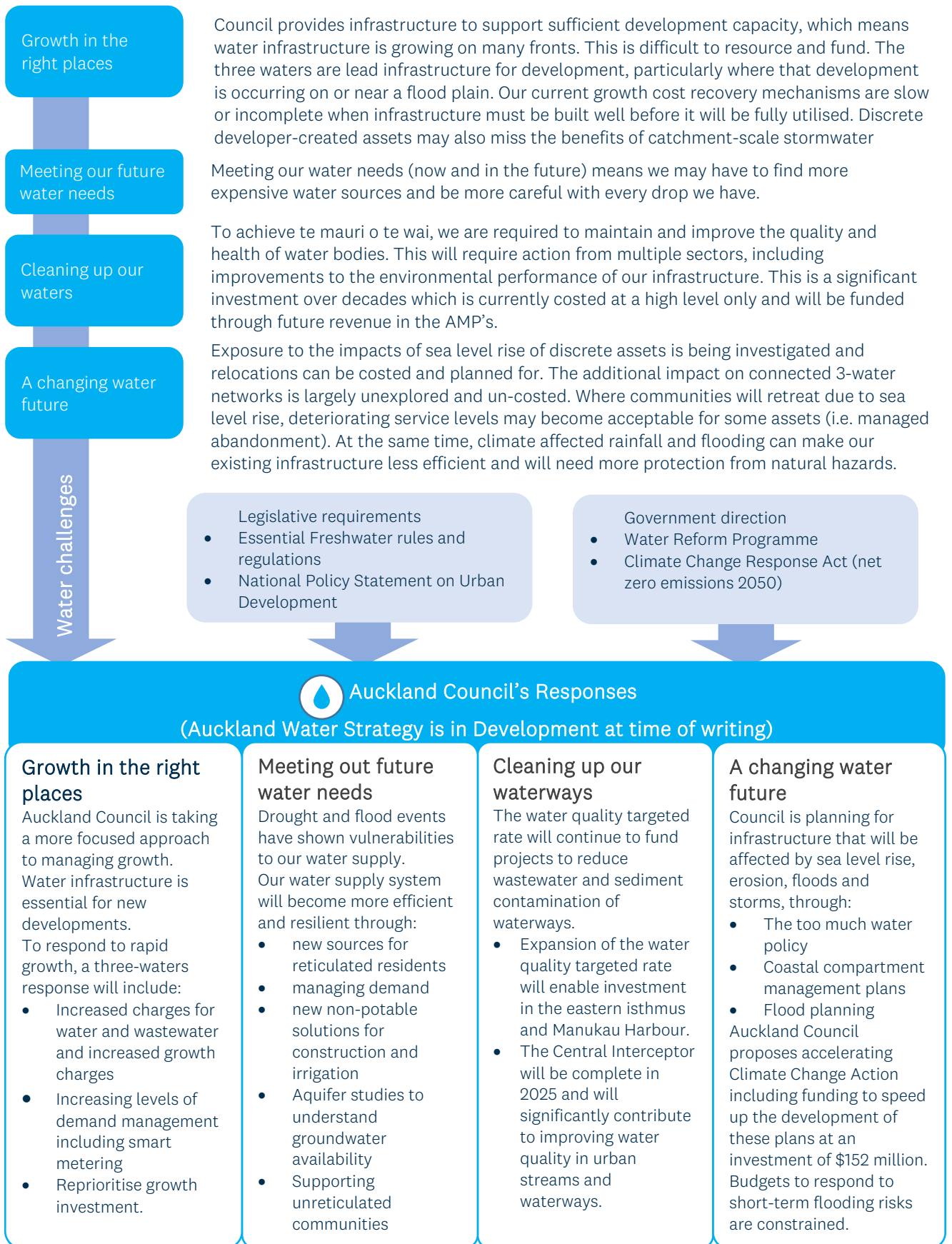
Auckland's stormwater systems are a connected network of built structures, natural waterways, overland flow paths, and coastal receiving environments. The system is managed by both Auckland Council's Healthy Waters department (the network collecting and treating stormwater runoff from properties, roads, parks and reserves) and by Auckland Transport (the network collecting and treating stormwater from road corridors and often discharging into the Healthy Waters network). For information on the Auckland Transport-managed stormwater assets, see the Transport section above.

Healthy Waters is our stormwater department delivering water quality, stormwater collection and conveyance, and flood management. Healthy Waters is funded through the general rate and a Water Quality Targeted Rate introduced in 2018. The integrated management of our water resource is essential to facing the issues identified in section two of this Infrastructure Strategy and was highlighted in the [three-waters value for money review](#) undertaken in 2017. A Water Strategy for Auckland is in development which will include targets and require reporting of performance.

Significant water reforms are being progressed through central government and will impact on the management and funding of Water Services. The impact of these reforms is excluded from our infrastructure planning as they are not yet known.

¹³ The Watercare asset management plan (AMP) for contains more detail on Auckland's major water and wastewater assets. It will be available on Watercare's website from mid-2021.

Three waters specific challenges and responses



Three waters responses to big infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.



Climate change

- Mitigation: Watercare has a climate change strategy and have committed to a 45 per cent reduction in operational emissions by 2030 and a 40 per cent reduction in built emissions (from baseline) for the whole 10 year capital works programme.
- Mitigation: Healthy Waters is developing a carbon portal and will be establishing reduction targets.
- Mitigation: Watercare are working towards energy neutrality at the Mangere and Rosedale WWTPs.
- Adaptation: Healthy Waters and Watercare are working together to improve modelling of climate affected rainfall, which will be key in planning for flooding and water supply resilience.
- Adaptation: Identification and early costing underway of discrete assets (such as wastewater treatment plants) and parts of networks will be affected by sea level rise. This may be through inundation or through salination or groundwater levels rising. For example, Mangere WWTP is planned to be protected from sea level rise.
- Adaptation: Retreat discussions for affected communities are likely to be triggered by consent renewals for assets that will need to consider adaptation over the period of the renewed consent (i.e. 35 years).
- Adaptation: Healthy Waters programme to manage climate-affected inland flooding by improving urban stream resilience (erosion prevention and pulling networks above ground by stream daylighting).
- Example investments (10-year total):

Water supply resilience	
Waikato A WTP	\$239m
North Harbour 2 Watermain	\$361m
Waikato 2 Watermain	\$263m
Helensville (Water Source and capacity upgrade)	\$59m
Orewa 3 Watermain	\$204m



Hazards

- Auckland Council has a Natural Hazard Risk Management Action Plan which includes the impacts of hazards on our water assets and better incorporating the consideration of natural hazards risk into asset planning.
- Our water and wastewater asset managers have response plans for volcanic events, seismic events, and tsunamis. Watercare undertook an insurance evaluation of our assets in 2017 to help assess the financial implications of these major event types.
- The nature of the stormwater network (catchment based and based on natural landform) is resilient to geological hazards as water can be conveyed via overland flows.
- Non-natural hazards are well incorporated in our water and wastewater planning due to a focus on cyber security and physical security. For stormwater assets this is part of plans for asset management improvement.
- Possible asset failure is addressed through emergency management and contingency planning, which includes incident management plans for critical assets that align with Council's crisis management plan, pandemic response plans and the Auckland Engineering Lifelines Group Civil Defence Response Plans.

- Too much water policy is in development and will provide and adaptive management basis for response to too much water, including flooding, coastal inundation and associated coastal erosion.
- Hazards and development can be conflicting pressures. Healthy Waters provide regular input into development regulation with regard to flood hazards. Healthy Waters will also contribute to review of flood hazard provisions for future amendments in the Auckland Unitary Plan.
- Example investments (10-year total):

Flood hazard management	
Ports of Auckland Outfall Upgrade	\$39m
Wolverton Street Culverts Upgrade	\$11m
East Tamaki Dam Upgrade	\$7m
Catchment & Asset Planning programme budget (In-house)	\$119m
Central Auckland stormwater and wastewater catchment management plan (Model Build)	\$10m



Growth

- Our three-waters networks are growing in response to an expanding urban area and more extreme rainfall events. Regulatory improvements are planned to limit the flood hazard caused by growth or that new development is exposed to.
- The uncertainty associated with growth pressures presents a challenge for water infrastructure planning. Growth responses are therefore a combination of planned increases in capacity, capacity added while undertaking other projects (for examples renewals) and planning that is reactive to growth pressures in priority areas.
- Water supply demand management reduces the energy and emissions associated with the treatment and conveyance of drinking water. This also has a positive impact on reducing wastewater volumes however reducing inflow and infiltration is the biggest impact on demand for wastewater services. Demand management will continue to be a focus through the development of the Water Strategy.
- The Western Isthmus water quality improvement (funded via the Water Quality Targeted Rate) and the associated Central Interceptor project together provide for both water quality and growth capacity outcomes.
- A focussed approach to growth will support coordinated development and growth outcomes, potentially including efficient delivery of lead infrastructure to enable development and avoidance of development in risk areas, such as hazard zones. A focussed approach to growth means that key areas of development will proceed but with reduced opportunity for optimised, catchment-wide, stormwater solutions. Water supply and wastewater solutions being delivered now may have a slower than planned uptake in capacity, which increases the opex of those assets.



Equity

- Healthy Waters has begun to use a social procurement approach on some larger projects through its sustainable outcomes toolkit. This approach has enabled the delivery of social outcomes in addition to stormwater and environmental outcomes, including enabling 38 people to come off benefits and into sustainable work with Council's contractors in the year from July 2019.
- A portion of renewal and maintenance work is undertaken reactively in response to service requests from the public that come through the council's customer service centres. This has the potential to create inequalities as better resourced communities often have louder voices in reporting issues. We also undertake proactive renewals and maintenance that is guided by risk assessment, modelling, and monitoring. Outcomes of this are linked to Levels of Service.
- The Water Quality Targeted Rate continues to invest in improvements in the western isthmus, where the most significant sewer overflows in the region affect the Waitemata Harbour. The balance of the rate is shared throughout the rest of the region, focusing on high-impact, low-cost initiatives in order to deliver benefits across the region. An extended and increased scope

of the WQTR, included in this Long-term Plan, will enable accelerated investment in other problem areas such as the Eastern Isthmus and the Southern Catchments, benefitting the Manukau harbour and Tamaki Estuary.

- Water and wastewater charges will increase in order to deliver these services. The fundamental need for water and wastewater services has been balanced with affordability of these services in order to identify a fair pricing increase.



Funding

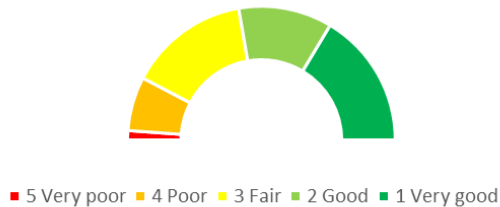
- The Water Quality Targeted Rate supports and ring fences funding for the delivery of water quality improvements with a focus on the Western Isthmus of the region. The extension and increase of the rate included in this Long-term Plan enables investment in additional catchments. Healthy Waters' planning over 30 years includes continuation of this funding base to support our response to the National Policy Statement on Freshwater Management.
- Alternative funding sources from stakeholders and partners are being investigated, for example through the Ministry for the Environment or private initiatives.
- Planned increases to water and wastewater charges, and to Watercare's Infrastructure Growth Charges, in addition to debt increases, will support the Watercare capex programme.

Planned water investment and supporting data (most likely scenario)

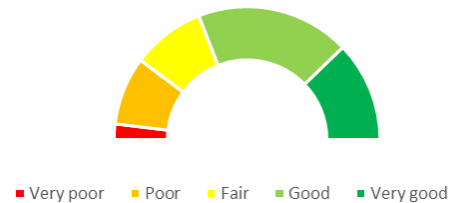
Asset data

Asset condition

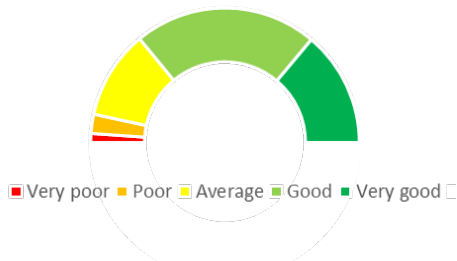
Water pipe asset
Water pipe condition (by age based criteria)
% of total pipeline length



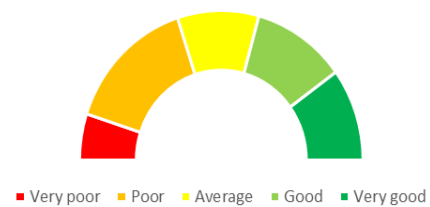
Wastewater pipe asset
Wastewater pipe condition (by age based criteria)
% of total pipeline length



Stormwater pipe asset



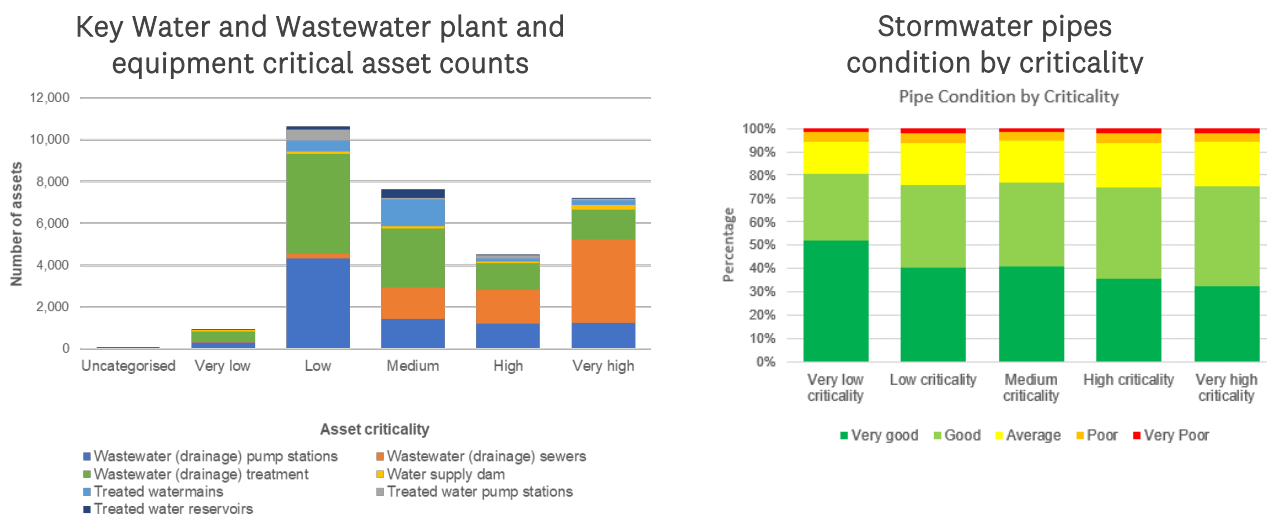
Stormwater pond asset



Our water and wastewater transmission assets are in good condition. The local network water and wastewater assets are not currently actively monitored. The reason for this is we currently use a run to failure replacement approach so that the assets have to physically fail three times within a 12 month period to get replaced. We don't proactively replace local assets. This approach is changing, and a more detailed monitoring programme will be initiated to support the replacement programme (see further detail below under the heading 'management of water asset lifecycle through our approach to renewals').

The pipe network is the backbone of the stormwater conveyance system. These pipe assets are in very good condition. Ponds are the main means for removing pollutants from the stormwater runoff. The higher percentage of ponds in poor condition results from poor sediment management during building activities. We are addressing this issue through better regulation and monitoring practices; it is also recognised in the stormwater pond rehabilitation programme.

Asset criticality



Watercare are transitioning and developing their asset data management system for water and wastewater assets, and therefore, asset data showing condition against criticality are not currently available. Watercare do assess condition of their critical pipeline assets and significant plant and equipment assets and have proactive maintenance schedules and detailed renewal planning specific to each type of asset. Therefore, the unavailability of asset data mentioned above is not considered to have an impact on uncertainty of the most likely scenario. Significant plant and equipment include treatment plants, pump stations, dams, reservoirs and transmission pipelines for which the number of assets in each category are shown above.

Stormwater systems have the potential to endanger public safety and the environment when they fail. We call this potential “asset criticality” and rate it between 1 (very low) to 5 (very high).

Stormwater asset criticality concepts are outlined in the Healthy Waters Asset Risk Strategy 2019 and earlier Healthy Waters Asset Criticality Framework 2015. Critical assets/system elements are those with criticality rating of 4 and 5. They are a subject to special monitoring and renewal strategies. Noncritical assets are run to failure – they are repaired when they fail, or are renewed if it is uneconomical to repair (reactive renewals).

For significant asset classes, pipes and ponds, we maintain asset criticality models and identify critical assets (manholes located on critical pipes are also critical). For example, 18 per cent of our pipes have been identified as critical, along with 100 per cent of our ponds, and 20 per cent of manholes. Catchpits, soakholes and treatment devices are of lower criticality as individual asset failure are unlikely to have significant consequences.

Auckland Transport and Auckland Council are working collaboratively to align and optimise risk and renewal strategies around stormwater assets.

Asset data confidence

Assessing asset data quality through a data confidence rating has been done for our water and wastewater assets. Due to a system migration issue that data is not currently available. This is an area for improvement, with the intention of connecting the old data quality assessments to the new asset data system and migrating it across in time.

The condition of stormwater assets is well understood, especially for pipes and ponds. These are monitored through established condition survey and inspection programs. Stormwater data is of good quality and completeness. Data for critical assets is validated continually through the preventive inspections that we carry out periodically. Critical pipes are inspected in accordance with the Healthy Waters Condition Monitoring Framework and ponds are subject to monthly operational inspections.

Additionally, Healthy Waters has a high level of confidence in the asset data collected since 2015. This level of confidence followed a policy change for recording and improving data quality and includes pipes, connections, manholes and catchpits. A programme of data improvement is underway based on the criticality of the assets, and on this basis data confidence and associated renewals forecasting will continue to improve.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section three (Whole of council responses to infrastructure issues) of the infrastructure strategy.

Water Assumptions

The following section outlines the assumptions that are specific to managing our water assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to water, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

There is some uncertainty about levels of service in the coming decades due to planned water reform and increasing regulation, and the NPS-FM . More details are provided below the table. However, these levels of service are unlikely to vary significantly from the current levels of service. If anything, the indication is that the levels of service will increase and result in pressure for greater investment. The most likely set of levels of service and performance measures are set out here.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service assumptions

Performance measures	FY 2022- FY 2031	Expected trend to 2051
Water Supply		
<i>Levels of Service Statement: We provide Aucklanders with a reliable supply of safe water</i>		
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	→
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	→
Compliance with the New Zealand Drinking Water Standards from its Small Waters 'network' systems measured by the number of non-compliance notices received from the Drinking Water Regulator	0	→
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	≤60mins	→
Median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	≤5 hours	
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	≤5 days	→
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)	≤6 days	→
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	≤10	→

Performance measures	FY 2022- FY 2031	Expected trend to 2051
The percentage of real water loss from the local authority's networked reticulation system	≤13%	→ (see notes below)
The average consumption of drinking water per day per resident within the territorial authority district (litres)	260 litres reducing to 247 litres by FY2031	↑ (target is <225 litres by FY2051)
Wastewater		
<i>Levels of Service Statement: We collect and treat Auckland's waste water in a safe and sustainable way</i>		
The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	≤5	→
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	a) ≤2 b) ≤2 c) ≤2 d) 0	→
Compliance with the territorial authority's resource consents for discharge from its Small Waters onsite wastewater systems measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	a) ≤3 b) ≤3 c) ≤3 d) 0	→
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	≤60mins	→
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	≤5hours	→
The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system	≤50	→
Stormwater		
<i>Levels of Service Statement: We manage our harbours and waterways through sustainable management of the stormwater network</i>		
Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices; b) infringement notices; c) enforcement orders; d) convictions; received in relation those resource consents	0	→

Performance measures	FY 2022- FY 2031	Expected trend to 2051
<i>Levels of Service Statement: We manage the stormwater network to minimise the risks of flooding to Aucklanders</i>		
The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	< 3 per 1000 properties	→
The percentage of response time during storms to close stormwater manholes within three hours	90%	→
The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network	< 1 per 1000 properties	→
The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site (hours)	< 2 hours	→
<i>Levels of Service Statement: We provide safe water quality at beaches and coastal areas for recreation (Auckland swimmability Index)</i>		
The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April) ¹⁴	Increasing from 81% to 90% by FY31	↑ (increased swimmability)

Specific possible changes to levels of service include introducing targets for drinking water demand management, water quality and flooding. These will be developed following the 2021-2031 10-year Budget as part of on-going policy work (both national and regional).

Increasing the level of service for network water losses to 11% (or the economic level of leakage which is in development during 2021) and average consumption of drinking water per day per resident (gross per capita consumption) to 225 L/p/day by 2050, has been adopted by Auckland Council and will form part of the Water Strategy. These targets have been reflected in the performance measures for the 10-year Budget and above for 2050. Note that residential consumption targets have also been adopted as part of the Water Strategy of 155 L/p/day by 2030 and 130 L/p/day by 2050.

Key stormwater investment programmes associated with water quality and flood management support the achievement of Auckland's stormwater performance measures in the medium to long-term. However, reduced levels of investment in the first years of this strategy (due to COVID-related financial constraints) may challenge our ability to meet some targets.

Growth assumptions

Water infrastructure follows the growth assumptions and requirements set at a Council group level (See section two: Growth issue). Growth and development does, however, present in different ways for each of the three-waters:

Water supply	Additional connections are provided for new dwellings built in areas of Auckland serviced by Watercare's drinking water network. Demand is managed through education to reduce water wastage in homes and businesses. This was shown to be effective through the drought response to manage demand.
Wastewater	Additional wastewater connections are provided for new dwellings in areas of Auckland serviced by Watercare's wastewater networks, and where downstream capacity exists. Demand management is provided via reducing surface water entering the wastewater network (illegal connections and overland flow path management).
Stormwater	The Auckland Unitary Plan regulates the development of additional impervious surface and mitigation of flood impacts.

Rainwater tanks can have multiple benefits of reducing peak stormwater flow volumes, supplement water use and increasing resilience to natural hazards, particularly if they are combined rainwater/stormwater tanks designed to Auckland council design standards (GD01). Auckland Council has worked to smooth regulatory barriers to installing rainwater tanks (resource consent fees have temporarily been removed).

Management of asset lifecycle through our approach to renewals

Water supply and wastewater

There are a significant proportion of water and wastewater pipe assets hitting 60 years old due to the expansion of Auckland in the 1960's. The pipe material used at that time (asbestos cement) is prone to sudden failure as it ages. Our increased investment in asset renewals is aimed at reducing the risk of asset failures associated with these assets.

Asset age is currently used to guide replacement for the majority of our pipe assets. Our more complex critical assets use things like physical monitoring and sample testing to predict end of life and determine optimum maintenance strategies.

Our previous strategy of renewal of our critical transmission assets by condition information and run-to-failure of network assets is being reassessed. The approach to renewals for our water and wastewater network assets is changing.

Our reactive maintenance cost has been two to three times more than our planned maintenance budget and we have had our renewals approach reviewed. The review suggested a proactive approach to network assets would require an investment level for renewals estimated to be around \$300 million per year on average. A more detailed monitoring programme to support the replacement programme will be initiated.

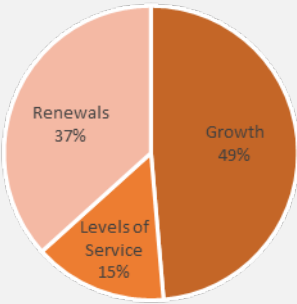
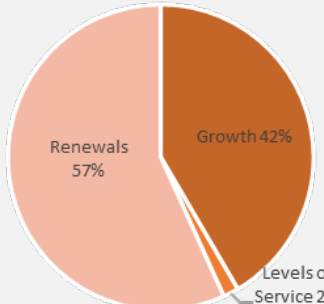
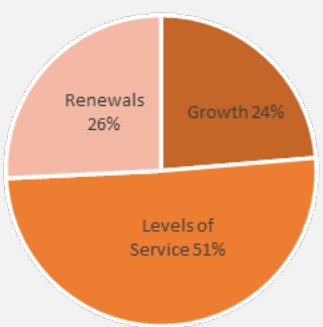
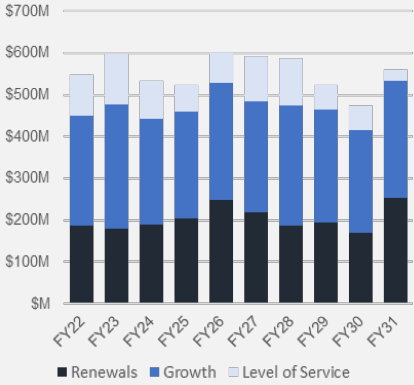
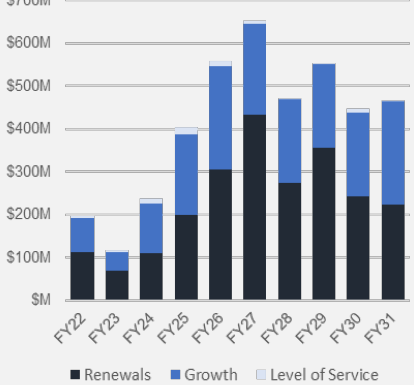
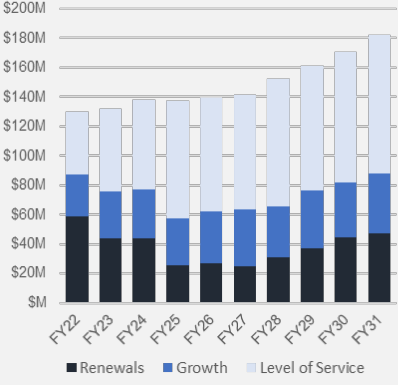
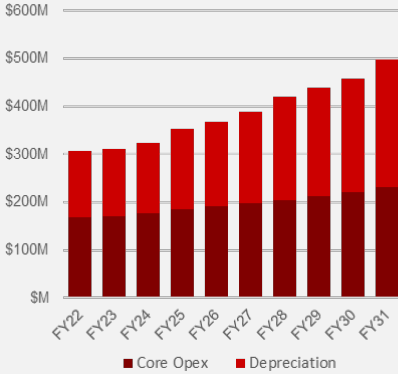
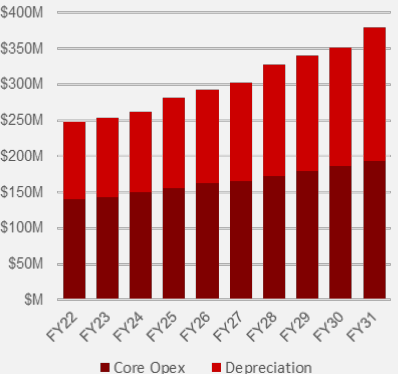
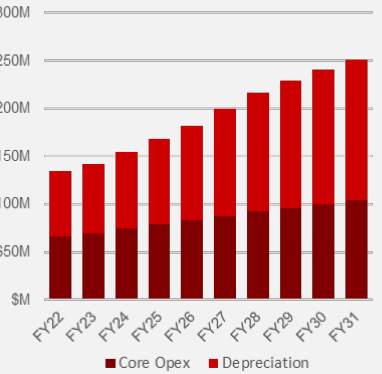
Stormwater

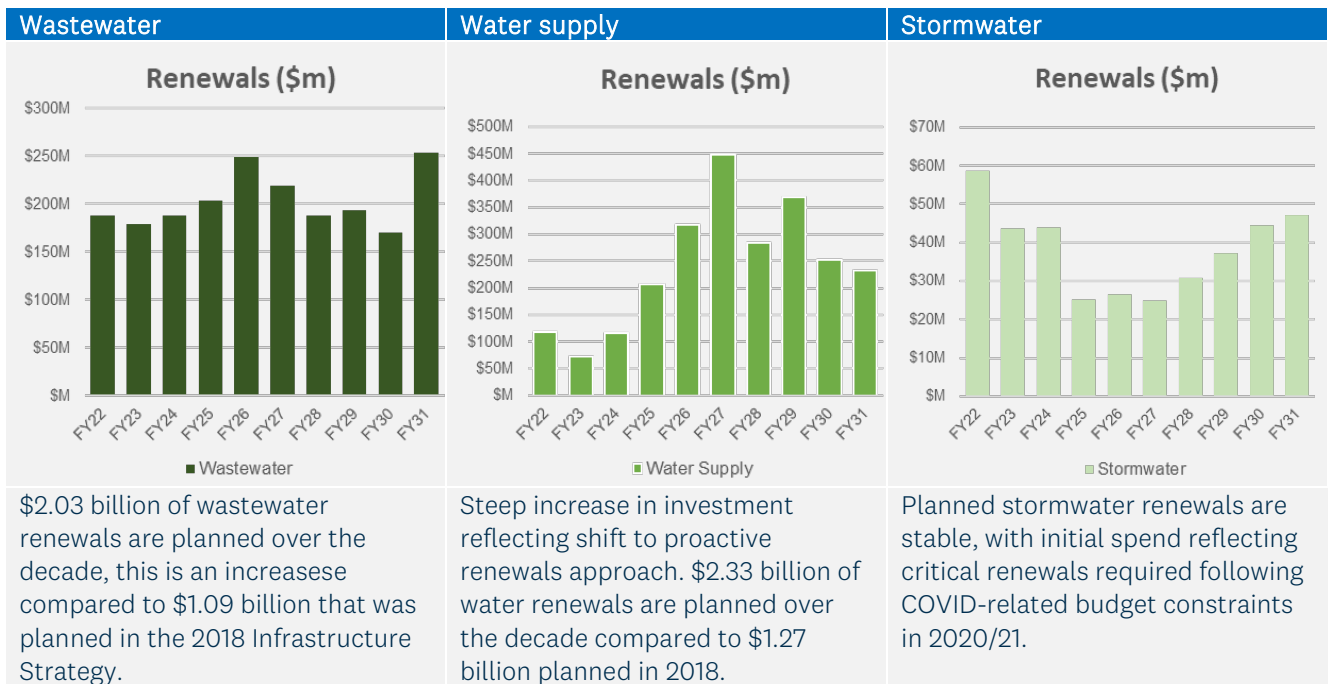
The stormwater renewals programme planned in the 10-year Budget is built upon the understanding of assets set out above. Stormwater assets are well understood, with a particular focus of monitoring on those most critical assets (high and very high criticality assets). Asset data then supports planning for renewal of critical assets in accordance with the Asset Risk Strategy 2019.

Our renewals strategy acknowledges that stormwater assets can typically perform even in poor condition. Renewal of critical assets is planned, while non-critical assets are run-to-failure unless part of a larger renewals solution.

Auckland's stormwater systems are young (70 per cent of pipes are less than 30 years old). Best practice stormwater solutions are also constantly changing. This means that the Council holds a varied asset base and continual monitoring and modelling of our stormwater assets is a focus of renewals planning in order to predict deterioration.

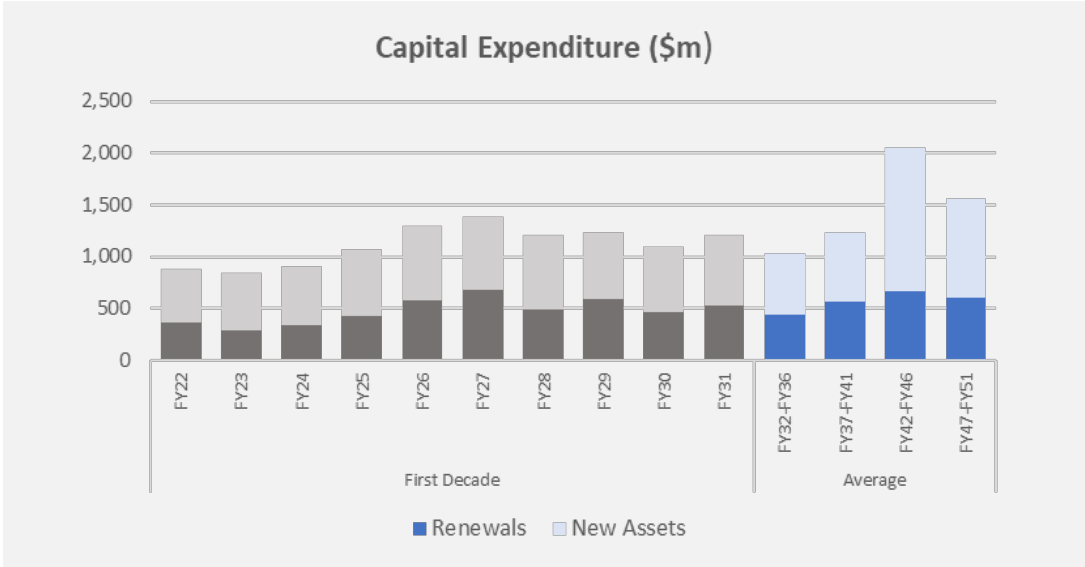
Investment years 1-10

Wastewater	Water supply	Stormwater
<p>Capital expenditure split</p> 	<p>Capital expenditure split</p> 	<p>Capital expenditure split</p> 
<p>Capital Expenditure (\$m)</p> 	<p>Capital Expenditure (\$m)</p> 	<p>Capital Expenditure (\$m)</p> 
<p>Total capex and growth/renewals/LoS split remain stable, with small variations largely relating to projects scheduled. \$5.5 billion wastewater capex will be delivered over the decade.</p>	<p>Large increase in water supply capex projected, linked to the shift to a proactive renewals approach. \$4.1 billion water supply capex will be delivered over the decade.</p>	<p>Stormwater capex grows steadily, reflecting increasing investment in LoS, such as targeted water quality improvements. \$1.5 billion stormwater capex will be delivered over the decade.</p>
<p>Operational Expenditure (\$m)</p> 	<p>Operational Expenditure (\$m)</p> 	<p>Operational Expenditure (\$m)</p> 
<p>Steadily increasing opex trends reflect growth in population and the infrastructure required to service that community along with increasing pressures on the ageing infrastructure e.g. from climate related weather and ground conditions.</p>		

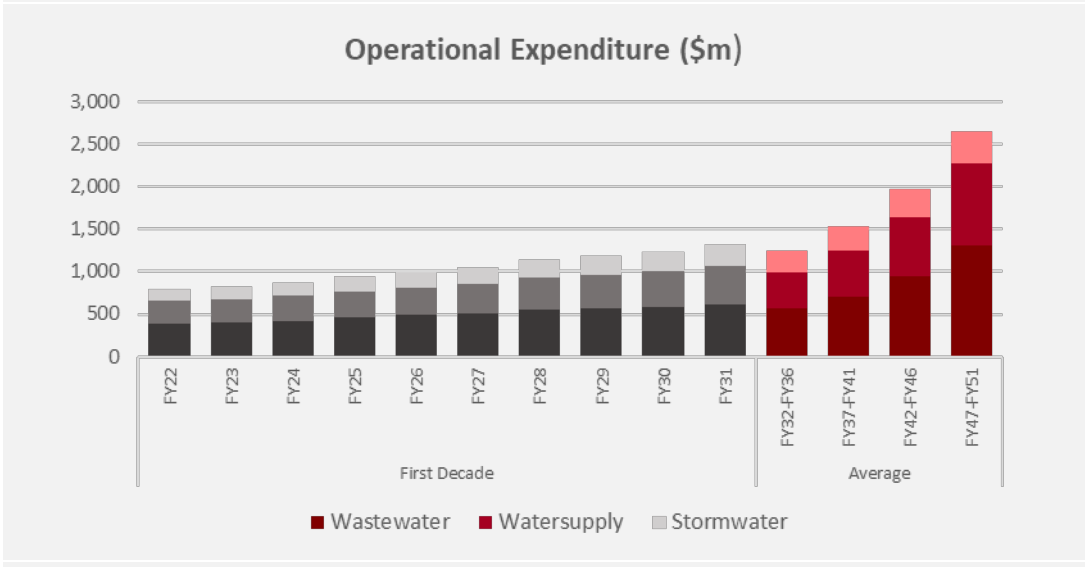


Major Projects/Programmes (Years 1-10)		
Wastewater	Water supply	Stormwater
Central interceptor (\$822 million)	Huia Water treatment plant (\$288 million)	Water quality infrastructure and support (funded by the targeted rate) \$436 million
Rosedale wastewater treatment plant capacity upgrade (\$204 million)	North Harbour 2 watermain (\$361 million)	Small water and wastewater \$35 million
North East Sub-regional wastewater servicing (\$233 million)	Waikato A water treatment plant (\$239 million)	Environmental protection (\$30 million)
South West Sub-regional wastewater servicing (\$218 million)	Orewa 3 Watermain (\$204 million)	Supporting and informing growth, including the Auckland Housing programme from year 4 (\$330 million)
Mangere wastewater treatment plant capacity upgrade (\$338 million)	Tamaki Regeneration and Kainga Ora Water Network Upgrades (\$144m)	Flood protection (\$247 million)
Southern Interceptor Augmentation (\$216 million)	Hunua No. 1 replacement (\$115 million)	Asset renewals (\$354 million)
Western Isthmus Programme (\$436 million)	Smart meter roll out for all connections (residential and commercial by 2034)	

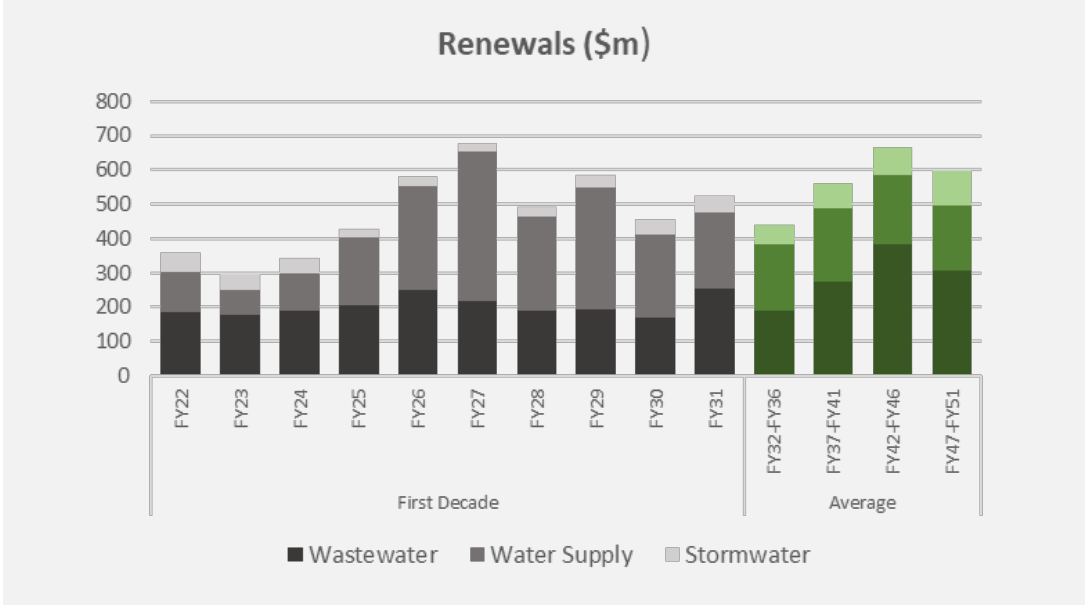
Investment years 11-30



Capital expenditure is expected to remain relatively steady in years 11-30, with a notable increase in the 2043-47 period due to the scheduled addition of the next water source.



A proactive approach to investment in renewals over the first decade is expected to result in the opex savings seen in the FY32-36 period.



Renewals investment is generally cyclical and linked to an increasing asset base. In the outer years of this strategy an increased investment in wastewater reflects challenges to several treatment plants along with consent triggers.

Major Projects/Programmes (Years 11-30)		
Water supply	Wastewater	Stormwater
Mangere WWTP catchment decade two	Waikato 2 watermain decade two	SW to support growth
Mangere sea level rise protection decade two	Ardmore WTP upgrades decade three	Flood protection
Mangere WWTP BNR 2 decade two	Reservoir storage capacity decade two	Renewals (deterioration modelling shows steep increase in SW renewals after 2051, but this data contains a high level of uncertainty)
Army bay WWTP catchment decade two	Future water source decade three	Water quality
Pukekohe WWTP catchment decade two		

Growth investment - supporting the development of priority growth areas, including:

- the Auckland Housing Programme & Tamaki
- the north-west
- Drury.



Community

Community infrastructure supports the essential services in helping people to participate in society, promote health and wellbeing and create a sense of belonging.

Asset Portfolio Overview

Asset categories and values

Land	\$8b	500,000ha of land provides the physical building platforms and spaces to deliver our services
Buildings	\$1.6b	2492 buildings provide the physical built space
Built structure	\$2.9b	7417 built structures help deliver our services (carparks, lighting, retaining walls, drainage etc.)
Green assets	\$n/a	Ngahere (forest), wai (water) and other natural features which are located in our parks networks and streetscapes
Collections	\$222m	Broad range of collections including heritage and cultural assets, botanical collections and public art
Plant & equipment	\$42m	642,000 assets required for our buildings and open spaces to function and operate
Technology platforms	\$259m	Provides the platform for alternative service delivery as well as enhancing our existing services

Community Infrastructure Portfolio

Assets are worth **\$13 billion**

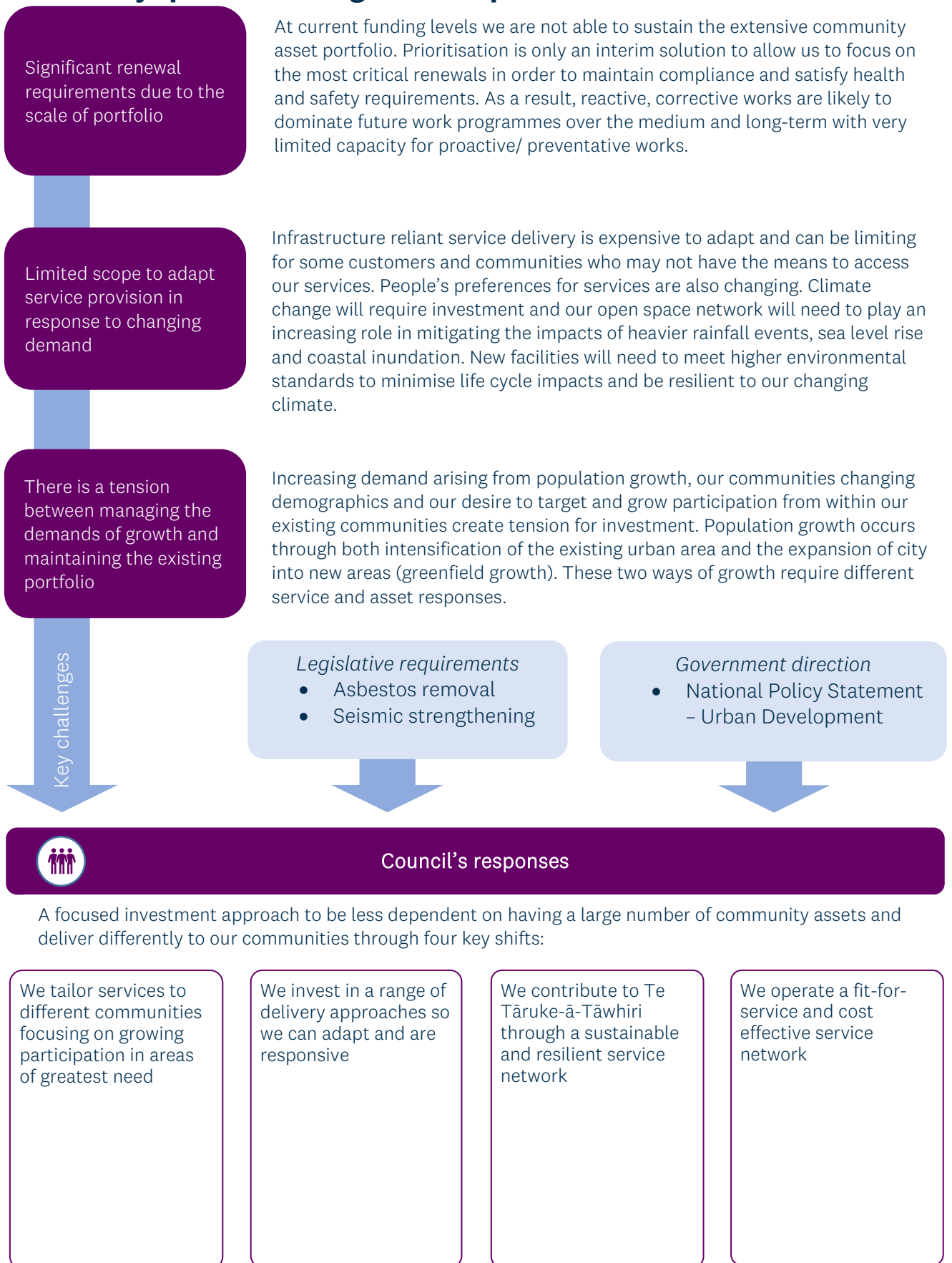
Community assets are used to deliver regional and local community services including active recreation, arts and culture, cemeteries and crematoria, community places, libraries and parks.

Operating context unique to this portfolio

Auckland Council owns and operates a large and aging community asset portfolio, inherited from the amalgamation of legacy councils. As the portfolio of assets has grown over time, so too has the level of funding needed to support the portfolio. Council needs to fund both initial capital investment and ongoing operational costs to maintain the portfolio. Limited funding, an aging community asset portfolio and Auckland's population growth has put the community facilities portfolio under pressure, requiring prioritisation resulting in deferred investment.

Auckland Council operates within a shared governance framework where the Governing body makes decisions on asset provisions and assets that are delivered at a regional scale and Local Boards approve local services work programmes from their allocated capital expenditure, initiate Locally Driven Initiatives (LDI) and set local operating budgets (operational funds).

Community specific challenges and responses



Community responses to key infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.



Climate change

- Community has assets located on coastal land currently used for recreation which will need to be offset with other recreation land/solutions in the future.
- The community portfolio will contribute to Te Tāruke-ā-Tāwhiri through a shift to a sustainable and resilient service network.
- Shifting from a predominantly asset-based network will better support carbon neutral targets and there is an opportunity to selectively decommission the poorest performing assets.
- Specific financial investment will be needed to deliver significant change to retained assets/ services that are currently performing poorly in relation to climate impacts and carbon neutral targets (e.g. boiler replacement).
- Higher standards against sustainability for all new buildings in the community portfolio is being considered.
- Climate change implications are documented for new assets and coastal assets, in coastal inundation and flooding areas. For existing non-coastal assets, climate change implications haven't been assessed.
- Buildings and developments with green certifications have considered the implications of climate change to a greater degree.
- We intend to enhance our understanding of impacts over time focusing on those assets most at risk and their criticality to the network.



Hazards

Of the asset portfolio, land, buildings and built structures are most likely to be subject to natural hazards which may cause asset damage and disruption to service provision. There will be an increasing need for buildings/built structures to be upgraded or remediated to be more resilient to natural hazards.

- A mitigation plan will be developed for frequent events in accordance with climate change adaptation response.
- There may be an increasing need for community facilities to act as temporary community emergency hubs/ civil defence centres following a civil emergency.
- There may be increasing pressure for community assets such as sports fields and public open space to mitigate against effects of climate change and natural hazards such as flood mitigation which would be disruptive to our communities
- For less frequent events such as earthquakes, this will be addressed through the seismic work programme. Priority remedial work is considered and reflected in renewal and growth planning, particularly at a project level.
- The programme to develop local parks management plans for each local board recognises the Coastal Compartment Management Plan direction where available.
- Shifting from a predominately asset-based network will provide greater resilience to our overall service network.
- Continuing need to support communities and build community resilience and connectedness so they are best placed to cope with any disruptive events/ stressors in the future.



Growth

Auckland continues to grow and so does the communities' expectation of access to community infrastructure and services. There is a significant increase in the number of customers using our online services.

- Providing facilities proximate to new and intensified growth areas, given increasing land supply constraints and competition for other land use activities, is resulting in increasing costs for community land purchase.
- There is a need to prioritise provision where investment can have the biggest impact, or return on investment, with regards to growth and gaps in community provision.
- Investing in services and assets that provide for future growth demand need to be more flexible and responsive to future-proof for differing customer preferences.
- Community buildings and built structures are often the last infrastructure provided to support growth.
- Continued planning with partners such as Kainga Ora is recommended, to minimise duplication and maximise effectiveness of spend.



Equity

- Ensuring all Aucklanders have equitable opportunities to participate requires a shift to tailoring services to different communities and focusing on growing participation in areas of greatest needs.
- A growth in inequity among Māori and Pacific communities makes social cohesion and resilience a driver for change.
- The Governance Framework Review looks at different levers to address equity of services levels and funding.
- Service plans provide local boards with information and advice to make decisions on local levels of service. They incorporate assessments of equity and social outcomes and often detail opportunities for improvement of both local and/or regional outcomes.
- Vulnerable communities analysis (by local board) could be used to inform where to target investment.



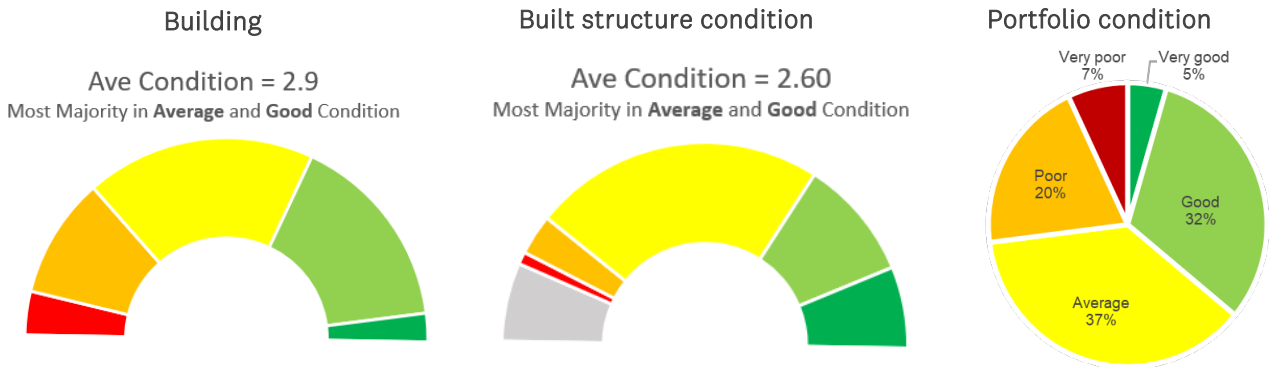
Funding

- Limited investment in community assets, our current portfolio is unsustainable. A focused investment is planned to be less dependent on having a large number of council owned community assets and delivering differently to our communities by: tailoring services to the greatest needs of our communities, using alternative ways of delivering services, and divesting assets that aren't fit for purpose.
- Development contributions are an important mechanism to respond to growth.
- A greater focus on sub-regional facilities may be required in the future to leverage economy of scale and to better meet consumer preferences around 'hubs'.
- Additional partnerships, philanthropic and revenue/pricing models are recommended to be explored to help close funding gaps.
- All new and renewed assets are recommended to include the full whole of life costs as part of a Net Present Value Discounted Cashflow calculation, and ideally compared to anticipated or actual visitor/user numbers.

Planned community investment and supporting data (most likely scenario)

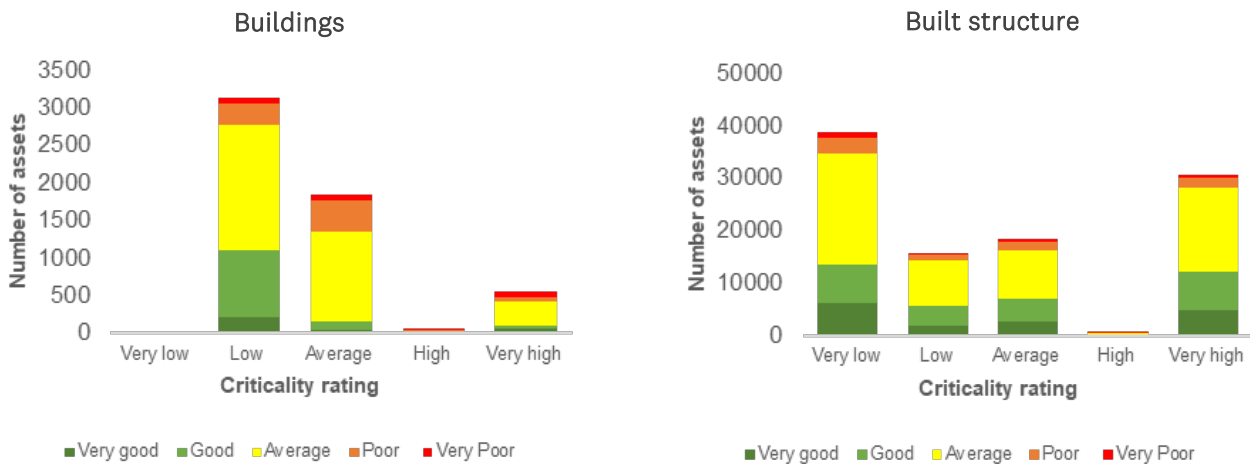
Asset data

Asset condition



The community portfolio has over 2000 buildings and in general buildings are in average condition (37 per cent), followed by good condition (32 per cent). Comparative to our buildings, built structures are in a relative better state overall. Majority of built structures are in average condition (65 per cent) and good condition (16 per cent). 27 per cent of the overall community portfolio is either in poor or very poor condition and there are also existing issues such as asbestos, seismic strengthening and weather tightness to be addressed. The portfolio condition is likely worse when considering the central government’s climate change objectives.

Asset criticality



Criticality is based on the international infrastructure management manual and is assessed through consideration of the implications, impacts and risks arising from asset failure against four criteria (health and safety, environmental, single point failure and service delivery). Overall criticality is assessed as an average score across these criteria. In general, there are not significant concerns for building condition criticality as high and very high criticality assets are in relatively good condition. Assessment of risk through increased certainty in condition and criticality is being undertaken across the portfolio for identified potential high-risk asset types (high risk in relation to safety, compliance, cost of remediation).

Data confidence and asset management maturity

An independent asset management maturity assessment was completed by GHD Advisory in April 2019 which concluded that community was “operating in the high level of the “Establishing” zone. This represents a good score demonstrating generally appropriate practice in all elements.” The overall assessment score is an average, and the report identified a range of areas for improvement.

Data collection methodology improves completeness, reliability, and confidence in data. Community review data to identify and address existing condition data gaps (more than three years for all assets and one year for critical assets). Community is also targeting assessment effort to address gaps and aged condition data. There is a range of ongoing work to improve asset condition data embedded in business as usual activities, including recent work to align condition, renewals modelling and work programme planning. The community portfolio recognises the importance of a formalised data improvement plan however currently key improvement initiatives are reflected in the improvement plan within the Strategic Service and Asset Management Plan.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section 3 (Whole of council responses to infrastructure issues) of the infrastructure strategy

Community Assumptions

The following section outlines the assumptions that are specific to managing our community assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to community, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

There is significant uncertainty about levels of service in the coming decades due to changing community needs, changing technology and the service solutions that could contribute to achieving the community's needs. As signalled in the 2018 Long-term Plan, and presented in this 10-year Budget, community assets are undergoing a significant change in service delivery model to transition their services to deliver differently. There is a need to move away from an asset-dominant approach, to consider how to make more use of partnerships, grants, digital and non asset-based approaches to better meet the changing needs of Aucklanders. Over time this will allow us to divest ageing community assets that aren't fit for purpose and reinvest in services and facilities that meet the greatest needs of our communities. This will also enable the community portfolio to be financially sustainable over the long run. To reflect this change, a small number of new performance measures will be developed and consulted on over the next few years. However, the current most likely scenario is outlined here.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service statements and performance measures (Local Community Services)

Our 21 local boards review their performance measures and targets every year as part of their annual local board agreements. The measures listed below are subject to change as our local boards review their measures and targets from March 2021 together with their work programmes. This will be incorporated in final local board agreements released in June 2021.

We are not expecting a significant change in our levels of services for Local Community Services.

Performance measure	FY 2022- FY 2031	Expected trend to 2051
Provide safe, reliable and accessible social infrastructure for Aucklanders that contributes to placemaking and thriving communities		
Percentage of Aucklanders that feel their local town centre is safe - day time	80%	→
Percentage of Aucklanders that feel their local town centre is safe - night time	44%	→
Utilising the Empowered Communities Approach, we support Aucklanders to create thriving, connected and inclusive communities		
The percentage of Empowered Communities activities that are community led	70%	→
The percentage of Empowered Communities activities that build capacity and capability to assist local communities to achieve their goals	63%	→
We fund, enable, and deliver services, programmes and facilities (art facilities, community centres, hire venues, and libraries) that enhance identity, connect people and support Aucklanders to participate in community and civic life		
The percentage of local community services, programmes and facilities that are community led	N/A (new measure)	→
<i>This community led measure will be developed to reflect changes to the operating model of the activity described by the following two performance measures</i>		
The percentage of arts, and culture programmes, grants and activities that are community led	80%	↑
The percentage of art facilities, community centres and hire venues network that is community led	57%	↑
The number of participants for local community services, programmes and facilities	N/A (new measure)	→
<i>This participation measure will be developed to reflect changes to the operating model of the activity described by the following three performance measures</i>		
The number of attendees at Council-led community events	61,900 (FY22) increasing to 71,600 (from FY23)	→
The number of participants in activities at art facilities, community centres and hire venues	6.02m (FY22) increasing to 6.58m (from FY25)	→
The number of visits to library facilities	8.59m per year	→
The number of internet sessions at libraries (unique sessions over public computing or public WIFI networks)	4.43m (FY22) decreasing to 4.21m (from FY23)	→
The percentage of customers satisfied with quality of local community services, programmes, and facilities	N/A (new measure)	→
<i>This satisfaction measure will be developed to reflect changes to the operating model of the activity described by the following two performance measures</i>		

Performance measure	FY 2022- FY 2031	Expected trend to 2051
The percentage of attendees satisfied with a nominated local community event	74%	→
Percentage of customers satisfied with the quality of library service delivery	87%	→
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often		
The percentage of park visitors who are satisfied with the overall quality of sportsfields	76%	→
The customers' Net Promoter Score for Pools and Leisure Centres	35	→
The percentage of users who are satisfied with the overall quality of local parks	74%	→
We showcase Auckland's Māori identity and vibrant Māori culture		
The percentage of local programmes, grants and activities that respond to Māori aspirations	26%	→

Levels of Service Statement and performance measures (Regional Community Services)

Performance measure	FY 2022- FY 2031	Expected trend to 2051
We manage Auckland's natural environment and help Aucklanders adopt a low carbon lifestyle		
The number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens	60,000	→
The number of volunteer hours worked in regional parks each year	80,000	→
We provide library services and programmes that support Aucklanders with reading and literacy and opportunities to participate in community and civic life		
The number of library items checked out (including e-items)	16.4M (FY22) increasing to 18.4M (from FY23)	→
The number of website sessions for the Auckland Libraries website and library catalogue	5.8M (FY22) increasing to 5.9M (from FY23)	→
The number of active library members (members who have used their membership account at least once in the past 12 months)	395k (FY22) increasing to 425k (from FY24)	→
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often		
The percentage of residents participating in sport and recreation at least once per week	72%	→
The percentage of the public who have used a regional park in the last 12 months	72% (FY22) increasing to 76% (from FY24)	→
The percentage of park visitors satisfied with the overall quality of their visit	96%	→
We provide rental services to older tenants and maintain the older persons property portfolio		
Percentage of tenants satisfied with the provision and management of "housing for older people"	78% (FY22) increasing to 79% (from FY24)	→
We showcase Auckland's Māori identity and vibrant Māori culture		
The percentage of regional programmes, grants and activities that respond to Māori aspirations	20% (FY22) increasing to 26% (by FY31)	→

Growth assumptions

Auckland has seen sustained year on year population growth with the make-up of communities becoming more diverse and spatially varied. Investing in services and assets that provide for future demand from growth, and the need to be more flexible and responsive to provide for differing preferences means growth and diversity is a key driver.

The asset portfolio currently uses a significant proportion of total capital and operating budget, a requirement that will continue to increase over time if the network stays the same. This leaves very little flexibility and capacity to cater for growth and invest in service offerings.

Current provision guidelines for growth set out in Community Facilities Network Plan and Parks and Open Space Provision Policy are at greater levels than what is funded.

Management of asset lifecycle through our approach to renewals

Councils have historically provided community services through building community assets and delivering services through those. This means that Auckland now has a large network of community facilities, many of which are aging and require significant renewal investment. Over the next three decades the renewal requirement increases because the portfolio continues to grow. The planned investment is not enough to adequately maintain the community assets (estimates indicate this could be in the order of \$700 million).

To address this, one of two things need to happen:

- Significant additional budget to cover the gap on the existing portfolio or
- Reduce the overall portfolio (including portfolio growth¹⁵) and therefore the funding required.

Council is proposing to change how we deliver community assets and the associated services. Community is therefore not proposing to invest in all the asset renewals that would be required if we continued to operate the full existing portfolio in the current manner.

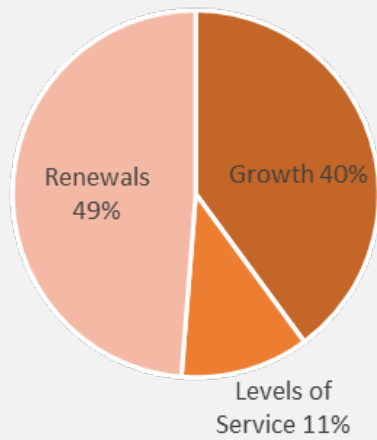
The 'whole of life' cost of new assets has not been factored into renewal budgets in the past. The future renewal funding requirement is also determined by growth of the portfolio.

Local Boards (LB) decide on renewal investments however network priorities made by the Governing Body also inform decision making. Budget reduction seen as part of the 2020/21 Emergency Budget required each LB to prioritise essential renewals within their budget envelope, which means there is a range of required renewals and new investments (e.g. One Local Initiatives) that have been deferred.

¹⁵ Growth in asset portfolio adds additional renewals budget impacts over time, further limiting investment options

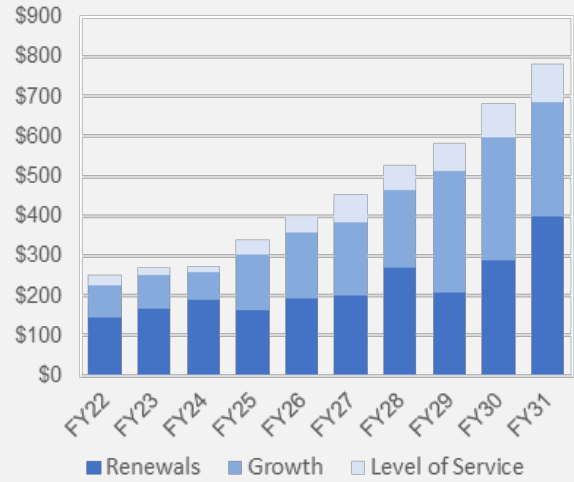
Investment years 1-10

Capital expenditure split



Community investment is primarily driven by renewal of ageing assets and growth investment for land acquisition and local parks and sports fields.

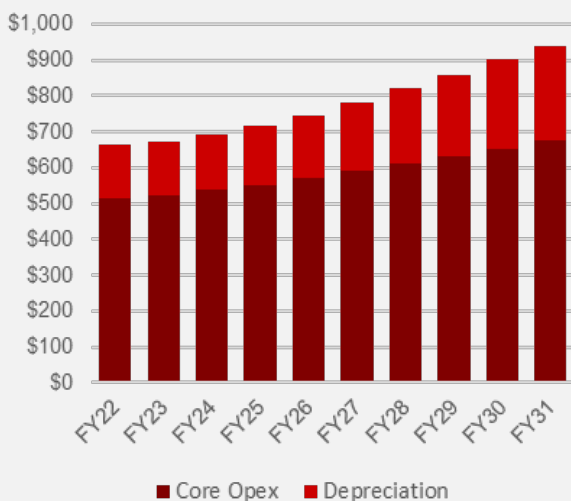
Capital Expenditure (\$m)



Total 10-year community investment shown above is \$4.56 billion with growth investment accelerating from FY25.

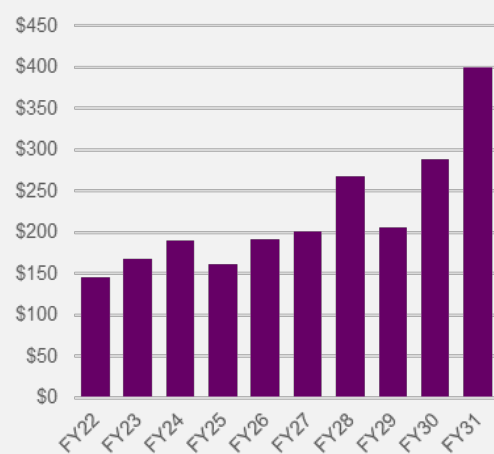
Note - Capex and Opex forecasts are based on the total budget for Customer and Community Directorate, which includes other activities the directorate is accountable for delivering, in addition to Local Community Services and Regional Community Services.

Operational Expenditure (\$m)



Operational expenditure grows steadily over the 1-10-year period reflecting the planned change in delivery model.

Renewals (\$m)



Community renewals will steadily increase over the decade reflecting a growing renewals requirement.

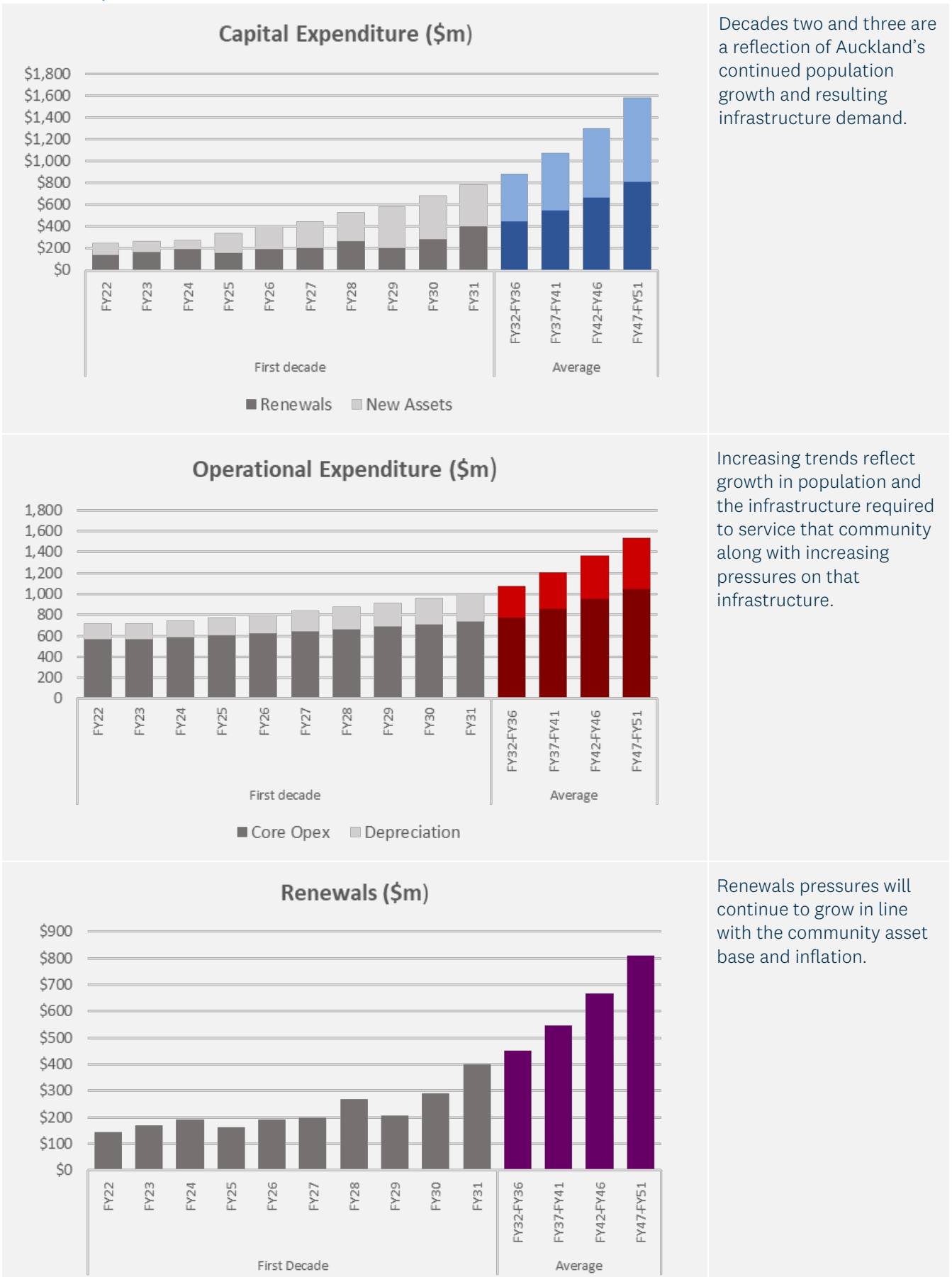
Major Projects/Programmes (Years 1-10)	
	\$ Millions
Local Renewals	1,133.6
Regional Renewals	252.7
Growth - Land acquisition	870
Growth - Development	761.9
Locally Driven Initiative (LDI)	151
OLI Programme	361.1
Regional Development	365.5
LTP Specific Projects	98.5

Note: not all projects covered.

It is planned that, in the long term, we will continue to invest in maintaining our community assets and supporting the development of priority growth areas, including:

- the Auckland Housing Programme & Tamaki
- the north-west
- Drury.

Investment years 11-30





Waste

Waste infrastructure supports people and businesses by providing kerbside rubbish, recycling and inorganic collections and processing, community diversion opportunities and resource recovery. Doing better with waste is an opportunity to make the most of the resources we have, create jobs, stimulate innovative design and economic development, and protect our communities and our environment.

Asset Portfolio Overview

Asset categories and values

Resource Recovery and Recycling	\$20m	Waitakere Transfer Station 8 Community Recycle Centres (Aotea, Devonport, Helensville, Lawrie Road, Rustybrook Road, Waiheke, Waiuku, Whangaparaoa) Visy Recycling Plant (land)
Waste bins	\$18m	1 million bins (refuse, recycling, and food scraps) <i>This is expected to be over 1.5m bins post food scraps roll out and introduction of refuse bins in Franklin and Rodney</i>

Waste Infrastructure Portfolio

Assets are worth **\$38 million***

** this is not a full representation of the total value of waste assets due to the nature of service provision.*

Operating context unique to this portfolio

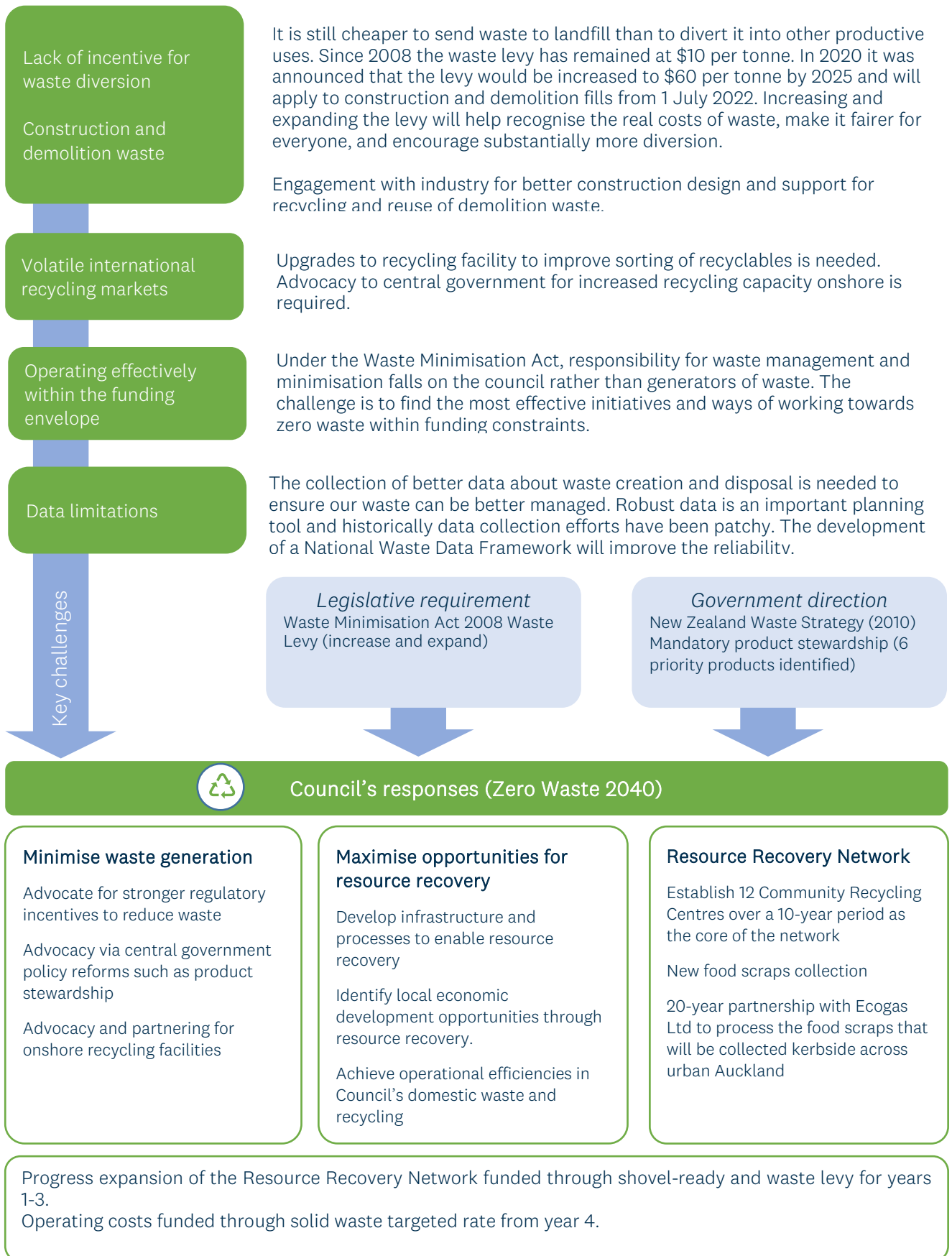
Waste management and minimisation planning legislation is primarily provided by the following three Acts:

- the [Waste Minimisation Act 2008](#)
- the [Local Government Act 2002](#)
- the [Resource Management Act 1991](#).

Waste Solutions has produced its second [Waste Management and Minimisation Plan 2018](#) setting out how Auckland Council and Aucklanders can work together to reduce waste over the next six years. The plan provides strategic direction through nine key actions. Auckland aspires to be Zero Waste by 2040, taking care of people and the environment, and turning waste into resources.

Auckland Council has limited ownership of waste infrastructure. This constrains our ability to meet statutory waste minimisation obligations. Council manages 20 per cent of the waste stream, predominantly through contracts for domestic kerbside collections and the Waitakere Transfer Station. Council is unable to make direct decisions about 80 per cent of the total waste stream for the region. Waste Solutions has a close relationship with the Community Facilities and Closed Landfills teams, which includes some crossover in strategy and implementation (for example, with public place recycling) and collaborate on shared work programmes.

Waste specific challenges and responses



Waste responses to key infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.



Climate change

- Work is required to understand the full scope of emissions reduction and mitigation as a result of the circular economy approach particularly regarding embodied emissions and emissions displaced by reuse rather than production of new items. Waste emissions reductions are currently measured through what diverted materials would have produced had they been sent to landfill, which is unlikely to capture the full emissions impacts.
- The Zero Waste Auckland priority programme in the Auckland Climate Plan focuses on infrastructure required to achieve optimum emissions reduction potential over the timeline of the plan. The projects included in this programme are: Resource Recovery Network long term strategy and Develop deconstruction hub.
- Sustainable Procurement Framework objectives, including carbon emissions reductions will be included in all procurements with the intention of achieving the lowest emissions outcomes for all projects and services.
- Example investments (10-year total):

New Food Scrap Service Bins	\$14m
Community Recycling Centres	\$15m



Hazards

- Planning for future waste services must consider hazards and the need to build resilience into waste management systems. A Disaster Waste Management Planning exercise is ongoing but begun to identify the implications of natural hazards to the system/network and possible pathways of mitigation.
- Identifying facilities that are accessible within and external to the Auckland region should a physical barrier be imposed on accessing current facilities and identifying appropriate and safe methodologies for the disposal of waste resulting from a natural disaster (e.g. materials contaminated by sewerage after a flood).
- Waste Solutions has entered a national project with the other councils to digitise this work and continue to develop it from 2021.
- Non-natural hazards are considered alongside natural disasters in disaster waste planning. They are expected to have less direct impact on our system/network. Community recycling centres may serve as a point of resilience in communities should a technological or economic hazard occur.



Growth

- Some rural areas are not currently serviced with a kerbside collection and will need servicing as they are Future Urban Growth areas. This will require additional bin assets and the appropriate facilities to process additional materials.
- Brownfields provide an opportunity for waste infrastructure however they also bring construction and demolition waste concerns. One option is to advocate for (or require) new housing developments to have land set aside for a Community Recycle Centre with major builds.
- Population growth and our building boom have contributed to significantly more construction and demolition waste going to landfill. Therefore, construction and demolition sorting facilities are needed at areas of development (temporary or permanent). Food scraps processing

facilities and Materials Recovery Facilities with the capacity to sort materials, to the degree required by policy at the time, are also needed.



Equity

- Work programmes are based around achieving equity and positive social outcomes.
- Social impacts of having some areas still covered by rates funding while others are user pays for refuse and managing the transition between these payment methodologies.
- Social and equity benefits are a key focus for Waste Solutions. The vision of the Waste Management and Minimisation Plan states: "Auckland aspires to be Zero Waste by 2040, taking care of people and the environment, and turning waste into resources". This recognises the importance of taking care of and reducing harm for people as well as the environment. The wider plan outlines partnership approaches and a community centric focus that listens to residents needs and responds.
- There is increasing demand to provide Community Recycling Centres (CRCs) across the region and to have an equitably distributed network. Challenges exist around lack of available space to build sites in the south where they are most needed to achieve community access in high deprivation index areas.



Funding

- Sources of funding for waste services are through a combination of commercial revenue, targeted and general rates and the Waste Levy administered by Ministry for the Environment (MfE). Waste Solutions works within a constrained financial envelope.
- The amount of Waste Levy that is raised and allocated to Auckland is planned to increase with the recent increase to the Waste Levy.
- Waste Solutions has received funding through the Government's Shovel Ready programme (an upgrade to the Materials Recovery Facility and further development of the Resource Recovery Network).

Planned solid waste investment and supporting data (most likely scenario)

Asset data

Network condition

Waste Solutions does not yet have an asset condition assessment framework and there is currently limited condition data. This data gap is documented in the AMP risk register. Asset Assessment Reports are generated upon request from Waste Solutions which are then produced by Asset Management Intelligence Support (AMIS).

The table below outlines the condition of the assets that have been reported. These are generally of satisfactory or poor condition. There is limited certainty around condition of bin assets in use. Unplanned maintenance (arising from unexpected failures) is carried out as required. The frequency of planned maintenance (inspections and scheduled maintenance) requires review.

Asset condition

Assets assessed		Date assessed	Condition score
AIMS Depot (4-6 Tahi road, Waiheke)		2019	Poor condition CG=4
Devonport Recycling Centre (R 27 Lake Road Devonport)		2018	Satisfactory condition CG=3
Waiuku Zero Waste (5 Hosking Place, Waiuku)		2018	No asbestos containing material found
Helensville Recycling Centre (35 Mill Road, Helensville)		2018	Poor condition CG=4
Waitakere Refuse Transfer Station (50 The Concourse, Henderson)	MRF Building	2017	Average condition
	Workshop Building		Poor condition
	Resource Recovery Centre		Fair condition
	HAZCHEM Building		Poor condition
	Administration Building		Fair condition
	Baling Station		Poor condition
	Staff Accommodation		Good/ Average condition

Data confidence and asset management maturity

Waste Solutions' maturity level can be considered between 'aware' and 'basic' for the management of their assets. The AMP contains basic information on assets, service levels, planned works and financial forecasts for 1-10 years. Currently there are gaps in asset condition and performance information, the approach to risk and criticality and there is no asset management database or stocktake management system. Future demand requirements are generally understood but not yet well documented or quantified. Demand forecasts are based on population projections. Demand management has not been widely explored however is evident in the transition to a 'pay as you throw' system, which incentivises waste minimisation at a household level.

Waste Solutions management of risk is limited, however the AMP contains a risk register which includes impacts, likelihood, consequence and risk rating. Identified risks, of which there are many 'high risk', are not currently clearly linked to improvement actions to mitigate those risks. Moving forward an improvement plan will be developed to address key challenges and to reduce Waste Solutions' exposure to asset-related risks. It will also be used to drive maintenance and renewals decisions.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section 3 (Whole of council responses to infrastructure issues) of the infrastructure strategy.

Solid Waste Assumptions

The following section outlines the assumptions that are specific to managing our solid waste assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year

investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to solid waste, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

There is some uncertainty about levels of service in the coming decades due to Waste Solutions starting on their journey to asset management maturity. Waste Solutions don't currently have long-term performance measure targets for the 11-30 year period in place however any future targets would likely continue to follow the current trends of reducing domestic kerbside refuse, reducing total waste to landfill and investing in resource recovery in order to achieve the goal of Zero Waste 2040.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service assumptions

LoS statement	Performance measures	FY 2022- FY 2031	Expected trend to 2051
We manage the collection and processing of household waste and help Aucklanders minimise waste	The percentage of customers satisfied with overall waste collection services	75%	→
We help Aucklanders minimise waste to landfills	The quantity of domestic kerbside refuse per capita per annum (kg)	144kg (FY22) decreasing to 88kg (by FY31)	→
	Total number of Resource Recovery Facilities	9 (FY22) increasing to 23* (FY31)	→
	The total waste to landfill per year (kg per capita)	877kg (FY22) decreasing to 582kg (by FY31 onwards)	↑ (possible greater waste reduction)

* the long-term target of 23 RRN facilities is a proposed number of sites

Waste Solutions has determined appropriate levels of service for its customers. There is quarterly reporting against our targets for domestic kerbside per capita and the total number of resource recovery facilities, and annual reporting for the total waste to landfill per capita measure.

We are currently tracking well in terms of meeting most of the above targets. Although we have not yet reached our targets for total waste to landfill per year (kg per capita), this measure reflects commercial waste streams that are outside of council control. Reductions to the domestic waste stream are decreasing in line with targets. Further decreases to the kerbside per capita metric and kerbside waste to landfill are expected once the food scraps collection is in place. The development of the resource recovery network is ahead of the target but the total waste to landfill is behind and significant action is required to reach the target. However, as indicated by expected trends above, there may be a greater reduction in total waste to landfill beyond 582kg in the future in response to the Waste levy and other regulatory interventions tackling commercial waste.

Growth assumptions

Council is mandated to make refuse disposal accessible to all households. Current demand is approximately 540,000 households and assumed demand will increase in line with anticipated household number increases. Stats NZ's latest projection for the estimated number of dwellings is 10,000 per year to 2051, which equates to an assumed demand of 850,000 dwellings.

Management of asset lifecycle through our approach to renewals

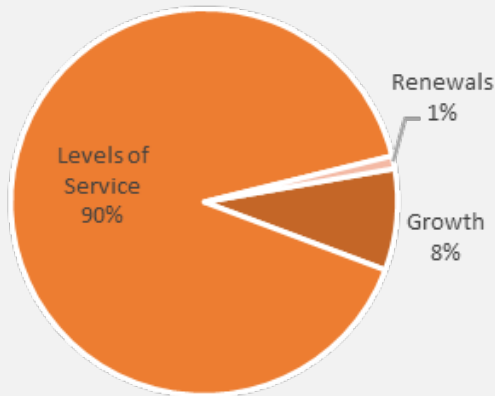
Responsibility for the long-term maintenance and renewal planning of waste infrastructure requires clarification. This includes identifying the future needs of the Resource Recovery Network and the VISY Materials Recycling Facility (MRF) and funding sources for completion.

Long-term asset management for the Community Recycling Centres (CRCs) will sit with Community Facilities. Depreciation of most of the existing CRCs currently comes from Community Facilities budgets. Depreciation for the Waitakere Resource Transfer Station and some CRCs, including Waiuku, sits with Waste Solutions. Some of the CRC plant and equipment also sits with Waste Solutions, as well as the capex budgets for any new sites.

A centralised information repository is needed for remaining asset life across the portfolio. Some asset assessment reports contain this information; however, gaps have been identified across the portfolio. Where this information is recorded, a number of buildings have been found to be nearing or past their useful life, for example at the VISY MRF, Waitakere RTS and Helensville Community Recycling Centre. A funding source has recently been identified to upgrade these facilities.

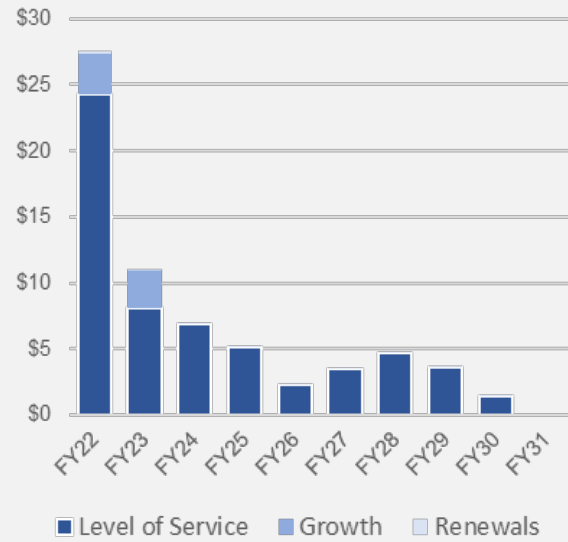
Investment years 1-10

Capital expenditure split



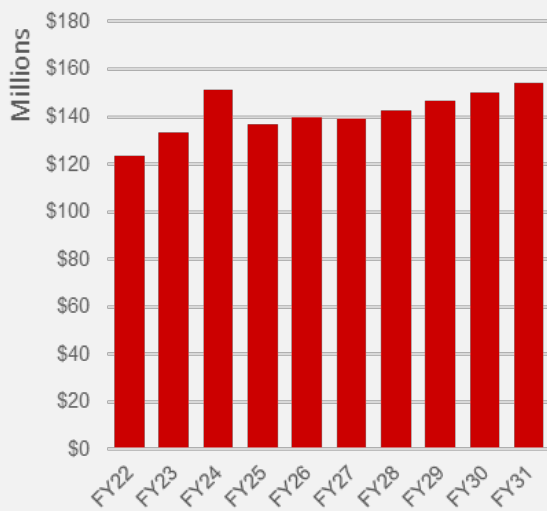
The majority of Waste Solutions' capital expenditure goes towards improving levels of service.

Capital Expenditure (\$m)



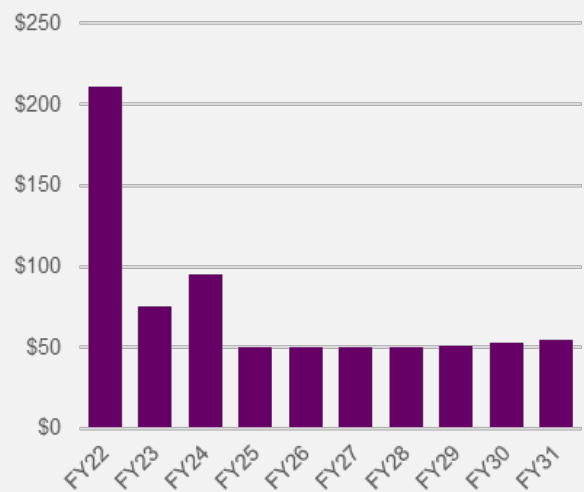
FY22 shows a significant spike in capex investment for Food Scraps Bin as we roll out this service.

Operational Expenditure (\$m)



Additional funding from waste targeted rate for new sites in the expanded Resource Recovery Network. Waste Solutions are an 'operationally intensive' department, with opex investment growing in line with demand for services over the 1-10 year period.

Renewals (\$k)



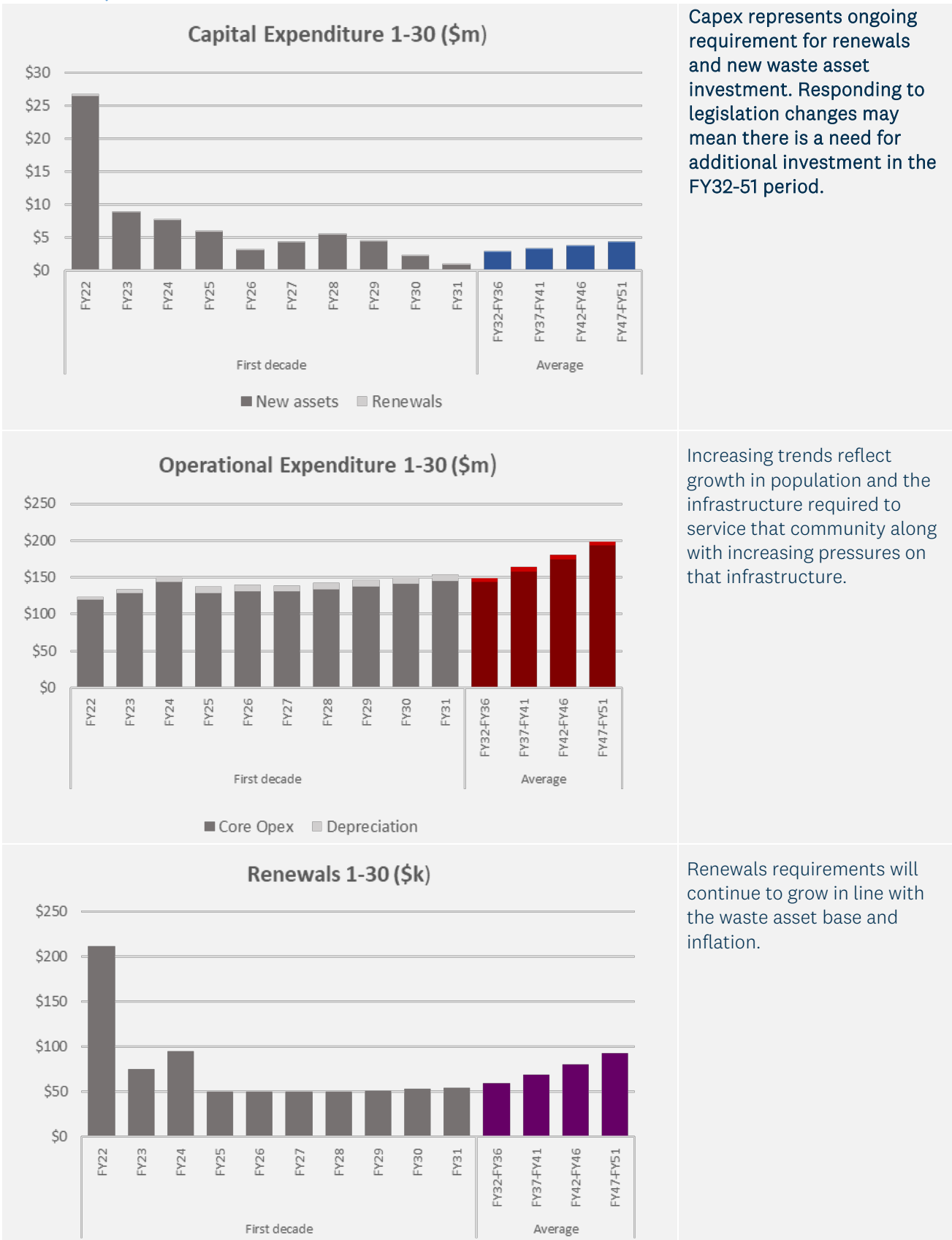
The increased renewals cost in FY22 relates to the Food Scraps Bin capex increase indicated above.

Major Projects/Programmes (Years 1-10)		\$ millions
New Food Scrap Service Bins		14
Procurement process commenced. Bins for the contractually committed food scraps processing plan and service.		
Community Recycling Centres (CRC)		15
Procurement process commenced. Budgets based on estimates. Budgets include Crown Infrastructure Funding (Shovel Ready). There are 6 projects in the programme.		
Waste Service Bins		8
Kerbside bins for new properties and replacement bins. Based on past bin purchases.		
Refuse Transfer Stations (RTS) and other		2

Based on past renewal expenditure. Budgets are to renew RTS assets.

Other Potential Projects/Programmes (Years 1-10)		\$ millions
Container return scheme facility		Unknown
Time	Decision points in years 1-5, investment over 5-10 years (depends on legislation)	
Decision point	How to give effect to new legislation	
Description	Depending on scheme design confirmed by Cabinet, there may be a requirement/opportunity to establish consolidation facilities.	
Expansion of Resource Recovery Network (RRN)		37.4
Time	Decision points in years 1-5, investment over the 2-10 years	
Decision point	Adoption of revised RRN strategy and budget in 2021	
Description	Revised RRN strategy includes establishment of an additional nine community recycling centres and two resource recovery parks over 10 years, taking the total number of facilities to 23.	
New household hazardous waste drop off		Unknown
Time	Decision points in years 1-5, investment over the 2-10	
Decision point	Number of sites required and locations for best coverage of hazardous household waste services for the region	
Description	There is the opportunity to provide household hazardous waste drop off points at some community recycling centres.	
New construction and demolition waste processing facility		Unknown
Time	Decision points in years 1-5, investment over the 5-10	
Decision point	How to divert construction and demolition waste from landfill	
Description	Bespoke resource recovery facilities may be required to deal with growing volumes of construction and demolition.	

Investment years 11-30



Major Projects/Programmes (Years 11-30)

New food scraps processing facility

Time	Decision points in years 20-25, investment over the 30 years and beyond
Cost	\$30m/ unknown
Decision point	Determine processing requirements and methodology for Auckland's food scraps if the current processing facility reaches capacity
Description	An additional or expanded food processing facility may be required depending on the capacity of the initial facility in partnership with Ecogas

New materials recovery facility (MRF)

Time	Decision points in years 20-30, investment over the 30 years and beyond
Cost	Unknown
Decision point	Determine if growth means we need an additional MRF
Description	If the current VISY MRF reaches capacity and growth continues Auckland may require an additional recovery facility. It is not anticipated that this will be required in the short to medium term.

VISY (current MRF) upgrade

Time	Decision points in years 5-10, investment over the 10-15
Cost	Unknown
Decision point	Reevaluate if upgrades are needed
Description	Upgrades are needed every 10+ years and a reevaluation of what is needed in the recycling services space. Upgrades may be required to expand that capability and quantity of materials that are able to be processed.

Overview of significant infrastructure decisions for Auckland Council

Building on the planned responses set out in our infrastructure portfolios, the following are significant infrastructure investment decisions that will be required of Auckland Council in the next 30 years. Though these decisions involve high levels of uncertainty, they are important for Auckland's future.

Figure 22 An overview of upcoming significant infrastructure investment decisions

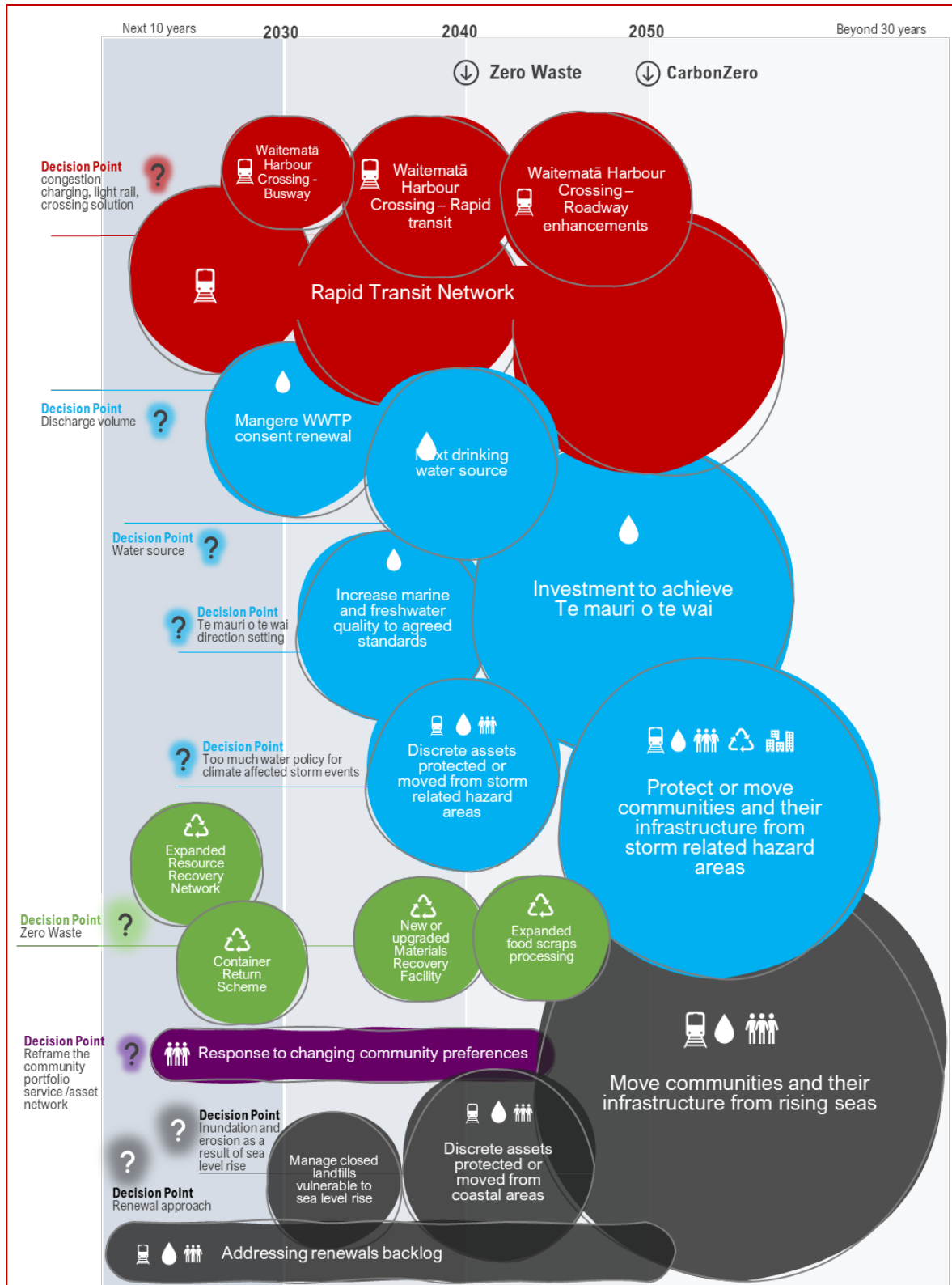


Figure 22 illustrates the big infrastructure investment decisions that Auckland is likely to face. The progress of these decisions will often span the 30 years of this Infrastructure Strategy, from decision-points in the early years of the 10-year Budget 2021-2031 through to investments that may endure for decades. The timing and scale of costs are shown through the size and placement of decisions – these details are indicative; with more information on this, and the decision points themselves summarised as follows. In alignment with the degree of uncertainty involved, an adaptive approach will be taken to making these significant decisions. This will support investment responses that are in the right place, at the right time. Also, given the long-term view of these decisions, some have formed options identified and described below. While, for others, the many decisions involved and/or developing understanding of this issues mean that we are currently able to focus on the considerations that will inform the decisions and expect these to solidify into options in future iterations of this strategy.

Additional
Waitematā
Harbour
Connections



What is required to improve the resilience and connectivity of our transport network across the Waitematā harbour?

Growing demand for travel between the City Centre and the north is placing increasing pressure on State Highway 1 and the Auckland Harbour Bridge. High dependency on the corridor also makes the bridge a critical and vulnerable point of the network. [Options for additional connections](#) are being considered to provide improved connectivity and resilience.

Options	Implications
<p>Waka Kotahi/NZ Transport Agency has identified a series of three significant investments: in order of priority – busway enhancements, a new rapid transit connection, and roadway improvements. Options for the investments will be developed, with combinations of the following key considerations:</p> <ol style="list-style-type: none"> 1) What form and route will the rapid transit enhancements take? This may involve conversion of the busway to light rail, or the development of an additional route for light or heavy rail. 2) What form will the road improvements take? This may involve the addition of new lanes to the existing bridge or a new tunnel to Akoranga. Both will likely require widening of the motorway and local road connections and management of vehicle access to the city centre 3) When will the rapid transit and road enhancements be required? 	<ol style="list-style-type: none"> 1) The route and extent of rapid transit would impact rapid transit's cost effectiveness and ability to meet demand. It will also have implications for the surrounding land use. Transforming the existing bus way will cause temporary but significant disruption, compared to development of a new corridor, which would be much more costly. 2) Significant cost differences exist between the options - a new road tunnel could cost approx. \$8b more than upgrading the existing bridge. However, the tunnel would have fewer environmental, social and cultural effects. 3) An order of priority of improvements has been established (bus then rapid transit then road). The timing of the investments will need to be managed to enable and support growth on the north shore and coordinated with demand potentially changed by congestion charging (bringing forward the need for the rapid transit connection and delaying the need for road improvements).
Time	Investment will take place over the next 30 years. Initial busway enhancement decisions will be made in the next 10 years, rapid transit enhancement in decade 2 and roadway enhancement in decade 3 or beyond.
Cost	>\$10b in total will be required to construct the three stages of the project.
Decision point	A decision on the routes and modes for the crossing(s) is likely in decade one of this LTP.

Rapid transit network



What are the best locations and order of delivery for a Rapid Transport Network?


A rapid transit network is necessary to support and shape Auckland's future growth including the decarbonisation of our transport system. An indicative rapid transit network is illustrated in the [Auckland Plan 2050](#) and would be delivered together with central government

Options	Implications
<p>The routes, modes and order of projects required for our rapid transit network could vary. Key options will be developed at both a network level and as individual projects emerge. Considerations in developing these options relate to:</p> <ol style="list-style-type: none"> 1) Which routes? When and which order? 2) Which rapid transit modes would be used and where? This might include Bus Rapid Transit, Light Metro and Light Rail Transit, heavy rail, or frequent ferries. 3) How will they connect and/or interact with each other, and the rest of the public transport network, to provide an integrated network. 	<ol style="list-style-type: none"> 1) The rapid transit routes will provide fast, frequent and reliable transport for their communities and would be particularly beneficial for those with the greatest accessibility needs. Therefore, the locations for rapid transit corridors and stations and the sequencing of investment can provide significant access benefits and improve equity outcomes. Investment in new rapid transit infrastructure could also unlock housing and urban development opportunities in locations that support the Auckland Plan's quality compact growth approach. 2) Decisions on the preferred modes for different parts of the network could impact the overall efficiency and effectiveness of the rapid transit network, including how each part integrates with the rest of the transport network and the communities they are serving. 3) Different modes, timings or alignments than currently anticipated in plans like the Auckland Plan 2050 could necessitate changes to growth and development strategies.

Time	Series of large investments over the next 30 years.
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Cost	>\$10b – through a number of large projects, likely to each be >\$1b
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Decision point	Decisions around the network, routes, stations, timing, modes and supporting investments will begin to be made in the next year and will continue over the next 30 years. Presently, Auckland Council, Auckland Transport and government agencies are preparing a Rapid Transit Network Plan to set context and inform future investment decisions.
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<p>Congestion Question (congestion pricing)</p> 	<p><i>Is there a role for <u>congestion pricing</u> to improve the performance of Auckland's transport network? What kind of congestion pricing scheme would deliver the best results for Auckland?</i></p>	
	<p>Demand management could be an important feature of long-term planning for Auckland's transport system. Congestion charging may result in some infrastructure no longer being required or being required later than initially anticipated due to improved network performance. The fundamental decision on whether to proceed with a pricing scheme will dictate the impact that it may have on Auckland's transport.</p>	
	Options	Implications
	<p>The options associated with congestion pricing relate to two key considerations:</p> <ol style="list-style-type: none"> 1) Whether or not congestion pricing should be a feature of Auckland's transport system. 2) The structure of the pricing scheme, including where and when it would be applied. 	<ol style="list-style-type: none"> 1) The inclusion of a congestion pricing scheme in our transport system will impact the demand for road capacity. This would reduce congestion where applied and likely increase demand for alternative, and less carbon intensive, modes (public and active transport). A decision not to implement the scheme is likely to require greater investment in physical infrastructure to deliver similar congestion benefits. 2) The structure of a pricing scheme would impact the degree to which it delivers a shift in transport demand. Social and access outcomes will also be guided by the structure of the scheme and the wider package of transport investment to ensure that transport alternatives are available.
	Time	Implementation could potentially begin as soon as 2025 and is assumed to be over a period of decades.
Cost	Congestion pricing would be revenue generating. This revenue could be used to cover the costs of the congestion pricing scheme and invest in complementary transport improvements.	
Decision point	Work is currently underway to inform decision-making, but the timing for a decision is uncertain. It would follow public consultation and legislative change would be required. It is possible that, if a decision was made by Auckland Council and the Government to implement congestion pricing, a scheme could be in place from 2025.	

Climate affected weather




How do we make prioritised, equitable, and affordable decisions in the next 30 years regarding increasing natural hazard risk due to climate change?

We are going to experience more severe and more variable weather events (e.g. floods, droughts, and storms), which will have a variety of impacts. Increasing rainfall intensity will cause excess flooding and land instability issues. Changes in groundwater levels will increase liquefaction risk at specific locations, and an increase in drought will exacerbate pipe and foundation damage in areas with expansive soils.

Developing adaptive planning approach will allow us to mitigate risk in the face of uncertainty and provide a foundation for our responses.

Options	Implications
<p>Some locations are particularly vulnerable to climate change (e.g. flood plains), and assets in hazard areas are likely to be adversely impacted over the course of their design lives. Using an adaptive approach will help us account for changing risk over time and provide a framework for identifying the right responses in the right places, at the right time. This will allow clear identification of options and decisions to be made at crucial points with consideration of:</p> <ol style="list-style-type: none"> 1) How do we avoid risk where possible to minimise future losses? 2) If we accept risk, how do we build and cost resilience into the design life of assets? 3) Can we take special precautions in locating, designing, and consenting infrastructure to minimise damage or allow for adaptation? 4) How do we plan and design infrastructure for changing future conditions? 5) How do we ensure that levels of service are maintained in at risk areas, and how do we prepare communities for changing levels of service where this isn't appropriate? 	<p>The implications of an adaptive approach to planning for climate change related weather events are that we are able to avoid new infrastructure development in hazard areas or configure that development to minimise future losses.</p> <p>Use of the adaptive approach enabling different interventions to be taken at different times and in different locations will help to avoid misplaced investment so that we don't create stranded assets and limit the, often larger, costs of recovery from disasters.</p>

Time	Programme of investment over 30 years and beyond.
Cost	>\$10b – uncertain scale of investment, comprised of a large number of big and small projects
Decision point	Adaptive management approaches, including supporting policy, will be established within the next three – five years

<p>Te mana/mauri o te wai</p> 	<p><i>What freshwater health outcomes do we want? and how will we fund returning mauri to our freshwater bodies?</i></p>	
	<p>The National Policy Statement Freshwater Management sets a requirement to give effect to te mana o te wai. In the next five years, Auckland Council will need to set long-term vision and any targets beyond the required minimum for our freshwater bodies.</p>	
	Options	Implications
	<p>The NPS FM sets expectations that we will give effect to te mana o te wai and regarding the maintenance and/or improvement of water bodies. This establishes a hierarchy of obligations, first to the health of the water, second to essential human health and third for other consumption. We need to decide how to satisfy these expectations and what targets are set for our freshwater beyond the baseline. Options include consideration of:</p> <ol style="list-style-type: none"> 1) Where the community identifies an aspiration for improvement, and over what timeframe 2) The combination of levers we will use to manage freshwater quality including – regulation of development and existing activities, infrastructure interventions and environmental enhancements 	<ol style="list-style-type: none"> 1) The baseline expectations of the NPS FM will be a source of significant cost. Beyond this, our aspirations for where, how much and how quickly we improve will dictate additional costs. A balance will be sought between affordability, environmental outcomes and the degree of change required to existing activities. 2) The pathway to achievement of targets will have implications for who bears the costs. Action will be required through a combination of Council investment, changes to development activities, regulation of activities and private/community action. The ability of these groups to take action will influence the achievement and potential equity of freshwater outcomes.
	Time	Investment over 30 years
	Cost	>\$10b – The scale of this investment is highly uncertain and would be comprised of numerous programmes funded from a combination of public and private sources.
Decision point	A decision around how to give effect to the NPS FM is required as soon as reasonably practical, within the next 5 years.	

Mangere
 WWTP
 Consent
 Renewal





Can we increase the treated wastewater discharging to the Manukau?


Increasing environmental requirements means there is pressure at both ends of the Mangere Wastewater Treatment Plant. Increasing the volume discharged means more wastewater can be treated (reducing overflows in the network), but the additional volumes could mean additional degradation of the Manukau harbour.

Options	Implications
A key focus of the re-consenting process at the plant will be the choice between: <ol style="list-style-type: none"> 1) Increasing the discharge to the Manukau Harbour, and/or 2) Maintaining the current discharge limit and diverting significant volumes of wastewater to other treatment plants and/or a reuse facility. 	<ol style="list-style-type: none"> 1) The impact on increasing the volume of highly treated wastewater to the Manukau harbour is not yet known. Investigations are underway to better understand the impact of the non-saline contribution the treatment plant makes to the saltwater harbour environment. 2) The current discharge limit would mean additional discharge (due to growth and water diverted in the central interceptor over time) would need to be diverted. This could be diverted to other treatment plants, or to a possible new advanced water treatment facility. Although this would have a significant cost implication, the purified recycled water would have the benefit of offsetting our demand for drinking water.

Time	Decision point in decade 1, investment in decade 1-2
Cost	>\$1billion (process upgrade at Mangere likely to be >\$500million, reuse facility >\$1billion)
Decision point	Decision point in year 3-5

<p>Next drinking water source</p> 	<p><i>What will be the next major water source(s) for Auckland?</i></p>	
	<p>Demand management and a more efficient housing and commercial stock will contribute to more efficient use of our current water sources. The first Waikato water source will still reach capacity around the middle of decade one. The first stage of the second Waikato take (currently in a Board of Inquiry process to gain consent) will provide enough water for another decade. A new source will need to be identified.</p>	
	Options	Implications
	<p>An additional source will contribute to providing more potable water to Auckland. The key options relate to:</p> <ol style="list-style-type: none"> 1) A second Waikato take. 2) Wastewater reuse is a new potable water supply solution for New Zealand. It's currently used in a small number of international cities where fresh water sources are highly constrained such as Singapore. A development pathway for wastewater reuse as drinking water could be wastewater reuse for non-drinking water to refine and proof the technology for our community. 3) Other sources (bores, new surface water dams, stormwater collection and reuse, desalination). A combination of sources could be developed and could also provide for water that will not be consumed (for manufacturing, cleaning etc). 	<ol style="list-style-type: none"> 1) An additional Waikato take would provide local resilience through redundancy (one system could be turned off to be maintained), but across the region would duplicate investment in the same location. This would result in approximately 80% of Auckland's water treatment capacity being based to the south of Auckland vulnerable to spatial hazards. 2) Wastewater reuse may be an environmentally favourable option for our next water source as it represents sustainable reuse of our finite water sources. The community and cultural acceptability of water reuse would need to be explored further. 3) Other sources, or combinations of sources have also been considered. Desalination is not considered an economic or environmentally sound solution. A combination of sources will contribute to Auckland's water security and may be able to be developed in a more agile and distributed way, making them fit for local purpose and improving resilience.
	Time	Investment in decade 2 or 3
	Cost	>\$1billion
Decision point	Decision point in years 10-20	

Investment in resource recovery 	How will we expand our resource recovery infrastructure to achieve zero waste 2040?	
	We will need to expand our waste infrastructure in response to our climate and waste goals. This would require investment in new facilities, a significant investment relative to the existing asset base.	
	Options	Implications
	A number of facilities/assets are planned for investment over the coming decade to reach our aspirational zero-waste goal for 2040. As Auckland grows, those facilities will need to expand and adapt to cater for a growing population. Options for how our waste facilities develop will be based on consideration of:	
	1) What facilities will be required to process the waste from Auckland's growing population (e.g. new container return scheme, more community recycling centres, expanded food scraps processing, construction and demolition materials recovery)?	1) International recycling markets and their shifting requirements have implications for Auckland's waste processing requirements. New Zealand experienced market volatility recently with low-grade plastics being rejected from major recycling facilities in China and multiple other countries that have previously accepted our recycling exports. Recent changes to the Basel Convention put pressure on our sorting systems to produce very low contamination levels, which requires upgraded MRF facilities to achieve.
	2) Will we invest in onshore recycling infrastructure or continue to export our waste?	2) Alongside packaging and waste stream controls, onshore processing of recyclable materials will need to increase. This is both to address the volatility of international markets, and as we become more emissions constrained and reliant on local economies.
	3) Central government legislation and reform will have implications on what future assets or services might be required and by what time.	3) Additional infrastructure keeping pace with growth and processing/managing waste/resource streams will require government direction, and will need to consider this work programme (for example, the implementation of a Container Return Scheme may require new infrastructure for consolidation points).
Time	Series of investments over 30 years	
Cost	<\$1b	
Decision point	Decision points in years 5-10. Key decisions will be made about the waste infrastructure Auckland needs based on the global environment, government legislation and growth.	

<p>Community portfolio must respond to changing customer preferences</p> 	<p>How to transform the community portfolio?</p>		
	<p>The current investment is focussed on providing assets and services through built facilities. Because so much is required to look after our assets and provide asset-based services, we have limited capacity to work with the community to provide new and different services that meets their changing needs. We need to shift from our asset-based approach by delivering differently. We have therefore identified a need to take a focussed investment approach and will spend the next 3-years understanding what differently delivering means at the Local Board level.</p>		
	<p>Options</p>	<p>Implications</p>	
	<p>1) Tailored services – We focus on tailoring services to our target customers (including communities of greatest needs)</p> <p>2) Delivering our service through a range of approaches - We consider all viable options (such as partnerships, digital channels and multi-use facilities) and we do not go for asset-based option by default</p> <p>3) Refining asset portfolio - We refine our asset portfolio over time by focusing investment on services and facilities that best meet the needs of our communities</p>	<p>1) Tailored services – Acknowledge that we cannot be everything for everyone and change will occur at varying level over time</p> <p>2) Delivering our services through a range of approaches - Future investment decisions should consider a range of options, use the four key shifts as the framework for quality advice and include whole of life/whole of portfolio costs and funding</p> <p>3) Refining the asset portfolio - We will exit from services and facilities that are no longer meeting the needs of our communities or don't provide good value for money.</p>	
	<p>Time</p>	<p>Series of investments over 30 years</p>	
	<p>Cost</p>	<p>>\$1billion</p>	
<p>Decision point</p>	<p>Development of the approach in years 1-3 will determine the transition pathway and options for the portfolio and understand the implications of its implementation for each local board. We will also need to look at our current policy framework to ensure it can enable this transition. This will tie in with the Governance Framework Review which will look at appropriate funding tools for local boards.</p>		

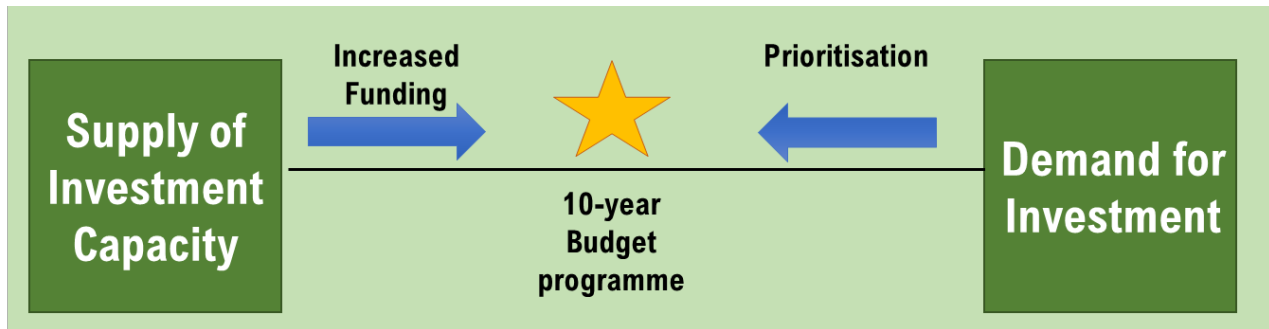
Renewals backlog (cross-portfolio)	What investment in renewals is required to address the backlog to an acceptable level of risk?	
	Our transport, water, wastewater and parts of our community portfolio require significant investment and/or optimisation to maintain the levels of service those assets can deliver to Aucklanders. There is also historical disparity in asset quality due to legacy Council decision-making which is still being worked through.	
	Options	Implications
	<p>The key options for investment will be to:</p> <ul style="list-style-type: none"> A. invest more in proactive renewals, B. maintain our current investment levels or C. invest less and lower the levels of service delivered. <p>Additionally, we need to decide if and how we optimise and prioritise our investment. This includes:</p> <ul style="list-style-type: none"> 1) Will we invest in integrated asset data to support decision-making? 2) Will we integrate our renewals programmes to optimise our spatial investment (taking a dig once approach)? 3) What level of investment can we afford to fund the maintenance of our current systems against the investment required to adapt our systems? Are we willing to let some levels of service decline (i.e. in areas vulnerable to sea level rise) to fund adaptation? 4) How we can move from a traditional “renew like-for-like” approach to a “renew for resilience” approach that may not be consistent with current asset management and funding practices. 	<p>A more proactive programme of renewals will reduce the level of risk associated with Auckland’s asset portfolio. The current need for investment in renewals over the next two decades exceeds what we are planning to invest in renewals due to our increasing requirement to fund growth. Therefore, alternative funding would be required for assets that are not self-funding (i.e. water and wastewater are funded by volumetric charges).</p> <p>The implications of the additional options are:</p> <ul style="list-style-type: none"> 1) An integrated asset data set will standardise measurement of condition and criticality. It will also allow modelling of performance and failure. This requires data standardisation and sharing which can be a considerable financial investment. 2) Better data will increase our ability to optimise our renewals spatially, particularly for horizontal infrastructure. Getting to this level of coordination takes excellent data quality, spatial optimisation, and changes to procurement and organisational practices. 3) Understanding the threat to our assets and our communities from sea level rise is an even bigger task than optimising how we renew them. If we decide to let some assets deteriorate, how do we ensure that communities of greatest need are not disadvantaged more than other communities.
	Time	Investment over 30 years and beyond
	Cost	>\$10billion – this investment is uncertain and dependent on the approach to renewals established.
	Decision point	Decision points progressively over the next 2 decades based on improved information, integrated asset modelling, and improved risk information.

Sea-level rise (inundation and erosion) (cross-portfolio)	<i>How should our coastal infrastructure, and the communities it supports, respond to sea-level rise?</i>	
	Sea-level rise will impact coastal infrastructure (e.g. wastewater treatment plants, roads, open space). It will require decisions to be made around discrete assets and connected networks and will relate closely to decisions that will be made about coastal communities.	
	Coastal management plans with an adaptive approach will be developed for the Auckland region in decade one, and interventions (avoid, defend, adapt, retreat) will be implemented over the following 30+ years. Infrastructure assets will be required to adapt to the changing communities they serve.	
	Organisational and national policy development on responding to sea level rise, and funding mechanisms will also be developed over the next decade	
	Options	Implications
<p>The central and local government policy development and planning over the coming 5-10 years will provide a frameworks for options to be created and decisions to be made. Key features of the framework will include consideration of:</p> <ol style="list-style-type: none"> 1) How should we reduce risk to private and public built infrastructure, while ensuring the most vulnerable are supported through the impacts of sea level rise on individual communities. 2) How will we manage the risk to coastal landfills for our communities and environment? 3) Who pays for lost capital value, protection and adaptation of our assets, and/or abandonment and rebuilding of our existing assets? And, what role will insurance play in this funding? 4) When do we act? Infrastructure decision-making will need to be carefully timed to occur optimally in the context of uncertain and changing risks, and related decisions around communities and consents. 	<ol style="list-style-type: none"> 1) The decisions made will impact how we are able to make a just transition to a climate changed future 2) We don't currently have an understanding of the urgency of retreat. Dynamic adaptive approaches will enable us to make well timed decisions associated with, and in advance of, tipping points as it is more effective (across all well-beings) to invest prior to a disaster than to pay for recovery. 	
Time	Investment over 30 years and beyond	
Cost	>\$10billion	
Decision point	Decision points to establish plans for coastal areas in year 5-10, implementation decisions will be required over 30 years and beyond.	

1.2 Financial Strategy

Introduction

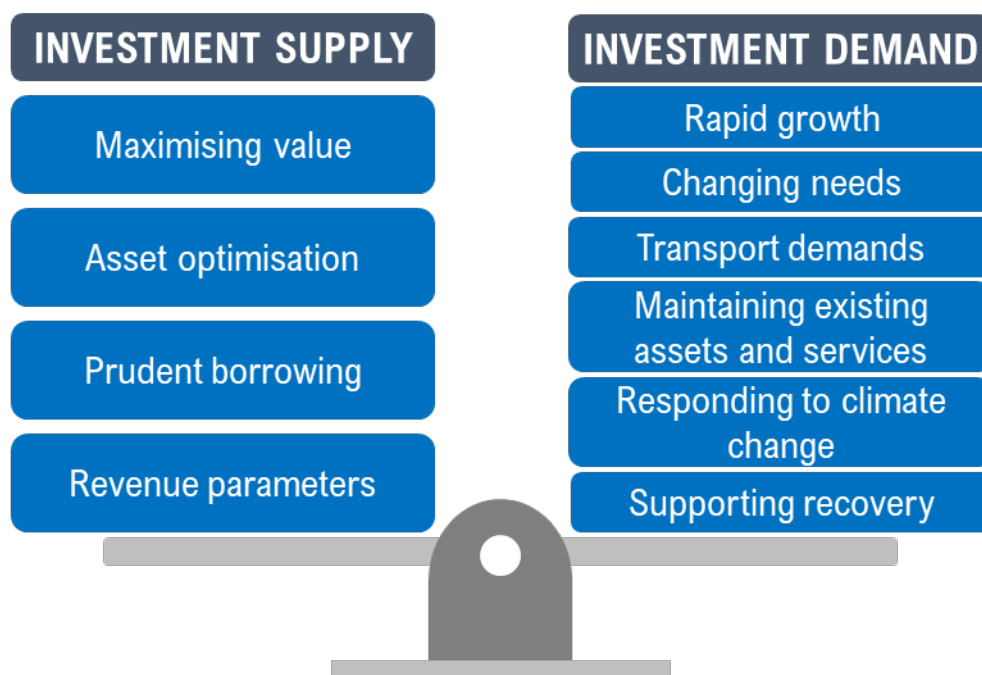
This strategy sets out the approach for achieving the balance between investing in the assets and services for Auckland’s progress and ensuring that the costs of supporting those investments are acceptable to the community.



Section one provides context around the investment demand driven by both the need to maintain and deliver services through our existing infrastructure and to respond to the challenges we face. This strategy should be read in conjunction with the Infrastructure Strategy which sets out the drivers of infrastructure investment and the choices the council intends to make in prioritising that investment.

Section two looks at our supply of investment capacity and how we intend to respond to the challenges we face. The council has a number of levers available to respond but must continue to consider factors including the acceptability of costs to the community and the sustainability of our borrowing. For this plan the council has considered this in the context of the high level of uncertainty around COVID-19 and its impact on council revenues. This section includes our key strategic settings around limits on rates increases and debt levels.

Section three shows how decisions around balancing investment demand and investment supply reflect into the capital investment programme, our balance sheet position and the makeup of our operating expenditure and funding sources. This section also identifies the key assumptions behind these projections.



Section one: Investment demand

Demand for investment by Auckland Council continues to grow. We have considered how we continue to deliver for existing Aucklanders while also considering our growing and changing population and our natural environment.

Drivers of Investment Demand

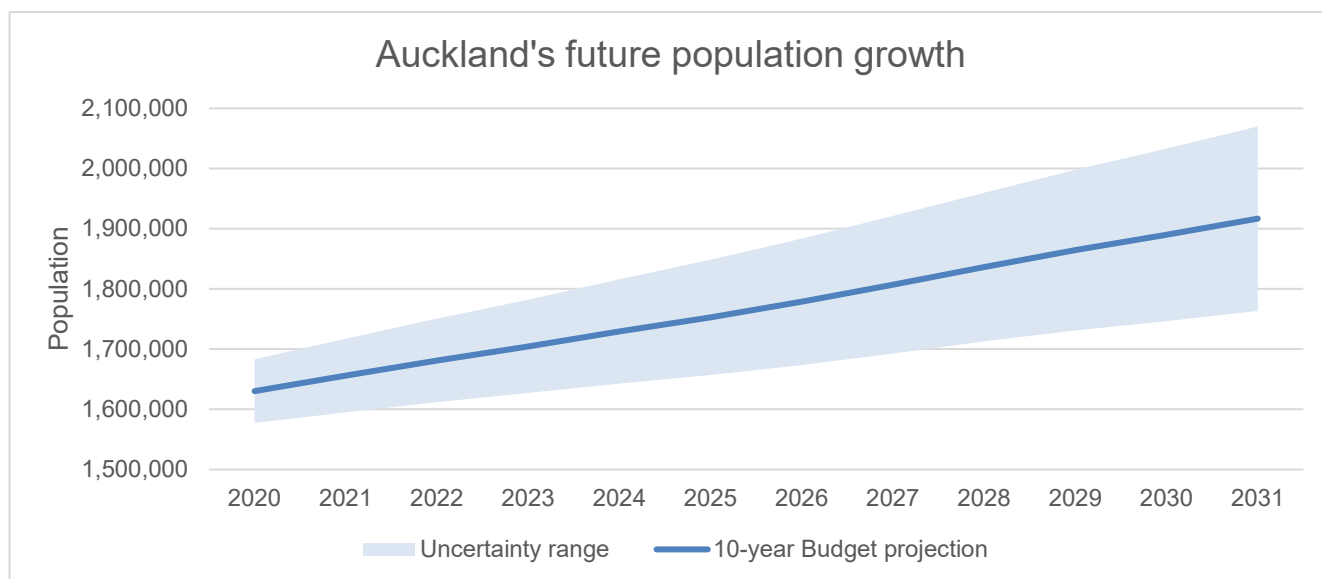
The key drivers of increasing demand for investment are:

- Rapid growth
- Changing needs
- Transport demands
- Maintaining assets and services
- Responding to climate change
- Supporting recovery.

Rapid growth

Auckland's population continues to grow, and this drives a requirement for additional supply of housing and employment. Our balanced approach to growth expects this supply to be accommodated through both intensification in existing urban areas and managed expansion into rural areas. Infrastructure will be required to support both of these expected land use changes.

Uncertainty around COVID-19 makes growth hard to predict for the next few years but we are projecting our population to increase by around 261,000 over the ten years of this 10-year Budget.



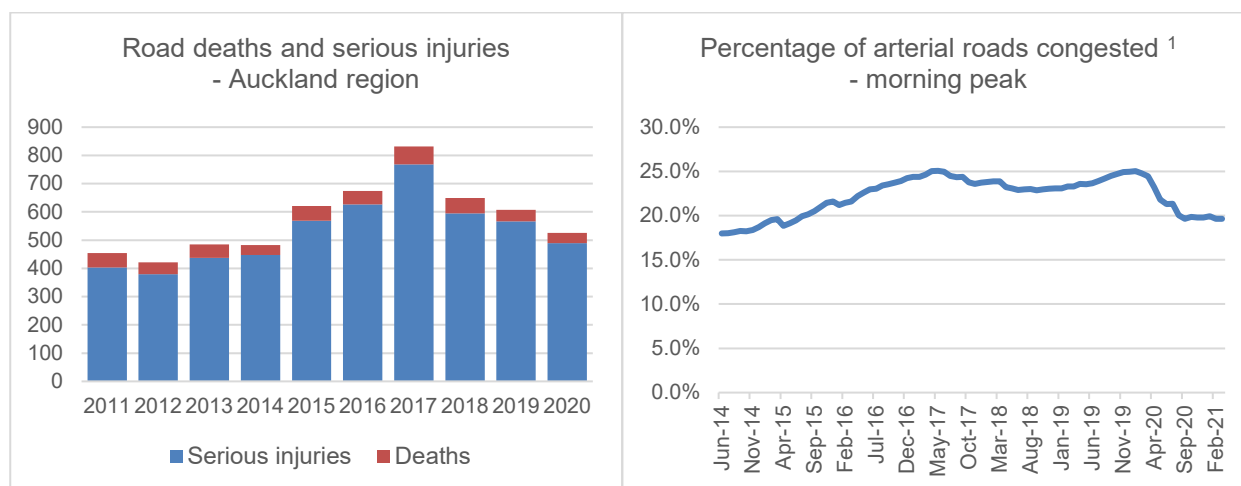
Changing needs

Auckland is rich with diversity – it's now one of the most diverse cities in the world. It is a mix of different ethnicities, sexualities, gender identities and age-groups. It also includes those that face accessibility issues.

Different groups demand different services of their council and many of the services and facilities we currently provide, while relevant to the communities of the time, are not keeping pace with the changing demand. We are continuing to reassess the services we deliver to ensure they remain relevant and that we are delivering them in the most efficient way.

Transport demands

Traffic congestion and road safety continue to be major challenges for Auckland.



Addressing these issues continues to be a key focus of the work of the Auckland Transport Alignment Project (ATAP). Through this project substantial required investment has been identified to address these issues, provide more transport choices to Aucklanders and contribute to our climate change goals.

Maintaining existing assets and services

The extent and breadth of services that the council provides requires significant funding to maintain. This includes both the running costs of delivering services such as waste collection and public transport and the costs of maintaining and renewing our extensive infrastructure networks.

While reviews to ensure our services are still relevant are on-going, we need to manage our existing assets. Continued deferral of renewal expenditure creates risk of assets either reducing their effectiveness in service delivery, or of failure. At the same time operating costs rise through increased maintenance. Delaying investment in renewing our asset base can also mean delays to financial and environmental benefits from latest technologies (such as more efficient power or water usage).

Responding to climate change

Auckland Council declared a climate emergency in June 2019 and then commenced work on Te Tāruake-ā-Tāwhiri: Auckland's Climate Plan which was adopted in June 2020. This includes a plan to reduce greenhouse gas emissions by 50 per cent by 2030, and to reach net zero emissions by 2050 alongside a pathway to prepare for the impacts of climate change.

While Auckland Council is already doing a lot of work tackling emissions, more investment will be needed. More investment will also be required to make our infrastructure more resilient to the effects of climate change - including the impacts of rising sea levels and increased frequency of extreme weather events.

Supporting recovery

Investing in capital projects is a major way that Auckland Council can support the local economy, providing jobs and economic stimulus needed for our recovery.

¹ Congestion is defined as average travel speeds of less than 50 per cent of the posted speed limit

Other infrastructure challenges

Alongside maintaining and renewing our established infrastructure networks the Infrastructure Strategy identifies five key issues facing our networks. These are:

- Climate change
- Natural hazards
- Growth
- Equity
- Funding

The challenges of climate change and growth are key drivers of the growth in investment demand and are discussed above. Funding challenges are addressed in the next section as we look to providing supply of investment capacity. Responses to the natural hazard and equity challenges do not necessarily require increased investment but rather changes to the investment we make, for example building natural hazard resilience into our infrastructure planning and prioritising investment in areas of greatest need.

Assessed investment demand

Assessment of the costs of the expected changes in population and land use discussed above identified a substantial increase in capital investment requirements. The estimated requirement of \$35 billion represented a significant lift from the \$27 billion cost projected pre-COVID as shown below:

\$ billion	Pre-COVID	Investment demand	Includes
Auckland Transport	\$11 billion	\$11 billion	Starting position for ATAP prioritisation
Watercare	\$5.4 billion	\$10.4 billion ²	Bottom-up Asset Management Plan (AMP) review
Panuku	\$0.8 billion	\$0.9 billion	Onehunga Wharf, Waterfront renewals, extension of priority location programme
Auckland Unlimited	\$0.3 billion	\$0.8 billion	AMP review and transform Aotea precinct and Stage 1 stadiums investment
CRL	\$1.3 billion	\$1.3 billion	No change to existing forecast investment
Ports of Auckland	\$0.7 billion	\$0.7 billion	No change to existing capital programme
Auckland Council	\$7 billion	\$10 billion	Community Services full cost with current service model (\$6.4 billion) Additional city centre investment Healthy Waters high growth scenario
Total	\$27 billion	\$35 billion	

Key factors within this additional investment demand include:

- a revised approach to the renewal of water assets following an independent review of Watercare's asset management approach. This review suggested a more pro-active renewals programme and the subsequent update to the Watercare Asset Management Plan included a required investment level of \$10.8 billion over ten years.
- the projected costs of renewing all community assets across the city. Continuing to deliver our services through these same assets would require investment of \$6.4 billion.

The scope of this investment demand is daunting, and we know that it exceeds our capacity to responsibly fund. To prioritise investment council group undertook a risk-based prioritisation exercise and provided advice to elected members on which investment demands are most critical to manage service delivery, financial and strategic risks. Further information about this exercise can be found in section 4 of our Infrastructure Strategy Section 1.1 of volume 2.

Section two: Supply of investment capacity

Addressing the significant demand for investment in Auckland has required a considered approach to the levers available to the council to provide an appropriate supply of investment capacity.

The COVID-19 pandemic has already had a significant impact on our operating revenues. When we consulted on our proposed 10-year Budget, we anticipated our revenue for the 2020/2021 year and the first three years of the 10-year Budget to take \$1 billion hit. However, a better than expected result in 2020/2021, means that we are now forecasting this to be closer to \$750 million over that four year period. This reduction in revenue is still very significant and not only impacts on our ability to cover operating costs but also limits our ability to borrow. The combined impact means a much-reduced supply of investment capacity for the early part of this plan.

While we need to make these projections in order to plan, it is important that we recognise the high level of uncertainty around them. Our sensitivity analysis suggests that if we were to have further lockdowns and extended border closures the revenue for the council could reduce further to around to \$1 billion over four years (2020/2021–2023/2024).

The key considerations when looking at levers to increase supply are ensuring:

- We provide the best value to Aucklanders from the revenues we receive and the assets we hold,
- The costs to the community are acceptable, and
- We maintain prudent management of debt and sustainable financial management
- We continue to partner with the Crown and others for the best outcomes for Auckland.

This section of the strategy sets out the council's financial settings to supply investment capacity for this 10-year Budget.

Maximising value

In an environment where we cannot afford to match the full demand for investment it is essential that we make sure that every dollar we do spend provides value for money. In the face of the challenges of COVID-19 our Emergency Budget for the 2020/2021 year included operating cost reductions of \$120 million. To ensure we are continuing to make the best use of all our funding we are locking in \$90 million per annum of this as permanent on-going savings, this will be from a combination of service changes and efficiency savings.

Like most organisations, over time we will have started many services or activities in response to circumstances that existed at that time. It is important, particularly in the current situation of financial constraint, that we continue to review their current relevance and requirement, and how they are provided. Recent developments both through advances in technology and behavioural change (accelerated by COVID-19 disruption) may have resulted in changes to consumer demand, preferences and requirements. This will include both services to our communities and internal support functions.

A purposeful shift in operating and capital spend from traditional bricks and mortar to digital may be appropriate, to meet demand, reduce costs, and reduce our carbon footprint. Evidence could suggest a reduction in service provision may be required where facilities are poorly utilised and not delivering as expected, or services are no longer as relevant. In assessing priorities, we need to be cognisant of services that the market can provide, and look to enable greater community service provision, for example through council grants, partnerships and philanthropy. We may also find benefits in accelerating the 'Value for Money' review programme, including some short-term divestments of non-core council functions. Any proposed changes identified that would result in significant changes to service levels would require further public consultation.

As well as reviewing the relevance and potential to shift the provision of our services, we continue to look at the general efficiency of our organisations. In recent years we have been successful in finding sufficient additional efficiency savings to allow us to maintain low average annual rates increases. We have done this by improving business processes, better procurement and tendering processes, improving technology use and bringing work in-house where it is more cost-effective to do so.

Asset optimisation

Auckland Council holds assets worth almost \$60 billion for the benefit of Aucklanders. It is crucial we ensure all these assets are delivering best value. To do this we propose to continue our current programme of asset recycling and also engage in a comprehensive exercise to assess where better capital allocation might result in improved outcomes. The council also holds financial investments and we are required to specify our objectives for holding these and to quantify our targeted returns.

Asset recycling

Auckland Council has a very large holding of land and buildings, some of which are not needed for providing council services, are not providing a market rental income, are poorly utilised or simply located in the wrong place. Because we will not have sufficient funding to match the investment demand over the next 10 years, disposing of surplus assets will help maximise our investment capacity.

In preparing the Emergency Budget 2020/2021 staff identified a pipeline of non-strategic, non-service assets that could be considered for sale or long-term lease. This work supported the council's decision to set a target for \$244 million of asset recycling in the 2020/2021 year. Alongside the work to deliver on this target staff have continued to identify further opportunities for asset recycling.

The current year target will not be achieved in the 2020/2021 year but will flow into the early years of the 10-year Budget. When added to the previously proposed increased targets for the 10-year Budget the updated targets are as set out in the table below.

Financial year ending 30 June (\$ million)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net proceeds from asset recycling	70	70	70	70	70	60	20	0	0	0

Capital allocation

In 2015 Auckland Council engaged two advisory firms to provide advice on opportunities for improvements to our funding and financing. These reviews helped inform initiatives such as the relook at our Housing for Older People, our corporate accommodation strategy and the fleet review.

As stewards of assets for Aucklanders it is appropriate that we regularly reassess our balance sheet and we propose to undertake another review over the next year. Our assets should be assessed to determine alignment to:

- Purpose – do they align to the core purpose of Auckland Council
- Priorities – do they reflect our current priorities
- Performance – do they perform in a way consistent with our obligations to Aucklanders.

Investment management

The council is expecting \$1.1 billion in revenue from financial investments over the next 10 years. The three key types of investments, the council's objectives for holding them and target returns, where appropriate, are discussed below. More information on how council manages its investment is contained in our Treasury Management Policy which can be found on the [Auckland Council website > Plans, policies, bylaws, reports and projects > Our policies > Treasury Management Policy](#).

Equity investments in commercial activities

The council has significant shareholdings in Ports of Auckland Limited and Auckland International Airport Limited. The council manages these investments to achieve broader strategic objectives while delivering financial returns. The council has set a return on investment target for these major investments of dividend growth at a rate at least equivalent to the increase in the Consumer Price Index (CPI). In light of the disruptions to both international travel and the domestic economy the council recognises that there will be departure from these targets for the first three years of the 10-year Budget 2021-2031.

Trusts and reserves

The council has a number of trusts and reserves to fund specific activities. The trusts are mainly endowments from private individuals and organisations to help fund specified activities. The council manages these and uses the returns to fund the relevant activities. For the purposes of this 10-year Budget, revenue from trusts and reserves is assumed to be utilised for specified activities in the year it is received. Accordingly, no movement in trusts and reserves balances is forecast.

The council has set a return on investment target for the Trust and Reserves portfolio to exceed the Official Cash Rate (OCR).

Shareholding in the New Zealand Local Government Funding Agency (NZLGFA)

The council is a shareholder in the New Zealand Local Government Funding Agency (NZLGFA) and expects to fund some of its borrowings from NZLGFA.

The NZLGFA's Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to NZLGFA's fixed rate bond cost of funds plus 2 per cent over the medium term.

Prudent borrowing

Borrowing is an important tool in supplying capacity for investment. It enables the cost of investment to be spread across the different generations that benefit from it.

When considering prudent and sustainable levels of borrowings we must consider the costs of these borrowings both now and in the future. We must also consider how much capacity we leave to deal with future shocks. Higher borrowings can mean higher levels of financial risk and with this comes associated increases in interest and servicing costs. Debt also eventually needs to be paid back and excessive borrowing now may put greater pressure on future ratepayers.

In setting a prudential limit on our borrowing Auckland Council looks at the relationship between our debt and our revenue. This limit is an indicator of the ability of council to cover its borrowing costs from its different revenue sources. We have worked with our ratings agencies to consider an appropriate limit for this 10-year Budget. Alongside this indicator the council, and rating agencies, also take into consideration factors such as the level of interest, annual cashflows and the flexibility of the planned capital programme.

We have set a prudential limit of group debt being less than 290 per cent of group revenue. When assessing our debt to revenue ratio against this limit, a number of adjustments are made which are consistent with Standard and Poor's approach when they undertake their credit rating assessment³.

Council has considered whether we could maximise our debt within the 290 per cent cap. However, we considered that it would be prudent to maintain debt headroom to allow capacity to deal with any future shocks. Given this, over the long-term we are targeting debt-to-revenue levels below a level of 270 per cent of revenue.

We are forecasting that the impacts of COVID-19 disruption on our current revenues and the capital investment programme in our 10-year Plan will result in our debt-to-revenue ratio being above 270 per cent, but below the 290 per cent limit, for the first two years of this plan. It then reduces below our long-term target of 270 per cent and we are forecasting it will be below 250 per cent by 2029.

Treasury management

The council faces a number of key risks in relation to its borrowings. Our Treasury Management Policy details how we manage those risks. For further information this policy can be found on the [Auckland Council website > Plans, policies, bylaws, reports and projects > Our policies > Treasury Management Policy](#). Two of the most significant risks are the risk of rising interest rates and the risk that we are unable to borrow funds when needed.

³ The main adjustments are the exclusion of revenue related to capital expenditure, development contributions, vested assets and the sale of assets to total revenue and inclusion of the present value of lease commitments to debt.

In a similar way to how you might fix your mortgage, we protect the council from rises in interest rates through the use of hedging to fix interest rates. To a large extent, this locks in council's future borrowing cost for a certain period of time to protect us from rising interest rates.

To ensure that we are not too dependent on the state of global financial markets, we ensure that we always have sufficient cash, liquid investments and committed lines of credit available to allow us to pay our bills for at least the next six months. We also source borrowings from a range of domestic and international lenders so that a problem with any one provider of borrowings does not have too large an impact.

In general, the council provides rates revenue as security for its borrowings including its borrowings through the New Zealand Local Government Funding Agency (NZLGFA), domestic and offshore borrowing programmes. However, in specific cases, the council may consider whether alternative security is appropriate, for example security over property that is specifically connected with the borrowing.

Balancing the budget and funding depreciation

Under the Local Government Act 2002, the council is required to ensure our operating revenues (under generally accepted accounting principles) are set at a level that is sufficient to meet operating expenditure for each financial year. As shown in Section 3.3 in this Volume, we plan to balance our budget under this measure for each year of the plan.

We are also moving towards a long-term policy of fully funding depreciation. Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average we are not relying on borrowing to fund asset replacement expenditure over the long run. This represents a sustainable approach, as it ensures that operating expenditure is covered by operating revenues and borrowing is only used to finance investment that will deliver enduring benefits. The legacy councils only funded 63 per cent of depreciation and our previous policy was to progressively move to 100 per cent by 2025.

The impacts of COVID-19 disruption on our revenue streams for the first three years of this 10-year Budget have caused us to revisit our existing policy for funding depreciation. Given the projected short-term nature of this revenue shock and our intention to maintain existing key service levels through this period, we consider that this is a prudent and sustainable approach. Given this, we have amended the Revenue and Financing Policy (refer to Section 3.1 of this Volume) to reflect that it will take three additional years before we are fully funding depreciation (i.e. 2028).

Revenue parameters

Revenue growth will help address operating cost pressures and support higher borrowing levels. This capacity for additional investment supply needs to be balanced against maintaining acceptable levels of increase to rates and other council charges.

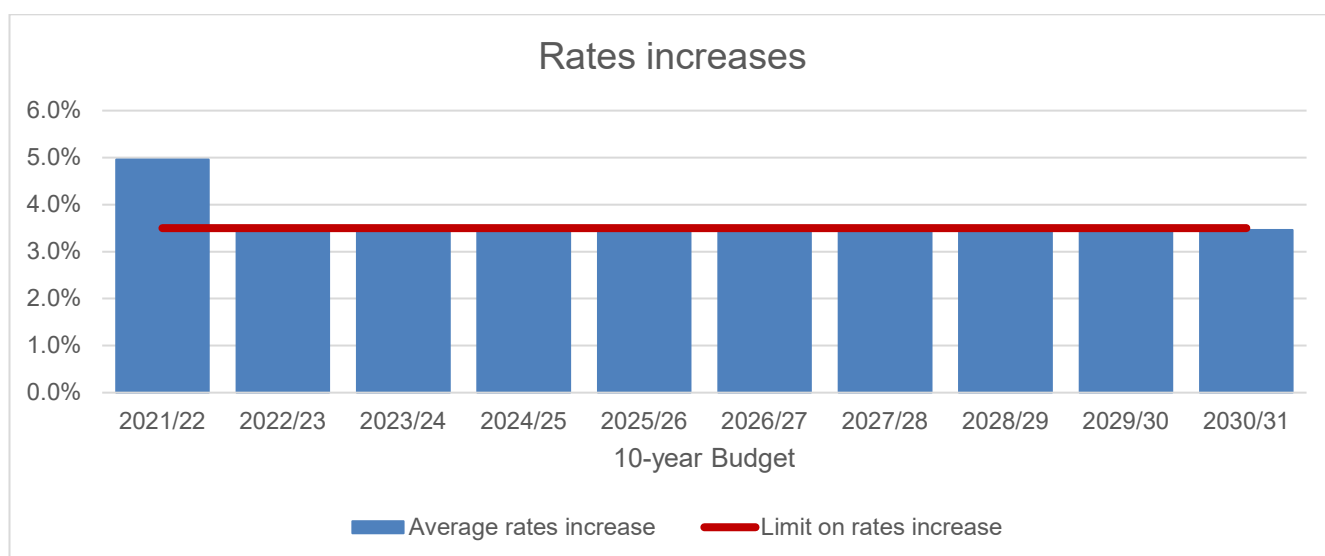
General and targeted rates

To provide certainty and predictability to ratepayers around general council expenditure, Auckland Council is continuing to limit average rates increases for existing ratepayers to 3.5 per cent per annum over the long-term. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Annual average rates increase limit	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

To respond to the impacts of COVID-19 on our revenue streams and to maintain the supply of investment capacity we have approved a one-off increase in average general rates of five per cent for the first year of the 10-year Budget only. This means we will exceed the 3.5 per cent limit in 2021/2022. Additionally, to ensure equity between similar properties, we are extending the Urban Rating Area⁴ to include areas previously designated as rural, which slightly increases the overall average general rate increase. This change will be implemented over a three year period.

The average overall rates increases are projected to be slightly below the average general rates increases, this is because the Natural Environment Targeted Rate does not increase each year.



Rates for individual properties are not restricted by the average rates increase limit and will vary depending on a range of factors including property revaluations and whether the property is used for business, residential or farming purposes⁵.

Targeted rates are considered separately where the charges relate to a specific group of ratepayers who benefit from the associated expenditure, for example targeted rates for refuse collections that are charged to the houses that receive the service or Business Improvement District targeted rates that fund the activities that benefit a local business association.

We do not have a quantified limit on these targeted rates because the acceptability of their cost is viewed differently by the community. The costs and benefits of the rate are deemed appropriate and acceptable in the specific circumstances. They are specifically consulted on, along with the associated investment that they enable, and as a result provide greater transparency.

In addition, limiting these kinds of targeted rates would restrict the ability of specific groups of ratepayers (such as local communities or specific business sectors) to invest in increased service levels that they aspire to and are willing to contribute towards.

To continue the delivery of the specific outcomes supported by the Water Quality Targeted Rate, the Natural Environment Targeted Rate, and the City Centre Targeted Rate, these rates have been extended to 2030/2031. Additionally, the Water Quality Targeted Rate will be increased each year at the same rate as the overall average general rates increase. This will enable the delivery of additional water quality outcomes, particularly in the Manukau Harbour and the eastern isthmus.

⁴ For full details of which areas are affected refer to Section 3.1 Revenue and Financing Policy found in Volume 2.

⁵ For further information on Auckland Council’s rating policy, please refer to Section 3 of Volume 2.

Water and wastewater charges

To support the provision of additional capacity for capital investment the Watercare board have decided to increase water and wastewater tariffs. Increases of 7 per cent are planned for 1 July 2021 and 1 July 2022, followed by annual increases of 9.5 per cent for six years and then increases of 3.5 per cent for the last two years of the plan.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Tariff increase	7%	7%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	3.5%	3.5%

Charges to recover growth costs

A key driver of our investment demand is Auckland's growth and the need to provide infrastructure to support housing and development. While the council is not directly involved in building homes we play a number of key roles in the process, including the provision of bulk infrastructure for water supply, wastewater collection and treatment, stormwater management, roads and footpaths, public transport, parks and open spaces, and community infrastructure. The council group recovers a fair and appropriate proportion of this provision through Development Contributions (Council and Auckland Transport investment) and Infrastructure Growth Charges (Watercare investment).

To ensure that a fair and appropriate level of these costs continues to be collected from the beneficiaries we will be consulting on changes to our Development Contributions policy separately from this 10-year Budget.

Additionally, the Watercare board have resolved to increase Infrastructure Growth Charges by 12 per cent from 1 July 2021, followed by annual increases of 8 per cent.

Other revenue streams

The council will continue to explore other opportunities for revenue growth, particularly where differentiated charging is more appropriate than rates funding.

Our user charges will continue to be adjusted to ensure costs are at least recovered and that inflationary pressures are accounted for.

The regional fuel tax is another important source of revenue to support our investment in the transport network. While no change has been made to the level or incidence of this tax, some updates have been made to forecast project costs and timings. Additionally, we have made an assumption that a funding source equivalent to this will continue past the end of the current scheme. This could be an extension to the scheme or a new mechanism such as congestion charging.

Partnering and new funding mechanisms

Auckland Council recognises that we can achieve greater progress by partnering with other organisations including the private sector, central government, charitable organisations and community groups. Examples of this include recent collaboration with central government in the establishment of City Rail Link Limited, Housing Infrastructure Fund, the Housing Acceleration Fund, the shovel-ready programme, and on transport programme alignment through the Auckland Transport Alignment Project (ATAP).

Looking forward the government have enabled, through legislation, new funding mechanisms particularly focused on funding and financing infrastructure for growth. These include the Infrastructure Funding and Financing Act 2020 and the Urban Development Act 2020. The council is actively working with Crown entities including Kāinga Ora, Crown Infrastructure Partners, and the Ministry of Housing and Urban Development to identify how these changes could enable the delivery of more and/or accelerated infrastructure for Auckland without unacceptable pressure on the council balance sheet.

Section three: Finding the balance

The effects of COVID-19 disruption on our revenues have severely impacted the capacity of the council to meet the demand for investment in the city. Without action, the level of investment in the first three years of this 10-year Budget would be significantly reduced and our initial prioritisation work suggested that this could result in risks to our assets and/or meeting our strategic objectives.

The actions we have proposed in the above section would provide capacity for almost \$32 billion of capital investment over ten years, including averaging over \$2.9 billion in each of the first three years (a total of \$900 million more over the three years than would otherwise be possible). This will enable us to continue our existing projects, maintain appropriate renewals programmes, and make progress addressing challenges such as climate change and growth.

This section provides an overview of how this balance reflects in our budgets (more detail is included in Section 2.2 Prospective Financial Statements in Volume 1).

Capital investment programme

The primary area of focus for our capital programme is the demand for investment in network infrastructure outlined in our Infrastructure Strategy. The \$32 billion of investment capacity provided by the proposed actions from the previous section is not sufficient to meet the full \$35 billion identified through the bottom-up budget refresh. Our risk-based prioritisation work has concluded this is sufficient to maintain existing levels of service currently provided and to respond to the challenges identified in the infrastructure strategy.

The capital programme includes over \$12 billion of asset renewal expenditure. This level of asset renewal expenditure will be adequate to keep the condition of our assets within acceptable parameters and support our planned levels of service over the next 10 years, with one key exception.

In the case of our community assets, we are proposing to change how we deliver the associated services and are therefore not proposing to invest in all the asset renewals that would be required if we continued to operate the full existing portfolio in the current manner. Our proposed community capital investment programme is \$1.9 billion lower than the revised assessment (outlined in section 1) identified. The proposed new delivery approach is not expected to change levels of service.

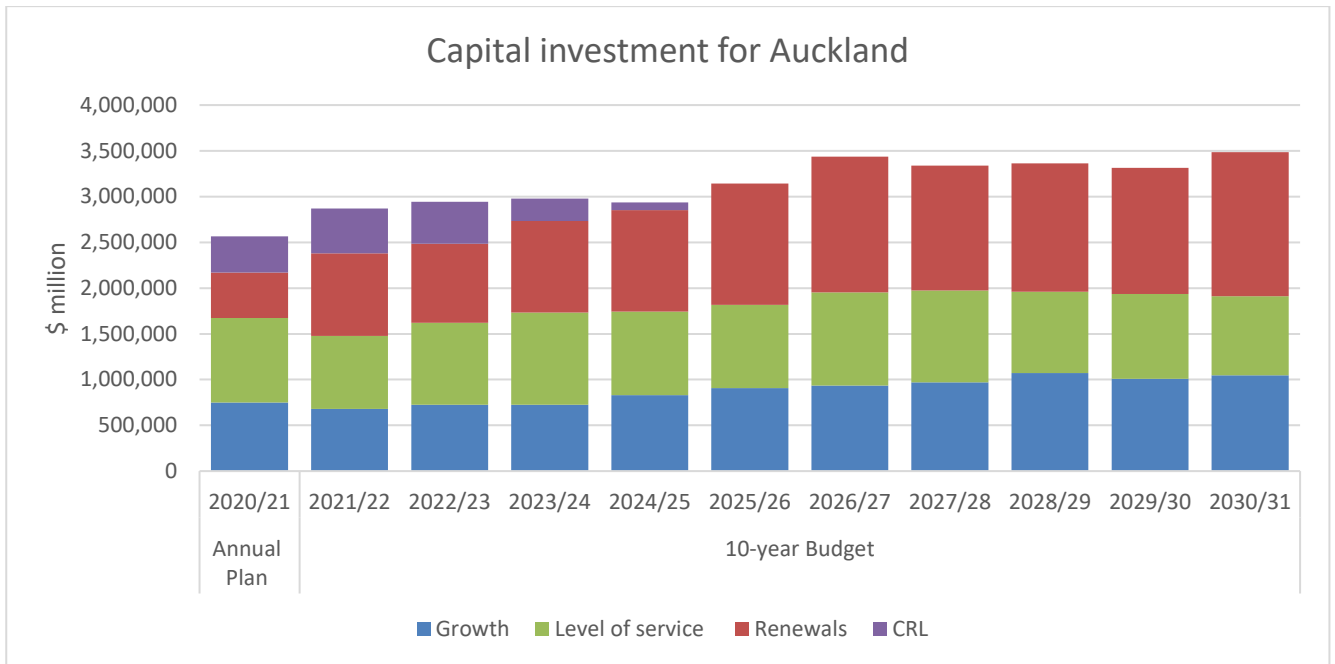
With an additional \$900 million of group capital investment over the next three years, we are confident that no critical asset renewals will be materially delayed because of our proposed investment plan. However, this does not mean that all asset renewals will be undertaken as early as we would like. Because our funding is not unlimited, non-critical asset renewals need to be prioritised against other important investment requirements.

In the case of our water supply and wastewater assets, we have reviewed our approach to renewing non-critical assets (local network pipes as opposed to key transmission assets and treatment plants). The cost of the proposed new approach would average around \$300 million per year. Our investment plan would see us transition to this new approach over the period of this plan and significantly improve the reliability and performance of our network of water supply and wastewater pipes over time. Watercare's capital investment programme is \$700 million less than the revised assessment in section 1 above indicated.

The other key differences between the proposed level of investment included in this 10-year Budget and the revised assessment were driven by the decisions to

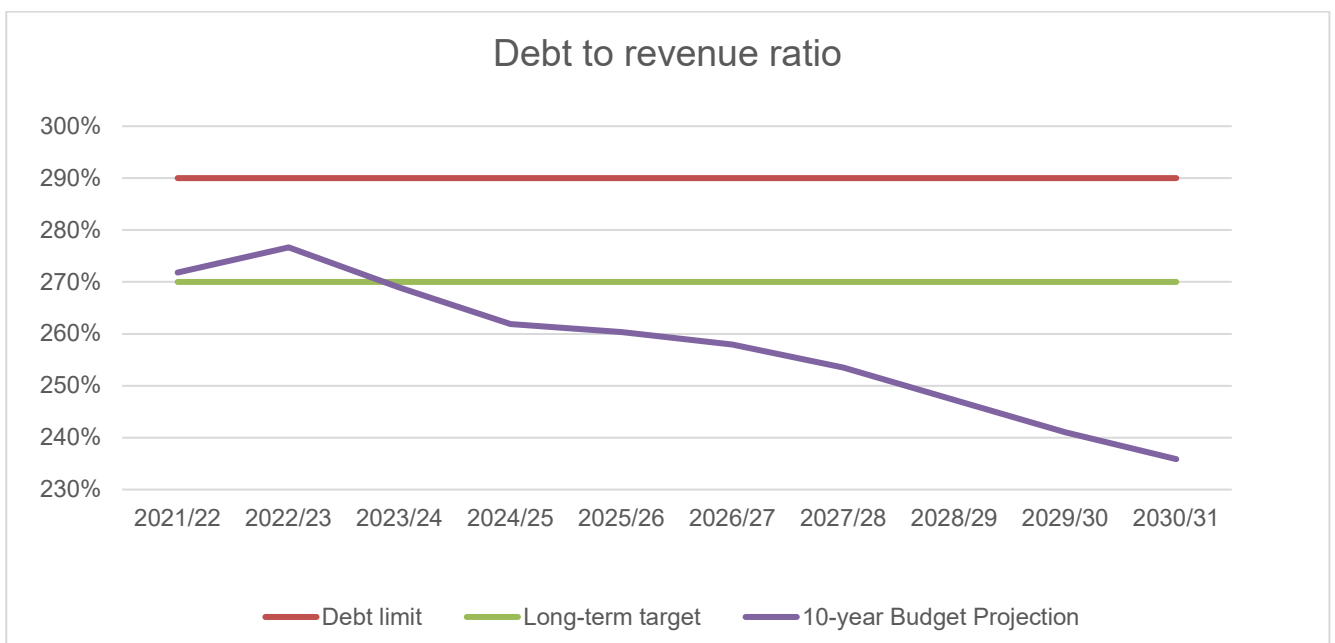
- incorporate the recommended Asset Management Plan budget for Healthy Waters rather than the "high growth scenario" (\$600 million difference).
- Include investment in regional facilities that ensures existing assets can be renewed and deliver their existing service levels but not include significant further investments in this plan (\$300m difference).

The following chart shows the split of the capital programme between the two key types of network infrastructure and other areas of investment.



Debt levels

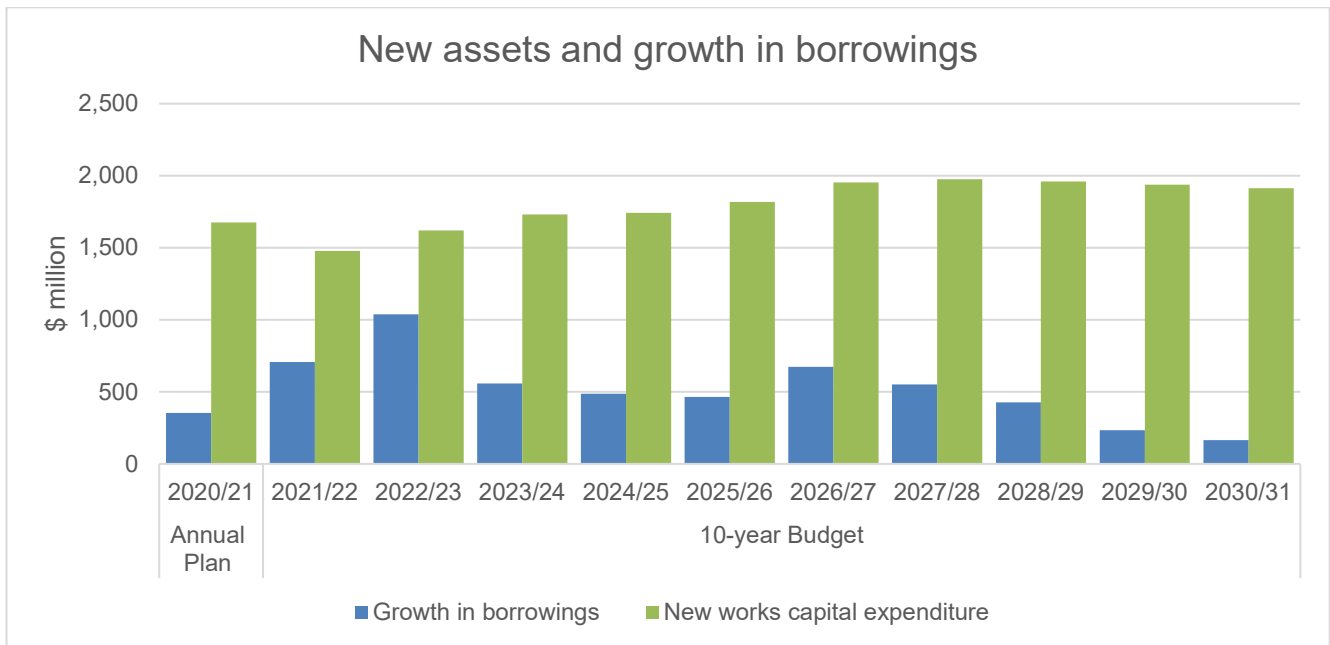
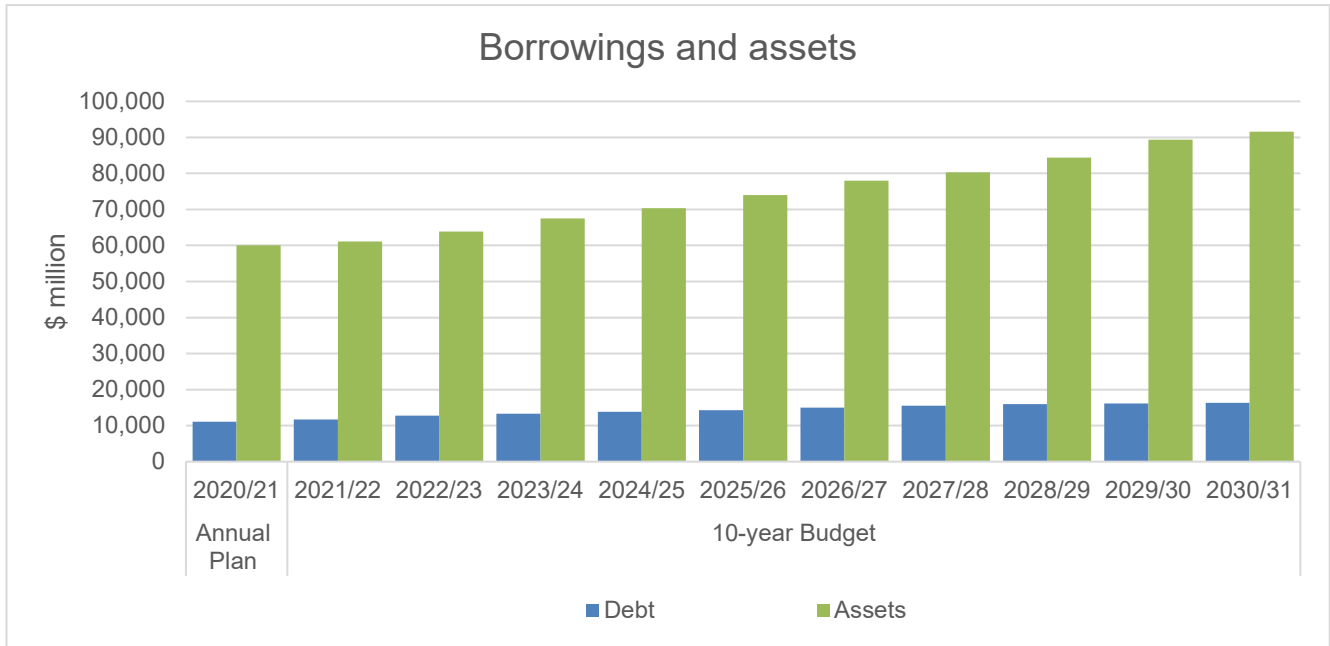
Impacts of COVID-19 disruption on our revenue streams have a dual impact on our debt levels, both directly through less cash in the door, and through the impact on our debt-to-revenue measure of how much we can responsibly borrow. In our Emergency Budget 2020/2021 we projected our debt-to-revenue ratio would reach 290 per cent. Rather than attempt to return to our long-term target level of below 270 per cent, in the face of ongoing revenue impacts, we intend remaining near, but below, 290 per cent for the next three years, before reducing over time to more prudent levels below 270 per cent.



We have highlighted the high levels of uncertainty around COVID-19 assumptions and have undertaken sensitivity analysis looking at more optimistic and more pessimistic scenarios. If the levels of disruption differ from those we have assumed the level of the debt-to-revenue ratio would be impacted. If, for example, we had an outcome aligned with our pessimistic scenario and no other actions were taken (such as deferral or reduction of investment) our ratio could reach 282 per cent in 2022/2023 and remain around three per cent higher throughout the plan period.

In the middle and outer years of the plan, our debt to revenue ratio is projected to move downwards as we recover from COVID-19 revenue impacts and move towards fully-funding depreciation. These factors result in higher revenue figures and lower debt figures leading to the ratio dropping over time.

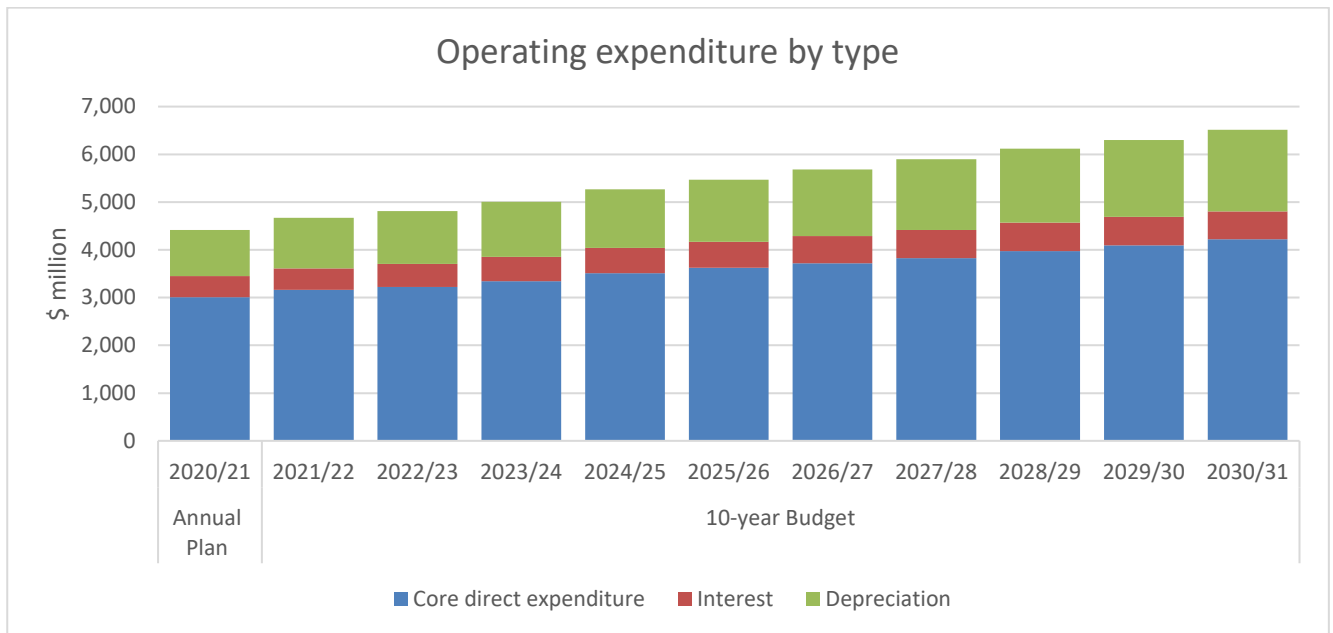
The settings will result in council debt growing by \$5 billion over the next 10 years, from \$11 billion in June 2021 to \$16 billion by June 2031. The following charts show how this projected debt level compares with our asset projections and how the growth in debt compares with our investment in new assets (non-renewals capital expenditure).



Operating expenditure

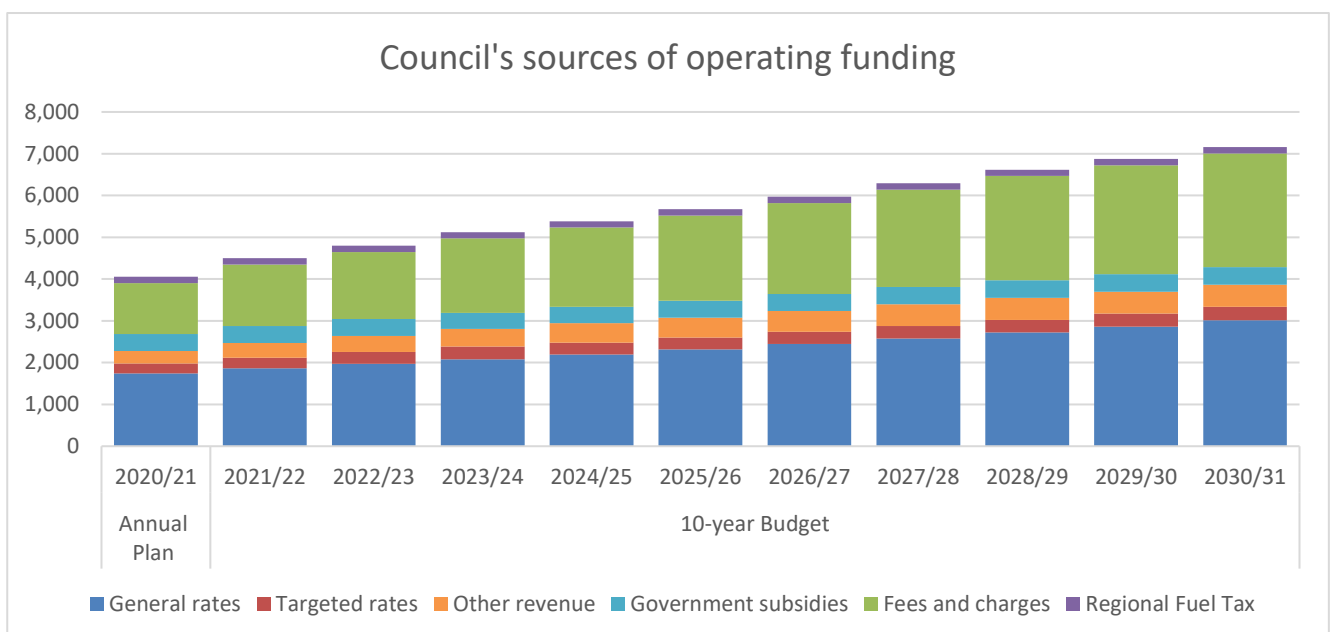
The forecast investment will drive continued growth in our operating expenditure from \$4.7 billion in 2021/2022 to \$6.5 billion in 2030/2031.

The parameters and targets outlined in this strategy will also enable us to spend \$56 billion over 10 years on the operational cost of delivering council services and initiatives. This includes the interest and ownership cost of new assets. The following chart shows the make-up of this spend over the next 10 years.



Operating funding sources

The following chart shows the projected path of the council’s different operating revenue sources including general and targeted rates, user charges, government subsidies and the regional fuel tax.



Key Assumptions

The levels of capital and operating expenditure outlined in the previous section are highly dependent on some key assumptions which are subject to differing degrees of uncertainty. These critical assumptions are:

- That our balanced scenario around the extent and duration of ongoing COVID-19 related disruption will be accurate. This is highly uncertain and different outcomes could result in significant revenue changes.
- The assumed central government contribution towards transport capital and operating expenditure will be enabled through the Auckland Transport Alignment Project (ATAP).
- Projected growth and development will occur, and consequently revenue forecasts for rates, consenting revenue, development contribution and growth-related user charges (e.g. water charges) will eventuate.
- That a new development contributions policy is adopted that reflects the Revenue and Financing Policy position that growth-related public infrastructure is funded by development contributions.
- Inflation and interest rates will be in line with projections.
- No changes to occur as a result of central government's reform programmes including -Three Waters Resource Management Act and the Future of Local Government. It is acknowledged that these programmes could result in some fundamental changes for Auckland and the local government sector as a whole, but there is not yet enough certainty to reflect any changes in this 10-year Budget.
- That following completion in the financial year 2024/2025, City Rail Link assets will remain owned by City Rail Link Limited with operating costs recovered from Auckland Transport as a user. If decisions around asset distribution are made prior to the adoption of the final 10-year Budget then budgets will be updated accordingly.

The full set of our significant financial assumptions are available in Section 2.2 Prospective Financial Statements in Volume 1, along with an assessment of the level and impact of uncertainty on each assumption.

Ongoing monitoring

As highlighted in the assumptions above, this Financial Strategy, and the 10-year Budget that it supports, have been prepared in a period of high uncertainty. It is based on the best information and assumptions at the time. However, given this uncertainty it is important that we continue to closely monitor the wider environment and financial settings in which the council will operate, as both our debt and revenue settings are finely balanced.

Our debt is towards the upper level of what we consider prudent, and while we have left some headroom for any future shock, this is something we need to be very conscious of.

Unlike many councils, a significant proportion of our revenue is not from rates (approximately 54 per cent on average). However, there is little opportunity to grow that revenue, which means increases in costs (such as those driven by population growth, changing community needs, responding to climate change, maintenance and renewal of assets) are likely to fall to ratepayers. The major investment in assets has ongoing cost associated with both servicing the debt and operating those assets. Cost saving programmes have meant that we have managed to keep rate increases at relatively low levels, however moving forward, this will become more difficult and to achieve further costs savings, trade-off discussions will be necessary.

Any material changes in the future to the way we operate, or our financial settings, will be the subject of public consultation.

Section Two: Our Activities

2.0 Overview

The following sections describe each of the groups of activities that comprise the council’s service delivery. This includes the contributions to Auckland Plan outcomes, the statements of service provision, and financial information presented by activity in table format and by group of activity in funding impact statement format. The financials prepared in this section are based off the significant forecasting assumptions.



Summary of revenue and expenditure by group of activity

\$'000		10-year Budget total		
Group of activity	Activity	Non-rates revenue	Direct operating expenditure*	Capital investment
Roads and footpaths	Roads and footpaths	1,684,749	1,997,031	7,257,837
Public Transport and travel demand management	Public transport and travel demand management	8,416,203	10,176,267	5,386,701
Water supply	Water supply	4,253,670	1,634,514	4,109,016
Wastewater treatment and disposal	Wastewater treatment and disposal	7,476,222	1,936,056	5,543,628
Stormwater management	Stormwater	24,960	826,433	1,484,490
Local council services	Local community services	523,616	3,942,716	2,626,944
	Local environmental management	-	75,444	-
	Local governance	-	262,414	-
	Local planning and development	-	226,139	2,114
Regionally delivered council services	Auckland emergency management	-	66,103	11,133
	Investment	3,903,638	1,882,424	740,933
	Environmental services	8,610	611,769	26,587
	Regional community services	408,157	3,660,682	1,934,080
	Regional governance	28,768	535,751	20
	Regional planning	54,065	908,747	455,780
	Waste services	450,486	1,699,242	136,328
	Third party amenity and grants	-	766,740	-
	Organisational support	70,796	122,005	745,415
	Regulatory services	2,486,526	2,656,777	14,048
Council controlled services	Development Auckland	450,118	592,497	777,016
	Economic growth and visitor economy	316,663	794,602	41,932
	Regional facilities	801,651	1,320,712	512,027
Total		31,358,897	36,695,065	31,806,031

*Direct operating expenditure does not include interest and depreciation

Levels of service, performance measures and targets are also set out for each group of activity. Note that some of the descriptions of our levels of service, performance measures and targets have changed from how they have previously been described. This is to better explain our activities and to align the descriptions to those used in other strategic plans.

Further information about how these activities contribute to the council's strategic outcomes is set out in sections 1.0 Strategic overview and 1.1 Auckland's 30-year Infrastructure Strategy.

The performance information set out in the following section forms part of a broader performance management framework extending to our [Auckland Plan 2050 and its monitoring framework](#). It includes outcome measures for Auckland that Auckland Council contributes towards but is not wholly responsible for. Key examples include measures relating to housing delivery, employment, and greenhouse gas emissions. This framework will also include more detailed management and CCO accountability measures to monitor performance within the council group.

How it fits together

The Auckland Plan is implemented through our key strategies, regulatory plans, and funding programmes as set out in this 10-year Budget. It provides the strategic direction for council's priorities and forms the basis for alignment with Kia Ora Tāmaki Makaurau and Te Tāruke-ā-Tāwhiri - to lead a Council-wide response in delivering Māori outcomes and climate actions.



Kia Ora Tāmaki Makaurau guides the council on supporting strong Māori communities, as well as enabling effective Māori participation and ensuring that council staff are empowered to deliver on outcomes for and with Māori.



Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan sets the blueprint to a zero-carbon, climate-resilient Auckland that will require combined efforts from all of us - Auckland Council, government, mana whenua, mataawaka, businesses, communities, and individuals.

GROUPS OF ACTIVITIES

AUCKLAND PLAN OUTCOMES		Roads and Footpaths	Public Transport/ Travel Demand Management	Water Supply		Wastewater Treatment and Disposal	Stormwater Management	Local Council Services	Regionally Delivered Council Services	Council-controlled Services
BELONGING AND PARTICIPATION		We provide safe opportunities for physical activities	We provide accessible travel choices to enable Aucklanders to get where they want to go more easily, safely, and sustainably	We support Aucklanders' health by providing safe drinking water		We support Aucklanders' health by treating wastewater and returning it safely to the environment	We work with developers to ensure efficient infrastructure investments that lead to public benefits	We provide opportunities for Aucklanders to participate and foster a sense of belonging and inclusion	We provide opportunities to participate and foster a sense of belonging	We provide opportunities to celebrate and showcase Auckland's diversity
MĀORI IDENTITY AND WELLBEING		We reflect Māori identity in transport network and services	We reflect Māori identity in transport network and services	We enable mana whenua participation in the management of water		We enable mana whenua participation in the management of water	We enable Māori participation in management, restoration, and protection of taonga resources	We advance wellbeing through creating welcoming spaces and enabling whānau Māori	We provide support to mana whenua to exercise kaitiakitanga	We promote Māori business, tourism, and employment by showcasing Māori culture and identity
HOMES AND PLACES		We support and enable growth by unlocking development opportunities	We integrate travel choices where people live, work and play	We support and enable growth by building essential water infrastructure		We support and enable growth by building essential water infrastructure	We support and enable growth by building essential water infrastructure	We provide public spaces that enhance urban living	We support and enable growth by unlocking development opportunities	We support and enable growth by unlocking development opportunities
TRANSPORT AND ACCESS		We make walking and cycling preferred choices	We influence travel demand and make use of transport technology					We integrate travel choices where people live, work and play	We integrate land-use and transport decisions	We activate urban regeneration that facilitates all modes of transport
ENVIRONMENT AND CULTURAL HERITAGE		We provide sustainable travel choices that mitigate negative environmental impacts	We provide sustainable travel choices that mitigate negative environmental impacts	We provide resilient infrastructure and mitigate negative environmental impacts		We provide resilient infrastructure and mitigate negative environmental impacts	We provide resilient infrastructure and mitigate negative environmental impacts	We lead environmental action and encourage community stewardship	We lead environmental action and encourage community stewardship	We provide opportunity to interact with cultural heritage
OPPORTUNITY AND PROSPERITY		We deliver efficient transport networks to support productivity growth	We deliver efficient transport networks to support productivity growth					We support strong local economies through skills development and lifelong learning	We support strong local economies through skills development and lifelong learning	We drive investment and support businesses to grow

THE WELLBEINGS



2.1 Roads and footpaths

Auckland Transport (AT) is responsible for managing Auckland's roads and footpaths in a way that is consistent with the strategic direction set by the council. They look after 7,580km of roads and 7,364km of footpaths. AT are also responsible for all of the region's transport services (excluding state highways), from roads and footpaths to cycling, parking and public transport. Day-to-day activities include keeping Auckland's transport systems moving; including planning and funding of public transport, promoting alternative ways to get around and operating the local roading network.

Key activities

We design, build, and manage our local and arterial roads, busways, cycleways, footpaths, and shared paths to improve safety, improve traffic flow and minimise congestion. We manage roading infrastructure, maintaining surface quality and road marking, street lighting, traffic signals, intersection optimisation, incident response and road safety initiatives. Alongside these activities, we deliver public realm upgrade projects for Auckland, facilitate urban regeneration, deliver transport choices, encourage us to do more cycling and walking, protect the environment and balance the needs of all road users – pedestrians, cyclists, scooter riders, public transport users, motorists and freight drivers.

Things we are keeping an eye on

Too many people die or are seriously injured on our roads. We are continuously improving the design of our roads to make them safer for all users. We have also reduced the speed limits on many rural roads and most inner-city roads to prevent accidents and to reduce the impact when accidents do occur.

Auckland has an extensive transport network, and, within the existing urban area, there are very limited opportunities to build new corridors or expand existing ones. To manage the extensive growth in travel-demand we must make the best use of existing networks by maintaining and renewing existing assets and building capacity and performance.

When we replace or build roads and footpaths, we can create carbon emissions and run-off sediments, and cause disruptions to Aucklanders. We minimise the environmental impacts of our work and use traffic management systems to minimise disruptions and keep the work areas safe. We keep residents in the loop about what the work is and how long it will take.

Key projects

Making Auckland’s transport system safe by eliminating harm to people

- Vision Zero for Tāmaki Makaurau Transport Safety Strategy 2030 which aims for a safe transport network, free from death and serious injuries on Auckland’s roads by 2050
- Delivering safety improvements to high-risk roads and intersections, including improved signage, surface treatments, road markings and lighting
- Other safety improvement projects include the:
 - Pedestrian programme which includes building raised crossings to slow the speed of vehicles at zebra crossings
 - Safe speeds programme ensures our commitment to safer speed limits on Auckland roads
 - Road safety behaviour change initiative aims to raise road safety awareness by working alongside the NZ Police and our work with many community groups. It also includes promoting safe driving and road safety promotion for cyclists and pedestrians
 - School safety projects that are committed to increased safety outside schools, help reduce congestion and create a safer space for parents and children as they walk, cycle and catch public transport to school
- Public transport safety improvements
- Red light cameras and CCTV cameras to help with enforcement and encourage people to stop at traffic lights.

Better connecting people, places, goods, and services

- Network capacity and performance improvements to improve the movement of people and goods around Auckland including:
 - Optimisation of traffic lights
 - Physical improvements to enhance people movement capacity, general traffic flow and safety
 - Targeted freight movement improvements on the freight network
 - Network management and operations by working with partners to manage incidents and planned events on our transport network
- Develop and implement the unsealed road improvement framework, supporting innovative and low-cost techniques to treat a wide range of issues occurring on Auckland’s unsealed roads
- Regional Fuel Tax funded corridor improvements including Lincoln Road, Carrington Road, Lake Road, and Glenvar / East Coast Road intersection.

Road corridor improvements for Lincoln Road, Carrington Road, Lake Road, Glenvar/East Coast Road intersection

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We provide safe, high quality and efficient local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers						
Year-on-year change in the number of deaths and serious injuries on the local road network, expressed as a number	533	Reduce by at least 36 (497)	Reduce by at least 50	Reduce by at least 50	Reduce by at least 50	Reduce by at least 50 per year

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
<p><i>The target trajectory for future years reflects the 10-year target for Deaths and Serious Injuries as set out in ATAP and endorsed by the 10-year budget and RLTP. The 12-month total (January to December) number of deaths and serious injuries on local roads are according to NZ Transport Agency's Crash Analysis system.</i></p>						
Average AM peak period lane productivity across 32 monitored arterial routes	32,951	23,000	30,000	33,000	34,000	35,000 per year
<p><i>Road productivity is a measure of the efficiency of the road in moving people during the peak hour. It is measured as the product of number of motorised vehicles (cars, buses, and trucks), their average journey speed and average vehicular occupancy per lane in one hour. It is measured across 32 arterial routes. These routes comprise all Primary Arterials of the Road Network, as defined in the One Network Road Classification (ONRC). The monitored arterial routes are defined in the Auckland Transport 2019 Statement of Intent Route Productivity map.</i></p>						
Proportion of level 1A and 1B freight network operating at Level of Service C or better during the inter-peak	94%	85%	90%	90%	90%	90%
<p><i>The freight network comprises all level 1A and 1B freight routes as defined in the Auckland Transport Freight Network. The monitored freight network is defined in the Auckland Transport 2019 Statement of Intent Freight Network map. Level of Service measured by median speed as a % of the posted speed limit. LoS C or better = >50%.</i></p>						
Percentage of key signalised intersections in urban centres where pedestrian delays are reduced during the interpeak period.	N/A	New measure	55%	60%	65%	65%
<p><i>The benchmark for pedestrian delay is no more than 40 seconds wait time in the City Centre, Metropolitan areas and Town Centres, as defined by Auckland Council.</i></p>						
Number of cycle movements past 26 selected count sites	3.669M	4.018M	3.671M	3.854M	4.047M	6.555 M
<p><i>Auckland transport uses the following sites to monitor cycle movements: Beach Road, Curran Street, East Coast Road, Grafton Bridge, Grafton Gully, Grafton Road, Great South Road, Highbrook shared path, Hopetoun Street, Karangahape Road, Lagoon Drive, Lake Road, Lightpath, Mangere Bridge, Northwestern cycleway – Kingsland, Northwestern cycleway – Te Atatu, Orewa shared path, Quay Street (Vector Arena), SH20 shared path (near Dominion Road), Symonds Street, Tāmaki Drive (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Drive, Upper Queen Street, Victoria Street West. Note: some trips may be counted more than once across the cycle network. Micromobility devices are not captured at our count sites.</i></p>						
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed rural roads	94%	92%	88%	88%	88%	92%
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban roads	87%	81%	78%	78%	78%	81%
<p><i>Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.</i></p>						
Percentage of the sealed local road network that is resurfaced	5.6%	6.5%	6.0%	7%	7%	7%
Percentage of footpaths in acceptable condition	98%	95%	95%	95%	95%	95%
Proportion of road assets in acceptable condition	94%	95%	92%	92%	92%	95%

Performance measure	Actual 2019/20	Target 2020/21	2021/22	Indicative Long-term Plan targets		
				2022/23	2023/24	2024/25- 30/31
<i>As defined in the Auckland Transport's Asset Management plans.</i>						
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes	86.4%	85%	85%	85%	85%	85%
<i>Specified time frames are defined in Auckland Transport's customer service standards: one hour for emergencies, two days for incident investigation as a high priority, and three days for an incident investigation as a normal priority.</i>						

Prospective Financial Information

Activity	Operating cost and revenue \$'000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Roads and footpaths	Non-rates revenue	143,847	161,442	162,862	164,350	1,196,095	1,684,749
	Direct operating expenditure*	156,586	162,166	168,092	179,376	1,487,398	1,997,031
	Capital expenditure	585,475	521,860	567,672	650,900	5,517,405	7,257,837

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Roads and Footpaths

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	284,031	283,530	305,642	335,171	357,543	377,212	406,927	421,361	437,240	452,191	466,536
Targeted rates	1,623	1,678	1,706	1,734	1,763	1,791	1,821	1,855	1,890	1,925	1,957
Subsidies and grants for operating purposes	55,606	57,693	58,963	58,023	59,635	63,423	64,780	65,875	67,379	68,413	68,978
Fees and charges	3,653	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	84,588	103,749	103,899	106,326	111,787	103,432	103,839	104,244	104,408	104,735	105,167
Total operating funding	429,501	446,650	470,210	501,254	530,728	545,858	577,367	593,335	610,917	627,264	642,638
Applications of operating funding:											
Payment to staff and suppliers	156,585	162,166	168,091	179,377	192,284	197,819	205,217	212,054	219,270	226,616	234,138
Finance costs	66,868	56,159	57,234	59,897	61,310	62,667	66,719	71,366	74,416	77,267	79,462
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	223,453	218,325	225,325	239,274	253,594	260,486	271,936	283,420	293,686	303,883	313,600
Surplus (deficit) of operating funding	206,048	228,325	244,885	261,980	277,134	285,372	305,431	309,915	317,231	323,381	329,038
Sources of capital funding:											
Subsidies and grants for capital expenditure	203,199	227,115	212,998	256,031	255,819	286,009	349,279	377,967	416,995	418,974	403,875
Development and financial contributions	29,883	35,736	43,173	44,173	45,023	46,029	44,553	44,745	44,441	43,865	43,849
Increase (decrease) in debt	146,345	30,684	66,616	88,715	(15,339)	41,455	125,303	110,971	90,327	91,676	104,087
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	379,427	293,535	322,787	388,919	285,503	373,493	519,135	533,683	551,763	554,515	551,811
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	68,769	85,618	73,807	69,736	38,856	42,184	52,684	52,303	117,087	109,631	119,120
- to improve the level of service	320,638	225,434	266,188	291,293	186,518	244,891	378,145	381,566	331,713	337,344	333,780
- to replace existing assets	196,068	210,808	227,677	289,870	337,263	371,790	393,737	409,729	420,194	430,921	427,949
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	585,475	521,860	567,672	650,899	562,637	658,865	824,566	843,598	868,994	877,896	880,849
Surplus (deficit) of capital funding	(206,048)	(228,325)	(244,885)	(261,980)	(277,134)	(285,372)	(305,431)	(309,915)	(317,231)	(323,381)	(329,038)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.2 Public transport and travel demand management

Auckland Transport (AT) manages and plan current and future public transport. This includes new bus, train and ferry networks, local and peak services, connections, and hubs, with more frequent, more connected travel.

AT also manages off-street and on-street parking, balancing parking demand with the needs of road users, businesses, and residents.

Key activities

Public transport

Public transport contributes significantly to the quality of life of Aucklanders by increasing genuine and flexible travel choices for a healthy, vibrant, and equitable Auckland. Public transport, in tandem with walking and cycling, has strong potential to become the preferred travel choice for many more Aucklanders. While we have made significant improvements to the public transport systems across Auckland, there are still many more improvements that need to be made before it can reach its full potential. We're on our way to a simpler and more integrated public transport network that will change the way people travel.

High quality, rapid transit services bypass congestion and allow people quick and easy access to major employment and town centres across the city and between sub-regions. Important infrastructure projects are progressing such as the Eastern Busway and the Puhinui Station Interchange. The City Rail Link is due to open in 2024. It will double the capacity of the rail network and will deliver transport benefits across the whole of Auckland.

Over the next ten years, patronage on the network is expected to continue to grow as the network becomes more useful to more people. We recognise that customers are looking for a 'turn up and go' experience and aim to integrate this new rapid transit infrastructure with services and networks that provide for a seamless end-to-end customer journey.

Parking and enforcement

Parking is an integral part of the public transport and road network. Most vehicular journeys involve parking at both the start and end of each trip and the decision to drive, particularly for commuting purposes, influences public transport patronage and congestion on the road network.

We provide and manage Park and Ride facilities at public transport interchanges along the rapid and frequent transit network, and some ferry terminals. Park and Ride facilities located at the right locations can effectively increase public transport patronage, provide decongestion benefits, and improve accessibility for commuters who are not served by frequent public transport feeder services. We also manage all on-street parking and progressively implement regulation on streets as needed and ensure compliance with regulations.

Things we are keeping an eye on

With increased travel demand across the region, congestion is becoming increasingly worse. An expanded public transport Rapid and Frequent transit network will give Aucklanders' greater transport choice, enabling them to 'opt-out' of congestion via services travelling on their dedicated right-of-way (such as the rail system or busways) or on priority lanes, and provide access for those people whose transport choices are limited. We keep people safe on public transport through the implementation of Project SaFE – a fare inspection, enforcement, and security programme of warranted Transport Officers on services

To increase the capacity of the transport network and provide customers with a more reliable journey, more road space must be allocated to public transport (as public transport is a more efficient means of quickly moving large numbers of people along shared corridors), active modes (i.e. cycling and walking) and alternative vehicle share

modes (such as carshare and bike share), where it increases the actual number of people moved on main corridors and reduces single occupant car use.

As Auckland accommodates more growth, development in both existing urban areas and 'greenfield' growth areas will require new transport networks to support new housing and business opportunities. The new transport networks will need to be designed to ensure greater public transport and active mode use than has traditionally been the case. We also want to decarbonise our public transport network, accelerating our transition from diesel to electric and hydrogen buses to reduce our impact on the climate.

When we work on public transport infrastructure, we can create carbon emissions and run-off sediments, and cause disruptions to commuters. We minimise the environmental impacts of our work and use schedule changes, traffic management systems and alternative public transport services to minimise disruptions and keep the work areas safe. We keep commuters in the loop about what the work is and how long it will take.

Key projects

Accelerating better travel choice for Aucklanders

- The Eastern busway is a rapid transit busway project that will create faster, more reliable and connected transport options for communities in east and south Auckland
- Bus, rail, and ferry network improvements which also includes more frequent and faster services
- Bus and trains station improvements, including:
 - Rosedale bus station
 - Puhinui interchange
- The Southwest Gateway programme comprises of three connected transport projects which is a collaboration with Waka Kotahi and Auckland Airport. We are working together to deliver the programme to connect communities and support population and economic growth in southwest, south and east Auckland, particularly around the airport
- New cycleways and shared paths includes the urban cycleway programme which is a joint initiative with Waka Kotahi and central government to accelerate the delivery of cycling networks and cycling and walking projects, for example integrating the Northern Pathway with the cycle network
- Deliver events, training, campaigns, and activities to promote cycling and cycle safety
- Delivering new and improved footpaths across Auckland

Increasing the sustainability and resilience of the transport system and reducing the greenhouse gas emissions it generates

- **Zero emissions bus fleet – we will stop adding diesel buses to our fleet from 2021 and work with central government to make 50 per cent of our bus fleet electric or hydrogen vehicles by 2030**

Enabling and supporting Auckland's growth

- Downtown infrastructure development programme including:
 - Downtown ferry terminal improvements
 - Quay street seawall strengthening
 - Lower Albert Street which is a new interchange. This terminal will function as a destination or starting point, or transfer between buses, ferries and trains. This upgrade is being delivered in partnership with the City Rail Link (CRL) project and Auckland Council's streetscape programme.
 - Downtown public space (Te Wananga) where we will be creating an exciting waterfront public space in the ferry basin between Princes Wharf and Queens Wharf
 - Quay Street enhancements including a revitalised waterfront place and greater opportunity for business and events
- City centre projects including the City Rail Link
- Access for everyone programme (A4E) proposes to transform how people and freight move in the city centre. By enabling a decisive mode-shift away from private vehicles, it aims to make better use of finite city centre space by prioritising space for pedestrians while ensuring access is maintained for emergency and servicing vehicles

Deliver and improve parking solutions

- Continue delivering initiatives to improve parking outcomes across Auckland, including:
 - Review of the parking strategy which was developed to provide the strategic direction for the management and supply of parking in Auckland.
 - Continue the installation of CCTV enforcement zones in Special Vehicle Lanes to ensure the network continues to operate efficiently.

- Implement initiatives at poor performing (low compliance) Special Vehicle lanes that makes compliance easier
- Assess opportunities for park and ride charging to manage demand and support public transport revenue.

The Eastern busway project will mean faster, reliable connected transport options.

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We specify, contract for, and promote public transport services and provide safe, high quality public transport infrastructure						
Total public transport boardings	82.3M	104.8M	82M	92M	107M	154M
The percentage of public transport trips that are punctual	97.8%	95.5%	96%	96%	96%	97%
The percentage of passengers satisfied with public transport services	July-March 90.5% April-June 86%	85%	85-87%	85-87%	85-87%	85-87%
The percentage of the total public transport operating cost recovered through fares	33.7%	47-50%	30%-34%	32%-36%	36%-41%	48%-51%
<i>Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.</i>						
Percentage reduction of greenhouse gas emissions from Auckland Transport's assets (baseline 2018/19)	N/A	New measure	6%	9%	12%	50%
<i>This includes emissions from activities such as electricity used in office spaces, staff travel for work, and the Auckland Transport's corporate fleet. Assets also include public transport facilities and trains.</i>						

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10 years Total
Public transport and travel		629,906	690,085	717,942	758,183	6,249,993	8,416,203
demand management	Non-rates revenue						
	Direct operating expenditure*	822,258	876,982	884,555	918,614	7,496,116	10,176,267
	Capital expenditure	566,825	788,284	882,286	778,914	2,937,216	5,386,701

*Direct operating expenditure does not include interest and depreciation

*Total capital investment for this activity includes the council 's investment in the City Rail Link project of \$1.305 billion as well as the capital expenditure shown in this table.

Prospective Funding Impact Statement for 2021-2031 for Public Transport and travel demand management

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	342,679	387,189	371,043	355,089	420,792	484,408	493,443	493,892	492,896	490,463	485,615
Targeted rates	2,836	2,915	2,978	3,047	3,116	3,188	3,258	3,326	3,393	3,460	3,529
Subsidies and grants for operating purposes	330,428	310,595	310,753	299,978	311,322	326,880	328,664	330,432	333,105	333,383	332,376
Fees and charges	210,426	269,287	296,055	347,588	382,565	405,868	425,224	446,460	468,609	494,222	521,742
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	89,053	110,203	111,135	110,617	120,405	113,076	113,929	114,782	114,938	115,552	116,458
Total operating funding	975,422	1,080,189	1,091,964	1,116,319	1,238,200	1,333,420	1,364,518	1,388,892	1,412,941	1,437,080	1,459,720
Applications of operating funding:											
Payment to staff and suppliers	822,257	876,981	884,557	918,613	993,121	1,015,506	1,042,863	1,069,100	1,096,516	1,124,983	1,154,026
Finance costs	121,998	136,601	154,152	170,204	176,063	174,257	169,168	164,996	158,324	151,576	143,738
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	944,255	1,013,582	1,038,709	1,088,817	1,169,184	1,189,763	1,212,031	1,234,096	1,254,840	1,276,559	1,297,764
Surplus (deficit) of operating funding	31,167	66,607	53,255	27,502	69,016	143,657	152,487	154,796	158,101	160,521	161,956
Sources of capital funding:											
Subsidies and grants for capital expenditure	201,656	189,091	298,997	383,544	362,743	346,011	315,252	267,976	183,998	186,989	182,943
Development and financial contributions	13,683	58,637	61,077	61,822	63,156	64,579	65,475	65,499	65,015	64,176	64,168
Increase (decrease) in debt	320,319	473,949	468,957	256,047	117,817	(171,475)	(97,960)	(72,852)	(59,600)	(64,379)	(103,851)
Gross proceeds from sale of assets	0	0	0	50,000	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	535,658	721,677	829,031	751,413	543,716	239,115	282,767	260,623	189,413	186,786	143,260
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	9,231	17,013	40,367	41,501	28,086	24,472	59,602	63,918	37,926	30,120	32,080
- to improve the level of service	186,662	257,848	360,622	461,206	465,172	407,990	331,903	305,976	262,900	269,307	225,586
- to replace existing assets	(24,068)	23,423	25,297	32,208	37,474	41,310	43,749	45,525	46,688	47,880	47,550
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	395,000	490,000	456,000	244,000	82,000	(91,000)	0	0	0	0	0
Total applications of capital funding	566,825	788,284	882,286	778,915	612,732	382,772	435,254	415,419	347,514	347,307	305,216
Surplus (deficit) of capital funding	(31,167)	(66,607)	(53,255)	(27,502)	(69,016)	(143,657)	(152,487)	(154,796)	(158,101)	(160,521)	(161,956)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Water reform programme

The Government has announced a programme to improve the regulation and supply arrangements of drinking water, wastewater and stormwater (three waters) in New Zealand. The decisions on reform proposals were not made at the time of adoption of this Recovery Budget. These reforms would have significant impacts for Watercare and Auckland Council but there is not yet any certainty about what these impacts might be.

The council has signed a Memorandum of Understanding (MoU) with the Government to work together to explore future service delivery options for three water services in Auckland. There is an option for the council to opt out of this process at a later stage once things are clearer.

Under the MoU, local and central government will work together on the possibility of delivering three waters services through a small number of large scale (mostly multi-regional) water service delivery entities. These entities would be publicly owned, protected from privatisation and have an improved ability to raise capital to meet investment requirements.

Water reform will not change the need for three water services to be delivered to Auckland. The information in this 10-year Budget about these services and their associated investment requirements will remain relevant regardless of what happens with water reform.

Further information about the Government's reform strategy and timeline, including when it is proposed that there would be further engagement and consultation with communities, is available at:
<https://www.dia.govt.nz/ThreeWaters-Reform-Programme>.

2.3 Water supply

Watercare Services Limited (WSL) provides safe and reliable drinking water services to 1.7 million people in the Auckland region. Water and wastewater services are critical to the economic, social, and environmental health and well-being of our communities.

Planning, maintaining and developing infrastructure for today and tomorrow is an important aspect of WSL's work. The water system operated by Watercare belongs to all Aucklanders. A sustainable water system – one that supports our community and ecological systems long into the future – is one we all contribute to.

Water supplies are also accessed by private companies to refill rainwater tanks for people who are not connected to the Watercare network and rely on the network supply in times of drought.

Key activities

We manage, maintain and build infrastructure to reliably supply safe drinking water, this includes:

- 28 sources of water including 11 dams
- 16 water treatment plants
- 87 service reservoirs
- 9,429 km of water pipes
- 260 small water supplies servicing Auckland Council facilities.

We collect, treat, and distribute drinking water including rivers and underground aquifers. Aucklanders typically use between 375 million litres per day (MLD) and 570 MLD depending on the time of the year.

Things we are keeping an eye on

We are committed to minimising any detrimental effects of water supply activity where possible and encouraging water conservation. Initiatives are in place to encourage efficient water use. Water resources are managed by Auckland Council through resource consent processes to ensure there are no over-allocation of aquifers and streams.

Significant catchment areas are required to collect water into reservoirs. The construction of large infrastructure projects will have negative effects on the environment. Dams can have downstream impacts on flora and fauna ecosystems. We carefully manage the downstream ecosystems have sufficient water flow. Compensation valves have been installed on dams which allow the release of a flow of water downstream during dry periods. Our trap and haul programme traps whitebait and eels from downstream systems and moves them upstream, and then back, so that they can complete breeding cycles.

Disruption from construction and maintenance is mitigated by providing early notices to customers and the public and by keeping service disruption from any unplanned outages as short as possible.

Providing resilient infrastructure to meet our customers' daily water needs as our population grows while managing the impact of water consumption on the environment

In 2019/2020 Auckland experienced a severe and unprecedented drought, caused by prolonged dry weather. The majority of Auckland's water is sourced from water supply lakes in the Hūnua and Waitākere ranges. Lake storage levels and short and long-range weather forecasts are reviewed daily to balance water supply sources. Our drought management plan was activated in January 2020, ahead of the communication and education programme that started in February. In May 2020 restrictions on use were imposed on advice from Watercare and continue today. The two main aspects of the drought management plan are augmenting water supply and reducing demand.

In response to the 2019/20 drought, we have brought forward our plans for increasing potable water supply and secured an additional 40 MLD. This means that Auckland's immediate water needs are provided for

Resources are being invested towards reducing leaks and breaks in water pipes. Annually, about 13 per cent of the total water produced is lost through leaks. While leaks are unavoidable for all water networks around the world, we know there is more we can do to reduce this volume.

In November 2020, we published the Supplementary Water Supply Action Plan to outline the initiatives being undertaken to ensure our communities, particularly those who rely on supplementary water services for survival are best prepared to face climate change and future droughts. This Action Plan and its ongoing refinement will allow us to minimise potential supplementary water supply vulnerabilities to Aucklanders both now and in the future.

Key projects

- **North Harbour Watermain Duplication:** Construction of the North Harbour No. 2 Watermain, which will run for 33 kilometres from Titirangi to Albany
 - Construction of the North Harbour 2 watermain is planned to commence in 2024 and be completed in 2030.
- **Waikato Water Treatment Plant Expansion 1:** Expansion of the capacity of the existing water treatment plant to improve resilience
 - The plant capacity increase from 150MLD to 175MLD has been completed. Additional process improvements are under way to provide sustainable peak production; these will be completed in 2022
- **Waikato Water Treatment Plant Expansion 2:** Provision of additional water abstraction, treatment, and conveyance capacity from the Waikato River to cater for additional demand arising from growth
 - A consent has been lodged for an additional take from the Waikato River and awaits a hearing by the Board of Inquiry in September 2021. We have a secondary consent option already in place that minimises the risks associated with early construction of the second treatment plant prior to the Board of Inquiry application being granted, to meet the high growth currently being experienced.
- **Huia Water Treatment Plant upgrade:** Replacement of the Huia Water Treatment Plant and Nihotupu 1 raw watermain which are reaching the end of design life and the provision of better treatment processes that will maintain supply and improve levels of service.
- **Redoubt Road Reservoir Expansion:** Construction of an additional 50ML treated water storage reservoir to maintain security of supply and cater for growth.
 - Early works started in 2020 and project will be completed in 2024.

The Redoubt Road Reservoir Expansion will enable an additional 50ML of treated water storage reservoir to maintain security of supply and cater for growth

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We provide Aucklanders with a reliable supply of safe water						
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%	100%	100%
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	100%	100%
Compliance with the New Zealand Drinking Water Standards from its Small Waters 'network' systems measured by the number of non-compliance notices received from the Drinking Water Regulator	N/A	New measure	0	0	0	0
<i>Further details can be found at www.health.govt.nz/publication/drinking-water-standards-new-zealand-2005-revised-2008</i>						

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	50 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
Median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	2.9 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	1.7 days	≤5 days	≤5 days	≤5 days	≤5 days	≤5 days
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)	2.1 days	≤6 days	≤6 days	≤6 days	≤6 days	≤6 days
<i>An urgent call-out is one that leads to a complete loss of supply of drinking water. A non-urgent call-out is one where there is still a supply of drinking water.</i>						
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	7.2	≤10	≤10	≤10	≤10	≤10
The percentage of real water loss from the local authority's networked reticulation system	13.2%	≤13%	≤13%	≤13%	≤13%	≤13%
<i>This measure tracks unexplained water losses as a percentage of total water produced. These losses are calculated by deducting water sales volumes and allowable unbilled water usage from the total volume of water produced</i>						
The average consumption of drinking water per day per resident within the territorial authority district (litres)	268.6	262 litres	260 litres	258 litres	256 litres	Reducing to 247 litres
<i>A DIA mandatory measure to provide information on whether the water supply system is being managed to ensure demand does not outstrip capacity. Careful management of the demand for water is an important component of integrated water resources management to ensure that demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised.</i>						

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual PlanFY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Water supply	Non-rates revenue	190,957	292,829	317,324	350,236	3,293,281	4,253,670
	Direct operating expenditure*	117,517	138,822	141,646	148,480	1,205,566	1,634,514
	Capital expenditure	292,790	197,682	118,147	238,887	3,554,301	4,109,016

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Water supply

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	(799)	(850)	(893)	(942)	(986)	(1,034)	(1,084)	(1,139)	(1,191)	(1,247)	(1,306)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	132,613	217,356	236,459	262,095	263,719	290,629	319,393	356,392	395,333	414,365	434,217
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	58,344	75,473	80,865	88,141	93,669	108,825	116,224	125,787	126,414	123,191	125,124
Total operating funding	190,158	291,979	316,431	349,294	356,402	398,420	434,533	481,040	520,556	536,309	558,035
Applications of operating funding:											
Payment to staff and suppliers	117,517	138,823	141,646	148,478	154,689	161,693	163,711	170,798	177,698	184,607	192,371
Finance costs	17,821	25,556	27,860	25,812	26,547	33,277	43,961	56,976	60,635	67,082	71,815
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	135,338	164,379	169,506	174,290	181,236	194,970	207,672	227,774	238,333	251,689	264,186
Surplus (deficit) of operating funding	54,820	127,600	146,925	175,004	175,166	203,450	226,861	253,266	282,223	284,620	293,849
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	157,970	70,082	(28,778)	63,884	230,380	354,532	425,679	218,566	270,001	162,503	173,206
Gross proceeds from sale of assets	80,000	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	237,970	70,082	(28,778)	63,884	230,380	354,532	425,679	218,566	270,001	162,503	173,206
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	(140,126)	80,329	43,361	115,025	188,370	240,601	212,261	196,132	195,361	195,931	241,228
- to improve the level of service	515,388	4,155	4,173	12,632	17,338	11,307	6,648	1,111	1,026	7,899	1,174
- to replace existing assets	(82,472)	113,198	70,613	111,231	199,838	306,074	433,631	274,589	355,837	243,293	224,653
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	292,790	197,682	118,147	238,888	405,546	557,982	652,540	471,832	552,224	447,123	467,055
Surplus (deficit) of capital funding	(54,820)	(127,600)	(146,925)	(175,004)	(175,166)	(203,450)	(226,861)	(253,266)	(282,223)	(284,620)	(293,849)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.4 Wastewater treatment and disposal

Our wastewater network collects and treats around 460 million litres of wastewater to a high standard, every day. The two main wastewater plants servicing most of the region are located at Māngere on the Manukau Harbour and Rosedale on the North Shore.

Planning, developing and maintaining infrastructure for today and tomorrow is an important aspect of our work. The wastewater system operated by Watercare belongs to all Aucklanders. A sustainable wastewater system – one that supports our community and ecological systems long into the future – is one we all contribute to.

Around 40,000 properties and many of our regional parks and rural public places are not connected to Watercare’s wastewater network. These properties instead rely on onsite wastewater systems, like septic tanks, to treat their wastewater. As a council group, we ensure these systems are properly maintained to prevent risks to human health and the environment.

Key activities

Wastewater is what leaves our sinks, washing machines, showers, baths and toilets at home, work, and industry. Most of it is water, but it also includes human waste, food scraps, cooking fats and debris. Then there’s chemicals, paint and medicines which can harm our health, waterways, and harbours. This makes effective treatment very important.

We manage, maintain and build infrastructure to reliably and safely provide wastewater services, this includes:

- 8,327 km of wastewater pipes
- 528 wastewater pump stations
- 18 wastewater treatment plants
- 360 onsite wastewater systems servicing Auckland Council facilities.

In rural areas, the council’s onsite wastewater system compliance programme ensures that wastewater from properties not connected to Watercare’s network is not contaminating our waterways.

Things we are keeping an eye on

Receiving environments must have the capacity to accept treated wastewater discharges without adverse effects, and overflows from the network must be minimised. Where possible, we work to improve the quality of the receiving environment. Integrating environmental considerations into everything we do is key to our role as a trusted iwi partner and community organisation. Harbours, estuaries, and freshwater ecosystems need to be kept healthy so Aucklanders can continue to enjoy a safe, clean environment.

Disruption from construction and maintenance works are mitigated by working collaboratively with service providers and informing customers and the public of disruptions before commencing work and ensuring that all areas will be reinstated to their original condition.

We fulfil our environmental responsibilities through a regulatory framework. Meeting legal and regulatory obligations are baseline requirements for us. The assets are subject to many consent conditions and we work to comply with regulatory conditions.

Key projects

- **Central Interceptor:** Construction of a new conveyance and storage pipeline to service central Auckland as well as the isthmus, east and south
 - The scope of the project has expanded to improve service to the Grey Lynn catchment. Construction commenced in 2019 and will be completed by December 2025
- **Northern Interceptor - Westgate to Hobsonville:** Construction of the second stage of the Northern Interceptor to divert wastewater flows from Whenuapai, Redhills, Kumeū, Huapai and Riverhead catchments to the Rosedale Wastewater Treatment Plant. The project also includes trunk sewers servicing local catchments to provide for growth
 - The necessary consents, landowner approvals and detailed design are to be obtained during this period with completion due in 2025
- **Puketutu Island/Te Motu a Hiaroa:** Rehabilitation of Puketutu Island using treated biosolids from the adjacent Māngere Wastewater Treatment Plant
- **South-west Wastewater Servicing:** Construction of a new wastewater treatment plant; new wastewater pipeline, pump stations and harbour outfall at Clarks Beach
 - Consent has been obtained. Design has commenced with construction completion expected in 2026
- **Western Isthmus Water Quality Improvement Programme:** Joint initiative with Healthy Waters to develop and implement specific improvement programmes in the priority catchments of Westmere, Avondale, Freemans Bay, Grey Lynn, Herne Bay, Meola Road, Motions Road, Oakley, Pt Chevalier, St Mary's Bay and Waterview
 - This programme is in the planning stage. The target completion date is 2029.

The Central Interceptor will provide additional wastewater capacity and help to reduce combined stormwater and wastewater overflows into our waterways creating a better environment

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We collect and treat Auckland's wastewater in a safe and sustainable way						
The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0.55	≤10	≤5	≤5	≤5	≤5
<i>Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment during periods of dry weather</i>						
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:						
a) abatement notices,	a) 0	a) ≤2	a) ≤2	a) ≤2	a) ≤2	a) ≤2
b) infringement notices,	b) 0	b) ≤2	b) ≤2	b) ≤2	b) ≤2	b) ≤2
c) enforcement orders,	c) 0	c) ≤2	c) ≤2	c) ≤2	c) ≤2	c) ≤2
d) convictions received by the territorial authority in relation to those resource consents	d) 0	d) 0	d) 0	d) 0	d) 0	d) 0

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
Compliance with the territorial authority's resource consents for discharge from its Small Waters onsite wastewater systems measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	N/A	New measure	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	43 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	2.4 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
<i>Sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment</i>						
The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system	20.1	≤50	≤50	≤50	≤50	≤50

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Wastewater	Non-rates revenue	467,206	472,422	517,619	581,471	5,904,710	7,476,222
	Direct operating expenditure*	168,314	167,398	168,270	174,819	1,425,569	1,936,056
	Capital expenditure	445,229	548,542	596,534	533,937	3,864,615	5,543,628

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Wastewater treatment and disposal

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	(1,771)	(1,842)	(1,937)	(2,041)	(2,137)	(2,241)	(2,349)	(2,469)	(2,581)	(2,704)	(2,831)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	383,328	398,124	438,234	495,249	548,646	608,790	675,309	751,564	831,731	871,962	913,965
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	83,878	74,298	79,385	86,222	92,775	91,422	97,224	104,391	105,714	104,487	106,731
Total operating funding	465,435	470,580	515,682	579,430	639,284	697,971	770,184	853,486	934,864	973,745	1,017,865
Applications of operating funding:											
Payment to staff and suppliers	168,315	167,398	168,268	174,817	182,970	188,326	194,955	201,971	210,103	219,011	228,225
Finance costs	75,404	74,970	85,768	99,998	111,292	118,854	124,494	128,144	124,847	122,593	120,004
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	243,719	242,368	254,036	274,815	294,262	307,180	319,449	330,115	334,950	341,604	348,229
Surplus (deficit) of operating funding	221,716	228,212	261,646	304,615	345,022	390,791	450,735	523,371	599,914	632,141	669,636
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	223,513	320,330	334,888	229,322	179,570	211,585	141,722	63,006	(75,560)	(158,272)	(109,045)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	223,513	320,330	334,888	229,322	179,570	211,585	141,722	63,006	(75,560)	(158,272)	(109,045)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	594,451	262,073	298,371	254,312	255,825	278,540	265,262	287,124	269,865	244,518	280,391
- to improve the level of service	(364,864)	98,702	119,020	91,232	64,688	75,099	107,731	111,340	60,453	59,095	26,791
- to replace existing assets	215,642	187,767	179,143	188,393	204,079	248,737	219,464	187,913	194,036	170,256	253,409
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	445,229	548,542	596,534	533,937	524,592	602,376	592,457	586,377	524,354	473,869	560,591
Surplus (deficit) of capital funding	(221,716)	(228,212)	(261,646)	(304,615)	(345,022)	(390,791)	(450,735)	(523,371)	(599,914)	(632,141)	(669,636)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.5 Stormwater

This group of activity includes managing the impacts of rainfall and flood events on people, buildings, and the natural environment. It involves the operation and maintenance of an extensive network of built and natural stormwater infrastructure, and implementation of projects funded through the water quality targeted rate.

We need to make sure our stormwater systems can adapt to a changing water future, such as more frequent and severe storms due to climate change. We also need to respond to the continuing pressures of rapid growth and historic underinvestment in assets. We have a responsibility to manage discharges into waterways, to safeguard public health and protect the health of rural and urban waterways.

Key activities

As part of our stormwater responsibilities, we are working to clean up our waterways, provide stormwater infrastructure to meet growth and development expectations, and prepare our communities and stormwater systems to adapt to climate change.

With the funding provided by the water quality targeted rate, we are reducing wastewater overflows and stormwater contaminants entering our harbours. By improving water quality, we create healthy habitats for plants and animals in streams. By expanding our stormwater network, we reduce the risk of flooding during storms.

It is important to note that under the Local Government Act, councils are required to show flood protection and control works (such as major stop banks and dams) designed to protect urban and rural areas from flooding, as a separate group of activities. Due to the relatively short river catchments in the Auckland Region, Auckland Council does not have any flood protection and control works of a size and scale that qualify as major flood protection and control schemes under the criteria relating to reporting requirements set out in the Non-Financial Performance Measure Rules 2013. Therefore, the council manages any minor flood protection and control works within our stormwater management activity.

We are actively working to clean up our waters. This is a long-term commitment. Waterway health will take decades to restore. Our approach is to:

- develop accurate scientific models such as the Freshwater Management Tool to underpin effective investment decisions
- integrate water quality improvements into asset renewals and other redevelopment opportunities (i.e. roads, parks, and other community assets)
- use targeted investment in places where it will have the greatest impact, such as the most vulnerable ecosystems and the most highly polluted catchments
- set standards for water quality improvements, for example through the introduction of low impact design guidelines and unitary plan regulations
- build public awareness of water quality through tools such as Safeswim.

Some of the activities we are currently undertaking include:

- managing urban and rural stormwater flows
- reducing sediment and wastewater contamination from private property
- replanting and rehabilitating natural waterways
- improving stormwater systems to reduce wastewater overflows
- setting conditions for resource consents for earthworks and discharges
- measuring and reporting water quality information via Safeswim.

Our stormwater network includes:

- 6,300km of pipes
- 626 ponds and wetlands

- 22,000km of natural waterways
- 154,000 manholes
- 3,600 treatment devices (including 3,000 water sensitive devices)
- 115,000 catchpits
- 2,000 soak holes

Things we are keeping an eye on

There are no significant negative effects of this activity and the impact it has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects on the community.

Stormwater which if not treated can pollute harbours by transporting environmental contaminants. It can also degrade streams and rivers in heavy rainfall, and cause property damage as well as potentially impact on the environment with associated health risks.

We maintain stormwater networks, care for our natural waterways, and manage surface water to reduce risks of flooding and damage. We monitor storms as they move over Auckland so that we can direct preparations to risk areas.

Our Ngā whatunga wai Haumarū (Safe Networks) initiative helps us detect leakages from the wastewater network that can contaminate stormwater. By targeting repair work we reduce contaminants entering our stormwater network.

We keep locals in the loop about what work will happen and when and manage work areas very carefully to minimise environmental impacts and to minimise disruption.

We schedule maintenance and renewal programmes to maximise the life of an asset before replacement.

We work with developers as much as possible to ensure efficient infrastructure investments that lead to public benefits.

Key projects

- Eastern Isthmus and Southern Catchments alignment will improve water quality in the Manukau Harbour and Tamaki Estuary catchments
- The St Mary's Bay and Waterview separation project will improve water quality by separating the stormwater and wastewater network
- Litter trap (stormwater treatment) projects to improve water across the region
- Renew and upgrade critical assets such as the East Tamaki dam, and the Paremuka dam culverts
- Deliver the Ports of Auckland Outfall Upgrade
- Accelerated progress on growth, renewal and flooding projects, such as Clinker Place and Awakeri Stage 2
- Design the stormwater upgrade of the Corban Reserve
- Programme to restore the health and mauri of the Kaipara Harbour through the Kaipara Moana Remediation Programme. A joint initiative between us, the government and Kaipara Uri

Eastern Isthmus and Southern Catchments alignment will improve water quality in the Manukau Harbour and Tamaki Estuary catchments environment

Responding to legislation

New controls in the Action for Healthy Waterways package will mean changes to the way we work within or near natural wetlands, streams, and rivers. It will also require new policies and rules within the Unitary Plan, and administrative systems to collect and monitor required information, for example from farmers. We must give full effect to the National Policy Statement for Freshwater Management (NPS-FM) by 31 December 2024. Our Plans and Places team will require sufficient resourcing to develop, notify and hear Unitary Plan changes, as will teams across council to provide the technical evidence to support these plan changes.

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We manage our harbours and waterways through sustainable management of the stormwater network						
Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders, d) convictions, received in relation those resource consents	0	0	0	0	0	0
We manage the stormwater network to minimise the risks of flooding to Aucklanders						
The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	0.80 per 1000 properties	3 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties
The percentage of response time during storms to close stormwater manholes within three hours	97%	90%	90%	90%	90%	90%
The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network	Not measured	1 per 1000 properties	< 1 per 1000 properties	< 1 per 1000 properties	< 1 per 1000 properties	< 1 per 1000 properties
The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site (hours)	Not measured	2 hours	< 2 hours	< 2 hours	< 2 hours	< 2 hours
We provide safe water quality at beaches and coastal areas for recreation (Auckland swimability Index)						
The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)	82%	80%	81%	82%	83%	Increasing by 1% every year to 90% in 2030/31
<i>Recreational activities that bring people physically into contact with water, such as swimming. Safeswim water quality forecasts take account of rainfall, wind, tide, sunlight, and beach type. It is built using high-frequency targeted sampling on top of historical monitoring results spanning over 20 years at some sites and are underpinned by the best available meteorological data. Reported based on 84 beaches that have been selected as key by Safeswim.</i>						

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Stormwater management	Non-rates revenue	2,239	2,262	2,319	2,368	18,011	24,960
	Direct operating expenditure*	42,062	64,039	66,097	71,260	625,036	826,433
	Capital expenditure	90,000	130,200	132,136	138,057	1,084,097	1,484,490

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Stormwater

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	120,663	127,330	140,305	152,361	165,819	176,005	191,344	237,283	213,814	224,304	231,222
Targeted rates	42,294	45,305	47,835	50,534	53,375	56,383	59,556	62,879	66,363	70,012	73,832
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2,239	2,262	2,319	2,368	2,421	2,453	2,524	2,574	2,626	2,679	2,733
Total operating funding	165,196	174,897	190,459	205,263	221,615	234,841	253,424	302,736	282,803	296,995	307,787
Applications of operating funding:											
Payment to staff and suppliers	42,063	50,350	52,609	57,207	61,289	65,265	69,615	73,968	76,981	80,116	83,507
Finance costs	15,380	15,806	15,367	14,740	13,593	12,075	10,256	7,474	4,245	1,765	(617)
Internal charges and overheads applied	12,462	13,689	13,488	14,052	14,654	14,557	15,817	16,624	16,542	17,715	18,391
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	69,905	79,845	81,464	85,999	89,536	91,897	95,688	98,066	97,768	99,596	101,281
Surplus (deficit) of operating funding	95,291	95,052	108,995	119,264	132,079	142,944	157,736	204,670	185,035	197,399	206,506
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	26,497	35,254	36,890	37,402	38,263	39,154	38,819	38,849	38,557	37,966	38,057
Increase (decrease) in debt	(31,788)	(106)	(13,749)	(18,608)	(33,005)	(42,649)	(55,064)	(91,044)	(62,530)	(64,884)	(62,762)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(5,291)	35,148	23,141	18,794	5,258	(3,495)	(16,245)	(52,195)	(23,973)	(26,918)	(24,705)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	45,529	28,279	32,084	33,000	32,089	35,653	38,458	34,935	39,045	37,238	40,613
- to improve the level of service	29,902	43,284	56,390	61,111	80,024	77,219	78,118	86,745	84,718	88,809	93,902
- to replace existing assets	14,569	58,637	43,662	43,947	25,224	26,577	24,915	30,795	37,299	44,434	47,286
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	90,000	130,200	132,136	138,058	137,337	139,449	141,491	152,475	161,062	170,481	181,801
Surplus (deficit) of capital funding	(95,291)	(95,052)	(108,995)	(119,264)	(132,079)	(142,944)	(157,736)	(204,670)	(185,035)	(197,399)	(206,506)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.6 Local council services

Local council services focus on activities governed locally by Auckland Council's 21 Local Boards. While primarily centring on community services and public spaces to enhance community wellbeing and create a sense of belonging, these services also extend to programmes to improve local environmental and economic development outcomes.

Services range from library and literacy services, arts and culture, sport and recreation, open spaces, community-led action, volunteering, and caring for the environment. Local planning and development activities are focused on street environments, town centres, local environment, and heritage protection. It also includes the business improvement districts which are funded by targeted rates.

As our community becomes more diverse, the needs of our community are changing. This requires a more adaptable approach in how we provide community services to deliver to these changing needs. Also, our ageing asset base places increasing demand on investment and this is not financially sustainable. So we are looking at different ways of delivering services through partnerships, digital channels and multi-use facilities. This approach will enable us to better meet the needs of our communities.

The council organisation provides local boards with support for governance services, including preparing local board plans and agreements, engagement with mana whenua and Māori, and providing input into regional plans, policies, and strategies.

Key activities

Local community services

We support strong, diverse, and vibrant communities through libraries and literacy, arts and culture, parks, sport and recreation, and events delivered by a mix of council services, community group partnerships and volunteers.

Local environmental management

We support healthy ecosystems and sustainability through local board-funded initiatives such as planting, pest control, stream and water quality enhancements, healthy homes, and waste minimisation projects.

Local governance

We support elected representatives across our 21 local boards to make well-informed decisions on local activities. This includes strategic advice and leadership in preparing local board plans and annual local board agreements (budgets) and work programmes. We lead engagement with communities, including mana whenua and Māori. We support their input into regional plans, policies, and strategies, and provide democracy and administrative services. We manage fora for elected members, to explore, develop, advocate for, and manage issues of communal concern.

Local planning and development

Local planning and development include supporting local town centres and communities to thrive by developing town centre plans and development, supporting Business Improvement Districts (BIDs), heritage plans and initiatives and the Young enterprise scheme.

Things we are keeping an eye on

There are no significant negative effects of this activity and the impact it has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

Auckland is demographically diverse, and it can be challenging to equitably meet the needs of our diverse communities. Our 21 local boards with 149 elected members in total, ensure the diverse needs of our communities are met through tailored work programmes, activities, and events for each area.

We provide a transparent and consistent pricing structure for the hireage of council-managed community venues, centres and houses and arts facilities, in order to ensure people can access safe and affordable spaces to pursue their interests

Key projects

Local community services

Aucklanders predominately interact with council through community services using digital, face to face, retail, voice, and post channels. We will continue to promote 'Digital' as the channel of choice, create integrated community hubs, drive commercial returns through retail and deliver higher value and more complex interactions at our contact centres.

Our focus is on improving service to our customers and communities by:

- Joining up our services and programmes in new and existing service sites so that customers can access literacy, digital literacy, learning, arts and cultural programmes, community networking spaces, public information, and wider council services in integrated community hubs
- Making it easy for people to get out and about and be physically active by continuing our walkway and trail programmes
- Continuing our sports parks redevelopment programme with investment in parks
- Delivering asset renewals to safeguard our facilities from asset failure and support high-priority growth projects such as the Scott Point sustainable sports park and the Flatbush combined library, community, and arts centre at Ormiston
- Connecting people and nature through ongoing parks development programmes
- Serving new communities or addressing gaps in provisions for learn to swim, community recreation and fitness programmes and having fun as a family
- Continued investment through maintenance and renewals for existing assets to ensure they are fit for purpose and maintained to a good standard.
- Replacing and renewing coastal assets, including the Orewa seawall project. Coastal compartment management plans will be developed which will inform the coastal asset management plan. This will prioritise the need for protection and development of new coastal assets.

Scott Point will deliver a large scale sustainable sports park including areas for active sport, passive sport, playgrounds and ecological restoration

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
Provide safe, reliable, and accessible social infrastructure for Aucklanders that contributes to placemaking and thriving communities						
Percentage of Aucklanders that feel their local town centre is safe - day time	79%	80%	80%	80%	80%	80%
Percentage of Aucklanders that feel their local town centre is safe - night time	39%	42%	44%	44%	44%	44%
Utilising the Empowered Communities Approach, we support Aucklanders to create thriving, connected and inclusive communities						
The percentage of Empowered Communities activities that are community led	71%	60%	71%	71%	71%	71%
The percentage of Empowered Communities activities that build capacity and capability to assist local communities to achieve their goals	65%	55%	64%	64%	64%	64%
<i>Empowered Communities activities support the implementation of the Empowered Communities Approach through - facilitation and delivery of activities and programmes that respond to community priorities, provision of funding to community groups and organisations to deliver activities that achieve local board and regional outcomes.</i>						
We fund, enable, and deliver services, programmes, and facilities (art facilities, community centres, hire venues, and libraries) that enhance identity, connect people, and support Aucklanders to participate in community and civic life						
The percentage of local community services, programmes and facilities that are community led	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
<i>This new measure will be developed to reflect changes to the operating model of the activity described by the following two performance measures.</i>						
The percentage of arts, and culture programmes, grants and activities that are community led	92%	80%	80%	80%	80%	80%
The percentage of art facilities, community centres and hire venues network that is community led	57%	57%	57%	57%	57%	57%
The number of participants for local community services, programmes, and facilities	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
<i>This new measure will be developed to reflect changes to the operating model of the activity described by the following three performance measures.</i>						
The number of attendees at Council-led community events	44,950	55,000	61,900	71,600	71,600	71,600
The number of participants in activities at art facilities, community centres and hire venues	5.46M	5.96M	6.02M	6.08M	6.14M	Increasing to 6.58M
The number of visits to library facilities	8.48M	9.85M	8.59M	8.59M	8.59M	8.59M per year

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
The percentage of customers satisfied with quality of local community services, programmes, and facilities	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
<i>This new measure will be developed to reflect changes to the operating model of the activity described by the following two performance measures.</i>						
The percentage of attendees satisfied with a nominated local community event	79%	72%	74%	74%	74%	74%
Percentage of customers satisfied with the quality of library service delivery	96%	86%	87%	87%	87%	87%
The number of internet sessions at libraries (unique sessions over public computing or public WIFI networks)	5.10M	7.55M	4.43M	4.21M	4.21M	4.21M per year
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often						
The percentage of park visitors who are satisfied with the overall quality of sportsfields	80%	71%	76%	76%	76%	76%
The customers' Net Promoter Score for Pools and Leisure Centres	34	30	35	35	35	35
<i>Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others. Sample weighting is applied at a population base of centre members.</i>						
The percentage of users who are satisfied with the overall quality of local parks	75%	72%	74%	74%	74%	74%
The percentage of residents who visited a local park in the last 12 months	80%	82%	82%	82%	82%	82%
We showcase Auckland's Māori identity and vibrant Māori culture						
The percentage of local programmes, grants and activities that respond to Māori aspirations	23.8%	19%	26%	26%	26%	26%

Local environmental management

- We are committed and focussed on supporting the community with environmental initiatives, and local low carbon, sustainability and zero waste activities and education programmes. Examples include:
 - Continuing to work closely with community groups, schools, and iwi to improve water quality and biodiversity through local board investment
 - The ongoing delivery of local board funded ecological restoration or water quality initiatives
 - Supporting local Pest Free Auckland initiatives such as community rat and possum trappers, weed control and community restoration groups.
 - Localised low carbon programmes to support local actions at a household level such as Healthy Rentals, Love Your Neighbourhood, Eco Neighbourhoods and Low Carbon Networks.

The Pest Free Auckland initiative includes weed control, rat and possum trappers and community restoration groups

Key performance measures

	Actual	Target	Indicative Long-term Plan targets			
Performance measure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We work with Aucklanders to manage the natural environment and enable low carbon lifestyles to build resilience to the effects of climate change						
The percentage of local environmental programmes that have successfully contributed towards local board plan outcomes	74%	82%	75%	80%	85%	90%
<i>This measure is made up of three supporting measures outlined below which identifies our programmes and projects that contribute to sustainability, natural environment improvement, and waste minimisation outcomes.</i>						
The percentage of local low carbon or sustainability projects that have successfully contributed towards local board plan outcomes	N/A	New measure	70%	75%	80%	90%
The percentage of local water quality or natural environment improvement projects that have successfully contributed towards local board plan outcomes	N/A	New measure	80%	85%	90%	90%
The percentage of local waste minimisation projects that have successfully contributed towards local board plan outcomes	N/A	New measure	70%	75%	80%	90%

Local governance

- We support our elected representatives, ~~and continue to~~ including:
 - Develop~~ing~~ and deliver~~ing~~ three-yearly local board plans.
 - Develop~~ing~~ annual local board agreements (budgets).
 - Develop~~ing~~ and deliver~~ing~~ local board work programmes.
 - Support~~ing~~ local boards input into regional strategies, policies, plans, bylaws, and central government proposals.

Key performance measures

There is no performance measure for this activity.

Local planning and development

- We support local town centres and communities by:
 - Developing plans for town centres and local areas
 - Identifying and protecting heritage places and providing heritage advice.

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We help attract investment, businesses, and a skilled workforce to Auckland						
The percentage of Business Associations meeting their Business Improvement District (BID) Partnership Programme obligations	100%	100%	100%	100%	100%	100%

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Local community services	Non-rates revenue	39,140	44,247	47,964	49,164	382,240	523,616
	Direct operating expenditure*	270,042	338,823	349,069	358,511	2,896,313	3,942,716
	Capital expenditure	73,187	150,401	154,384	162,824	2,159,335	2,626,944
Local environmental management	Direct operating expenditure*	6,353	7,921	7,023	7,101	53,400	75,444
Local governance	Direct operating expenditure*	20,940	24,020	25,138	24,962	188,295	262,414
Local planning	Direct operating expenditure*	20,657	21,258	21,209	21,420	162,252	226,139
	Capital expenditure	-	934	1,181	-	-	2,114

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Local council services

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	356,446	358,588	369,707	382,533	398,776	415,591	438,540	461,861	478,799	498,328	514,089
Targeted rates	20,256	20,702	21,013	21,348	21,733	22,124	22,566	23,018	23,478	23,947	24,427
Subsidies and grants for operating purposes	4,541	4,458	4,844	4,944	5,050	5,149	5,260	5,363	5,456	5,557	5,660
Fees and charges	28,022	32,700	35,688	36,502	37,367	38,173	39,080	39,926	41,319	42,965	44,679
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	6,578	7,090	7,433	7,718	7,992	8,280	8,526	8,845	9,017	9,196	9,379
Total operating funding	415,843	423,538	438,685	453,045	470,918	489,317	513,972	539,013	558,069	579,993	598,234
Applications of operating funding:											
Payment to staff and suppliers	317,994	335,417	346,536	355,984	367,031	380,890	395,072	410,604	424,011	438,454	449,464
Finance costs	47,453	36,025	38,777	42,048	45,814	51,800	59,787	68,366	75,914	83,669	92,020
Internal charges and overheads applied	40,761	56,606	55,906	56,011	57,309	56,625	60,570	62,992	62,637	66,459	68,148
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	406,208	428,048	441,219	454,043	470,154	489,315	515,429	541,962	562,562	588,582	609,632
Surplus (deficit) of operating funding	9,635	(4,510)	(2,534)	(998)	764	2	(1,457)	(2,949)	(4,493)	(8,589)	(11,398)
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	20,624	74,742	78,433	79,089	81,194	82,462	81,547	81,360	80,955	80,530	80,146
Increase (decrease) in debt	42,929	81,104	79,666	84,733	143,387	180,491	218,065	237,810	236,992	280,473	322,043
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	63,553	155,846	158,099	163,822	224,581	262,953	299,612	319,170	317,947	361,003	402,189
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	8,019	31,251	33,474	23,858	42,544	66,845	88,386	94,133	92,661	125,335	135,840
- to improve the level of service	13,440	13,035	8,331	4,733	19,335	21,418	47,063	40,710	43,811	54,932	59,626
- to replace existing assets	51,729	107,050	113,760	134,233	163,466	174,692	162,706	181,378	176,982	172,147	195,325
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	73,188	151,336	155,565	162,824	225,345	262,955	298,155	316,221	313,454	352,414	390,791
Surplus (deficit) of capital funding	(9,635)	4,510	2,534	998	(764)	(2)	1,457	2,949	4,493	8,589	11,398
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.7 Regionally delivered council services

These are service-based activities, designed to create a city with great neighbourhoods, centres, parks and public spaces loved by Aucklanders. We also support the mayor and councillors in governing Auckland for the benefit of ratepayers, residents, and businesses.

This group of activities includes Auckland Emergency Management, investment, environmental services, regional community services, regional governance, regional planning, waste services, third-party amenity and grant, organisational support, and regulatory services.

Things we are keeping an eye on

There are no significant negative effects of this activity and the impact it has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

These services cover different roles and functions – from managing emergencies, overseeing investments, providing community services such as parks, libraries, recreation centres and community centres, through to regulatory functions. The negative effects and risks (challenges) we manage are listed under each activity. Across all the activities, we focus on the principles of equity, diversity, fairness, sustainability, and efficiency.

Key activities

Auckland Emergency Management

The role of Auckland Emergency Management is to administer and coordinate the responsibilities of the Auckland Civil Defence Emergency Management (CDEM) Group under the CDEM Act 2002 and to provide professional services to the CDEM Group partner agencies. Auckland Emergency Management's key accountabilities are set out in the national emergency management legislation, strategy and regulations, and the Auckland CDEM Group Plan.

The Auckland CDEM Group is made up of a number of organisations and agencies that include local government, emergency services, lifelines utilities and welfare agencies responsible for working in partnership to lead and implement the group plan. The group plan aims to build resilience in Auckland through the application of the emergency management framework known as the 4Rs: reduction, readiness, response, and recovery. During an emergency, the CDEM Group will work together to coordinate response and recovery activities.

Things we are keeping an eye on

Emerging Risks

Due to Auckland's location and particular characteristics, the region is susceptible to a wide variety of hazards. They range from infrequent events, such as eruptions in the Auckland volcanic field, earthquakes, and tsunamis, to more regular events, such as flooding, infrastructure failure and fire. The effects of climate change and Auckland's growth are likely to intensify the impacts of specific disasters in the future, such as superstorms and other weather events.

Auckland has recently experienced the impacts of drought and human health diseases, for example, the 2019 Measles Outbreak and COVID-19. Consequences from these events will be felt in the community for some time. Auckland Emergency Management continues to monitor these hazards and work in partnership with responding agencies to ensure that the Auckland CDEM Group can respond effectively to any emergency event that may occur in the Auckland region.

Emergency Management System Reform

On 30 August 2018, the Government released their response to a Technical Advisory Group's report into how New Zealand responds to natural disasters and emergencies. This response addressed the group's findings and 42 recommendations, resulting in a multi-year work programme that will deliver extensive change to New Zealand's emergency response system. This will improve how New Zealand responds to natural disasters and other emergencies in five key areas:

- Putting the safety and wellbeing of people at the heart of the emergency response system
- Strengthening the national leadership of the emergency management system
- Making it clear who is responsible for what, nationally and regionally
- Building the capability and capability of the emergency management workforce
- Improving the information and intelligence system that supports decision making in emergencies

As these national programmes progress, we will ensure any changes to standards, guidance or priorities of the emergency management sector will be reflected in the Auckland Emergency Management CDEM Group Plan and group work programme.

Investment

Auckland Council holds 100 per cent of the shares in Ports of Auckland Limited (PoAL) and 18.09 per cent of the shares in Auckland International Airport Limited (AIAL), an New Zealand Stock Exchange (NZX) listed entity.

Environmental services

Fresh air, clean water, green spaces, and biodiversity all make Auckland special. Climate change and human activity can adversely impact our natural environment and we need to work together to protect and enhance it. We work alongside iwi, mana whenua, the community, schools, and landowners to protect our environment, eradicate pests, restore habitats, and enable climate action, delivering on our Indigenous Biodiversity Strategy, Regional Pest Management Plan, Kaitiakitanga objectives of Kia Ora Tāmaki Makaurau, the Māori Outcomes Framework, Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan and further environmental, low carbon and sustainability education programmes. Our climate investment package will enable us to engage many more Aucklanders in reducing their emissions and preparing for climate impacts over the next ten years.

We want an Auckland that has clean waterways and harbours that we can safely swim in and in which marine animals can thrive. We want the city to be wrapped with a forest with healthy ecosystems of native plants and trees, including the mighty kauri. We want to control pest plants and animals, such as possums and stoats and keep the pest-free state of island and mainland sanctuaries. We want our forests across the region to be thriving habitats for native bats and lizards and to hear the songs of our native birds, including ones that we haven't heard for a while such as the kōkako.

We want to respect and enable mana whenua as kaitiaki of the environment and work alongside them in their leadership role in this area. We want our communities to lead on climate action and building healthy, vibrant, and resilient places to live. We want our tamariki to experience and learn about the natural environment and take action that contributes to a sustainable future.

Things we are keeping an eye on

If not well managed many of our native species and important ecosystems are at risk of loss or significant degradation. We undertake programmes to protect our natural environment including carefully selecting the methods we use to tackle pests, weeds and diseases that threaten our native species. We also support and enable others to also play their part.

Regional community services

We plan, manage, and provide community services for those services best suited to operating as a network because their services reach beyond the local board boundaries of where they are located. This includes our regional parks, cemeteries and crematoria and co-governance activities, and other services that are best managed at a regional level.

We also support communities to do more for themselves by providing regional grants and partnering opportunities with them to deliver events, arts, and community activities. As part of this we are also looking at alternative ways to deliver our services that better reflect the needs of our diverse communities. Please refer to Volume 1, Section 1.0 Key issues.

Things we are keeping an eye on

As mentioned above, Auckland has a diverse and dynamic population that means Aucklanders want to receive community services in different ways. This includes the services and programmes that are offered, and the facilities used to deliver our services. Equitable access is important to ensure Aucklanders have opportunities to participate. We strive to make services affordable so that everyone has the opportunity to be fully involved in their community.

There may be some negative effects arising from the activities undertaken by the community groups and entities in which the council funds through grants and other sources. We closely monitor our grants programme to ensure the funded activities create a positive effect in their community.

Regional governance

Regional governance keeps the wheels of democracy turning and supports elected members to effectively represent their communities. We manage local elections, provide advisory support to the mayoral office, councillors, and Council Controlled Organisations, and ensure the Governing Body, committees and other council groups run smoothly.

We also support co-governance entities such as the Tūpuna Maunga Authority and joint committees of council such as the Hauraki Gulf Forum.

Things we are keeping an eye on

Auckland is governed by the Mayor and 20 councillors who rely on high quality, neutral and thorough advice to make critical strategic decisions on behalf of the city.

We want all Aucklanders to have a voice in decision making. We have an obligation to engage Aucklanders so they can provide input into decisions made by representatives. We consult with a wide range of Aucklanders when key decisions need to be made, run surveys to gather feedback on issues, and use demographic advisory panels to see feedback from specific communities.

Our policy and services are increasingly being designed and delivered through greater collaboration with users or the broader public. This helps to better understand the problem, issues, and risks, and to craft solutions that are more likely to meet users' needs and achieve other policy objectives.

Regional planning

Regional planning services comprise spatial planning, strategy, and research, maintaining, monitoring, and improving the Auckland Unitary Plan, natural environment and heritage protection, preparing community and social policies, urban design, infrastructure planning and the Community and Social Innovation (Southern and Western).

The priorities are:

- Delivery of the Auckland Plan including integrated strategies and ongoing research, analysis and monitoring of housing, urban development, infrastructure, transport, natural environment, and sustainability and climate change
- Monitoring the effectiveness of the Auckland Unitary Plan and responding to national directions from central government on urban development and freshwater
- Implementing Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan through forming regional partnerships and embedding climate change into Council's planning and decision-making processes
- Identifying and protecting heritage places, including places of significance of mana whenua, and providing heritage advice and protection
- Policy advice on regional and local investment in community services, social issues, public safety, and order
- Provision of urban design and landscape inputs into the regulatory process and management of the design review panels programme
- Delivery of the Community and Social Innovation transformation programme in South and (extended to) West Auckland. This is focussed on shared prosperity, resilience and thriving children and whanau.
- Enabling the delivery of major development in priority growth areas, including housing (and Māori housing), through programme management, advice on infrastructure and development strategy. In addition, carrying out negotiations to secure the necessary finance and funding agreements to deliver developments.
- City centre development programme seeks to deliver on the outcomes of the City Centre Masterplan, including improving the vibrancy, accessibility, and attractiveness of the city centre. The programme supports growth and leverages existing public and private investment such as the City Rail Link.

While the ongoing impacts from the global pandemic continue to play out, the city centre is still forecasted to be one of the fastest growing regions in Auckland, in terms of household as well as employment growth, as well as being Auckland's educational, civic and entertainment hub.

Things we are keeping an eye on

Policy, plan development and place making are all responding to population growth in Auckland. Well managed growth presents opportunities to build on economic, social, cultural, and environmental wellbeing within our city. Plan making and placemaking enable us to find efficiencies in how we use open space and community assets as well as taking advantage of scale to improve other services such as transport links. To get the best out of these outcomes for Auckland continuous monitoring is needed across all of this work. We also engage with landowners and developers to ensure that development is done sustainably in a way that supports community and environmental, economic, and social wellbeing.

We work with mana whenua to ensure that they have input into development and are provided with opportunities to be involved in development where appropriate.

We work with central government and advocate on behalf of Auckland so that legislative changes both recognise the differences that Auckland presents as well as align with our own outcomes reflected in policy, plans and placemaking.

Waste services

Auckland Council manages the region's kerbside domestic refuse, recycling and food scraps services, hazardous and inorganic waste, illegal dumping, public litter bins, and community recycling centres. This work is driven through the implementation of Auckland's Waste Management and Minimisation Plan 2018 (WMMP).

There are 200 closed landfills in the Auckland region. We invest in remedial works to the surface and internal infrastructure and undertake operational management of sites to minimise effects of leachate and gas discharges.

The management of household waste, recycling, hazardous and inorganic waste, illegal dumping, and public litter bins is crucial to a healthy natural environment.

Things we are keeping an eye on

As with all major cities, managing waste effectively and sustainably is critical for our health and the environment.

We are working toward zero waste by 2040 by encouraging everyone to minimise their waste. We cannot continue to dump the amount of waste that we do, so we have programmes to encourage recycling and reuse.

We mainly service domestic waste across its entire lifecycle – from minimisation to collection, sorting, recycling, composting, landfilling, and then closed landfill management (particularly monitoring and managing gas and liquids escaping from old landfills).

Third-party amenity and grants

Auckland Council funds many community organisations across the region who add to the rich tapestry of culture, arts, and education in the city.

We are required by legislation to contribute funding to the Auckland War Memorial Museum and the Museum of Transport and Technology (MOTAT). We also contribute funding to the Auckland Philharmonia Orchestra, NZ Opera, Auckland Theatre Company, Auckland Arts Festival and Stardome Observatory.

Organisational support

The services provided in this activity support the operational functioning of the council, and the day-to-day services it provides to decision-makers (the governing body and local boards) and the public as those receiving the council services.

These include financial, procurement, corporate support and property, people and culture, strategy, business improvement, communications, engagement, legal, risk and assurance services.

Things we are keeping an eye on

We provide support so that our front-line services are provided as efficiently as possible. We continuously review the support services we provide, undertaking value for money reviews regularly to ensure they are providing the best value to Aucklanders.

We also need to make sure that the way we behave as an organisation supports the outcomes we strive to achieve for the city. We have a strong focus on workplace equity, valuing diversity, sustainability, and inclusiveness in the way that we work and the things that we do.

Regulatory services

Regulation underpins Auckland's successful development, manages environmental impacts, and helps Auckland to be a safe place. We are an enabler for Auckland's economy through resource and building consents, and licensing of businesses. We strive to make our end of the process smooth, timely and reliable while ensuring building work is done to standard.

Our mahi supports the building of a Tāmaki Makaurau we can all be proud of; we support development that meets legislative requirements and brings social, cultural, economic, and environmental outcomes to Auckland. We are focussed on keeping Aucklanders and whānau safe through our consenting, licensing, and compliance functions, by:

- Meeting Auckland Council's statutory obligations under the Resource Management Act, the Building Act, the Food Act, the Sale and Supply of Alcohol Act, the Health Act, the Animal Welfare Act, and the Local Government Act, as well Council bylaws and policies
- Enabling, protecting, and supporting Auckland's built and natural environment through world-class regulatory services
- Delivering Māori Outcomes by supporting the development of papakāinga and Māori housing
- Reducing the cost and time burden for our customers
- Delivering Kōkiri Whakamua, the transformation journey of our Regulatory Services team.

Things we are keeping an eye on

Our regulatory functions are important for a healthy and safe city. They guide good urban development, and they keep us safe from bad food, dangerous animals, and inappropriate behaviours from others.

We are careful that when performing our regulatory functions, we act lawfully, are neutral, consistent and provide clear advice. When providing oversight to regulation, we consider the rights and needs of all relevant stakeholders, partners, and mana whenua.

Key projects and performance measures

Auckland Emergency Management

Auckland Emergency Management delivers key projects as agreed through the Auckland CDEM Group work programme, including:

- Management of natural hazards and risks through strong governance, key partnerships with stakeholders and working with Auckland's communities to build resilience.
- Enhanced emergency readiness through effective warning and hazard monitoring systems.
- Increased capability and capacity to effectively respond to and recover from an emergency.
- Increasing community awareness, understanding preparedness and participation in emergency management.
- Enhancing Auckland's capability to recover from disasters.
- Developing resilience within Auckland region and communities.

Improved emergency readiness through effective warning and hazard monitoring systems

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets			
			2021/22	2022/23	2023/24	2024/25- 30/31
We work with partner agencies and stakeholders to coordinate the response in a hazard event and build resilience in the Auckland community						
The percentage of Aucklanders who are prepared for an emergency	71%	65%	65%	65%	65%	65%
The percentage of Aucklanders that have a good understanding of the types of emergencies that could occur in Auckland	83%	75%	75%	75%	75%	75%

Investment

Auckland Council's investments – our assets play an integral part in Auckland's economy and its growth. And as such, we seek to have a positive influence on environmental, social, cultural and governance issues.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets			
			2021/22	2022/23	2023/24	2024/25- 30/31
We manage Council's investment in Ports of Auckland, Auckland International Airport and Auckland Film Studios						
The annual growth in Auckland Council's dividend compared to the Customer Price Index growth	-71.33%	CPI growth plus 1.5%	CPI growth %	CPI growth %	CPI growth %	CPI growth %

Environmental services

We manage the region's biodiversity and biosecurity on public and private land, encouraging low carbon behaviours and the protection of our environment with:

- Our **Pest Free Auckland** programme which is a community-led conservation programme we coordinate and support. It is designed to engage the community in eradicating pest animals, plants, and pathogens; restore and connect native ecosystems
- The coordination and implementation of the accelerated **kauri dieback management** programme, to protect taonga kauri
- The implementation of the **Regional Pest Management Plan 2020-2030**. This is a statutory tool which identifies and controls priority pests (including kauri dieback disease, pest animals and pest plants)
- **Pest eradications, leveraging** central government funding to undertake pest eradications, including removing mammalian pests from Kawau, stoats and rats from Waiheke and possums from at least one mainland peninsula
- **Implementation of the Auckland Indigenous Biodiversity Strategy** which involves protecting high priority indigenous species and ecosystems through site and species focused strategies on Council land and in partnership with stakeholders
- **Marine biosecurity** education and behaviour change programme, including developing and implementing an inter-regional marine pest pathway management plan and carry out increased surveillance and monitoring in relation to marine pests
- **Live Lightly**, the collaborative regional climate action programme designed to encourage the adoption of everyday lifestyle changes that enable Aucklanders to reduce their carbon emissions and become more resilient to the impacts of climate change
- **FutureFit**, the carbon footprint tool for individuals and engagement programme for businesses that provides personalised steps to reduce emissions, measure personal and collective carbon savings (in real time) and enable collective action on climate change
- **Community climate action**, through our new climate investment package, the establishment of a Community Climate Action Fund will open five low carbon demonstration sites and support a larger network of community climate action groups
- **Māori resilience to climate impacts** by engaging 20 marae and associated kura in co-designing solutions to increase their resilience to climate change
- **Sustainable Schools**, this is our Education for Sustainability programme that engage school communities in sustainability initiatives, provide experiential learning outside the classroom, develop youth leadership, foster kaitiakitanga and deliver sustainability outcomes through youth-led action
- Providing specialist technical expertise and information to guide decision making and support Council's regulatory functions to maintain indigenous biodiversity and manage biosecurity pressures.

Kauri dieback management programme will continue to protect taonga kauri. Coordination and support for Pest Free Auckland – A community-led conservation programme designed to engage the community in eradicating pest animals, plants, and pathogens; restore and connect native ecosystems

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets			
			2021/22	2022/23	2023/24	2024/25- 30/31
We work with Aucklanders to manage the natural environment and enable low carbon lifestyles to build resilience to the effects of climate change						
The proportion of the region under community stewardship for natural environment outcomes	N/A	New measure	60%	65%	70%	85%
The proportion of kauri areas, managed by Council, with site-based mitigation in place to reduce the spread of kauri dieback disease	N/A	New measure	97.7%	99.7%	99.7%	99.7%
<i>Kauri areas refer to kauri forests that council has a mandate to manage, including council parks, Department of Conservation land where a Memorandum of Understanding is in place for Council to manage, and private land deemed high priority for kauri forest management where an agreement has been reached with the landowner. Does not include areas that consist of only a small number of kauri trees or amenity plantings.</i>						
Kilometres of planned track upgrades, to reduce the risk of spread of kauri dieback, completed and open to the public	N/A	New measure	166.5km	195.7km	195.71km	195.7km
<i>These are the total number of kilometres of track upgrades completed and open to the public from the 2018/19 financial year.</i>						
Number of indigenous plants and animals regionally vulnerable to extinction under active management	N/A	New measure	94	96	98	100
<i>399 plants, birds, freshwater fish, lizards, frogs, and bats are currently considered "vulnerable to extinction" in the region through a review of national and regional data and expert knowledge (invertebrates, fungi, lichen and non-vascular plants and marine species have not been assessed and are therefore out of scope for this measure).</i>						
The proportion of rural mainland Auckland under sustained management for possums	N/A	New measure	26%	27%	30%	50%
The proportion of priority native habitats on regional parks under sustained management for pest plants	N/A	New measure	45%	48%	51%	66%
<i>Priority native habitats are a minimum suite of sites identified as requiring the restoration and maintenance of ecological integrity in order to maintain the greatest number and most diverse range of Auckland's indigenous ecosystems and sequences. Priority native habitats are otherwise known as Biodiversity Focus Areas. Native habitats are defined as the indigenous ecosystem types described in Singers et al., 2017, Indigenous terrestrial and wetland ecosystems of Auckland.</i>						
Number of species-led projects being delivered on Hauraki Gulf islands for the purpose of maintaining or achieving eradication of pest plants and pest animals	N/A	New measure	9	10	10	10
<i>Species-led projects are projects that target single or multiple species. This includes both site level pest control projects and projects that manage pest pathways to prevent species re-invading those islands from which they have been eradicated.</i>						
Number of native plants planted	N/A	New measure	735,000	740,000	545,000	816,000
Number of Aucklanders engaged in living low carbon lifestyles	48,816	30,000	65,500	66,500	68,500	78,500 per year

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets			
			2021/22	2022/23	2023/24	2024/25- 30/31
The percentage of schools engaging in sustainability education programmes	61%	58%	60%	60%	60%	65%
Greenhouse gas emissions Scope 1 & 2* (tonnes, % change vs baseline)	N/A	New measure	21,691 (-11%)	19,956 (-18%)	17,561 (-28%)	11,766 (-52%)

Scope 1 & 2 emissions include:

- Stationary combustion (For example gas combustion for heating & diesel used in generators)
- Transport emissions (For example fleet vehicle fuel, flights, public transport, taxis & rental cars)
- Waste (For example waste to landfill from Council facilities & Claris landfill)
- Fugitive Emissions (For example refrigerants)
- Land use change (For example livestock emissions and fertilisers)
- Electricity

Regional community services

We continue to provide the facilities and services that contribute to strengthening our communities, we do this by:

- Our library services. Aucklanders are accessing information digitally and at pace. E-books and e-magazines represent an increasing amount of our total lending through Library services. Auckland libraries will continue to:
 - provide access to safe, welcoming libraries and expertise to connect customers with knowledge and ideas, support, expert advice and support the delivery of quality learning programmes and services
 - curate, manage and provide access to a broad range of information in both physical and digital resources to support reading, discovery, and participation
 - provide access to heritage, children's and Māori and Pacific collections and technology including free public WiFi, computers and printers
- Investment in sector and community-led arts and cultural activities, events, community development and safety activities through the Regional Grants Programme
- Connecting Aucklanders with nature through camping and bach accommodations, looking after Auckland's ecosystem by delivering and managing the plant nursery propagation services for Regional Parks planting through Botanic Gardens, and Waitākere Ranges nursery. We play these roles as Kaitiaki (land manager) of Auckland's regional parks
- Delivering asset renewals to safeguard our facilities from asset failure and support high-priority growth projects
- Replacing and renewing coastal assets. Coastal compartment management plans will be developed which will inform the coastal asset management plan. This will prioritise the need for protection and development of new coastal assets.
- Continuing work with our key partners (Active and SportsNZ) to invest into and target populations of low participation, and may be at a high risk of becoming inactive, supported by the 'Get Active Your Way', 'Swim to Survive and Thrive', and 'Active and Healthy Environments' initiatives

Delivering Arts and Culture activities for all Aucklanders to experience as part of their everyday lives through:

- Investing in digital channels for discovery, showcasing and interpretation of artforms
- Increasing accessibility options such as signed performances and digital channels optimised for the vision impaired
- Delivering services and assets that have an environmental impact lens applied to ensure our operations keep pace with public interest in this area
- Supporting Aucklanders to maintain their cultural identities and traditions and provide opportunities for cultural expression

We are looking at different ways of delivering services through partnerships, digital channels and multi-use facilities to support the changing needs of our diverse community

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We manage Auckland's natural environment and help Aucklanders adopt a low carbon lifestyle						
The number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens	69,532	60,000	60,000	60,000	60,000	60,000 per year
The number of volunteer hours worked in regional parks each year	51,715	80,000	80,000	80,000	80,000	80,000
We provide library services and programmes that support Aucklanders with reading and literacy and opportunities to participate in community and civic life						
The number of library items checked out (including e-items)	13.5M	14.0M	16.4M	18.2M	18.4M	18.4M per year
The number of website sessions for the Auckland Libraries website and library catalogue	5.03M	8.0M	5.8M	5.9M	5.9M	5.9M
<i>We updated our methodology for recording website sessions in FY2019/20 to correct for the incorrect cross-domain sessions inflating our previous results. The 2019/20 result of 5.03M reflects the website sessions for corrected sessions, but the target of 8.0M for 2020/21 was set prior to this correction.</i>						
The number of active library members (members who have used their membership account at least once in the past 12 months)	403K	380K	395K	410K	425K	425K per year
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often						
The percentage of residents participating in sport and recreation at least once per week	72%	72%	72%	72%	72%	72%
The percentage of the public who have used a regional park in the last 12 months	66%	70%	72%	74%	76%	76%
The percentage of regional park visitors satisfied with the overall quality of their visit	95%	96%	96%	96%	96%	96%
We provide rental services to older tenants and maintain the older persons property portfolio						
Percentage of tenants satisfied with the provision and management of "housing for older people"	91%	78%	78%	78%	79%	79%
We showcase Auckland's Māori identity and vibrant Māori culture						
The percentage of regional programmes, grants and activities that respond to Māori aspirations	48.5%	17.2%	20%	22%	24%	26%

Regional governance

We remain committed to supporting elected members by:

- o Making better use of technology to support the work of elected members and make it easier for the public to engage with the council
- o Implementing community engagement and education initiatives to increase voter participation in local body elections.
- o Pro-actively coordinating the council's response to Treaty settlements.
- o Providing opportunities for improved governance and working relationships with mana whenua and Māori communities.
- o Enabling thriving Māori wellbeing and identity through supporting Māori culture and prosperity in Tāmaki Makaurau.

Ensuring technology supports the work of elected members to make it easier for the public to engage with the council.

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We contribute to resilient, sustainable, and thriving marae facilities and infrastructure that support marae as hubs for their communities						
The number of mana whenua and mataawaka marae that received support*	N/A	New measure	22	22	22	22
We provide opportunities for Aucklanders to contribute to community and civic life						
The percentage of Aucklanders who feel Council provides opportunities for them to have a say in shaping Auckland	41%	50%	50%	50%	50%	50%
The percentage of Māori residents who believe that they have adequate opportunities to have their say in decision making	34%	50%	50%	50%	50%	50%
The number of compliance notices issued by the Privacy Commissioner	N/A	New measure	0	0	0	0
The percentage of LGOIMA and Privacy Act decisions made and communicated within statutory timeframes	86%	95%	95%	95%	95%	95%
We support the Māori led housing and papakāinga development through planning & development processes						
The number of Māori organisations and trusts supported to progress Māori housing and papakāinga development**	18	18	20	22	24	26

*Support is in the form of direct funding or assets provided to marae to build the capacity of the marae to support Māori community wellbeing, and the focus of the delivery is centred on the marae. There are 33 marae that are eligible to receive this support.

2Organisations include Māori community housing providers and incorporated societies. These are groups that council has supported to date in some way e.g. funding or support from Council's Regulatory Services department with the consenting process.

Regional planning

The major programmes underway to improve the city includes:

- Implementing the Auckland Plan 2050
- Developing a future management framework for Auckland's waters
- Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan through forming regional partnerships and a cross-sectoral leadership group to drive change across the region
- Supporting growth and housing delivery including:
 - Auckland housing infrastructure programme for delivery of Housing in Tāmaki, Mt Roskill, Mangere, Northcote and Oranga
 - Programming staging and sequencing Drury and Redhills and aligning our programming with Crown investment and sequencing of infrastructure
- Ensuring the Auckland Unitary Plan remains fit for purpose and adapts to an ever-changing Auckland by evaluating the environmental, social, economic, and cultural outcomes it is achieving and making changes where needed
- Planning and securing investment for new housing and employment land in 'future urban zoned' areas on the edge of the existing urban area; planning to support investment in light rail; and protecting Māori cultural heritage
- Working with developers to reduce the planned infrastructure network costs burden
- Policy/bylaw focus is on Smoke-free policy implementation, new Freedom Camping & Public Places Bylaw, Local Alcohol Policy, indicative business plans for community and sports and recreation facilities, service design pilots for Tamariki wellbeing and increasing belonging and participation, Regional Investment Plans for Golf, Sports and Recreation, Play and Outdoor Recreation, Homelessness Plan and Affordable Housing think-piece.
- **City Centre Targeted Rate** funding
 - with significant investments in the city centre to improve the visitor experience and attractiveness by funding street and public spaces improvements such as Freyberg Square, Albert Street, Karangahape Road enhancements, Quay Street and Lower Queen Street; as well as contributing to the vibrancy of the city centre through activation, events, and marketing activities such as Artweek
 - From 2025, the targeted rate funding will support
- safe pedestrian and cycling access around the new City Rail Link Aotea and Karangahape Road stations. New residential communities are anticipated as a result of intensification around the stations. The rate will also support the streetscape enhancement and placemaking activities to connect these communities to the city centre and create a sense of belonging to urban neighbourhoods
- the regeneration of midtown as our civic and cultural hub through the streetscape and laneway projects identified in the City Centre Masterplan.
- The targeted rate will continue to be used to fund activation and destination marketing programmes that will encourage people to visit the city centre and provide a safe, exciting, and welcoming environment that is distinctly Tāmaki Makaurau.

**Supporting growth and housing delivery in Tamaki, Mt Roskill Mangere, Northcote and Oranga
Implementing the Auckland Plan 2050**

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We meet all planning legislative requirements						
The percentage of Auckland Unitary plan changes and notices of requirement processed within statutory timeframes	N/A	New measure	100%	100%	100%	100%
The percentage of adopted core strategies, policies and plans incorporating Māori outcomes or developed with Māori participation	100%	100%	100%	100%	100%	100%
We provide a coordinated council response to major development and infrastructure programmes, including major housing developments						
The percentage of Development Programme Office programmes that identify and engage with key stakeholders, Mana Whenua and Māori organisations	100%	95%	95%	95%	95%	95%
The percentage of City Centre Targeted Rate programme delivered on time and within budget	83%	80%	80%	80%	80%	80%

Waste services

Our commitment to a healthy and natural environment with the management of waste will be continued with the following initiatives:

- Food waste services
 - Continue the roll out of a rates-funded, weekly kerbside food scraps service, which has already started in Papakura, to all households in urban areas by 2023. Working with our community partners to identify and recover organic waste streams.
- Recycling
 - Significant investment in upgrading the Visy Materials Recovery Facility will increase the type, quantity, and quality of materials that Auckland Council is able to recover for recycling. We will also support the Government to explore onshore reprocessing opportunities for some materials.
- Zero Waste Auckland
 - the programme's emissions reduction potential and contribution to community resilience has been incorporated into **Te Tāruke-ā-Tāwhiri: Auckland Climate Plan** and work will continue to develop the network of resource recovery sites around the region. By 2031 the council proposes to have 21 Community Recycling Centres that receive, collect and process unwanted material from the public, along with two Resource Recovery Parks for the recovery of commercial waste including construction and demolition waste.
 - We are managing changes from the increase and expansion of the waste levy which the Ministry for the Environment is introducing from July 2021, including changes in data reporting requirements for those generating waste to landfill and materials recovered across the region.

- Our staff are participating in the development of mandatory national product stewardship schemes for electronic waste, textiles, beverage containers and other packaging, tyres, agrichemicals, and large batteries.
- Commercial waste
 - Continue to identify opportunities to reduce and design our waste from key commercial waste sources – construction and demolition waste, organics, and plastic waste - working with industry to leverage a change in practice.
- Operational waste
 - Improve waste diversion from our own activities, broadening the focus to include our operational activities with a focus on supply chain waste from procurement activities.
- Illegal dumping and enforcement
 - We will continue to resource our focus on illegal dumping and enforcement.

Upgrade the Visy Materials Recovery Facility to increase the type, quantity and quality of materials we recover for recycling

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We manage the collection and processing of household waste and help Aucklanders minimise waste						
Percentage of council controlled closed landfill discharge consents achieving category one or two compliance rating	100%	98%	98%	98%	98%	98%
Percentage of customers satisfied with overall waste collection services	N/A	New measure	75%	75%	75%	75%
We help Aucklanders minimise waste to landfills						
The total waste to landfill per year (kg per capita)	930kg	877kg	877kg	793kg	751kg	582kg
The quantity of domestic kerbside refuse per capita per annum	138kg	144kg	144kg	144kg	110kg	88kg
The total number of Resource Recovery Facilities	8	8	9	10	12	23
<i>A Resource Recovery Facility is a facility in the community where the public can drop off reusable and recyclable items. Resource Recovery Facilities can vary greatly - from simple drop off stations in small rural areas through to large eco-industrial parks. The long-term target of 23 facilities is a proposed number of sites.</i>						

Third-party amenity and grants

We are undertaking a review of Auckland’s major cultural heritage institutions. The focus of this review is to maximise the cultural and community benefit from Auckland’s investment in cultural heritage institutions (Auckland War Memorial Museum, MOTAT Auckland Art Gallery, Stardome Observatory and Planetarium and the New Zealand Maritime Museum). This review will look at both strategic investment priorities, and also the funding and governance structures of the cultural heritage sector and its institutions.

We remain focused on completing the Auckland War Memorial Museum’s capital refurbishment programme.

We are focussed on completing the Auckland War Memorial Museum's capital refurbishment programme. Auckland Council is undertaking a review of Auckland's major cultural heritage institutions. The focus of this review is to maximise the cultural and community benefit from Auckland's investment in cultural heritage institutions (Auckland War Memorial Museum, MOTAT Auckland Art Gallery, Stardome Observatory and Planetarium and the New Zealand Maritime Museum). This review will look at both strategic investment priorities, and also the funding and governance structures of the cultural heritage sector and its institutions.

Key performance measures

There is no performance measure for this activity.

Organisational support

The services we provide to support the functional activities of council to help deliver the best value will be achieved by:

- Renewing corporate property and the vehicle fleet
- Progressing our Worksmart programme
- Renewing network and user devices and software at the end of life, and perform critical ICT security remediation
- Renewing research and monitoring sites and equipment
- Delivering a portfolio of projects against organisational strategy outcomes including cost savings and efficiencies such as group shared services and group strategic procurement
- Our diversity programme which is aimed at community-centred thinking and decision making, reaching Auckland's 220 ethnicities.

Key performance measures

There is no performance measure for this activity.

Regulatory services

Our customers and our people are driving our vision for a Tāmaki Makaurau we can all be proud of. We are delivering a programme to be future fit, to make it easy for Aucklanders to do business with us, and to do this with pride and to a world class standard. Implementation will allow us to realise significant change in our culture, capability, systems, and our services, while responding to the impacts of COVID-19 and effectively managing and mitigating risks.

We aim to do this with Kōkiri Whakamua, our transformation journey, which includes:

- Delivering outcomes for Auckland
 - Aligning our services to support the climate action framework
 - Protecting our natural environment by increased monitoring of high-risk resource consents
 - Education of and support for iwi and marae when requested in areas such as food hygiene and dog registration and management
 - Supporting the development of papakāinga and Māori housing
 - Implementation of the Cultural Values Assessment Project, which involves improving the understanding of how mana whenua values should be considered in resource consent processes. It aims to improve internal resources, systems and processes and provides an emphasis on improving relationships with staff and mana whenua and applications.

- Improving customer experience
 - We want to make it easier for our customers to do business with us by creating tailored, seamless services to improve customer trust and confidence in us. Our aim is to provide an integrated customer experience for consenting across the council family. There is a focus on the creation of communication channels to keep customers informed
 - We continue to partner and engage with government agencies, industry, customers, mana whenua and stakeholders
- Operational improvements
 - We are committed to improving operational efficiency by enabling our staff to access fit-for-purpose systems and tools
 - This will allow them to do their job faster and easier and provide greater customer service. The improved use of data and innovation will lead to better informed business decisions. Key initiatives include legislative change implementation, simplification and standardisation of our processes, and automation of manual tasks.
- Supporting our kaimahi
 - Our priority includes developing the skills of our kaimahi (people) and delivering our mahi to a world class standard. We want to support the wellness of our people, particularly in the time of COVID-19. We are driving Health, Safety and Wellness outcomes including proactive risk identification, management, and mitigation. The initiatives include implementation of a people development strategy, with a focus on fostering a customer service culture and understanding Te Ao Māori.

We are delivering a programme to be future fit, make it easy for Aucklanders to do business with us, and to do this with pride and to a world class standard. Implementation will allow us to realise significant change in our culture, capability, systems, and our services, while responding to the impacts of COVID-19 and effectively managing and mitigating risks. Our customers and our people are driving our vision for a Tāmaki Makaurau we can all be proud of. We aim to improve customer experience and make it easier for customers to do business with us and create communication channels to keep customers informed.

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31

We make it easy for customers to apply for consents and we process these in a timely and professional way

The percentage of building consent applications processed within 20 statutory working days	82.1%	100%	100%	100%	100%	100%
The percentage of customers satisfied with the overall quality of building consent service delivery	62.1%	65%	65%	67%	70%	70%
The percentage of non-notified resource consent applications processed within 20 statutory days	71.2%	100%	100%	100%	100%	100%
The percentage of customers satisfied with overall quality of resource consents service delivery	54.5%	65%	65%	67%	70%	70%

The time it takes to process consents is measured according to MBIE and IANZ guidelines as to the correct application of the Building Act 2004 and the Resource Management Act 1991 about when timing starts and stops.

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
The percentage of notified resource consent applications processed within statutory time frame	78%	100%	100%	100%	100%	100%
<i>The statutory timeframe differs depending on the nature of the notified resource consent. The applicable statutory timeframes relating to this measure are included in Part 6 of the Resource Management Act 1991.</i>						
We help reduce harm from noise and other nuisances						
Percentage of noise calls for service attended within 30 minutes for urban areas or 45 minutes for remote areas	New measure	N/A	Urban: 80% Remote: 80%	Urban: 80% Remote: 80%	Urban: 80% Remote: 80%	Urban: 80% Remote: 80%
The percentage of compliance with Excessive Noise Direction within 72hours	New measure	N/A	80%	80%	80%	80%
We register dogs and respond efficiently when animals cause harm or nuisances						
The percentage of cases of non-compliance for menacing dogs that reach compliance within 3 months	76%	90%	90%	90%	90%	90%
We regulate the safe operation of premises selling food and/or alcohol						
The percentage of food premises that receive a D or E grade that are revisited within 20 or 10 working days	New measure	N/A	95%	95%	95%	95%
<i>20 working days for premises that receive a D grade, and 10 working days for premises that receive a E grade</i>						
The percentage of high-risk alcohol premises that are visited annually.	New measure	N/A	100%	100%	100%	100%
Percentage of licensees satisfied with the food and alcohol licensing service	New measure	N/A	85%	85%	85%	85%

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Auckland emergency management	Direct operating expenditure*	4,702	5,887	6,006	6,127	48,083	66,103
	Capital expenditure	3,679	3,041	2,636	2,193	3,263	11,133
Investment	Non-rates revenue	230,919	259,826	310,776	347,677	2,985,359	3,903,638
	Direct operating expenditure*	147,780	159,532	163,899	169,757	1,389,235	1,882,424
Environmental services	Capital expenditure	73,601	66,501	69,858	85,310	519,265	740,933
	Non-rates revenue	554	699	716	731	6,464	8,610
Regional community services	Direct operating expenditure*	38,712	52,178	56,411	54,489	448,691	611,769
	Capital expenditure	7,000	11,979	5,840	5,052	3,715	26,587
Regional governance	Non-rates revenue	37,606	44,201	38,578	39,216	286,162	408,157
	Direct operating expenditure*	220,052	276,372	269,435	279,055	2,835,819	3,660,682
Regional planning	Capital expenditure	110,506	102,706	116,802	111,358	1,603,214	1,934,080
	Non-rates revenue	994	2,397	3,897	2,397	20,076	28,768
Waste services	Direct operating expenditure*	34,143	51,575	53,443	48,200	382,532	535,751
	Capital expenditure	972	20	-	-	-	20
Third party amenity and grant	Non-rates revenue	5,238	4,860	4,943	5,042	39,221	54,065
	Direct operating expenditure*	68,042	84,588	86,398	86,305	651,455	908,747
Organisational support	Capital expenditure	109,951	49,982	63,460	52,858	289,481	455,780
	Non-rates revenue	32,155	31,788	36,368	39,872	342,459	450,486
Regulation	Direct operating expenditure*	114,998	156,959	166,196	181,759	1,194,328	1,699,242
	Capital expenditure	6,150	41,814	18,039	18,536	57,939	136,328
Third party amenity and grant	Direct operating expenditure*	68,160	70,858	72,413	73,600	549,870	766,740
	Non-rates revenue	13,243	9,970	9,964	10,100	40,762	70,796
Organisational support	Direct operating expenditure*	230,987	22,537	19,261	22,367	57,841	122,005
	Capital expenditure	48,956	70,959	75,130	46,913	552,412	745,415
Regulation	Non-rates revenue	170,597	222,261	225,653	238,089	1,800,523	2,486,526
	Direct operating expenditure*	155,932	236,399	241,281	255,980	1,923,117	2,656,777
	Capital expenditure	2,100	2,816	2,000	2,000	7,232	14,048

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Regionally delivered council services

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	479,841	547,436	614,066	678,695	665,689	670,833	722,641	765,485	896,907	989,853	1,106,999
Targeted rates	166,727	183,285	192,606	210,526	186,333	186,798	185,914	188,260	191,326	195,446	196,954
Subsidies and grants for operating purposes	10,644	16,214	10,946	9,728	8,095	5,575	5,647	5,719	5,811	5,907	6,005
Fees and charges	437,175	511,791	545,915	578,374	602,844	627,465	647,227	666,857	688,064	709,514	733,048
Internal charges and overheads recovered	201,386	224,829	224,259	228,392	229,254	229,089	239,147	245,790	247,154	257,016	265,481
Local authorities fuel tax, fines, infringement fees and other receipts	43,487	47,081	73,329	94,500	106,085	113,531	114,032	115,549	117,639	115,770	119,866
Total operating funding	1,339,260	1,530,636	1,661,121	1,800,215	1,798,300	1,833,291	1,914,608	1,987,660	2,146,901	2,273,506	2,428,353
Applications of operating funding:											
Payment to staff and suppliers	1,083,505	1,187,182	1,204,133	1,247,702	1,303,184	1,351,842	1,375,604	1,408,326	1,483,323	1,526,629	1,581,094
Finance costs	91,734	85,267	78,785	75,602	64,950	60,646	64,708	63,775	69,012	62,333	49,995
Internal charges and overheads applied	148,163	154,535	154,866	158,330	157,291	157,908	162,759	166,171	167,975	172,842	178,941
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,323,402	1,426,984	1,437,784	1,481,634	1,525,425	1,570,396	1,603,071	1,638,272	1,720,310	1,761,804	1,810,030
Surplus (deficit) of operating funding	15,858	103,652	223,337	318,581	272,875	262,895	311,537	349,388	426,591	511,702	618,323
Sources of capital funding:											
Subsidies and grants for capital expenditure	48,783	28,099	17,252	9,764	3,149	2,137	3,270	4,447	3,402	1,157	0
Development and financial contributions	44,749	40,582	42,586	42,942	44,085	44,774	44,277	44,176	43,955	43,724	43,517
Increase (decrease) in debt	(28,297)	(118,406)	92,959	(180,859)	(162,077)	(127,876)	(103,030)	64,025	6,719	7,434	(119,095)
Gross proceeds from sale of assets	269,623	79,700	70,000	80,000	107,000	70,000	60,000	20,000	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	334,858	29,975	222,797	(48,153)	(7,843)	(10,965)	4,517	132,648	54,076	52,315	(75,578)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	122,291	113,004	132,038	113,249	181,376	164,548	155,275	183,192	268,183	225,244	170,967
- to improve the level of service	157,183	112,126	72,264	71,367	72,244	55,471	60,224	66,857	84,946	98,296	99,858
- to replace existing assets	83,441	124,687	149,465	139,603	78,857	92,258	148,848	180,766	119,988	211,765	317,364
Increase (decrease) in reserves	91,010	24,557	108,048	14,115	34,876	9,493	10,899	9,961	9,138	8,291	6,999
Increase (decrease) in investments	(103,209)	(240,747)	(15,681)	(67,906)	(102,321)	(69,840)	(59,192)	41,260	(1,588)	20,421	(52,443)
Total applications of capital funding	350,716	133,627	446,134	270,428	265,032	251,930	316,054	482,036	480,667	564,017	542,745
Surplus (deficit) of capital funding	(15,858)	(103,652)	(223,337)	(318,581)	(272,875)	(262,895)	(311,537)	(349,388)	(426,591)	(511,702)	(618,323)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.8 Council controlled services

Auckland Council delivers a significant number of services through its Council Controlled Organisations. Infrastructure based activities are covered under the following five sections:

2.1 Roads and footpaths

2.2 Public Transport and travel demand management

2.3 Water supply

2.4 Wastewater treatment and disposal and,

2.5 Stormwater management

Council controlled services also involve a range of non-infrastructure-based activities. Each activity is governed by an independent board of directors or similar governance group. These activities include:

- property development services (Development Auckland – Eke Panuku) and
- the provision of major events and facilities (Auckland Unlimited Ltd.)

Key activities

Eke Panuku Development Auckland (Eke Panuku)

Eke Panuku delivers urban regeneration in agreed locations across the city. It creates vibrant, liveable places with high-quality housing and businesses, in well-designed town centres with good transport connections.

We collaborate with the private sector, community organisations, iwi, and the government to deliver urban regeneration. Supporting this work, Eke Panuku manages and maintains \$2.4 billion of the council's non-service properties and provides property disposals and acquisition services.

Auckland Unlimited (AUL)

Auckland Unlimited is Auckland's economic and cultural organisation. AUL are New Zealand's largest producer of cultural, entertainment, sporting and wildlife experiences, and the largest regional economic development agency in the country committed to delivering outcomes, that meet our purpose of *enriching cultural and economic life in Tāmaki Makaurau*.

Regional Facilities

We promote Auckland's cultural vibrancy by providing enriching experiences and opportunities in the world of arts, sports, and cultural events. This includes experiences of our heritage, cultural and conservation across our landmark owned and/or operated venues which include Aotea Centre, Aotea Square, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium, New Zealand Maritime Museum, North Harbour Stadium, The Cloud and Shed 10 and Western Springs Stadium

Economic Growth and Visitor Economy

We support Auckland businesses to innovate and thrive through enhancing Auckland's innovation ecosystem, supporting business growth, and enhancing skills and talent. We tell a consistent story about what makes Tamaki Makaurau Auckland unique to attract the investment, workers, students and visitors. We attract investment into Auckland that creates high quality employment and seek investment solutions for Auckland that enhance social, cultural, economic and environmental outcomes for the city

Things we are keeping an eye on

There are no significant negative effects of this activity and the impact it has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

Town centre developments require the private sector to invest to support urban regeneration. We take a strategic approach when seeking development partners, keeping the property market conditions in mind. Large urban developments can cause negative impacts on local residents and businesses, such as travel and business disruption and noise during construction, or changes in land use and activity. We provide targeted information to affected residents and businesses and organise special activities to ensure town centres remain vibrant and safe when being redeveloped.

We also carry out placemaking to ensure town centres are vibrant and safe and take communities with us as these centres change over time. We ensure that developments provide a range of different homes, at different price points in the market, to retain diversity in communities.

We want all Aucklanders (not just those who can afford it) to have the opportunity to be involved in arts, cultural, and community activities and events. We provide a large range of free community events so everyone can be involved.

Large scale events can also cause disruptions to residents and businesses. To minimise health and safety risks and traffic congestion, we also use traffic management systems and partner with Auckland Transport to provide free public transport to and from large concerts and sports events held in our stadia.

Key projects

Development Auckland

Over the next ten years, Eke Panuku will:

- Continue to regenerate our neighbourhoods in Takapuna, Northcote, Henderson, Avondale, Panmure, Onehunga, Papatoetoe, Manukau, Pukekohe, Ormiston, and the Waterfront.
- Increase the vibrancy, safety, and success of these centres by facilitating projects that will deliver new homes, purchasing strategic sites, public realm upgrades and activations to create walkable, well connected neighbourhoods.
- Continue to work with Haumaru Housing Limited to enable the delivery of more affordable homes for older people through optimising its property portfolio.
- Begin the phased delivery of the Wynyard Point open space.
- Continue to work with Auckland Transport on transport-oriented development opportunities.
- Renew critical assets, particularly on our waterfronts.

Through our projects, programmes, and initiatives we will deliver business excellence with a focus on outcomes for Māori and climate change to build resilient communities.

**Regenerate our neighbourhoods in areas such as Takapuna, Northcote, Henderson, Avondale
Renew critical assets, particularly on our waterfronts**

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We make the waterfront and town centres dynamic, culturally-rich, safe and sustainable places for Aucklanders and visitors to enjoy						
Net new dwellings (housing units)	N/A	New measure	350	200	350	4000
<i>Number of housing units includes an apartment, duplex unit, a town-house or a residential dwelling. These relate to town centre intensification a key element of the council's development strategy.</i>						
Commercial / Retail gross floor area (GFA) or net lettable area (square meter)	N/A	New measure	0	1000	29,000	220,600
Capital project milestones approved by the board achieved	N/A	New measure	80%	80%	80%	80%
<i>The milestones originate from the programme business cases or planning documents and reviewed by the programme directors. A list of project milestones is compiled for Panuku Board approval. It is reset each year to consider any deferrals agreed with council as part of the Annual Plan process.</i>						
We manage and maintain council's properties, assets, and services to optimise financial returns						
Annual property portfolio net operating budget result agreed with the council achieved	N/A	New measure	\$21.9M	\$17.8M	\$16.2M	\$118.7M
The monthly average occupancy rate for tenable properties	96.9%	≥ 95%	Commercial 85% Residential 95%	Commercial 85% Residential 95%	Commercial 85% Residential 95%	Commercial 85% Residential 95%

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31

In the first 3 years of the LTP, there may be impacts of COVID-19 on ability of tenants to pay rent. Panuku will accommodate for COVID-19 hardship arrangements in its annual budget result.

The occupancy of properties or rental objects, are those that are 'available for rent' and are tenable

Regional facilities

We will continue to create vibrant and exciting experiences across the region by:

- Delivering engaging, innovative and relevant exhibitions and events for Aucklanders and visitors through our Auckland Unlimited venues and facilities
- Providing natural and cultural heritage experiences for visitors to the Auckland Zoo, Auckland Art Gallery and NZ Maritime Museum
- Ensuring that the programmes and events are relevant to, and reach, all sectors of the Auckland community by tailoring content for under-represented sectors, delivering our outreach programmes and growing our digital content.
- Providing learning opportunities for school students in Auckland through delivering programmes focusing on wildlife conservation, New Zealand's maritime heritage, visual arts and the performing arts and providing venues for school students involved in sports training and performance
- Providing training opportunities in specialist skills of relevance to wildlife management, the performing and visual arts, heritage preservation and high-performance sports events.
- Providing an exceptional experience for all our customers through improving our venues, making information more accessible, simplifying our processes, and enhancing customer service training.
- Maintaining the Aotea precinct as the cultural centre of Auckland, continuing delivery of the Future Zoo developments and curating the visual arts offering to Aucklanders
- Working to developing an infrastructure investment framework focused on the arts, sporting, and natural and cultural heritage venues of the future.

Investment in renewals for Auckland Stadiums, Auckland Zoo and the Auckland Art Gallery

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31

We deliver arts, wildlife, collections, sports, and events that provide experiences that are engaging and embraced by Aucklanders

The number of people who are issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events	N/A	New measure	1.44m	1.82m	2.08m	2.37m
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The net promoter score for Auckland Unlimited's audiences and participants	45	20	20	20	20	20
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Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets			
			2021/22	2022/23	2023/24	2024/25- 30/31
The percentage of operating expenses funded through non-rates revenues	52%	65%	44%	53%	59%	63%
The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	44	18	20	20	20	20 per year

Economic growth and visitor economy

We will work to foster economic development including in the visitor economy by:

- Attracting business and investment into key Auckland sectors through the Invest Auckland platform
- Managing Auckland Film Studios and Kumeū Film Studios and delivering film permitting operations
- Working with local boards and partners to develop and deliver local programmes including sub-regional destination management plans
- Working with business to support talent attraction, skills development and training of youth
- Supporting local business capability development, innovation and research and development
- Connecting Māori businesses and tourism operators to resources and opportunities to assist them to grow
- Fostering Auckland’s innovation ecosystem including through physical locations in Wynyard Quarter and Manukau
- Working with businesses and central government to identify innovative solutions to reduce Auckland’s greenhouse gas emissions and increase our resilience to climate change
- Delivering campaigns and trade activity to attract visitors – including students - to Auckland
- Leading the development of Auckland stories in alignment with He Aratohu - the Auckland Playbook
- Partnering to attract major and business events to Auckland and delivering Lantern, Pasifika, Diwali, and Tāmaki Herenga Waka Festivals.

Business partnering to attract major and business events (Lantern, Pasifika, Diwali and Tamaki Herenga Waka Festivals)

Key performance measures

Performance measure	Actual	Target	Indicative Long-term Plan targets			
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31

We support the sustainable growth of the Auckland visitor economy through destination management and marketing, major events, business events and international education attraction and support programmes

The contribution to regional GDP from major events and business events attracted or supported	\$33.7M	\$66.5M	\$34M	\$37M	\$71M	55M
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Target includes impact of 2023 FIFA Woman’s World Cup.

We deliver information, advice, programmes and initiatives to support the creation of high value jobs for all Aucklanders

Number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention	4,315	3,000	3,000	3,000	3,000	3,000 per year
Number of Māori businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention	333	120	150	150	150	150 per year

Intervention is a programme or service delivered by Auckland Unlimited. The targets reflect Auckland Unlimited’s emerging strategy which is likely to result in the delivery of fewer larger interventions.

Prospective Financial Information

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25- 2030/31	10-years Total
Development Auckland	Non-rates revenue	49,711	41,835	40,560	38,305	329,418	450,118
	Direct operating expenditure*	55,332	52,375	53,558	53,992	432,573	592,497
	Capital expenditure	100,000	90,839	89,211	98,000	498,966	777,016
Economic Growth and Visitor Economy	Non-rates revenue	21,023	41,530	40,773	34,007	200,354	316,663
	Direct operating expenditure*	81,804	78,474	89,185	80,645	546,298	794,602
	Capital expenditure	204	36,573	594	609	4,157	41,932
Regional facilities	Non-rates revenue	35,962	49,739	62,915	75,089	613,908	801,651
	Direct operating expenditure*	94,670	113,392	116,439	123,552	967,330	1,320,712
	Capital expenditure	50,080	56,063	46,405	50,826	358,733	512,027

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2021-2031 for Council controlled services

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	162,942	167,156	174,227	181,685	191,799	197,994	198,011	205,259	204,242	213,516	215,597
Targeted rates	3,558	0	14,806	15,102	15,404	15,712	16,027	16,347	16,674	17,008	17,348
Subsidies and grants for operating purposes	9,890	16,813	16,744	9,478	4,413	3,494	3,580	3,661	3,743	3,822	3,897
Fees and charges	23,409	38,654	50,476	61,428	65,271	67,446	69,668	71,893	74,076	75,483	77,688
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	76,897	81,936	81,328	80,794	82,228	83,623	92,921	93,676	100,033	95,304	97,861
Total operating funding	276,696	304,559	337,581	348,487	359,115	368,269	380,207	390,836	398,768	405,133	412,391
Applications of operating funding:											
Payment to staff and suppliers	231,807	244,240	259,181	258,188	257,954	262,706	271,811	279,780	285,927	290,702	297,316
Finance costs	14,961	15,374	18,899	21,937	24,407	26,423	28,496	30,009	30,798	31,269	31,245
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	246,768	259,614	278,080	280,125	282,361	289,129	300,307	309,789	316,725	321,971	328,561
Surplus (deficit) of operating funding	29,928	44,945	59,501	68,362	76,754	79,140	79,900	81,047	82,043	83,162	83,830
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	30,000	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,262	2,947	3,092	3,118	3,201	3,251	3,215	3,208	3,192	3,175	3,160
Increase (decrease) in debt	78,703	53,000	37,380	34,289	26,450	18,853	19,243	20,915	20,584	(20,644)	(40,091)
Gross proceeds from sale of assets	40,390	52,583	36,238	43,666	28,785	32,948	24,250	17,773	15,800	43,993	64,720
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	120,355	138,530	76,710	81,073	58,436	55,052	46,708	41,896	39,576	26,524	27,789
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	39,766	61,344	70,925	73,948	64,559	55,387	63,314	57,170	50,613	41,436	27,574
- to improve the level of service	68,305	44,266	7,869	13,464	5,295	16,376	7,183	12,550	19,971	11,609	24,223
- to replace existing assets	42,212	77,865	57,417	62,023	65,336	62,429	56,111	53,223	51,035	56,641	59,822
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	150,283	183,475	136,211	149,435	135,190	134,192	126,608	122,943	121,619	109,686	111,619
Surplus (deficit) of capital funding	(29,928)	(44,945)	(59,501)	(68,362)	(76,754)	(79,140)	(79,900)	(81,047)	(82,043)	(83,162)	(83,830)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

3.0 Overview of policies and other information

This section of our 10-year Budget includes a number of key policies and statements that guide different aspects of our financial management.

Policy/Statement	Purpose
Revenue and Financing Policy	Explains the rationale for, and the process of selecting various tools to fund the operating and capital expenditures of the council.
Funding Impact Statement (incorporating rating mechanism)	The funding impact statement sets out the sources of operational and capital funding the council will use to fund its activities over the period of the 10-year Budget. The rating mechanism sets out how the council sets its rates. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.
Financial reporting and prudence benchmarks	Discloses the group's planned financial performance in relation to various benchmarks - as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.
Local Board Funding Policy	Sets out how funds are allocated to local boards for meeting the costs of local activities and administration support.
Decision-making Responsibilities of Auckland Council's Governing Body and Local Boards	Sets out Auckland Council's allocation of decision-making responsibilities of non-regulatory activities between the Governing Body and local boards.
Auckland Airport Shareholding Policy	Sets out the strategy for managing the council's investment in Auckland International Airport. The objective of our shareholding is to maintain a strategic stake in Auckland Airport as an important national and regional asset and ensure an appropriate financial return.
Summary of Significance and Engagement Policy	Provides a summary of the council's Significance and Engagement Policy. This policy sets out the council's general approach to determining the significance of matters and how the council will engage with the community on matters before it makes decisions.
Overview to Auckland Council's CCOs	Outlines our substantive and legacy Council Controlled Organisations (CCOs)
CCO Accountability Policy	Sets out the council's expectations for its substantive council-controlled organisations (CCOs).

Key policy changes for this 10-year Budget fall into three broad categories:

- Decisions around rates, fees and charges
- Decisions around strategic assets
- Other policy changes

Decisions around rates, fees and charges

As part of the 10-year Budget 2021-2031 consultation process, the council consulted on a number of proposals to change rates, fees and charges policy settings. After considering feedback, the council has decided on the following key changes:

Policy item	Decisions
General rates increase to existing ratepayers	<ul style="list-style-type: none"> The council will maintain the long-term setting of 3.5 per cent per annum overall average increase in general rates to existing ratepayers. To ensure continued investment in spite of revenue pressures from COVID-19 the council has decided to increase general rates to existing ratepayers for the 2021/2022 by an average of 5 per cent (excluding urban rating area changes noted below). The UAGC (Uniform Annual General Charge) will also increase at these rates.
Long-term Differential Strategy	<ul style="list-style-type: none"> The council decided to maintain its commitment to gradually reducing the share of overall general rates revenue collected from business.
Urban rating area expansion	<ul style="list-style-type: none"> Auckland is growing rapidly and our urban area is expanding. Following analysis of the services available to the properties on the urban fringe and rural townships and consideration of the feedback received in consultation we have decided to change the definition of the Urban Rating Area, which will change where we apply urban rates. The Urban Rating Area will now include all land within the Rural Urban Boundary except land located in Warkworth and land zoned Future Urban but including the Future Urban zoned Ockleston Landing and Halls Farm consented developments. These properties will now have their rates set on the same basis as neighbouring land and other properties with similar access to council services and facilities. As a result, a number of properties presently rated as rural business and rural residential will now pay urban rates. To manage the impact on these properties the change will be phased in over three years. A new rates differential has been introduced for these properties which will move them from rural to urban rates over the 2021/2022, 2022/2023 and 2023/2024 years.
Rating of farm/lifestyle properties in the urban rating area	<ul style="list-style-type: none"> Farm/lifestyle properties within the Urban Rating Area will be rated as urban residential. These properties will now have their rates set on the same basis as their residential neighbours. To manage the impact on these properties the change will be phased in over three years. A new rates differential has been introduced for these properties which will move them from rural to urban rates over the 2021/2022, 2022/2023 and 2023/2024 years.
Water Quality Targeted Rate	<ul style="list-style-type: none"> The Water Quality Targeted Rate will be extended to 2030/2031 to align with the term of the 10-year Budget 2021-2031. We also decided to increase the targeted rate at the same rate as the increase in general rates, 5 per cent for 2021/2022 and 3.5 per cent for the remaining years (2022/2023 to 2030/2031). This will allow us to increase our investment in water quality programmes across the region and to bring forward investments we would otherwise have to delay for many years.
Natural Environment Targeted Rate	<ul style="list-style-type: none"> The Natural Environment Targeted Rate is being extended until 2030/2031 to align with the term of the 10-year Budget 2021-2031 and held at its current level. This will allow us to maintain our investments in measures to address the spread of kauri dieback, and predator and weed control.
Suspending the Accommodation Provider Targeted Rate	<ul style="list-style-type: none"> We have decided to extend the suspension of the Accommodation Provider Targeted Rate (APTR) until 30 June 2022. We do not expect borders to open substantially until this time and accordingly are reducing our planned expenditure on major events and visitor attraction commensurate with the reduced funding from the APTR.
Electricity Network Resilience Targeted Rate	<ul style="list-style-type: none"> A targeted rate of \$10.5 million per year, to be adjusted annually for council rate of inflation, is being introduced on Vector to fund enhanced management of trees around the Vector overhead power lines. Reducing risk to Vector's powerlines from trees

	owned by the council will improve public safety around power lines and reduce power outages.
City Centre Targeted Rate	<ul style="list-style-type: none"> We have extended the duration of the City Centre Targeted Rate from 2024/2025 until 2030/2031 to align with the term of the 10-year Budget 2021-2031. This will enable us to continue to invest in enhancing the city centre as a place to live, work, visit and do business.
Waste management changes	<ul style="list-style-type: none"> After we finalised our Consultation Document, the Government confirmed an increase to the levy on waste sent to landfill. The levy encourages waste reduction and provides funding for Government and local authority waste minimisation initiatives. The increase to the levy increases our cost of providing refuse collection and disposal services. To cover the increased costs we are increasing the rubbish bin tag and bag prices and waste management refuse targeted rate we charge to fund our refuse collection and disposal services. The waste management standard refuse rate in former Auckland City and Manukau City areas has been increased from \$141.60 to \$150.06 and the large refuse rate from \$66.55 to \$70.53. The waste management base service targeted rate has been increased by 1.2 per cent from \$141.03 to \$142.70 to cover underlying cost inflation.
Waitākere rural sewerage service and changes	<ul style="list-style-type: none"> The Waitākere Rural Sewerage Targeted rates is being increased to fully recover the cost of providing the Waitākere rural sewerage service for ratepayers in the Waitākere Ranges Local Board area. We have discontinued the Waitākere rural sewerage service and targeted rate for ratepayers in the Henderson-Massey Local Board and Upper Harbour Local Board areas as decided last year.
Clevedon Wastewater and Water Connection Targeted Rate change	<ul style="list-style-type: none"> We have decided to remove the Clevedon Wastewater and Water Connection Targeted Rate. The council decided not to proceed with implementation of the rate as further review of the scheme. The rate has not been applied to any properties.
Interest on loan repayment targeted rates	<ul style="list-style-type: none"> We are reinstating interest on our loan repayment targeted rates for the 2021/2022 financial year. This will apply to the following six financial assistance repayment targeted rates: <ul style="list-style-type: none"> Retrofit Your Home targeted rate Riverhaven Drive targeted rate Kumeū Huapai Riverhead wastewater targeted rate On-site wastewater systems (septic tank) upgrades targeted rate Point Wells wastewater targeted rate Jackson Crescent wastewater targeted rate Interest was not charged on these rates while the council updated its compliance with consumer finance legislation.
Rodney Drainage District Targeted Rate	<ul style="list-style-type: none"> A rate has been introduced on the private landowners in the Te Arai and Okahukura drainage districts who benefit from, or contribute to the need for, the provision of stormwater management services in the districts.
Paremoremo Public Transport Targeted Rate	<ul style="list-style-type: none"> We also considered introducing a new targeted rate to introduce a bus service between Paremoremo and Albany. However, following consideration of public feedback we decided not to proceed with that proposal.

Changes to the Business Improvement District (BID) Programme	<ul style="list-style-type: none">• The targeted rates for the BIDs have been adjusted based on the budgets agreed by their business associations. The boundaries for the Manurewa and Dominion Road BIDs have also been extended.
Removal of library late return fees	<ul style="list-style-type: none">• We have removed the late return fines on library books and other items but will continue to charge lost book replacement fees and fees for rentals.
Regulatory and other fee changes	<ul style="list-style-type: none">• We have decided to introduce changes to the following regulatory fees to increase transparency and cover the full cost of providing these services:<ul style="list-style-type: none">- an increase in the multiple dog license fee from \$45 to \$79 for the first application, and a fee of \$50 for an additional property inspection if a dog owner changes address- a new fee of \$70 for our Animal Management Officers to attend to livestock nuisance complaints such as roaming stock; and an additional fee of \$120 for subsequent call outs and \$75 for after hour call outs- a new fee of \$200 for high-risk Producer Statement Author fees- a new fee of \$90 for hard copy applications for building and resource consents- To ensure that customers pay upfront costs or deposits that are much closer to the likely final charge we are proposing:<ul style="list-style-type: none">o an increase in the deposit for an application for minor engineering approval from \$600 to \$1200o a new fee for pre-application meetings set at a base fee of \$311 to replace the current standard and complex pre-application fees for building consents.• The changes to our regulatory fees will come into effect from 1 July 2021. A full list can be found on councils website https://www.aucklandcouncil.govt.nz/building-and-consents/resource-consents/Documents/consenting-property-information-fees-charges.pdf• We have also budgeted for an increase in our venue hire fees by 6 per cent.

More details of the consultation feedback and the final decisions can be found at [aucklandcouncil.govt.nz](https://www.aucklandcouncil.govt.nz).

Decisions around strategic assets

Under section 97 of the Local Government Act 2002, a decision to transfer ownership or control of a strategic asset to or from a local authority must not be made unless the local authority has explicitly provided for the decision in its long-term plan.

In accordance with section 93E, the council consulted on proposals to change ownership or control of assets that may be considered strategic assets because of their heritage status or their waterfront location. After considering feedback, the council has decided to provide for the following in the 10-year Budget 2021-2031:

- the transfer of ownership and a change in use for Bledisloe House through entering into a development agreement for a long-term ground lease of 125 years.
- long-term leases on the following council-owned development sites in the city centre waterfront precinct, on which Eke Panuku plans to partner with private developers to develop:
 - o North Wharf – site 14
 - o Jellicoe Street – site 19
 - o Silo 6 – site 12
 - o Wynyard Point – Block A and B
 - o 44-56 Hamer Street – Sealink ferry terminal
 - o 101 Pakenham Street West – Lysaght Building.
- the sale of the following council-owned buildings:
 - o 2 The Strand, Takapuna
 - o 3 Victoria Road, Devonport.

Other policy changes

Policy item	Decisions
Auckland Airport Shareholding Policy	<ul style="list-style-type: none"> <li data-bbox="411 367 1465 461">• We are proposing to amend and update our Auckland Airport Shareholding Policy to ensure it remains current and that it enables us to maximise the value we receive from our shareholding. We have not changed the core elements of the policy such as the underlying shareholding. <li data-bbox="411 465 1465 584">• The main changes are some amendments to provide the council with greater flexibility to take advantage of corporate actions and their associated financial benefits. The revised policy also reflects historical changes, specifically the decision to disband Auckland Council Investments Limited and Auckland Airport's institution placement which diluted our shareholding.
CCO Accountability Policy	<ul style="list-style-type: none"> <li data-bbox="411 591 1465 651">• The key changes to the policy involve removing some of the common expectations of CCOs from the policy so that we can include them in statement of expectations for CCOs.

3.1 Revenue and Financing Policy

Policy purpose and overview

The purpose of the Revenue and Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of selecting various tools to fund the operating and capital expenditures of the council.

Policy background

Funding principles

To assist with the identification of the appropriate funding methods, the council has used a set of guiding principles that incorporate the matters set out in Section 101 of the Local Government Act 2002. These are set out in table 3.1.1 below.

Table 3.1.1

Principle	Rationale for its application
Paying for benefits received or costs imposed	Under this principle, the council considers benefit distribution and cost causation and the period in or over which benefits and costs are expected to occur. The allocation of costs to those who benefit from a council service or those who impose costs to the council (whether the community as a whole, any identifiable part of community, or individuals) is considered economically efficient and equitable and the extent to which the actions or inaction of individuals or a group contribute to the need to do the activity. Section 101(3)(a)(ii), Section 101(3)(a)(iv), Section 101(3)(a)(iii)
Transparency, accountability and costs and benefits of funding activities separately	This principle is applied when considering the costs and benefits of separate funding. Transparency of funding enables the users of services to assess whether they get value for money. Accountability makes the council more efficient in providing these services. From the perspective of the service users, transparency and accountability also enables them to make more informed decisions in using council services. Section 101(3)(a)(v)
Market neutrality	This principle is relevant when the council is competing with the private sector in producing or delivering services. The council can be placed in an advantageous position vis a vis the private sector because of its ability to fund such services from rates, either fully or partially. This can lead to market distortions and economic inefficiencies. It can also discourage private enterprise. To avoid this, in tandem with other principles such as affordability, the council will apply commercial best practice when providing such services. Section 101(3)(b)
Financial prudence and sustainability	This principle is relevant in determining appropriate funding mixes. It is recognised that additional revenue may be required to support debt repayment and manage treasury ratios. Section 101(2)
Optimal capital usage	This principle relates to the effectiveness of funding tools in achieving efficiencies. The council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers. Among other things, this principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities. Section 101(3)(b)
Strategic alignment	The Auckland Plan sets out a vision for the city over the next 30 years. The Revenue and Financing Policy should have regard to its impact on the broader strategies and priorities as set out in the council's vision and the Auckland Plan. The infrastructure strategy outlines how the council intends to manage its infrastructure assets. The Revenue and Financing Policy will show how investment in infrastructure is funded.

Principle	Rationale for its application
	Section 101(3)(b)
Overall social, economic, environmental and cultural impacts	Decisions on how the council's revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the current and future social, economic, environmental and cultural well-being of the community and the community outcomes to which the activity relates. Section 101(3)(b)
Community outcomes in the Auckland Plan	Decisions on how the councils revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the community outcomes in the Auckland Plan. Section 101(3)(a)(i)
Affordability	The council needs to consider the impact of funding methods on people's ability to pay as this can have implications for community well-being. Section 101(3)(b)
Minimise the effects of change	The integration and harmonisation of the policies of the former councils may lead to major changes in the incidence or rates and user charges for services. Funding and financial policies should seek to minimise or manage the impact of these changes. Section 101(3)(b)
Efficiency and effectiveness	The councils financial policies should have regard to the costs of carrying them out, and how effective they will be in achieving their objectives. Section 101(3)(a)(v)
Practicality of policy	The councils funding policies must be achievable and unconstrained by practical issues that will prevent compliance. Section 101(3)(a)(v)
Legal compliance	The LGA 2002 and related legislation include a number of legal requirements for the development of the Revenue and Financing Policy. All aspects of the policy will comply with legislation.

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the council applies these principles to assess how to fund the separate activities, the council then considers the overall impact of any allocation of liability on the community.

Policy details

Expenditure to be funded

Legislation requires the council to make adequate and effective provision in its long-term plan to meet the expenditure needs identified in that plan. Generally, this will mean that all expenditure is funded.

Funding depreciation

Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation (referred to as “funding depreciation”) generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach.

In some cases, it is not financially prudent to fund depreciation. In determining the level of non-funded depreciation, the council will have regard to:

- a) whether at the end of its useful life, the replacement of an asset will be funded by way of a grant or subsidy from a third party
- b) whether the council has elected not to replace an asset at the end of its useful life
- c) whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
- d) whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

On creation of the Auckland Council the legacy councils only funded, on average, 63 per cent of the qualifying depreciation (that which does not come under a-c above). The council adopted a policy of moving towards funding 100 per cent of qualifying depreciation by 2025. Given the impacts of COVID-19 on our operating revenues maintaining this target would present an unreasonable burden on ratepayers so we have extended this target by three years to 2028.

Table 3.1.2 below sets the targeted minimum levels of depreciation funding for this long-term plan.

Table 3.1.2 Targeted minimum proportion of depreciation expenditure to be funded

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Funded	70%	75%	80%	85%	90%	95%	100%	100%	100%	100%
Not funded	30%	25%	20%	15%	10%	5%	0%	0%	0%	0%

The council considers that this policy on funding depreciation and the consequential impacts on council’s operating budgets and debt levels is financially prudent, reasonable and appropriate having had regard to our funding principles, the factors in section 100(2) of the Local Government Act 2002 and all other relevant matters.

Sources of funding

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2002.

Sources of funding: Operating expenditure

The council has determined the funding sources for operating expenditure after considering the funding principles set in Table 3.1.3.

Table 3.1.3 Funding sources for operating expenditure

Funding source	Rationale
Fees and charges	Fees and charges can be applied where the users of a service can be identified and charged according to their use of the service (and those that do not pay are denied access to the service). This is based on the paying for benefits received principle. Fees are also appropriate where an individual's action or inaction creates the need for an activity (cost causation). For example, the cost of obtaining a building consent is met by the building owner.
Grants and subsidies	Grants and subsidies are generally only appropriate for funding the operating costs of the particular activity that the grant or subsidy is intended to pay for. For example, NZTA (government) transport subsidies can only be used to fund transport projects.
Development or financial contributions	Development contributions or financial contributions can only be used to fund capital expenditures related to growth. Development contributions also include financing costs incurred due to timing differences between growth-related capital expenditure being incurred and the related development contribution being received.
Targeted rates	Appropriate to fund operating expenditure (including projects to support growth) where one or more of the following apply: <ul style="list-style-type: none"> • that benefit a specific group of ratepayers • to incentivise land owners to develop land in response to a commitment to the provision of infrastructure • to provide certainty of the council recovering its costs • where greater transparency in funding the cost of the activity is desirable • where an individual or a group of ratepayers voluntarily chooses to adopt the rate, such as for business improvement districts or the Retrofit Your Home scheme • where the rate is for a specific service, or bundle of services, such as for waste collection.
General rates	General rates are appropriate for funding activities where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the service and charge them for the benefits received or costs imposed (e.g. regional parks and open spaces). It is also appropriate for general rates to partially fund activities where the provision of a private good also generates wider social benefits or where the application of fees and charges either causes affordability issues or compromises the wider objectives of the activity. This is consistent with the guiding principle of affordability.
CCO profits, and net rental and interest from investments	CCO profits and net returns from investments will be used to offset the general rates funding requirement of other council activities, reducing the burden on all ratepayers.
Borrowing	Borrowing will not generally be used to fund operating expenses. The council may choose to borrow for an operating expense where it is providing a grant to an external community organisation that is building an asset such as a community facility or in other cases where operating expenditure provides enduring economic benefits. Borrowing may also be used to fund the interest expense accrued on borrowing during the period of construction of an asset; and to fund the cost of discovered liabilities such as the council's share of weathertightness claims. In

Funding source	Rationale
	these cases borrowing and repaying the debt over time promotes intergenerational equity by spreading the responsibility for funding across the generations who will benefit.
Trusts, bequests and other reserve funds	Certain operating expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met.
Other funding sources	The use of any other funding sources should be assessed with regard to the guiding principles. Any miscellaneous revenue not linked to a specific activity should be used to fund activities that would otherwise be funded through the general rate.
Surpluses from previous financial years	A surplus may be available to be carried forward if the actual surplus/(deficit) is improved compared to the forecast surplus/(deficit). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward. The amount of any surplus carried forward will be accounted for as an operating deficit in the year the benefit is passed to ratepayers.
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the operating expenditure associated with the approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions or proceeds from asset sales to fund operating expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating expenditure of individual activities.

Sources of funding: Capital expenditure

The council has determined the funding sources for capital expenditure after considering the funding principles set out in Table 3.1.4.

Table 3.1.4 Funding sources for capital expenditure

Funding source	Rationale
General rate	Appropriate funding source where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the capital expenditure.
Targeted rates	Appropriate to fund capital expenditure projects (including projects to support growth) where one or more of the following apply: <ul style="list-style-type: none"> • that benefit a specific group of ratepayers • to incentivise land owners to develop land in response to a commitment to the provision of infrastructure • to provide certainty of the council recovering its costs • where greater transparency in funding the cost of the activity is desirable.
Fees and charges	Appropriate funding source where users of a service can be identified and charged according to their service. Examples include water charges and Infrastructure Growth Charges from Watercare Services Limited.
Interest and dividends from investments	Interest and dividends from investments may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding.
Borrowing	Borrowing is used to spread the funding requirement for capital expenditure across multiple years. Given assets deliver benefits throughout their useful lives it is appropriate that the funding is spread across the useful life.

Funding source	Rationale
Proceeds from asset sales	Funds received from the sale of surplus assets will generally be used to repay borrowings. On a case-by-case basis these surpluses may be used to fund investment in another asset of higher strategic priority than the asset sold.
Development or financial contributions	Appropriate to fund capital expenditure in anticipation of or in response to development (growth) that will generate a demand for additional reserves, network or community infrastructure (such as stormwater systems). Contributions are set through the council's Contributions Policy.
Grants, subsidies, and donations	Appropriate to fund specific capital expenditure projects as per terms of the grant, subsidy or donation. An example of this is NZTA subsidies to partially fund transport projects.
Trusts, bequests and other reserve funds	Certain capital expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met.
Other sources	Other revenue sources may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding. An example of this is the use of commercial returns from property holdings to fund capital spend on those property assets.
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the capital expenditure associated with the approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions to fund capital expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating and capital expenditure of individual activities.

Rating Policy

The council will use general rates to fund activities which have a 'public good' element, e.g. civil defence, or where it wishes to subsidise the provision of services because of the wider social benefits they provide e.g. libraries.

Valuation basis

The general rate will be set on the basis of capital value. Capital value better reflects the level of benefit a property is likely to receive from services rather than land value or annual value.

Application of a uniform annual general charge

To ensure that the rates incidence isn't disproportionately borne by higher value properties the council sets a uniform annual general charge (UAGC). Every ratepayer will therefore make a minimum contribution to meeting the council's costs.

The charge will apply to every separately used or inhabited part of a rating unit e.g. shop in a mall or granny flat. This ensures equal treatment between these properties and main street shops or apartments on individual titles.

Rates differentials

It is the council's view that some land uses receive more benefit from, or place more demand on, council services and/or may have a differing ability to pay rates. The differentials will be determined based on land use (including consideration of land use classifications determined under the Rating Valuation Rules), location, and the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the Auckland Unitary Plan.

The council will apply general rates differentially (the base level for rating is the urban residential sector) and may also apply targeted rates differentially to:

- business properties in the urban area
- business properties transitioning from rural to urban
- business properties in rural areas
- residential properties transitioning from rural to urban
- residential properties in the rural areas
- farm/lifestyle properties transitioning from farm/lifestyle to urban residential
- farm/lifestyle properties in the rural areas
- moderate-occupancy online accommodation providers in the rural areas
- moderate-occupancy online accommodation providers transitioning from rural to urban
- moderate-occupancy online accommodation providers in the urban area
- medium-occupancy online accommodation providers in the rural areas
- medium-occupancy online accommodation providers transitioning from rural to urban
- medium-occupancy online accommodation providers in the urban area
- properties with no direct or indirect road access
- properties where the council chooses not to charge rates (eg: zero-rated).

The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates take, which is substantially lower than the current level. Business rates will move from 31.33 per cent in 2020/2021 to 25.8 per cent in 2037/2038. The differential will be reduced in equal steps each year to manage the affordability impact of the shift in the rates incidence to the non-business sector. This approach to the business differential removes the impact on the split of rates between business and non-business properties that changes in property values have resulting from the triennial region-wide revaluation.

Targeted rates

The council mainly uses targeted rates where there is a clearly identifiable group benefiting from a specific council activity. Targeted rates will apply to properties that receive certain services, or which are located in specified areas. Targeted rates may be used where the council wishes to incentivise development in areas where infrastructure investments have been made and/or to provide more certainty over the timing of payment for those investments. Targeted rates may also apply universally to fund a specific activity where a greater degree of transparency is desired. The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate.

The council intends to set targeted rates to fund activities as set out in Table 3.1.5 below.

Table 3.1.5: Services to be funded by targeted rates

Targeted rate	Services to be funded or part funded
Waste management targeted rates	Refuse, inorganic, food scraps collection, resource recovery centres and recycling services as appropriate for former council areas
City centre targeted rate	Investment in projects to enhance the central city environs
Local targeted rates as proposed by local boards	Local or regional activities in the local board's area
Business improvement district targeted rates	Investments to enhance the environs in the area of the business association as agreed with the business association
Loan repayment targeted rates	To repay financial assistance provided by the council to ratepayers for specific purposes
Waitākere rural sewerage targeted rate	To pay for the provision of inspection and pump out services for on-site waste management systems

Targeted rate	Services to be funded or part funded
Swimming pool fence inspection targeted rate	To pay for the provision of pool fence and barrier inspections including associated administrative costs
Infrastructure targeted rates	Activities requiring infrastructure investment
Accommodation provider targeted rate	Visitor attraction and major events expenditure
Water Quality targeted rate	Additional investment in improving water quality
Natural Environment targeted rate	Additional investment in improving environmental outcomes
Electricity network resilience targeted rate	To pay for the maintenance of trees near powerlines
Rodney drainage districts targeted rate	To pay for maintenance of drainage assets in the drainage districts

Annual adjustments to regulatory fees and charges

The council will amend its regulatory fees and charges annually to:

- reflect increases in costs as measured by the council rate of inflation and/or
- maintain the cost recovery levels underlying the basis for setting the fee levels.

The change to fee levels will be made on a practical basis recognising that the percentage change applied to individual fees may not precisely equal the council rate of inflation. This also means smaller fees may increase by more material amounts in one year and remain constant for a period before being adjusted again.

Application of funding principles to the funding of operating and capital expenditure for each activity

The council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in Table 3.1.1 and the rationale for the use of funding sources in Tables 3.1.3 and 3.1.4 above. A brief summary of the decisions and consideration of funding principles for each activity is set out in Table 3.1.6 below.

Table 3.1.6 Funding sources for operating and capital expenditure for each activity

Groups of Activities: Council controlled services

Activities	Consideration of funding principles	Funding policy
Development Auckland	This involves both commercial operations that deliver private benefits and public initiatives that benefit the community as a whole Lessees, tenants and purchasers derive the full benefit	Costs of commercial operations are funded from user charges and other non-rates revenue Costs of public initiatives are primarily funded from the general rate Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Activities	Consideration of funding principles	Funding policy
Economic growth and visitor economy	<p>The related industries benefit from increased visitor numbers</p> <p>The community as a whole benefit from growth in the economy and employment</p>	<p>Visitor attraction and major events expenditure is funded by a mix of general and targeted rates</p> <p>Economic development costs are primarily funded from the general rate</p> <p>Subsidies from government and other sources are utilised where available</p> <p>User charges are applied where benefits are private (event tickets)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional facilities	<p>Users of the facilities derive a direct benefit</p> <p>The community as a whole benefit through a more diverse and vibrant lifestyle and an increased sense of pride and identity created by the events hosted in the facilities</p> <p>An enhancement to the overall economy and employment resulting from increased visitor numbers</p>	<p>The majority of the costs are funded from the general rate with the balance funded from user charges such as venue hire</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Local services

Activities	Consideration of funding principles	Funding policy
Local planning and development	<p>Business improvement districts (BIDs) directly benefit from council expenditure on local economic development made at their direction</p> <p>The rest of the council's service in local planning and development benefits the community as a whole</p>	<p>Grants provided to each BID for spending in the BID area are funded from the respective BID targeted rate</p> <p>Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available</p> <p>The balance of the costs are funded from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local environmental management	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are fully funded from the general rate</p> <p>Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local governance	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are primarily funded from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local community services	<p>Service users derive a direct benefit</p> <p>The wider public benefit from a more vibrant and friendly community, a safer</p>	<p>Costs are primarily funded from the general rate</p>

Activities	Consideration of funding principles	Funding policy
	<p>community environment and access to high quality open space</p> <p>In most cases it is impractical to directly charge users</p> <p>In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)</p> <p>The target recipients of the services may have affordability issues</p>	<p>User charges may apply where the service is private and a charge can be implemented without compromising the council's social objectives</p> <p>Subsidies from government and other sources, (including from any targeted rate, grants, donations and sponsorships) are utilised where available</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Regional council services

Activities	Consideration of funding principles	Funding policy
Regional planning	<p>The community as a whole benefit from this activity</p> <p>The city centre redevelopment programme directly benefits businesses in the city centre area through enhancing the quality of the environment in the city centre for workers and visitors</p>	<p>Costs are primarily funded from the general rate</p> <p>Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regulatory services	<p>The need for the council involvement is mainly caused by licence or consent applicants or holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community</p> <p>In some cases it is difficult to identify and charge the parties who cause the costs (e.g. owners of unregistered dogs)</p>	<p>Costs are primarily funded from user charges</p> <p>Certain charges are set at a level below cost to encourage compliance, with the balance funded from general rates</p> <p>Where costs cannot be easily attributed to individual parties, they are funded from the general rate</p> <p>Targeted rates are used where there is a clearly identifiable group benefiting from a specific council activity (e.g. on-site sewerage pump out)</p>

Activities	Consideration of funding principles	Funding policy
	<p>In some cases charging the full cost may discourage compliance</p> <p>Certain related services (e.g. provision of property information) deliver private benefit to users</p>	<p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Organisational support	<p>Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits</p> <p>The remainder of the activity contributes to the council's provision of other external services</p>	<p>Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>There is a small amount of revenue from fees and charges</p> <p>The remainder of the costs are allocated to the council's external services</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional governance	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are primarily funded from the general rate (see note below)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional community services	<p>Service users derive a direct benefit</p> <p>The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space</p> <p>In most cases it is impractical to directly charge users</p> <p>In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)</p> <p>The target recipients of the services may have affordability issues</p>	<p>Costs are primarily funded from the general rate</p> <p>User charges may apply where the service is private and a charge can be implemented</p> <p>Subsidies from government and other sources (including from any targeted rate, grants, donations and sponsorships) are utilised where available</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Environmental services	<p>The provision of environmental services is primarily a public good that benefits the community as a whole</p>	<p>Costs are funded predominantly from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent</p>
Investment	<p>All ratepayers as a whole bear the risk of the investments</p>	<p>Any operating profit realised is used to reduce the general rate requirement</p>

Activities	Consideration of funding principles	Funding policy
		Any operating loss would be funded from the general rate or other revenue Borrowings are used to address cash-flow timing differences
3rd party amenities and grants	Regional amenities such as MOTAT and Auckland War Memorial Museum benefit the community as a whole Council is required under legislation to provide funding for amenities included in this activity	Costs to the council are primarily funded from the general rate Borrowings may be used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Note: Revenue from council owned cafeteria is currently grouped under this activity and is used to offset the general rate.

Groups of Activities: Roads and Footpaths

Activities	Consideration of funding principles	Funding policy
Road and footpaths	Road and footpath users derive a direct benefit There are legal and practical constraints in directly charging users The vast majority of the public are users	Costs are funded from a combination of the general rate, user charges, and government grants. Targeted rates may also be used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme

Groups of Activities: Public Transport and Travel Demand Management

Activities	Consideration of funding principles	Funding policy
Public Transport and travel demand management	<p>Service users derive a direct benefit</p> <p>Public transport provides benefit for the wider community by reducing demand from private transportation for roading infrastructure</p>	<p>Costs are funded from a combination of the general rate, user charges and government grants</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme</p>
Parking and enforcement	<p>Parking customers derive the full benefit</p> <p>Individuals failing to comply with restrictions create the need for the council involvement</p>	<p>Costs are fully funded from user charges and fines</p> <p>Borrowings are used to address cash-flow timing differences</p>
Organisational support (Auckland Transport)	<p>Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits</p> <p>The remainder of the activity contributes to the council's provision of other external services</p>	<p>Costs are allocated to the council's external services</p> <p>Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Stormwater Management

A c t i v i t i e s	Consideration of funding principles	Funding policy
S t o r m w a t e r r e n a n c e m e n t	These are public goods that benefit the community as a whole (except for a small number of local projects that benefit a specific group of ratepayers)	Costs are primarily funded from the general rate Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Financial contributions are used to fund the costs of environmental mitigation through the resource consent process Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent

Groups of Activities: Wastewater treatment and disposal

Activities	Consideration of funding principles	Funding policy
Wastewater	Water and wastewater customers derive the full benefit	Costs are mainly funded from user charges Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences

Groups of Activities: Water Supply

Activities	Consideration of funding principles	Funding policy
Water supply	Water and wastewater customers derive the full benefit	<p>Costs are mainly funded from user charges</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences</p>

3.2 Prospective funding impact statement

Prospective consolidated funding impact statement for 2021-2031

Auckland Council group consolidated

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	1,744,032	1,868,537	1,972,160	2,082,551	2,197,295	2,318,768	2,447,473	2,581,533	2,720,126	2,864,704	3,015,921
Targeted rates	237,294	253,885	280,944	302,291	281,724	285,996	289,142	295,685	303,124	311,798	318,047
Subsidies and grants for operating purposes	411,109	405,773	402,250	382,151	388,515	404,521	407,931	411,050	415,494	417,082	416,916
Fees and charges	1,218,626	1,467,912	1,602,827	1,781,236	1,900,412	2,038,371	2,175,901	2,333,092	2,499,132	2,608,511	2,725,339
Interest and dividends from investments	9,078	5,721	29,209	50,834	61,463	66,173	70,079	73,089	72,862	72,900	76,210
Local authorities fuel tax, fines, infringement fees and other receipts	435,986	496,371	510,484	525,852	555,899	558,469	579,140	596,759	607,927	598,014	607,109
Total operating funding	4,056,125	4,498,199	4,797,874	5,124,915	5,385,308	5,672,298	5,969,666	6,291,208	6,618,665	6,873,009	7,159,542
Applications of operating funding:											
Payment to staff and suppliers	2,940,043	3,162,558	3,225,022	3,340,367	3,512,522	3,624,048	3,718,847	3,826,598	3,973,829	4,091,118	4,220,140
Finance costs	451,619	445,758	476,842	510,238	523,976	539,999	567,589	591,106	598,191	597,554	587,662
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,391,662	3,608,316	3,701,864	3,850,605	4,036,498	4,164,047	4,286,436	4,417,704	4,572,020	4,688,672	4,807,802
Surplus (deficit) of operating funding	664,463	889,883	1,096,010	1,274,310	1,348,810	1,508,251	1,683,230	1,873,504	2,046,645	2,184,337	2,351,740
Sources of capital funding:											
Subsidies and grants for capital expenditure	453,638	474,305	529,247	649,339	621,711	634,157	667,801	650,390	604,395	607,120	586,818
Development and financial contributions	136,698	247,898	265,251	268,546	274,922	280,249	277,886	277,837	276,115	273,436	272,897
Increase (decrease) in debt	909,694	910,637	1,037,939	557,523	487,183	464,916	673,958	551,397	426,933	233,907	164,492

Section Three: Our Policies and Other Information

3.2 Prospective funding impact statement

Financial year ending 30 June \$000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Gross proceeds from sale of assets	390,013	132,283	106,238	173,666	135,785	102,948	84,250	37,773	15,800	43,993	64,720
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,890,043	1,765,123	1,938,675	1,649,074	1,519,601	1,482,270	1,703,895	1,517,397	1,323,243	1,158,456	1,088,927
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	747,930	678,911	724,427	724,629	831,705	908,230	935,242	968,907	1,070,741	1,009,453	1,047,813
- to improve the level of service	926,654	798,850	894,857	1,007,038	910,614	909,771	1,017,015	1,006,855	889,538	927,291	864,940
- to replace existing assets	497,121	903,435	867,034	1,001,508	1,111,537	1,323,867	1,483,161	1,363,918	1,402,059	1,377,337	1,573,358
Increase (decrease) in reserves	91,010	24,557	108,048	14,115	34,876	9,493	10,899	9,961	9,138	8,291	6,999
Increase (decrease) in investments	291,791	249,253	440,319	176,094	(20,321)	(160,840)	(59,192)	41,260	(1,588)	20,421	(52,443)
Total applications of capital funding	2,554,506	2,655,006	3,034,685	2,923,384	2,868,411	2,990,521	3,387,125	3,390,901	3,369,888	3,342,793	3,440,667
Surplus (deficit) of capital funding	(664,463)	(889,883)	(1,096,010)	(1,274,310)	(1,348,810)	(1,508,251)	(1,683,230)	(1,873,504)	(2,046,645)	(2,184,337)	(2,351,740)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Rating mechanism

This section sets out how the council sets its rates. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.

Background

The council's general rate is made up of the Uniform Annual General Charge (UAGC) and the value-based general rate. Revenue from the general rate is used to fund the council activities that are deemed to generally and equally benefit Auckland and that part of activities that are not funded by other sources.

Rating base information

The following table sets out the projected number of rating units at the end of the preceding financial year for each year of the long-term plan.

Financial year ending 30 June	Number of rating units for Auckland Council
2021	589,311
2022	600,626
2023	612,459
2024	624,402
2025	636,702
2026	649,182
2027	661,581
2028	674,019
2029	686,353
2030	698,639

How the increase in the rate requirement is applied

The increase in the general rate requirement is split to maintain the proportion of the UAGC at around 13.4 per cent of the total general rate (UAGC plus value based general rate). This is achieved by applying the general rates increase to the UAGC and rounding to the nearest dollar.

Uniform annual general charge (UAGC) and other fixed rates

The UAGC is a fixed rate that is used to fund general council activities. The council will apply the UAGC to all rateable land in the region per separately used or inhabited part of a rating unit (SUIP). The definition of a separately used or inhabited part of a rating unit is set out in the following section.

Where two or more rating units are contiguous or separated only by a road, railway, drain, water race, river, or stream, are owned by the same person or persons, and are used jointly as a single unit, those rating units will be treated as a single rating unit and only one uniform annual general charge will be applied.

The council will also set the following targeted rates which will have a fixed rate component:

- Waste management targeted rates
- part of some Business Improvement District targeted rates
- City centre targeted rate for residential properties
- Electricity network resilience targeted rate
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate
- Riverhaven Drive targeted rate
- Waitākere rural sewerage targeted rate

- Ōtara-Papatoetoe swimming pool targeted rate
- Māngere-Ōtāhuhu swimming pool targeted rate
- Rodney Local Board Transport targeted rate
- Swimming/spa pool compliance targeted rate

Funds raised by uniform fixed rates, which include the UAGC and any targeted rate set on a uniform fixed basis¹ set per rating unit or per SUIP, cannot exceed 30 per cent of total rates revenue sought by the council for the year (under Section 21 of Local Government (Rating) Act 2002).

A UAGC of \$461 (including GST) will be applied per SUIP for 2021/2022. This is estimated to produce around \$260.8 million (excluding GST) for 2021/2022.

The definition of a separately used or inhabited part of a rating unit

The council defines a separately used or inhabited part (SUIP) of a rating unit as ‘any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or any other agreement’. For the purposes of this definition, parts of a rating unit will be treated as separately used if they come within different differential categories, which are based on use. An example would be a rating unit that has a shop on the ground floor (which would be rated as business) and a residence upstairs (rated as residential).

Rating units used for commercial accommodation purposes, such as motels and hotels, will be treated for rating purposes as having one separately used or inhabited part, unless there are multiple businesses within the rating unit or another rating differential applies. Examples of how this might apply in practice are as follows:

- a business operating a motel on a rating unit will be treated for rating purposes as a single separately used or inhabited part. If that rating unit also includes a residential unit, in which the manager or owner resides, then the rating unit will be treated for rating purposes as having two separately used or inhabited parts
- a hotel will be treated for rating purposes as a single separately used or inhabited part, irrespective of the number of rooms. If, on the premises, there is a florist business and a souvenir business, then the rating unit will be treated for rating purposes as having three separately used or inhabited parts.

A similar approach applies to universities, hospitals, rest homes and storage container businesses. Vacant land will be treated for rating purposes as having one separately used or inhabited part.

Rating units that have licence to occupy titles, such as some retirement villages or rest homes, will be treated as having a separately used or inhabited part for each part of the property covered by a licence to occupy.

The above definition applies for the purposes of the UAGC as well as any targeted rate which is set on a “per SUIP” basis.

Value-based general rate

The value-based general rate will apply to all rateable land in the region and will be assessed on capital value and is assessed by multiplying the capital value of a rating unit by the rate per dollar that applies to that rating unit’s differential category.

Rates differentials

General and targeted rates can be charged on a differential basis. This means that a differential is applied to the rate or rates so that some ratepayers may pay more or less than others with the same value rating unit.

The differential for urban residential land is set at 1.00. Business attracts higher rates differentials than residential land. Lower differentials are applied to rural, farm/lifestyle and no road access land.

The council defines its rates differential categories using location and the use to which the land is put. When determining the use to which the land is put, the council will consider information it holds concerning the actual

¹ Except rates set solely for water supply or sewerage disposal.

use of the land, and the land use classification that council has determined applies to the property under the Rating Valuation Rules.

Where there is no actual use of the land (i.e. the land is vacant), the council considers the location of the land and the highest and best use of the land to determine the appropriate rates differential. Highest and best use is determined by the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.

Effective from 1 July 2021, the council has changed its definition of the Urban Rating Area to align with the rules in the Auckland Unitary Plan. Also from 1 July 2021, all land inside the Urban Rating Area that is used for lifestyle or rural industry purposes (excluding mineral extraction) will be treated as urban residential for rating purposes. As a result of these changes, some rating units will move from paying rural or farm and lifestyle rates to paying urban rates. To reduce the impact on these rating units these changes in rates will be transitioned over three years, ending 2023/2024.

The definition for each rates differential category is listed in the table below. For clarity, where different parts of a rating unit fall within different differential categories then rates will be assessed for each part according to its differential category. Each part will also be classified as being a separate SUIP (see definition above).

Rates differential definitions

Differential group	Definition
Urban business	<p>Land in the Urban Rating Area that is used for commercial, industrial, transport, utility, public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land in the Urban Rating Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>
Urban residential	<p>Land in the Urban Rating Area that is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.⁽¹⁾ Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence).</p>
Rural business	<p>Land outside the Urban Rating Area and the Urban Rating Transition Area that is used for commercial, industrial, transport, utility network⁽²⁾, or public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>
Rural residential	<p>Land outside the Urban Rating Area and the Urban Rating Transition Area that is used exclusively or almost exclusively for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels⁽¹⁾. Land used for community services and used by a not for profit ratepayer for the benefit of the community will</p>

Differential group	Definition
	be charged the residential rate (this does not include land covered by a liquor licence)
Farm and lifestyle	Any land outside the Urban Rating Area and the Urban Rating Transition Area that is used for lifestyle or rural industry purposes, excluding mineral extraction ⁽³⁾
No road access	Includes all land (irrespective of use) for which direct or indirect access by road is unavailable or provided for, and all land situated on the islands of Ihumoana, Kaikoura, Karamuramu, Kauwahia, Kawau, Little Barrier, Mokohinau, Motahaku, Motuketekete, Motutapu, Motuihe, Pakatoa, Pakihi, Ponui, Rabbit, Rakitu, Rangiahua, Rotoroa and The Noises
Zero-rated	Includes land on all Hauraki Gulf islands and Manukau Harbour other than Waiheke, Great Barrier and the islands named in the definition of No road access. Also includes land used by religious organisations for: <ul style="list-style-type: none"> • housing for religious leaders which is onsite or adjacent to the place of religious worship • halls and gymnasiums used for community not-for-profit purposes • not-for-profit childcare for the benefit of the community • libraries • offices that are onsite and which exist for religious purposes • non-commercial op-shops operating from the same title • car parks serving multiple land uses but for which the primary purpose is for religious purposes.
Urban moderate-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Rural moderate-occupancy online accommodation provider	Land outside the Urban Rating Area and the Urban Rating Transition Area where a residence is let out on a short-term basis, via online web-based accommodation that offer short-term rental accommodation services via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Urban medium-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Rural medium-occupancy online accommodation provider	Land outside the Urban Rating Area and the Urban Rating Transition Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Urban residential transition	Land that is within the Urban Rating Transition Area, and is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels. ⁽¹⁾

Differential group	Definition
	Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence).
Urban business transition	<p>Land that is within the Urban Rating Transition Area, and is used for commercial, industrial, transport, utility, public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land that is within the Urban Rating Transition Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>
Urban farm and lifestyle residential transition	Land that is within the Urban Rating Area or the Urban Rating Transition area, and is used for lifestyle or rural industry purposes, excluding mineral extraction ⁽³⁾
Urban medium-occupancy online accommodation provider transition	Land that is within the Urban Rating Transition Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Urban moderate-occupancy online accommodation provider transition	Land that is within the Urban Rating Transition Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.

Notes to table:

- Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.
- Utility networks are classed as rural business differential. However, all other utility rating units are categorised based on their land use and location.
- To be considered “lifestyle”, land must be in a rural or semi-rural area, must be predominantly used for residential purposes, must be larger than an ordinary residential allotment, and must be used for some small-scale non-commercial rural activity.

Urban Rating Area

The council has updated the Urban Rating Area to align with the rules in the Unitary Plan. Effective from 1 July 2021, the Urban rating Area includes all land within the Rural Urban Boundary as identified in the Unitary Plan, excluding any land that is:

- zoned Future Urban (with the exception of the land in the Hall’s Farm and Ockleston Landing Urban Rating Area maps)
- within Warkworth
- in the Urban Rating Transition Area (until 30 June 2024).

Urban Rating Transition Area

As a result of the changes to the Urban Rating Area, some rating units will move from paying rural or farm and lifestyle rates to paying urban rates. To mitigate the impact of that, the change to paying full urban rates will be transitioned over three years, with full urban rates payable from 1 July 2024.

To give effect to that transition, the council has introduced transitional differential groups to apply to land affected by the changes to the Urban Rating Area – that is, land within the Urban Rating Transition Area.

The Urban Rating Transition Area includes all land that was outside of the Urban Rating Area as defined in the Prospective Funding Impact Statement contained in the Emergency Budget 2020/2021, which would now otherwise be included in the Urban Rating Area as defined above, if it weren't for the transition.

The long-term differential strategy

The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates revenue (UAGC and value-based general rate), which is substantially lower than the current level. Business rates will move from 31.33 per cent in 2021/2022 to 25.8 per cent in 2037/2038. The differential will be reduced in equal steps each year to manage the affordability impact of the shift in the rates incidence to the non-business sector. This approach to the business differential removes the impact on the split of rates between business and non-business properties that changes in property values have resulting from the triennial region-wide revaluation.

The table below sets out the rates differentials and rates in the dollar of capital value to be applied in 2021/2022. This is estimated to produce around \$1,630 million (excluding GST) for 2021/2022.

Value-based general rate differentials for 2021/2022

Property category	Effective relative differential ratio for general rate for 2021/2022	Rate in the dollar for 2021/2022 (including GST) (\$)	Share of value-based general rate (excluding GST) (\$)	Share of value-based general rate (%)
Urban business	2.7081	0.00560010	516,792,471	31.7%
Urban residential	1.0000	0.00206791	922,459,945	56.6%
Rural business	2.4373	0.00504009	47,021,950	2.9%
Rural residential	0.9000	0.00186112	47,113,056	2.9%
Farm and lifestyle	0.8000	0.00165433	73,102,718	4.5%
No road access	0.2500	0.00051698	257,929	Less than 0.1%
Zero-rated ⁽¹⁾	0.0000	0.00000000	0	
Urban moderate-occupancy online accommodation provider	1.8540	0.00383400	57,889	Less than 0.1%
Rural moderate-occupancy online accommodation provider	1.6686	0.00345060	24,492	Less than 0.1%
Urban medium-occupancy online accommodation provider	1.4270	0.00295096	1,144,893	0.1%
Rural medium-occupancy online accommodation provider	1.2843	0.00265586	457,050	Less than 0.1%

Property category	Effective relative differential ratio for general rate for 2021/2022	Rate in the dollar for 2021/2022 (including GST) (\$)	Share of value-based general rate (excluding GST) (\$)	Share of value-based general rate (%)
Urban residential transition	0.9333	0.00192998	14,276,942	0.9%
Urban business transition	2.5275	0.00522657	3,869,342	0.2%
Urban farm and lifestyle residential transition	0.8667	0.00179226	3,362,100	0.2%
Urban medium-occupancy online accommodation provider transition	1.3319	0.00275425	35,638	Less than 0.1%
Urban moderate-occupancy online accommodation provider transition	1.7304	0.00357831	0	0.0%

Note to table: Rating units within the Zero-rated differential category are liable for the UAGC only, which is automatically remitted through the rate remission policy.

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the value-based general rates requirement determined on their share of the city's land value rather than a share of the city's capital value as applies for other properties.

Targeted rates

The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate. Unless otherwise stated, the targeted rates described below will be used as sources of funding for each year until 2030/2031.

Water Quality Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2030/2031 to clean up Auckland's waterways. The rate will fund expenditure within the following activities: Stormwater Management.

Activities to be funded

The Water Quality Targeted Rate (WQTR) will be used to help fund the capital costs of investment in cleaning up Auckland's waterways.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of \$0.00011211 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business, Urban business transition and Rural business) as defined for rating purposes, and \$0.00006380 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, Urban residential transition, Urban farm and lifestyle residential transition, Urban medium-occupancy online accommodation provider transition, Urban moderate-occupancy online

accommodation provider transition, and no road access) as defined for rating purposes. This is estimated to produce around \$45.2 million (excluding GST) for 2021/2022, \$11.5 million from business and \$33.7 million from non-business.

Natural Environment Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2030/2031 to enhance Auckland's natural environment. The rate will fund expenditure within the following activities: Regional environmental services.

Activities to be funded

The Natural Environment Targeted Rate (NETR) will be used to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of \$0.00007603 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business, Urban business transition and Rural business) as defined for rating purposes, and \$0.00004326 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, Urban residential transition, Urban farm and lifestyle residential transition, Urban medium-occupancy online accommodation provider transition, Urban moderate-occupancy online accommodation provider transition, and No road access) as defined for rating purposes. This is estimated to produce around \$30.7 million (excluding GST) for 2021/2022, \$7.8 million from business and \$22.9 million from non-business.

Waste Management targeted rate

Background

The benefit of the provision of waste management services in public areas e.g. public litter bins is funded through the general rate. Privately generated waste is funded through a mixture of targeted rates and pay as you throw charges.

The refuse, recycling, inorganic collection and other waste management services in Auckland are being standardised under the Waste Management and Minimisation Plan (WMMP). The food scraps collection service is currently available in Papakura and some parts of Northcote, Milford and Takapuna. This is scheduled to be rolled out to the whole of urban Auckland from 2022/2023.

Solid waste targeted rates for 2021/2022 include:

- a region-wide rate to cover the cost of the base service including recycling, inorganic collection, resource recovery centres, the Hauraki Gulf Islands subsidy and other regional waste services
- a standard refuse rate will apply in the former Auckland City and the former Manukau City to fund refuse collection
- an additional targeted rate for Papakura and parts of North Shore to cover the cost of the food scraps collection
- additional rates may apply to properties that request additional recycling or refuse services.

Where user charges currently apply, these will continue.

The council is implementing the Auckland WMMP. Information on the plan can be found on the council's website.

Activities to be funded

The targeted rate for waste management is used to fund refuse collection and disposal services (including the inorganic refuse collection), recycling, food scraps collection, waste transfer stations and resource recovery centres within the solid waste and environmental services activity.

How the rate will be assessed

For land outside of the district of the former Auckland City Council where a service is provided or available, the targeted rate for the base service and the standard refuse service (for the former Manukau City) and the food scraps service (for the former Papakura District and the previous food scraps trial area in Northcote, Milford and Takapuna), will be charged on a per SUIP basis. See the UAGC section prior for the council's definition of a SUIP. The standard refuse service includes one 120 litre refuse bin (or equivalent).

For land within the district of the former Auckland City Council, the targeted rate for the base service and the standard refuse service will be charged based on the number and type of services supplied or available to each rating unit. For rating units made up of one SUIP, the council will provide one refuse collection service. For rating units made up of more than one SUIP, the council will provide the same service as was provided at 30 June 2021, unless otherwise informed by the owner of the rating unit (that is, at least one base service and one refuse collection service). Land which has an approved alternative service will be charged the waste service charge that excludes the approved alternative service or services. See sample properties at the end of this section for examples on how these apply.

For land within the former district of Auckland City and Manukau City, a large refuse rate will apply, on top of the standard refuse rate, if a 240 litre refuse bin is supplied instead of the standard 120 litre bin.

For all land across Auckland, an additional recycling rate will apply if an additional recycling service is supplied.

In the future, the waste management targeted rate may be adjusted to reflect changes in the nature of services and the costs of providing waste management services to reflect the implementation of the Auckland Waste Management and Minimisation Plan.

The following table sets out the waste management targeted rates to be applied in 2021/2022. This is estimated to produce around \$111.5 million (excluding GST) for 2021/2022.

Waste management targeted rates

Service	Differential group	Amount of targeted rate for 2021/2022 (including GST) \$	Charging basis	Share of targeted rate (excluding GST) (\$)
Base service	Rating units in the former Auckland City	142.70	Per service available	20,600,794
	Rating units in the former Franklin District, Manukau City, North Shore City, Papakura District, Rodney District and Waitākere City	142.70	Per SUIP (where a service is provided or available)	49,972,411
Base service excluding recycling	Rating units in the former Auckland City	53.80	Per service available	1,511,779
Standard refuse	Rating units in the former Auckland City	150.06	Per service available	21,506,201
	Rating units in the former Manukau City	150.06	Per SUIP (where a service is provided or available)	15,390,842
Large refuse	Rating units in the former Auckland City and Manukau City	70.53	Per service available	1,012,589
Additional recycling	All rating units	88.90	Per service available	137,577
Food scraps	Rating units in the former Papakura District and the former food scraps trial area in Northcote, Milford and Takapuna	69.88	Per SUIP (where a service is provided or available)	1,340,169

For the avoidance of doubt, properties that opt out of one or more council services in the former Auckland City area will be rated as below:

- land which has an approved alternative refuse service will be charged the base service rate (\$142.70)
- land which has an approved alternative recycling service will be charged the standard refuse rate (\$150.06) plus the base service excluding recycling rate (\$53.80)
- land which has approved alternative refuse and recycling services will be charged the base service excluding recycling rate (\$53.80).

Accommodation provider targeted rate

Background

Auckland Council, through Auckland Unlimited, has a strong focus on developing Auckland’s visitor economy into a sustainable year-round industry, including working with industry partners such as Tourism New Zealand and Auckland International Airport Limited to attract high-value visitors, and facilitating the establishment of world-class attractions. The Auckland Convention Bureau team attracts business events which inject millions annually into the economy.

Auckland Unlimited is also focused on continuing to expand Auckland as a world-leading events city through attracting, delivering and/or supporting an annual portfolio of more than 30 major events.

Activities to be funded

The Accommodation provider targeted rate will be used to help part fund the costs of visitor attraction, major events and destination and marketing which are part of council’s “economic growth and visitor economy” activity. Auckland Council has decided to suspend this rate until 30 June 2022. Therefore, the rate will not be set in

2021/2022. However, annual revenue of approximately \$14.8 million (adjusted annually for inflation) from this rate is anticipated for the years 2022/2023 to 2030/2031. Auckland Council may consider a further extension of the suspension as part of the Annual Budget 2022/2023.

How the rate will be assessed

A differentiated targeted rate will be assessed on capital value and applied to all rateable land in Zones A and B defined as business, moderate-occupancy online accommodation provider, and medium-occupancy online accommodation provider for rating purposes operated as Tier one, two, three, four, five, or six accommodation. The capital value to which the targeted rate applies excludes the value of the portion not attributable to the provision of commercial accommodation.

The rate will be differentiated by provider type and by location as laid out below.

Provider type

The rate will be differentiated by provider type as described in the categories of accommodation below:

1. hotels
2. motels and motor inns
3. lodges
4. pub accommodation
5. serviced apartments
6. campgrounds, motor parks, and holiday parks
7. backpackers and short stay hostels
8. bed and breakfasts and homestays
9. high-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year)
10. moderate-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year)
11. medium-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year)

Long-stay residential accommodation is excluded from liability for the rate. Note that some motor inns, campgrounds, motor parks or holiday parks may be primarily long-stay accommodation and treated accordingly where appropriate supporting evidence can be provided. Additionally, any portion of commercial accommodation contracted for emergency housing by the Ministry of Social Development will be excluded from liability for the rate.

Where an accommodation operator offers differing accommodation types from one establishment then the different parts should be treated according to their differential category use. For example, many campgrounds, motor parks, and holiday parks offer a mixture of self-contained units (similar to motels), cabins (similar to backpackers), and camp sites.

Provider types will be grouped into the following seven tiers:

- Tier 1: hotels, serviced apartments and high-occupancy online accommodation providers*
- Tier 2: motels and motor inns, lodges, pub accommodation, and serviced apartments and high-occupancy online accommodation providers not included in Tier 1
- Tier 3: moderate-occupancy online accommodation providers that have characteristics similar to hotels (different to motels as described above)

- Tier 4: moderate-occupancy online accommodation providers that have characteristics similar to motels (as described above)
- Tier 5: medium-occupancy online accommodation providers that have characteristics similar to hotels (different to motels as described above)
- Tier 6: medium-occupancy online accommodation providers that have characteristics similar to motels (as described above)
- Tier 7: other accommodation providers such as backpackers, short stay hostels, bed and breakfasts, homestays and campgrounds.

* serviced apartments and high-occupancy online accommodation providers that have characteristics similar to motels (such as parking provided directly outside the apartment, managers accommodation on-site, buildings are 1 or 2 levels) will be classified as Tier 2 for the purposes of establishing liability for the Accommodation provider targeted rate.

Location

The rate will also be differentiated by location as described in the zones below:

- Zone A: accommodation providers located in local board areas of Albert-Eden, Devonport-Takapuna, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōrākei, Waitemata.
- Zone B: accommodation providers located in local board areas of Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Manurewa, Ōtara-Papatoetoe, Puketāpapa, Upper Harbour, Waiheke, Whau.
- Zone C: accommodation providers located in local board areas of Franklin, Great Barrier, Papakura, Rodney and Waitākere Ranges.

Differential ratios

The table below sets out the differential ratios that are applied to the differential categories described above for the Accommodation provider targeted rate:

Differential ratios		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	1.0	0.6	0.50	0.30	0.25	0.15
	Zone B	0.5	0.3	0.25	0.15	0.125	0.075

Accommodation located in Zone C or used for Tier 7 purposes will not be liable for the Accommodation provider targeted rate.

City centre targeted rate

Background

The City Centre targeted rate will be used to help fund the development and revitalisation of the city centre. The rate applies to business and residential land in the City Centre area.

Activities to be funded

The City Centre redevelopment programme aims to enhance the city centre as a place to work, live, visit and do business. It achieves this by providing a high-quality urban environment, promoting the competitive advantages of the city centre as a business location, and promoting the city centre as a place for high-quality education, research and development. The programme intends to reinforce and promote the city centre as a centre for arts and culture, with a unique identity as the heart and soul of Auckland. The rate will fund expenditure within the following activities: Regional planning; Roads and footpaths; Local community services.

The targeted rate will continue until 2030/2031 to cover capital and operating expenditure generated by the projects in the City Centre redevelopment programme. The depreciation and consequential operating costs of capital works are funded from general rates.

How the rate will be assessed

A differentiated targeted rate will be applied to business and residential land, as defined for rating purposes, in the city centre. You can view a map of the city centre area at www.aucklandcouncil.govt.nz/rates or at any Auckland Council library or service centre.

A rate in the dollar of \$0.00128394 (including GST) of rateable capital value will be applied to urban business land in 2021/2022. This is estimated to produce around \$22.2 million (excluding GST) for 2021/2022.

A fixed rate of \$63.02 (including GST) per SUIP (see UAGC section prior for the council's definition of a SUIP) will be applied to urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider land in 2021/2022. This is estimated to produce around \$1.2 million (excluding GST) for 2021/2022.

Rodney Local Board Transport Targeted Rate

Background

The council is funding additional transport investment to deliver improved transport outcomes in the Rodney Local Board area. The rate will fund expenditure within the following activities: Roads and footpaths and Public transport and travel demand management.

Activities to be funded

The Rodney Local Board Transport Targeted Rate (RLBTTR) will be used to help fund the capital and operating costs of additional transport investment and services.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Rodney Local Board area except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be \$150 (including GST) per SUIP. This is estimated to produce around \$4.6 million (excluding GST) for 2021/2022.

Electricity Network Resilience Targeted Rate

Background

Auckland Council undertakes management of Auckland Council-owned trees under or near Vector's power lines. Tree maintenance near powerlines improves public safety around power lines, reduces power outages, and improves the resilience of public trees. The council also undertakes tree planting to support the Auckland Urban Ngahere (Forest) Strategy. The rate will fund expenditure within the following activities: Regional community services.

Activities to be funded

The Electricity Network Resilience Targeted Rate will be used to help fund the operating costs of

- management of Auckland Council-owned trees under or near power lines
- additional tree planting activity to increase canopy cover as provided for in the Auckland Urban Ngahere (Forest) Strategy.

How the rate will be assessed

The targeted rate will be applied as a fixed charge of \$12.075 million (including GST) for 2021/2022 on Vector's electricity network utility rating unit where tree management service is provided. This is estimated to produce around \$10.5 million (excluding GST) for 2021/2022.

Rodney drainage districts targeted rate

Auckland Council is responsible for maintaining the public drainage assets in the drainage districts of Te Arai and Okahukura in northern Rodney. The Rodney drainage districts targeted rate will be used to fund the capital and operating costs of maintaining the drainage assets. A management plan will be developed to establish the levels of service for the drainage district assets. The rate will fund expenditure within the following activities: Stormwater management.

The targeted rate will be applied to all rating units that are located entirely or partially within the drainage districts of Te Arai and Okahukura as defined in the former Rodney County Council drainage district maps. The table below sets out the differentiated rates that apply based on location of the land. This is estimated to produce around \$60,000 (excluding GST) for 2021/2022.

Drainage district	Rate for each square metre of Class A land for 2021/2022 (including GST) (\$)	Rate for each square metre of Class B land for 2021/2022 (including GST) (\$)	Rate for each square metre of Class C land for 2021/2022 (including GST) (\$)
Te Arai	0.00184463	0.00092231	0.00000000
Okahukura	0.00266984	0.00133492	0.00000000

For maps that show where Class A, B and C land is located, go to www.aucklandcouncil.govt.nz/rates.

Business Improvement District targeted rates

Background

Business Improvement Districts (BID) are areas within Auckland where local businesses have agreed to work together, with support from the council, to improve their business environment and attract new businesses and customers. The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted and agreed to pay to fund BID projects and activities.

Activities to be funded

The main objectives of the BID programmes are to enhance the physical environment, promote business attraction, retention and development, and increase employment and local business investment in BID areas. The programmes may also involve activities intended to identify and reinforce the unique identity of a place and to promote that identity as part of its development. The rate will fund expenditure within the following activities:
Local planning and development.

How the rates will be assessed

The BID targeted rates will be applied to business land, as defined for rating purposes, that is located in defined areas in commercial centres outlined in the following table. For maps of the areas where the BID rates will apply, go to www.aucklandcouncil.govt.nz/rates.

The BID targeted rates will be assessed using a fixed rate and value-based rate on the capital value of the property. Each BID area may recommend to council that part of its budget be funded from a fixed rate of up to \$575 (including GST) per rating unit. The remaining budget requirement will be funded from a value-based rate for each area and be applied as a rate in the dollar. There will be different rates for each BID programme.

The table below sets out the budgets and the rates for each BID area that the council will apply in 2021/2022. This is estimated to produce around \$19.5 million (excluding GST) in targeted rates revenue for 2021/2022.

Business Improvement Districts fixed rates per rating unit and rates in the dollar of capital value

BID area	Amount of BID grant 2021/2022 (excluding GST) (\$)	Amount of BID targeted rate revenue 2021/2022 (excluding GST) (\$)	Amount to be funded by fixed charge for 2021/2022 (excluding GST) (\$)	Fixed rate per rating unit for 2021/2022 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2021/2022 (excluding GST) (\$)	Rate in the dollar for 2021/2022 to be multiplied by the capital value of the rating unit (including GST) (\$)
Avondale	154,000	155,063	0	0.00	155,063	0.00122066
Birkenhead	196,350	196,351	0	0.00	196,351	0.00091835
Blockhouse Bay	60,000	60,000	0	0.00	60,000	0.00149931

BID area	Amount of BID grant 2021/2022 (excluding GST) (\$)	Amount of BID targeted rate revenue 2021/2022 (excluding GST) (\$)	Amount to be funded by fixed charge for 2021/2022 (excluding GST) (\$)	Fixed rate per rating unit for 2021/2022 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2021/2022 (excluding GST) (\$)	Rate in the dollar for 2021/2022 to be multiplied by the capital value of the rating unit (including GST) (\$)
Browns Bay	150,000	149,999	0	0.00	149,999	0.00051386
Central Park Henderson	400,000	400,000	220,868	250.00	179,132	0.00009876
Devonport	129,000	129,217	17,391	250.00	111,826	0.00066706
Dominion Road	255,000	255,837	0	0.00	255,837	0.00052682
Ellerslie	162,000	162,000	0	0.00	162,000	0.00206997
Glen Eden	91,920	92,978	0	0.00	92,978	0.00098869
Glen Innes	166,000	168,728	0	0.00	168,728	0.00105693
Greater East Tāmaki	545,000	545,837	341,005	195.00	204,832	0.00003545
Heart of the City	4,782,614	4,788,538	0	0.00	4,788,538	0.00040106
Howick	179,390	179,389	0	0.00	179,389	0.00094104
Hunters Corner	126,590	129,140	0	0.00	129,140	0.00075168
Karangahape Road	457,200	455,308	0	0.00	455,308	0.00051443
Kingsland	237,930	237,778	0	0.00	237,778	0.00044516
Mairangi Bay	67,500	67,500	5,000	250.00	62,500	0.00136611
Māngere Bridge	30,000	30,000	0	0.00	30,000	0.00142180
Māngere East Village	6,100	6,100	0	0.00	6,100	0.00029693
Māngere Town	284,949	284,949	0	0.00	284,949	0.00401509
Manukau Central	510,000	501,604	0	0.00	501,604	0.00033364
Manurewa	315,000	315,000	0	0.00	315,000	0.00101144
Milford	145,000	144,999	0	0.00	144,999	0.00062599
Mt Eden Village	92,035	92,071	0	0.00	92,071	0.00060190
New Lynn	199,548	199,764	0	0.00	199,764	0.00060667
Newmarket	1,750,820	1,700,890	0	0.00	1,700,890	0.00055649
North Harbour	725,152	725,534	344,726	150.00	380,808	0.00009359
North West District	180,000	178,599	96,739	250.00	81,860	0.00016910
Northcote	125,000	125,000	0	0.00	125,000	0.00243177
Old Papatoetoe	100,692	100,698	0	0.00	100,698	0.00129134
One Warkworth	135,000	135,000	135,000	575.00	0	0.00000000
Onehunga	410,000	411,964	0	0.00	411,964	0.00112440
Orewa	261,216	260,373	0	0.00	260,373	0.00095911
Ōtāhuhu	663,000	663,182	0	0.00	663,182	0.00071795
Ōtara	94,730	95,379	0	0.00	95,379	0.00164000
Panmure	443,896	429,401	0	0.00	429,401	0.00143467

BID area	Amount of BID grant 2021/2022 (excluding GST) (\$)	Amount of BID targeted rate revenue 2021/2022 (excluding GST) (\$)	Amount to be funded by fixed charge for 2021/2022 (excluding GST) (\$)	Fixed rate per rating unit for 2021/2022 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2021/2022 (excluding GST) (\$)	Rate in the dollar for 2021/2022 to be multiplied by the capital value of the rating unit (including GST) (\$)
Papakura	250,000	250,089	0	0.00	250,089	0.00072102
Parnell	910,000	907,845	0	0.00	907,845	0.00056684
Ponsonby	627,679	627,592	0	0.00	627,592	0.00077729
Pukekohe	462,000	458,979	0	0.00	458,979	0.00050609
Remuera	242,564	242,563	0	0.00	242,563	0.00112280
Rosebank	455,000	454,736	0	0.00	454,736	0.00037981
South Harbour	81,324	81,323	0	0.00	81,323	0.00043913
St Heliers	138,484	138,484	0	0.00	138,484	0.00107212
Takapuna	443,895	446,427	0	0.00	446,427	0.00040096
Te Atatu	102,000	102,000	0	0.00	102,000	0.00135649
Torbay	18,365	18,365	0	0.00	18,365	0.00108301
Uptown	322,250	325,718	0	0.00	325,718	0.00018530
Waiuku	135,025	133,970	0	0.00	133,970	0.00103667
Wiri	755,425	751,566	0	0.00	751,566	0.00021367
Total	19,576,643	19,513,828	1,160,730		18,353,098	

Note to the table: Targeted rate amounts include surpluses and deficits (if any) carried over from 2019/2020 so may differ from grant amounts.

Business Improvement Districts fixed rate per rating unit and rates in the dollar based on land value

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the Business Improvement District value based rates requirement determined on their share of the BID areas land value rather than a share of the BID areas capital value as applies for other properties.

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Background

Auckland Council has a region-wide swimming pool pricing policy, whereby children 16 years and under have free access to swimming pool facilities and all adults are charged. These targeted rates fund free access to swimming pools for adults 17 years and over in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

Activities to be funded

To fund the cost of free adult entry to swimming pool facilities in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. The rate will fund expenditure within the following activity: Local parks sport and recreation – asset based services.

How the rate will be assessed

These local activity targeted rates apply to all residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, rural medium-occupancy online accommodation provider, urban residential transition, urban farm and lifestyle residential transition, urban medium-occupancy online accommodation provider transition and urban moderate-occupancy online accommodation provider transition land, as defined for rating purposes that are located in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

The local activity targeted rate will be assessed using a fixed rate applied to each SUIP (see UAGC section prior for the council's definition of a SUIP) of residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider land, as defined for rating purposes, in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. There will be a different fixed rate for each local board area.

The following table sets out the local activity targeted rates that apply in 2021/2022 for the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. This is estimated to produce around \$1.2 million (excluding GST) for 2021/2022.

Local board area	Local activity targeted rates	
	Fixed rate for each separately used or inhabited part of a rating unit for 2021/2022 (including GST) (\$)	Revenue from the targeted rate (excluding GST) (\$)
Māngere-Ōtāhuhu	33.35	574,853
Ōtara-Papatoetoe	31.65	613,074

Swimming/spa pool fencing compliance targeted rate

Background

All residential swimming pools and spa pools must be inspected once every three years to ensure compliance with the Building Act 2004. Pools failing the first inspection require subsequent inspections until all defects have been remedied. Inspection can be carried out by either the council or an independently qualified pool inspector (IQPI).

Activities to be funded

To fund the costs of providing pool fence and barrier inspections and associated administrative costs. The rate will fund expenditure within the following activity: Regulatory services.

How the rate will be assessed

The pool fencing compliance targeted rate will apply to all rateable land on council's register of pool fence and barrier inspections. The rate will be assessed as a fixed rate per rating unit. The table below sets out the differentiated rates that apply based on whether the council is required to carry out a three-yearly inspection. Additional fees will be invoiced separately where subsequent inspections are required.

Inspection service provided	Fixed rate per rating unit for 2021/2022 (including GST)
Council inspection required	\$44.44
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	\$22.22

This is estimated to produce around \$1.0 million (excluding GST) for 2021/2022.

Riverhaven Drive targeted rate

The council has constructed Riverhaven Drive for the benefit of the rating units in the immediate area. The construction of the road and the payment of the rate have been agreed with the association representing the owners of the rating units. The Riverhaven Drive targeted rate is used to repay the council for the cost of the road, including interest costs. The rate will fund expenditure within the following activities: Local planning and development – locally driven initiatives, Roads and footpaths.

The targeted rate applies to the land which benefits from the construction of a road that provides access to the rating unit. The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 25 years (2006/2007 to 2030/2031). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of \$9,211.83 (including GST) per rating unit for 2021/2022. This is estimated to produce around \$40,000 (excluding GST) for 2021/2022.

Waitākere rural sewerage targeted rate

The Waitākere rural sewerage targeted rate is set as a uniform charge on all rating units in the non-reticulated wastewater area of the Waitākere Ranges Local Board that have private on-site wastewater systems which are scheduled to be pumped out by the council within a three-yearly cycle. The uniform charge is assessed in respect of each on site waste management system utilised in conjunction with the particular rating unit. The rate will fund expenditure within the following activities: Stormwater management.

The council will set the Waitākere rural sewerage targeted rate to fully recover the costs of providing this service.

To align with the rules set by the Auckland Unitary Plan chapter E5, the property owner remains responsible for repairs and routine servicing of their onsite wastewater system.

For 2021/2022 the targeted rate will be a uniform charge of \$296.75 (including GST) for each on-site waste management system utilised in conjunction with the rating unit. This is estimated to produce around \$885,000 (excluding GST) for 2021/2022.

Retro-fit your home targeted rate

The Retro-fit Your Home targeted rate is set on land that has received financial assistance from Auckland Council for energy efficiency assessment, and the installation of clean heat, insulation, water conservation, mechanical extraction and fire place decommissioning in respect of the land. The rate will fund expenditure within the following activities: Regulatory services.

The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for nine years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Retro-fit Your Home targeted rate that the council will apply in 2021/2022. This is estimated to produce around \$5.3 million (excluding GST) for 2021/2022.

Retro-fit your home targeted rate

Year of repayment	Rate in the dollar for 2021/2022 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) (\$)
1	0.13835000
2	0.15206000
3	0.16973000
4	0.19337000
5	0.22655000
6	0.27643000
7	0.35968000
8	0.52641000
9	1.02705000

Kumeū Huapai Riverhead wastewater targeted rate

The Kumeū Huapai Riverhead wastewater targeted rate is set on land that has received financial assistance from Auckland Council for the purchase and installation of equipment for pumping waste from the property to Watercare’s pressurised wastewater scheme. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer’s outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Kumeū Huapai Riverhead wastewater targeted rate that council will apply in 2021/2022. This is estimated to produce around \$5,400 (excluding GST) for 2021/2022.

Kumeū Huapai Riverhead wastewater targeted rate

Year of repayment	Rate in the dollar for 2021/2022 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) (\$)
7	0.15847000
9	0.19458000

On-site wastewater systems (septic tank) upgrades targeted rate

The On-site wastewater systems (septic tank) upgrades targeted rate is set on land that has received financial assistance from Auckland Council for the replacement or upgrade of failing on-site wastewater systems (septic tanks) in the west coast lagoons (Piha, Te Henga and Karekare) and Little Oneroa (Waiheke Island) catchments. The rate will fund expenditure within the following activities: Regulatory services.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the On-site wastewater systems (septic tank) upgrades targeted rate that the council will apply in 2021/2022. This is estimated to produce around \$1,500 (excluding GST) for 2021/2022.

On-site wastewater systems (septic tank) upgrades targeted rate

Year of repayment	Rate in the dollar for 2021/2022 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) (\$)
4	0.12783400

Point Wells wastewater targeted rate

The Point Wells wastewater targeted rate is set on land that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in the Point Wells area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year according to the amount of assistance provided. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The following table sets out the Point Wells wastewater targeted rate that council will apply in 2021/2022. This is estimated to produce around \$13,800 (excluding GST) for 2021/2022.

Point Wells wastewater targeted rate

Total assistance provided	Amount of targeted rate per rating unit for 2021/2022 (including GST) (\$)
\$8,000	632.78
\$8,500	672.34
\$9,000	711.88
\$9,500	751.42
\$10,000	790.97

Jackson Crescent wastewater targeted rate

The Jackson Crescent wastewater targeted rate is set on the rating unit that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in Jackson Crescent, Martins Bay area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of \$571.14 (including GST) per rating unit in 2021/2022. This is estimated to produce \$497 (excluding GST) for 2021/2022.

Rates payable by instalment

All rates will be payable by four equal instalments due on:

- Instalment 1: 31 August 2021
- Instalment 2: 30 November 2021
- Instalment 3: 28 February 2022
- Instalment 4: 30 May 2022.

It is council policy that any payments received will be applied to the oldest outstanding rates before being applied to the current rates.

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2021/2022 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

A further 10 per cent penalty calculated on former years' rate arrears to be added on 8 July 2021 and then again six months later.

Early payment discount policy

Objectives

The council encourages ratepayers to pay their rates in full by the date that their first instalment is due by providing a discount.

Conditions and criteria

Ratepayers will qualify for the discount if their rates are paid in full, together with any outstanding prior years' rates and penalties, by 5.00pm on the day their first rates instalment for the new financial year is due.

Delegation of decision-making

Decisions about applying the discount will be made by staff in accordance with the Chief Executive's delegation register.

Review process

The council will set the rate of discount that ratepayers are eligible for on an annual basis. The discount will be set to return to those ratepayers making an early payment the interest cost saving to the council. The interest cost saving will be set based on the council's short-term cost of borrowing for the financial year in which the discount will apply. In making this forecast the council will take into account current market interest rate forecasts provided by financial institutions. The reviewed discount rate will be adopted by a council resolution at the same time as other rates-related decisions are made as part of its annual plan or long-term plan decision making process.

If the council wants to make any significant change to the discount policy, it must consult with the public.

Discount in 2021/2022

The discount is 0.19 per cent for 2021/2022.

Sample properties

The following section is intended to provide examples of the individual rates for 2021/2022. The following targeted rates are not shown:

- Business improvement district targeted rates
- Riverhaven Drive targeted rate
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate
- On-site wastewater systems (septic tank) upgrades targeted rate
- Electricity network resilience targeted rate.

For more information on these and other rates please see the relevant section of the Rating mechanism.

General rates, Water Quality Targeted Rate and Natural Environment Targeted Rate

The table below shows indicative rates (general rate, Water Quality Targeted Rate, and Natural Environment Targeted Rate) for fully rateable rating units with one SUIP at different values for each of the main differential categories. An extra UAGC charge should be added for each extra SUIP the rating unit has.

Differential category	Capital value (\$)	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural Environment targeted rate (including GST) (\$)	Total rates (including GST) (\$)
Urban - business	500,000	461	2,800	56	38	3,355
	1,500,000	461	8,400	168	114	9,143
	3,000,000	461	16,800	336	228	17,826
	10,000,000	461	56,001	1,121	760	58,343
Urban - residential	750,000	461	1,551	48	32	2,092
	1,000,000	461	2,068	64	43	2,636
	1,500,000	461	3,102	96	65	3,723
	2,000,000	461	4,136	128	87	4,811
	3,000,000	461	6,204	191	130	6,986
Rural - business	500,000	461	2,520	56	38	3,075
	1,500,000	461	7,560	168	114	8,303
	3,000,000	461	15,120	336	228	16,146
	10,000,000	461	50,401	1,121	760	52,743
Rural - residential	750,000	461	1,396	48	32	1,937
	1,000,000	461	1,861	64	43	2,429
	1,500,000	461	2,792	96	65	3,413
	2,000,000	461	3,722	128	87	4,397
	3,000,000	461	5,583	191	130	6,366
Farm/lifestyle	1,000,000	461	1,654	64	43	2,222
	1,500,000	461	2,482	96	65	3,103

Differential category	Capital value (\$)	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural Environment targeted rate (including GST) (\$)	Total rates (including GST) (\$)
	2,000,000	461	3,309	128	87	3,984
	3,000,000	461	4,963	191	130	5,745
	10,000,000	461	16,543	638	433	18,075
Urban moderate-occupancy online accommodation provider	500,000	461	1,917	32	22	2,432
	750,000	461	2,876	48	32	3,417
	1,000,000	461	3,834	64	43	4,402
	1,500,000	461	5,751	96	65	6,373
Rural moderate-occupancy online accommodation provider	500,000	461	1,725	32	22	2,240
	750,000	461	2,588	48	32	3,129
	1,000,000	461	3,451	64	43	4,019
	1,500,000	461	5,176	96	65	5,797
Urban medium-occupancy online accommodation provider	500,000	461	1,475	32	22	1,990
	750,000	461	2,213	48	32	2,755
	1,000,000	461	2,951	64	43	3,519
	1,500,000	461	4,426	96	65	5,048
Rural medium-occupancy online accommodation provider	500,000	461	1,328	32	22	1,842
	750,000	461	1,992	48	32	2,533
	1,000,000	461	2,656	64	43	3,224
	1,500,000	461	3,984	96	65	4,605
Urban residential transition	750,000	461	1,447	48	32	1,989
	1,000,000	461	1,930	64	43	2,498
	1,500,000	461	2,895	96	65	3,517
	2,000,000	461	3,860	128	87	4,535
	3,000,000	461	5,790	191	130	6,572
Urban business transition	500,000	461	2,613	56	38	3,168
	1,500,000	461	7,840	168	114	8,583
	3,000,000	461	15,680	336	228	16,705
	10,000,000	461	52,266	1,121	760	54,608
Urban farm and lifestyle residential transition	1,000,000	461	1,792	64	43	2,360
	1,500,000	461	2,688	96	65	3,310
	2,000,000	461	3,585	128	87	4,260
	3,000,000	461	5,377	191	130	6,159
	10,000,000	461	17,923	638	433	19,454
Urban medium-occupancy online accommodation	500,000	461	1,377	32	22	1,892
	750,000	461	2,066	48	32	2,607
	1,000,000	461	2,754	64	43	3,322

Differential category	Capital value (\$)	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural Environment targeted rate (including GST) (\$)	Total rates (including GST) (\$)
provider transition	1,500,000	461	4,131	96	65	4,753
Urban moderate-occupancy	500,000	461	1,789	32	22	2,304
	750,000	461	2,684	48	32	3,225
online accommodation	1,000,000	461	3,578	64	43	4,146
provider transition	1,500,000	461	5,367	96	65	5,989

The following tables contain indicative values for the most common targeted rates. If a rating unit is liable for one of these, then the value shown should be added to the general rates, water quality targeted rate, and natural environment targeted rate figure from the table above to determine the total rates liability.

Waste management targeted rate

Most rating units are liable for waste management targeted rates. These vary depending on the former council area that the property is located.

Former council area	Service	Total amount of charges (including GST) (\$)					
		Number of waste management charges	1	2	3	5	10
Auckland City	Full service (base service plus standard refuse service)		293	586	878	1,464	2,928
	Opt out of refuse		143	285	428	714	1,427
	Opt out of recycling		204	408	612	1,019	2,039
	Opt out of both refuse and recycling		54	108	161	269	538
	Additional recycling		89	178	267	445	889
Manukau City	Full service (base service plus standard refuse service)		293	586	878	1,464	2,928
Papakura District, North Shore City, Waitākere City, Franklin District and Rodney District	Base service		143	285	428	714	1,427

Former council area	Service	Total amount of charges (including GST) (\$)				
		1	2	3	5	10
Papakura District and the former food scrap trial area in North Shore	Food scraps	70	140	210	349	699

City centre targeted rate

All rating units in the City Centre are liable for the City Centre targeted rate.

Business rating units located in the city centre area	
Capital value	Rate (including GST) (\$)
500,000	642
1,500,000	1,926
3,000,000	3,852
10,000,000	12,839

Residential rating units located in the city centre area	
Number of separately used or inhabited parts	Rate (including GST) (\$)
1	63
2	126
3	189
5	315
10	630

Rodney Local Board Transport Targeted Rate

Rating units in the Rodney local board area are liable for the Rodney Local Board Transport Targeted Rate.

Number of separately used or inhabited parts	Total targeted rate amount (including GST) (\$)				
	1	2	3	5	10
Rate amount	\$150	\$300	\$450	\$750	\$1,500

Rodney drainage districts targeted rate

Rating units with Class A or Class B land located in the drainage districts of Te Arai and Okahukura are liable for the Rodney drainage districts targeted rate.

Drainage district	Size of land (HA)	1	2	3	5	10	50
Te Arai	Rate for Class A land	18	37	55	92	184	922
	Rate for Class B land	9	18	28	46	92	461
	Rate for Class C land	0	0	0	0	0	0
Okahukura	Rate for Class A land	27	53	80	133	267	1,335

Rate for Class B land	13	27	40	67	133	667
Rate for Class C land	0	0	0	0	0	0

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Residential rating units in Māngere-Ōtāhuhu and Ōtara-Papatoetoe local board areas are liable for Swimming Pool targeted rates.

Residential rating units located in	Number of separately used or inhabited parts	Total targeted rate amount (including GST) (\$)				
		1	2	3	5	10
Māngere-Ōtāhuhu		33	67	100	167	334
Ōtara-Papatoetoe		32	63	95	158	317

Waitākere rural sewerage targeted rate

Some residential rating units not connected to the wastewater system in the Waitākere Ranges Local Board area are liable for the Waitākere Rural Sewerage targeted rate.

Residential rating units located in	Number of septic tanks pumped out once every 3 years	Total targeted rate amount (including GST) (\$)				
		1	2	3	5	10
Waitākere Ranges Local Board area that have septic tanks pumped out by council		297	594	890	1,484	2,968

Swimming/spa pool fencing compliance targeted rate

Rating units on council's register of pool fence and barrier inspections are liable for the Swimming/spa pool fencing compliance targeted rate.

Inspection service provided	Total targeted rate amount (including GST) (\$) for the rating unit
Council inspection required	44.44
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	22.22

Retro-fit your home targeted rate

Ratepayers who have taken advantage of the Retro-fit Your Home scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2021 (\$)			
	1,500	2,000	2,500	3,500
Rate for 1st year of repayment (including GST) (\$)	208	277	346	484

Category	Outstanding balance as at 30 June 2021 (\$)			
	1,500	2,000	2,500	3,500
Rate for 2nd year of repayment (including GST) (\$)	228	304	380	532
Rate for 3rd year of repayment (including GST) (\$)	255	339	424	594
Rate for 4th year of repayment (including GST) (\$)	290	387	483	677
Rate for 5th year of repayment (including GST) (\$)	340	453	566	793
Rate for 6th year of repayment (including GST) (\$)	415	553	691	968
Rate for 7th year of repayment (including GST) (\$)	540	719	899	1,259
Rate for 8th year of repayment (including GST) (\$)	790	1,053	1,316	1,842
Rate for 9th year of repayment (including GST) (\$)	1,541	2,054	2,568	3,595

Kumeū Huapai Riverhead wastewater targeted rate

Ratepayers who have taken advantage of the Kumeū Huapai Riverhead wastewater scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2021 (\$)			
	5,000	7,000	9,000	11,000
Rate for 7th year of repayment (including GST) (\$)	792	1,109	1,426	1,743
Rate for 9th year of repayment (including GST) (\$)	973	1,362	1,751	2,140

3.3 Financial reporting and prudence benchmarks

10-year Budget disclosure statement for the period commencing 1 July 2021 to 31 June 2031

What is the purpose of this statement?

The purpose of this statement is to disclose the group's planned financial performance in relation to various benchmarks to enable the assessment of whether the group is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its 10-year Budget in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Notes

1. Rates affordability benchmark

The group meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

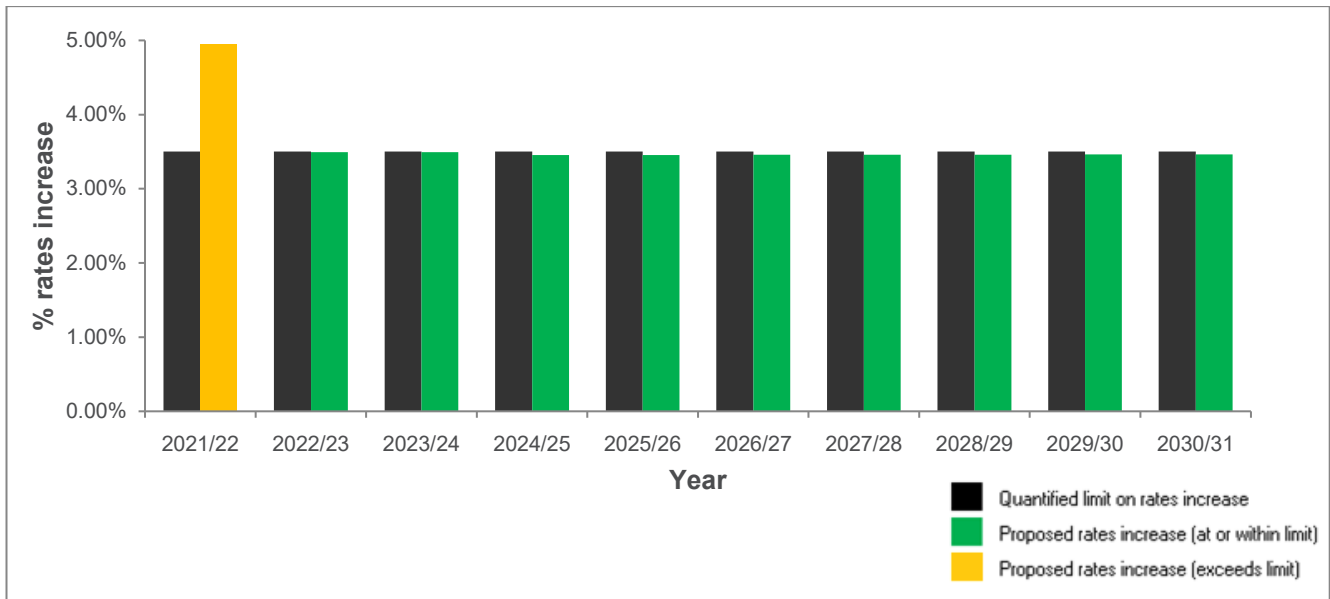
Following an amendment to the Local Government Act 2002 in 2019, the council has not included a quantified limit on rates in the proposed financial strategy for the 10-year Budget 2021-31.

Rates (increases) affordability

The following graph compares the group's planned rates increases with a quantified limit on rates increases contained in the financial strategy for the 10-year Budget 2021-2031. The quantified limit we use for this benchmark is to maintain average rates increases for existing ratepayers to 3.5 per cent per annum. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.

To respond to the impacts of COVID-19 on our revenue streams and to maintain the supply of investment capacity we have approved a one-off increase in average general rates of five per cent for the first year of the 10-year Budget only. This means we will exceed the 3.5 per cent limit in 2021. Additionally, to ensure equity between similar properties, we are extending the Urban Rating Area¹ to include areas previously designated as rural, which slightly increases the overall average general rate increase. This change will be implemented over a three-year period and will be reflected in an increase above the limit in those years.

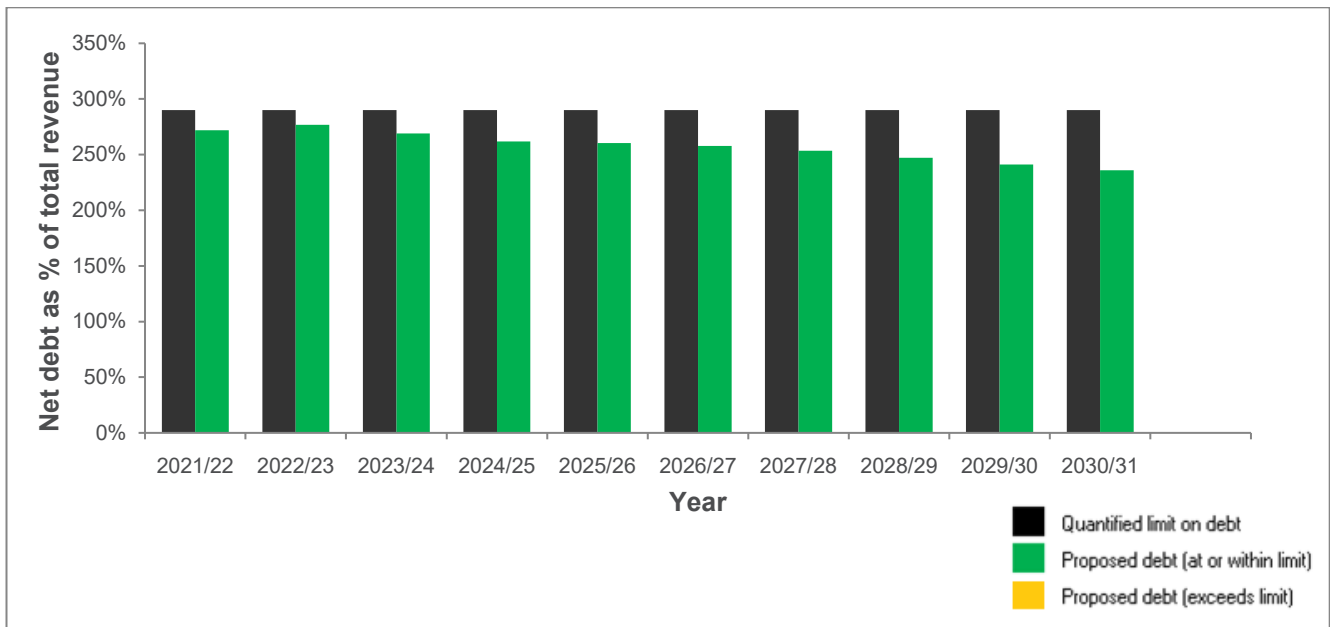
¹ For full details of which areas are affected refer to Section 3.1 Revenue and Financing Policy found in this volume.



2. Debt affordability benchmark

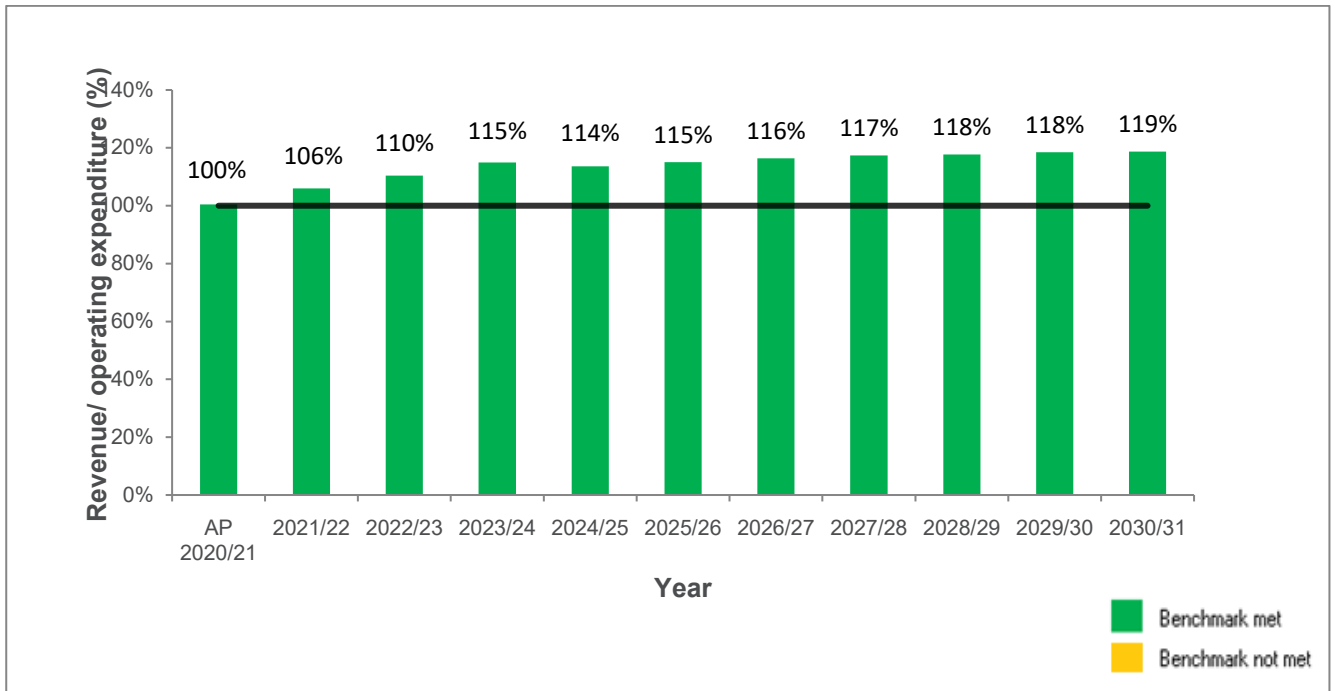
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council’s planned debt with the quantified limit on borrowing contained in the financial strategy included in this 10-year Budget. The quantified limit is measured in terms of net debt as a percentage of total revenue, and the quantified limit is 290 per cent.



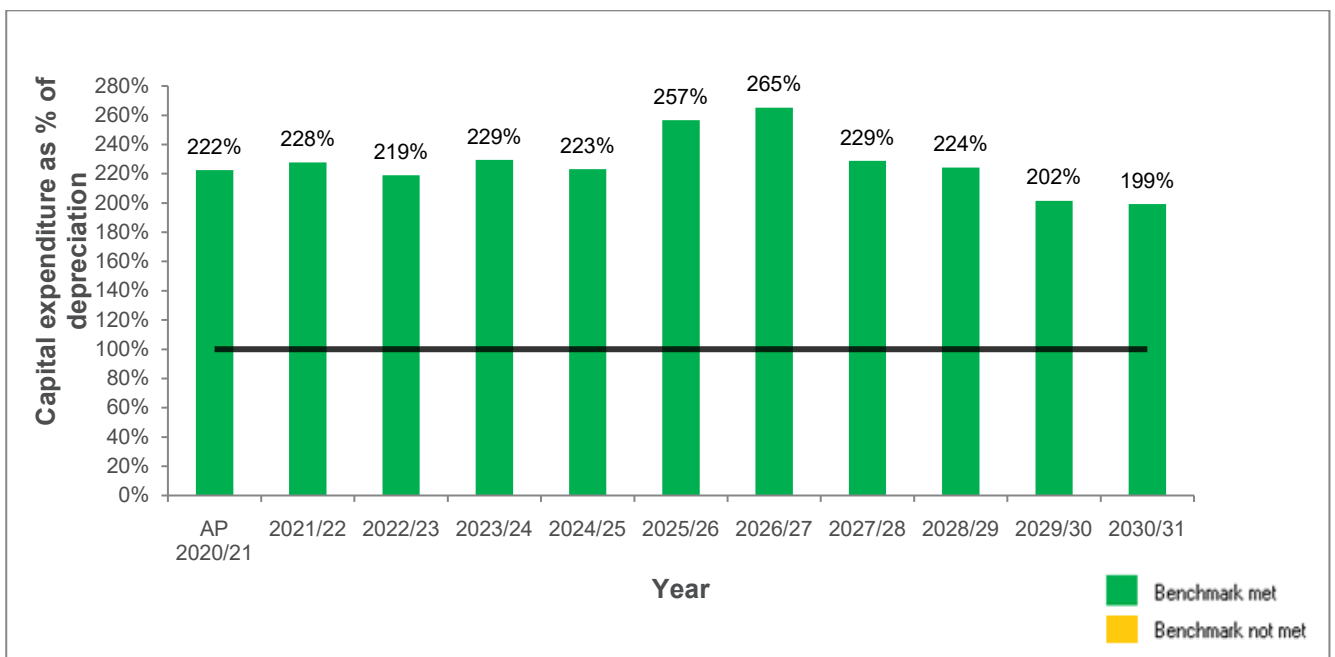
3. Balanced budget benchmark

The following graph displays the group's total planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The group meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



4. Essential services benchmark

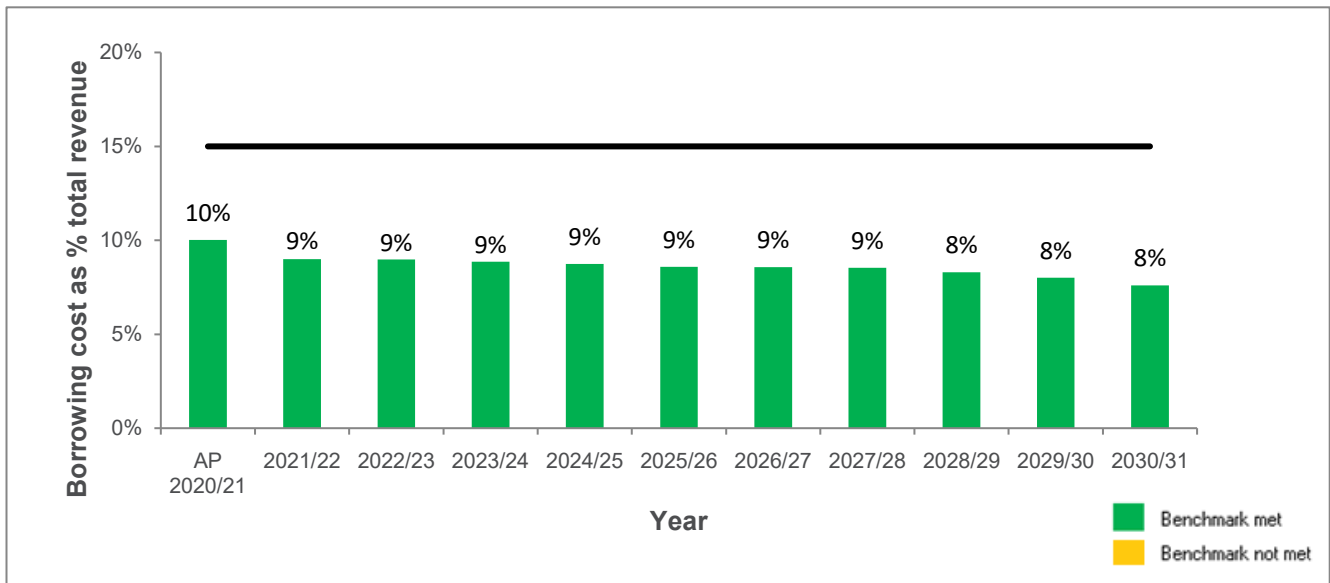
The following graph displays the group's planned capital expenditure on network services as a proportion of expected depreciation on network services. The group meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



5. Debt servicing benchmark

The following graph displays the group's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15 per cent of its planned revenue.



Additional information

The group's planned revenue includes net other gains, finance income, and net share of surpluses in associates and jointly-controlled entities.

The groups planned operating expenditure includes net other losses, and net share of deficits in associates and jointly-controlled entities.

Net debt refers to the group's financial liabilities less financial assets (excluding trade and other receivables).

Borrowing cost includes interest expense and losses on early close out of interest rate swaps, and excludes adjustments for time value of money.

Network infrastructure refers to infrastructure related to water supply, sewerage treatment and disposal, stormwater drainage, flood protection and control, roads and footpaths.

For the rates affordability benchmark:

- Rates income:
 - general rates including remissions, less any internal rate charges. This does not include income arising from water and wastewater charges and targeted rates.

3.4 Local Boards Funding Policy

1. Purpose/Introduction

The Local boards funding policy sets out how local boards are funded to meet the costs of:

- providing local activities
- administration support.

2. Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the Allocation of decision-making table in the 10-year Budget. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into three parts based on the nature of the service provided and the allocation of decision making between the Governing Body and local boards. The three classifications of activities are set out in the table below.

Nature of service	Nature of local board decision making role*	Examples of activities
Asset based services	Make decisions within parameters set by the Governing Body	Swimming pools, Libraries Local parks
Locally driven initiatives	Make decisions on how locally driven initiative funding allocated from Governing Body is spent	Local events Local community grants
Locally driven capital projects	Make decisions on how locally driven capital projects funding allocated from Governing Body is spent	Local park improvements Streetscape improvements

* Local boards make decisions on specific location, design, and build of new facilities, service standards, and renewals, within parameters set by the governing body. Local boards also decide on use of facilities, including change of use and leases. Local board's decision making is set out in full in the "Allocation of decision making responsibility for non-regulatory activities" in the 10-year Budget.

Local boards have decision making responsibility for fees and charges for both asset based services and locally driven initiatives within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

How local asset based services, locally driven initiatives, locally driven capital projects and administration support, will be funded is set out below.

3. Funding for local asset based services

Local asset based services will be funded by:

1. fees and charges collected from local asset based services for base fee levels set by the Governing Body
2. plus any other revenue including grants, donations, and sponsorships
3. plus any revenue from a targeted rate set to fund local asset based services
4. plus general rate funding to meet the balance of costs for providing the services levels set by the Governing Body in the 10-year Budget for local asset based services being provided to each local board area.

4. Funding for locally driven initiatives (operational funding)

4.1 Funding sources

The amount of budget available to each local board for locally driven initiatives is determined by:

1. fees and charges collected from locally driven initiatives
2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue from a targeted rate set to fund local activities in the local board area
6. plus an allocation from a budget pool for locally driven initiatives funded from the general rate.

4.2 Level of total budget available for locally driven initiatives

The total general rates funded budget available for locally driven initiatives will be set by the Governing Body and will be identified in the 10-year Budget or annual plan.

4.3 Allocation of total budget pool

Each local board will be allocated a share of the total budget available after deducting the funding for the Aotea/Great Barrier Island Local Board and the Waiheke Island Local Board, see section 4.4 below. Each local board's share of the budget will be equivalent to its share of the regional population adjusted for deprivation¹ and land area, excluding Aotea/Great Barrier Island and Waiheke Island. This is set out in the table on the next page.

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population*	90 per cent	Local board population divided by the total population of all local boards***
Deprivation**	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board***
Land area	5 per cent	Local board land area divided by the total land area of all local boards***

* adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

** based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

*** excluding Aotea/Great Barrier Island Local Board and Waiheke Local Board

4.4 Funding for Aotea/Great Barrier Island Local Board and Waiheke Island Local Board

The amount of budget available for locally driven initiatives on Aotea/Great Barrier Island and Waiheke Island is determined by:

1. fees and charges collected from locally driven initiatives
2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue collected from targeted rates set to fund local activities

¹ Population will be adjusted annually based on revised estimates from Statistics New Zealand.

6. plus a general rates allocation

General rates funding will be provided to meet the balance of the costs of providing locally driven initiatives on Aotea/Great Barrier Island and the Waiheke Island. This will be based on the expenditure on these activities agreed with the Governing Body in their local board agreements each year net of revenue generated from the items in 1 to 5 above.

4.5 Transition

The table below sets out the transition mechanism that will be applied from 2021/2022 onwards.

Local boards funded to the level of the allocation formula	Local boards funded above their allocation under the formula
Increases in the total budget for locally driven initiatives budget will be applied as per the formula	Locally driven initiatives budget will be held at its current absolute level (no increases for inflation) until it is exceeded by the allocation under the formula

4.6 Definition of local asset based services and locally driven initiatives

The Governing Body, after considering local board feedback, will determine which services are local asset based services and locally driven initiatives when the total budget for local activities is set.

5. Funding allocation for locally driven initiatives (capital funding)

This funding enables local boards to deliver small local asset based projects, either directly, in partnership with the community, or through joint agreements between boards.

The budget available for locally driven capital projects will be set by the Governing Body and will be identified in the 10-year Budget or annual plan. These funds will be allocated to local boards on the following basis:

- one per cent of the total fund allocated to the Aotea/Great Barrier Island local board
- two per cent of the total fund allocated to Waiheke Island local board
- the remainder of the fund allocated to the remaining local boards, with each board's share equivalent to its share of the regional population adjusted for deprivation and land area, as set out in the table below:

Factor	Proportion of budget for locally driven capital projects	Local board share
Population*	90 per cent	Local board population divided by the total population of all local boards***
Deprivation**	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board***
Land area	5 per cent	Local board land area divided by the total land area of all local boards***

* adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

** based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

*** excluding Aotea/Great Barrier Island Local Board and Waiheke Local Board

6. Funding allocation for other purposes

The Governing Body may make available funds to local boards for purposes other than local asset based services, locally driven initiatives, locally driven capital projects or administrative support. These funds will be allocated to local boards on the same basis as funding for locally driven initiatives (capital funding).

7. Funding allocation for administrative support

The funding for administrative support is allocated by adopting the following method:

- a) Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member
- b) Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

8. Funding allocation for non-dedicated purposes

There will be no allocation of non-dedicated (general purpose) funding to local boards in the 10-year Budget 2021-2031.

9. Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing policy.

3.5 Decision-Making Responsibilities of Auckland Council's Governing Body and local boards

Wahanga tuawha: Te Tuku I Te Mana Whakatau-Mahi Tikanga Here-Kore

This policy sets out Auckland Council's allocation of decision-making responsibilities of non-regulatory activities among the Governing Body and local boards. Providing context for this is:

- an overview of the sources of decision-making responsibilities for the Governing Body and local boards
- a summary of the associated powers.

Sources of decision-making responsibilities

The Governing Body and local boards obtain their decision-making responsibilities from three sources.

(a) Statutory decision-making responsibilities

The Governing Body and local boards have statutory responsibilities under the Local Government (Auckland Council) Act 2009 (Act). These statutory responsibilities are not repeated in the allocation table.

(b) Delegation of decision-making responsibilities

The Governing Body can delegate some of its decision-making responsibilities to local boards.

The Governing Body and local boards can also be delegated decision-making responsibilities from Auckland Transport.

(c) Allocation of decision-making for non-regulatory activities

The Governing Body is required by legislation to allocate decision-making responsibility for the non-regulatory activities of Auckland Council to either the Governing Body or local boards, in accordance with principles contained in section 17(2) of the Act. This provides as follows:

- a) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its local boards unless paragraph (b) applies:
- b) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its Governing Body if the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because-
 - i. the impact of the decision will extend beyond a single local board area; or
 - ii. effective decision making will require alignment or integration with other decisions that are the responsibility of the Governing Body; or
 - iii. the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.

Decision-making for non-regulatory activities can only be allocated to either the Governing Body or to a local board. Where more than one local board has an interest in a local activity then section 16(3) of the Act provides that:

... a local board should collaborate and co-operate with 1 or more other local boards in situations where the interests and preferences of communities within each local board area will be better served by doing so.

The non-regulatory decision-making allocation is required to be identified in the Auckland Council's Long-Term Plan and Annual Plans (section 14(3) of the Act)

Statutory and delegated decision-making responsibilities

a) Statutory decision-making responsibilities

Governing Body: The Governing Body is a local authority, and hence has the power of general competence under section 12 of the Local Government Act 2002. In addition, the Governing Body has specific statutory decision-making responsibility for the following:

- The regulatory activities of Auckland Council (such as Unitary Plan, consenting, and bylaws)
- Allocation of non-regulatory activities to either local boards or the Governing Body
- Any non-regulatory activities of Auckland Council that are allocated to the Governing Body
- Agreeing local board agreements with local boards
- Emergency management
- Compliance with the financial management requirements of section 101 of the Local Government Act (including the Annual Plan, the Long-term Plan, and financial policies)
- Regional strategies and policies (such as the Auckland Plan and the Local Board Funding Policy)
- Governance of Council-Controlled Organisations
- Appointment of the Chief Executive
- Maintaining the capacity of Auckland Council to provide its services and facilities (including the disposal and acquisition of assets)
- Transport networks and infrastructure.

Local boards: The statutory role of local boards includes decision-making responsibility for the following:

- Any non-regulatory activities of Auckland Council that are allocated to local boards
- Adoption of local board plans
- Agreement of local board agreements (with the Governing Body) and monitoring the implementation of local board agreements - this can include proposing a local targeted rate
- Providing input into regional strategies, policies and plans
- Proposing bylaws for the local area
- Community engagement, consultation and advocacy.

Local boards are not local authorities but will act as such for specified allocated matters, or those matters set out in the Act.

When exercising their respective decision-making responsibilities, the Governing Body and local boards must ensure compliance with all statutory requirements. This includes the council's obligations under the Health and Safety at Work Act 2015.

b) Delegated decision-making responsibilities

To date the Governing Body has delegated the following decision-making responsibilities to all local boards¹:

- Input into notification decisions for resource consent applications
- Amendments to the Policy on Dogs in relation to any dog access rules in local parks, local beaches or local foreshore areas in their local board area
- Making objections to liquor licensing applications (on, off, club and special licences) under the Sale and Supply of Alcohol Act 2012
- Making, amending or revoking alcohol bans, except in areas of regional significance
- Certain powers under the Reserve Act 1977 for local reserves:

¹ This is intended to summarise key existing delegations made by the Governing Body, and is not intended to be an exhaustive list of all delegations to local boards. Refer to the relevant resolutions for the detail of each delegation.

- declaring a reserve under section 14(1)
- classifying a reserve under sections 16(1) or 16(2A)
- reclassifying a reserve under section 24(1)
- proposing the revocation of reserve status under section 24(1), where the request to revoke is because the local board wishes to manage the land under the Local Government Act 2002
- Disposal of local service property and reinvestment of sale proceeds in accordance with the service property optimisation approach (as adopted by the Governing Body).

The Governing Body has also delegated the following decision-making responsibilities to:

- Ōteā/Great Barrier Local Board, for-
 - authorising the destruction of wandering stock on Great Barrier Island, in accordance with the Impounding Act 1955
 - decision-making on operational cemeteries on Great Barrier Island

One-off delegations to local boards from the Governing Body that are given on an ad hoc basis are not recorded in this policy.

There are currently no delegations in place from Auckland Transport to either the Governing Body or local boards.

Allocation of decision-making for non-regulatory activities

The allocation of decision-making responsibility to the Governing Body and to local boards for the non-regulatory activities of Auckland Council is set out in the following tables. These will apply from 1 July 2021.

The allocation has been written on an inclusive basis. It does not contain an exhaustive list of all elements that make up an allocated activity. To aid interpretation, elements of the key decision-making responsibilities of local boards and the Governing Body are provided for each allocated activity.

It is intended that the allocation be interpreted on a principled basis. Given the broad range of activities undertaken by Auckland Council it is not possible to list in precise detail all elements that are allocated to a local board or the Governing Body. Instead the allocation is applied on a case-by-case basis.

This needs to take into account the principles of section 17 of the Local Government Auckland Council Act. The general principle is that a non-regulatory decision will be made by local boards unless the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland.

Group of activities	Local Board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
	<i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	<i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council</i>
Local council services and Regionally delivered council services	Local governance including: <ul style="list-style-type: none"> • decision-making and oversight of decisions on local activities • development of local policy positions such as determining areas in which activities may take place and local service specifications • submissions to government on legislation where it specifically relates to that local board area only • civic duties, engagements and functions in the local area, including citizenship ceremonies and recognition of volunteers. 	Regional governance including: <ul style="list-style-type: none"> • decision-making and oversight of decision on regional activities • submissions to government on legislation including official submissions of Auckland Council incorporating local board views • regional civic duties, engagements and functions.
	Explanatory notes:	
	<ul style="list-style-type: none"> • A local board does not have the power to make submissions or objections on matters where the council is exercising its regulatory responsibilities unless specifically delegated by the Governing Body. • Local boards have a statutory role identifying and communicating the interests and preferences of its communities in relation to policies, plans and bylaws. 	
	Local planning and development including: <ul style="list-style-type: none"> • local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans 	Regional planning including: <ul style="list-style-type: none"> • Auckland Plan, area plans, regional spatial priority areas and prioritised development areas focusing on growth development and key infrastructure priorities • regional strategies, policies and plans • Auckland-wide place-shaping activities, including regional leadership to create Auckland's identity.

<p><i>Street environment and town centres including:</i></p> <ul style="list-style-type: none"> • maintenance of the local street environment and local centres, within parameters set by the Governing Body • improvements to the local street environment and town centres excluding any improvements that are integral to centres prioritised for growth as set out in the Auckland Plan • naming of roads pursuant to section 319(1)(j) of the Local Government Act 1974. 	<p><i>Street environment and town centres including:</i></p> <ul style="list-style-type: none"> • street environment and town centres strategy and policy, including the classification of town centres • centres that are prioritised for growth as set out in the Auckland Plan
<p><i>Business area planning including:</i></p> <ul style="list-style-type: none"> • local economic development plans, projects and initiatives (including local centre branding and marketing and local business events) within parameters set by regional strategies, policies and plans • Business Improvement District (BID) programmes, including the strategic direction (in partnership with the business association), establishment of new BIDs within the parameters set by the BID policy and recommending BID targeted rates to the Governing Body. 	<p><i>Economic development including:</i></p> <ul style="list-style-type: none"> • regional economic development strategy and policy, such as Auckland economic development strategy, investment framework and BID policy • international relationships, including entering into new relationships and ending existing relationships • Auckland-wide economic development programmes and initiatives, including regional business events, and branding and marketing for the city centre, metropolitan centres and centres prioritised for growth as set out in the Auckland Plan.

Explanatory notes:

- Area plans will require a high degree of involvement and formal endorsement by local boards. The adoption decision is allocated to the Governing Body as it requires alignment and integration with other Governing Body responsibilities including regulatory plans, infrastructure prioritisation, asset and funding decisions.
- Regional strategies and policies are not intended to be prescriptive or unduly restrict the decision-making role of local boards. Where they relate to local activities, they provide regional parameters within which local boards then make decisions on local activities.
- Development of the city centre waterfront is the responsibility of Eke Panuku Development Auckland.
- Auckland Transport has significant decision-making responsibilities within the street environment and town centres.
- A number of agencies will be involved in the delivery of transformation programmes.
- Major events, tourism and visitor centres, and business attraction and development are the responsibility of Auckland Unlimited.

Local parks and community services including:

Arts and culture including:

- the specific location, design, build and fit out of new local arts and culture facilities within budget parameters agreed with the Governing Body

Regional parks and community services including:

Arts and culture including:

- any new arts and culture facilities acquired for an Auckland-wide purpose or function
- the number and general location of all new arts and cultural facilities and the

<ul style="list-style-type: none"> • the use of local arts and culture facilities, including changes of use. • local arts and culture projects, initiatives and events • local public artwork and local public art programmes • local community funding and grants • tailoring regional arts and culture programmes and events to local needs. 	<p>prioritisation of major upgrades to all existing arts and culture facilities</p> <ul style="list-style-type: none"> • the use of regional arts and culture facilities. • regional arts and culture strategy and policy • regional arts and culture programmes and events • regional public artwork and regional public art programmes • development, maintenance and access to the regional visual arts collection, including exhibitions and interpretive programmes • region-wide community funding and grants • regional arts and culture programmes, which can be tailored to local needs.
<p><i>Events including:</i></p> <ul style="list-style-type: none"> • attraction, development, delivery and promotion • sub-regional events which are the responsibility of the local board in which the event is located, in collaboration with other affected local boards • local events sponsorship, funding and grants • tailoring regional events programmes to local needs. 	<p><i>Events including:</i></p> <ul style="list-style-type: none"> • regional events strategy and policy, including region-wide events plan • coordinating regional events, including attraction, development, delivery and promotion • regional events sponsorship, funding and grants • regional events programmes, which can be tailored to local needs.
<p><i>Community development and facilities including:</i></p> <ul style="list-style-type: none"> • plans, projects and initiatives specific to the local area • tailoring region-wide community development and safety programmes to local needs • facilitating community-led placemaking and development initiatives • community advisory services • local community funding and grants. • the specific location, design, build and fit out of new local community facilities within budget parameters agreed with the Governing Body • the use of local community facilities, including leasing and changes of use. 	<p><i>Community development and facilities including:</i></p> <ul style="list-style-type: none"> • regional community development strategy and policy • regional community development and safety programmes which can be tailored to local needs • regional community funding and grants. • the number and general location of all new community facilities and the prioritisation of major upgrades to all existing community facilities • the location design and use of any new community facilities developed for an Auckland-wide purpose • social housing, such as housing for the elderly.
<p><i>Libraries including:</i></p> <ul style="list-style-type: none"> • the specific location, design, build and fit out of new local libraries within budget parameters agreed with the Governing Body • the design and type of community facilities within local libraries 	<p><i>Libraries including:</i></p> <ul style="list-style-type: none"> • libraries strategy and policy • the number and general location of all new libraries and the prioritisation of major upgrades to existing libraries • the libraries’ collection policy and practice (including development and maintenance of all library collections)

- | | |
|---|--|
| <ul style="list-style-type: none"> • the use of local libraries including local exhibitions, programmes and events within local libraries. | <ul style="list-style-type: none"> • regional exhibitions, programmes and events within libraries • the mobile library service • the central library, other than the ground and first floors. |
|---|--|

Recreation facilities and initiatives including:

- the specific location, design, build and fit out of new local recreation and sports facilities within budget parameters agreed with the Governing Body
- the use of local recreation facilities and initiatives including leasing and changes of use
- local recreation and sports programmes
- local community funding and grants
- tailoring regional recreation and sports programmes to local needs.

Recreation facilities and initiatives including:

- any new recreational facilities developed for an Auckland-wide purpose or function
- the number and general location of all new recreation and sports facilities (including sports stadiums) and the prioritisation of major upgrades to all existing recreation and sports facilities
- the use of regional recreation and sports facilities (including sports stadiums)
- coordination of the use of recreation and sports facilities on a regional basis
- regional recreation and sports strategy and policy
- regional recreation and sports programmes, which can then be tailored to local needs
- regional community funding and grants.

Parks including:

- the specific location of new local parks (including the prioritisation for acquisition) within budget parameters agreed with the Governing Body
- reserve management plans for local parks
- local parks improvements and place shaping
- the use of and activities within local parks, such as community events and community planting programmes
- cemeteries that are no longer in regular active use and are functioning as local parks
- naming of local parks.

Parks including:

- any new parks acquired for an Auckland-wide purpose or function
- regional open space strategy and policy, including open space network plan and volcanic cones strategy
- reserve management plans for regional parks
- the number and general location of all new parks and the prioritisation of major upgrades to existing parks (including sports fields within parks)
- the use of and activities within regional parks
- coordination of the use of all sports fields on a regional basis
- Open cemeteries.

Explanatory notes:

- Definitions of local and regional events are set out in schedule 2 in accordance with the Auckland Council Events Policy.
- Regional sports facilities and regional events facilities and amenities are the responsibility of Auckland Unlimited. These include the Viaduct Events Centre, stadium management, The EDGE, Auckland Zoo and the Auckland Art Gallery.
- The decision-making of local boards in relation to local parks may be constrained where decisions relate to council stormwater management activities, including the stormwater network.
- For purposes of this allocation, parks includes land held under the Reserves Act 1977.

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| <p>Local environmental management <i>including:</i></p> <ul style="list-style-type: none"> • local environmental initiatives and projects • facilitating community-led placemaking and development initiatives • local stormwater quality projects within regional frameworks • local waste management plans and projects within regional parameters set out in the Waste Minimisation and Management Plan. | <p>Waste services and Environmental services <i>including:</i></p> <ul style="list-style-type: none"> • regional environmental, heritage and urban design strategy, policy and guidelines • regional environmental programmes and projects • waste management, including the Waste Minimisation and Management Plan • landfill management • environmental research and monitoring. |
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Stormwater

- Stormwater management including:**
- the stormwater network, including catchment management plans and drainage districts

Explanatory notes:

- **Local board input into regional environmental programmes is provided for at the programme approval stage. The prioritisation of projects within these regional programmes will be guided by the approved programme direction and ecological considerations. Where projects are to be delivered locally, local board input will be invited to ensure the projects are tailored to local circumstances.**

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
Fees and charges	Setting of fees and charges for local activities <i>excluding:</i> <ul style="list-style-type: none"> • library collections fees and charges; and • any fees and charges for local activities that are set on a region-wide basis by the Governing Body in a regional policy. 	Setting of fees and charges for regional activities <i>and:</i> <ul style="list-style-type: none"> • regional fees and charges for local activities that are set by the Governing Body in a regional policy • library collections fees and charges.
Service specifications	Setting of service specifications for local activities <i>subject to</i> any minimum service specifications that the Governing Body has decided, for policy reasons, to set on an Auckland-wide basis.	Setting of service specifications for regional activities and minimum service specifications for local activities where the Governing Body decides to do so for policy reasons.
Procurement	Procurement for local activities <i>excluding:</i> <ul style="list-style-type: none"> • procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis. 	Procurement for regional activities and <ul style="list-style-type: none"> • procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis • the procurement policy for Auckland Council.

Explanatory notes:

- **There are significant efficiencies to be gained by the Governing Body procuring some contracts on a larger scale or a coordinated basis. This is likely to cover areas like parks and facilities maintenance, security and cleaning, which involve local and regional assets and facilities across Auckland. (The guidelines for procuring these types of contracts will be contained in the procurement manual. Procurement for most local activities will though, remain a local board decision-making responsibility).**
- **Local boards will set the service specifications as they relate to their local area as set out in the allocation above.**

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
<p>Asset renewal</p>	<p>Maintaining service capacity and integrity of local assets throughout their useful life in accordance with Auckland-wide parameters and standards set by the Governing Body.</p> <hr/> <p><i>Explanatory note:</i></p> <ul style="list-style-type: none"> The local board’s asset renewal decision-making responsibility is within the framework and standards set by the Governing Body to ensure regional consistency 	<p>Maintaining the service capacity and integrity of regional assets throughout their useful life and setting Auckland-wide parameters and standards for all asset management planning.</p>
<p>Other activities of Auckland Council</p>		<p>All other non-regulatory activities of Auckland Council</p>
<p>Explanatory note:</p> <ul style="list-style-type: none"> An assessment of the principles for allocating non-regulatory decisions set-out in section 17 of the Local Government Auckland Council Act must be considered before applying this allocation 		

Schedule 1 - Governance of parks

1. The Governing Body has governance responsibility for the following regional parks and contiguous land.

Regional Parks		
Auckland Council has classified the following as regional parks:		
Ambury	Scandrett	
Ātiu Creek	Shakespear	
Auckland Botanic Gardens	Tāpapakanga	
Āwhitu	Tāwharanui	
Duder	Tawhitokino	
Glenfern Sanctuary	Te Ārai	
Hūnua Ranges	Te Muri	
Long Bay	Te Rau Pūriri	
Mahurangi	Waharau	
Motukorea / Browns Island	Waitākere Ranges	
Muriwai (excluding Muriwai Village Green)	Waitawa	
Mutukaroa / Hamlins Hill	Wenderholm	
Ōmana	Whakanewha	
Ōrere Point	Whakatiwai	
Pakiri		
Te Motu a Hiaroa / Puketutu		
Land contiguous with Regional Parks		
Relevant Regional Park	For the avoidance of doubt, land listed below is part of the adjacent regional park	
Long Bay	Piripiri Park	Section 1 SO 70452
Mahurangi	Scott Point Reserve, Te Kapa Peninsula	Lot 15 DP 44711
		Sec 216 Mahurangi Village SO 43441
		Lot 14 DP 44711
Muriwai	Oaia Reserve, Muriwai	Lot 11 DP 58521
Te Ārai	Te Ārai Reserve	Lot 1 DP 66227
		Lot 1 DP 59556
Waitākere Ranges	Mārama Plantation Reserve, Little Huia	Lot 12 DP 27798
	Douglas Scenic Reserve	Lot 31 DP 77453
	Rāroa Park	Lot 100 DP 21358
	Parkland surrounding Waitākere Quarry Scenic Reserve	Lot 2 DP 193044
	Karekare Reserve	Lot 31 DP 40109

Regional Parks		
	Lone Kauri Road – 3 reserves	Lot 99 DP 42402
		Lot 106 DP 42402
		Lot 107 DP 42402
	South Piha Plantation Reserve	Lot 77 DP 31268
	Lake Wainamu Scenic Reserve	Section 3 Block 1/Waitākere SD/
	Tasman View Esplanade	Lot 90 DP 42223
	Lake Wainamu Walkway	Pt Waitākere 1A (Easement over lake edge only)
	Waitoru Reserve, Bethells Rd	Pt Allotment 5 PSH OF Waitākere
Whakanewha	Upland Road Walkway	Lot 489 DP 20610 Pt Whakanewha Block

2. Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority) has governance decision-making responsibility for the following maunga.

Parks under the administration of the Maunga Authority

Matukutūruru / Wiri Historic Reserve
 Maungakiekie / One Tree Hill
 Maungarei / Mt Wellington
 Maungauika (North Head)
 Maungawhau / Mt Eden
 Ōhinerau / Mt Hobson
 Ōhūiarangi / Pigeon Mountain
 Ōtāhuhu / Mt Richmond
 Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert
 Puketāpapa / Pukewīwī / Mount Roskill
 Takarunga / Mount Victoria
 Te Kōpuke / Titikōpuke / Mount St John
 Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain
 Te Tātua a Riukiuta / Big King

Note: ownership of Maungakiekie / One Tree Hill Northern land remains with the Crown and it is administered by the Maunga Authority under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 and the Reserves Act 1977.

3. Post settlement governance entities have governance responsibility for the following reserves.

Park name	Governance entity	Relevant legislation
Kaipātiki (formerly Parakai Recreation Reserve)	Te Poari o Kaipātiki ki Kaipara (formerly Parakai Recreation Reserves Board)	Ngāti Whātua o Kaipara Claims Settlement Act 2013
Whenua Rangatira and Pourewa Creek Recreation Reserve	Ngāti Whātua o Orākei Reserves Board	Ngāti Whātua Ōrākei Claims Settlement Act 2012

4. The Governing Body has responsibility for the majority of land contiguous to Tūpuna Maunga governed by the Maunga Authority. The Ngā Mana Whenua o Tāmaki Makaurau Redress Act 2014 provides for the transfer of administration by the council of these lands to the Maunga Authority at the discretion of the Governing Body.

Land contiguous with parks subject to Treaty of Waitangi settlement	
Park subject to Treaty of Waitangi Settlement	Contiguous council owned land allocated to the Governing Body
Maungawhau / Mt Eden	Lot 1 DP 131932
Maungarei / Mt Wellington	Lot 200 DP 436081
Ōhinerau / Mt Hobson	Pt Allotment 2 SECT 11 SBRS OF Auckland
Ōhūiarangi / Pigeon Mountain	Lot 182 DP 98841
	Lot 183 DP 98841
	Section 1 SO 434440
	Section 2 SO 434440
	Section 3 SO 434440
	Allotment 19 SECT 5 SM FMS NEAR Howick
Land contiguous with parks subject to Treaty of Waitangi settlement	
Ōtāhuhu / Mt Richmond	Lot 1 DP 47429
	Lot 2 DP 47429
	Lot 3 DP 47429
	Lot 4 DP 47429
	Lot 5 DP 47429
	Lot 6 DP 47429
	Lot 7 DP 47429
	Lot 8 DP 47429
	Pt Lot 10 DP 47429
Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert	Lot 29A DP 17682
	Lot 19 DP 58177
	Lot 59 DP 16603
Te Kōpuke / Tītīkōpuke / Mount St John	Lot 1 DP 334602
	Lot 2 DP 413830
	Lot 13 DP 20564
	Lot 2 DP 35331
Te Tātua a Riukiuta / Big King	Lot 4 DP 44196

Land contiguous with parks subject to Treaty of Waitangi settlement	
	Lot 3 DP 44196
	Lot 5 DP 108794
	Lot 4 DP 21107
	Lot 5 DP 108794
	Lot 1 DP 108794
	Pt Allotment 80 SECT 10 SBRS of Auckland

5. Other parks of regional significance

Other parks subject to special arrangements due to their regional significance

Auckland Domain	Decision making allocation for Auckland Domain is geographically split, with the Waitemata Local Board being allocated responsibility for the playing fields areas and two community recreational leases (Auckland Bowling Club and Parnell Tennis Club), and the balance of land within Auckland Domain being allocated to the Governing Body. The Waitemata Local Board and the Governing Body have delegated decision making to the Auckland Domain Committee, a joint governance committee of the Waitemata Local Board and Governing Body.
Colin Dale Park	Decision making allocation for Colin Dale Park is geographically split, with Governing Body being allocated the responsibility for the motorsport precinct (44.3052ha) and Ōtara-Papatoetoe Local Board allocated responsibility for the land zoned for community use (10.1355ha)

Schedule 2 - Auckland Council Events Policy categories

The Events Policy identifies three categories of events, local, regional and major.

Local events - An event is considered to be a local activity governed by local boards unless it meets the criteria for a regional or major event as defined in this policy.

Regional and major events - An event must demonstrate the strategic outcomes, appeal, profile and economies of scale to be categorised a regional or major event as defined in the table below. It will have most, if not necessarily all, of the distinguishing characteristics below.

Event Category	Strategic Outcomes	Appeal – breadth and depth of the event	Profile	Regional Coordination
Regional	<ul style="list-style-type: none"> delivers regional objectives set by the Governing Body helps deliver on Auckland-wide strategies such as for sport and recreation, arts and culture offers a distinctive event proposition for the region. 	<ul style="list-style-type: none"> demonstrates it draws from a regionally-distributed audience e.g. appeals to a specific demographic or interest group that is geographically dispersed across the region demonstrates a size and scale that is regionally significant. 	<ul style="list-style-type: none"> has region-wide and maybe national profile, demonstrated through media and wide public awareness. 	<ul style="list-style-type: none"> demonstrates clear benefits of decisions being coordinated at a region-wide level only if the nature of the event is such that decision-making on an Auckland-wide basis will better promote community well-being across Auckland e.g. delivered in multiple locations across the region, ensuring regional distribution, ability to attract sponsorship, region-wide marketing and promotion.
Major	<ul style="list-style-type: none"> delivers economic development outcomes delivers significant economic return on investment provides measureable economic benefits such as significant increase in visitor nights. 	<ul style="list-style-type: none"> appeals to regional, national and international audiences and participants a large mass appeal social event that is distinctive to Auckland. 	<ul style="list-style-type: none"> has regional, national and international profile. 	

3.6 Auckland Airport Shareholding Policy

Policy purpose and overview

The purpose of this policy is to set out the strategy for managing the council's investment in Auckland International Airport Limited (AIAL), the NZX listed company that owns and operates Auckland Airport.

The policy does not provide for any sale of the council's current shareholding in AIAL, with the exception of additional shares received through the Dividend Reinvestment Plan, rights issues (or similar) or where there are exceptional circumstances. The policy allows the council to undertake a technical transfer of its shareholdings as part of a restructuring transaction that will result in the number of AIAL shares council holds being no less than prior to the transaction.

Policy background

As at November 2020, the council owns 266,328,912 shares in AIAL, which equates to an 18.09 per cent shareholding.

Section 5 of the LGA 2002 defines the council's shareholding in AIAL as a strategic asset. Under section 97 of the act, a transfer of ownership or control of a strategic asset can only occur if the decision to do so is provided for in the council's long-term plan.

Policy details

Objectives for shareholding

The objectives are to maintain a strategic stake in Auckland Airport as an important national and regional asset, and ensure an appropriate financial return from the investment in the airport.

Strategy

The council's strategy is to:

- maintain the number of shares it holds in AIAL
- consider selling its shares only if the council would be substantially better off as a result, or worse off by maintaining its holding or where the sale relates to the realisation of council's participation in any dividend reinvestment plan, rights and securities issues, takeover offers, mergers, capital restructuring or similar transaction
- maintain a strong relationship with AIAL directors and senior officers
- monitor the risks associated with the airport both operationally and financially.

Dividend reinvestment plan

Council's default position will be to not participate in AIAL's Dividend Reinvestment Plan, but the council may decide to make an exception from time to time.

Rights and securities issues

The council will decide whether or not to participate in rights and securities issues (or similar) on a case by case basis. In determining whether it will participate, council will take into account the:

- matters set out in this policy
- impact on the council's financial position of funding an additional investment
- extent of any discount to market in the issue price, taking into account the likelihood of the council being able to realise this
- future prospects for the business
- economic effects of the rights or other securities issue structure.

Takeover offers, mergers and capital restructuring

The council will assess any options that may become available to it in exceptional circumstances against the following seven general criteria. In applying these criteria, the council will follow the decision-making principles outlined in the LGA 2002.

1. Overall impact: the overall impact on the current and future social, economic, environmental and cultural well-being of the community. This assessment will include the likelihood of Auckland Airport's role as an integral part of the city's regional and national transport system being enhanced or compromised.
2. Feasibility: the likelihood of successfully implementing the option, as measured by the extent of tax, legal and other issues that would need to be worked through.
3. Strategic value: the impact in terms of the council's long-term objectives, desired community outcomes and the broader public interest. This would be reflected in factors such as:
 - a. the council's ability to have input into the appointment of directors to the board of Auckland Airport
 - b. the council's ability to have input into the management of Auckland Airport
 - c. the level of public scrutiny of the management of Auckland Airport
 - d. the level of council ownership and influence
 - e. the size of shareholding held by a single shareholder other than the council should not exceed 50 per cent
 - f. the extent of New Zealand ownership of Auckland Airport
 - g. the commitment of new shareholders to the development of the airport.
4. The council's ability to block a full takeover of Auckland Airport, or otherwise block ownership changes that could significantly impact on the business plan and operations of Auckland Airport.
5. Financial returns: the impact on the council's projected after-tax cash flows.
6. Liquidity: the ability of the council to quickly convert its shareholding to cash if required. This would be reflected in factors such as whether the council's shares can still be traded on the New Zealand Stock Exchange, the likely number of buyers for the council's shareholding, and any new procedures or restrictions that may be put in place in relation to the council exiting its investment.
7. Risk: the likelihood and impact of negative consequences. This includes any operational risk associated with changes to the management or operation of AIAL, as well as any financial risk associated with an increase in AIAL's level of debt funding. A higher level of debt would reduce the airport's capital expenditure flexibility and increase the risk associated with the airport's ability to make future distributions to shareholders.

The council recognises that, as AIAL is a widely held company, it may not in all circumstances be able to achieve all of the objectives above but will ensure that as many as possible are realised. The council may consider selling its shareholding in the event of a takeover that would leave it as the only other remaining shareholder and hence lacking any influence over the direction of the airport.

Implementation options

A change in ownership or control of some or all of the council's shareholding in AIAL or a restructure of the council's interest may take place by any of the options listed below, or by a combination of those options, or in any other ways that satisfy the council's policy set out above.

Option 1: The council joins a consortium, which will execute a full or partial takeover or otherwise acquire a substantial stake in AIAL. The council would achieve an ultimate stake at least equivalent to its percentage holding in the Auckland Airport prior to the transaction in the airport by taking shares, or other securities, in the consortium.

Option 2: The council agrees to AIAL merging with another company, exchanging the council's shares in the airport for shares or other securities in the new entity, provided the council would achieve an ultimate stake in the new entity at least equivalent to its percentage holding in the AIAL prior to the transaction.

Option 3: The council agrees to AIAL being restructured so that its business units separate into stand-alone entities, with the council receiving a proportionate equity stake in one or all of the stand-alone entities, provided that the council would achieve an ultimate stake at least equivalent to its percentage holding in the AIAL prior to the transaction of the combined equity of the stand-alone entities.

Option 4: The council sells shares, or other securities, in Auckland Airport for cash or some other form of consideration, provided that the council's ultimate stake in the airport is at least equivalent to its percentage holding in the Auckland Airport prior to the transaction.

Option 5: The council buys shares or other securities in Auckland Airport.

Option 6: The council transfers its ownership stake in Auckland Airport to a holding company.

Option 7: The council exchanges its share in the airport for other securities in the airport.

Decision-making under this policy

Any decision made under this policy will require the prior approval of the Finance and Performance Committee or the Governing Body. If it is not practicable to hold a meeting within the required timeframes to make a decision, the decision can be made by the Mayor and any two of the Deputy Mayor, Chair and Deputy Chair of the Finance and Performance Committee, after receiving advice from the Chief Executive.

Adoption and amendment of this policy

The council may be required to use a long-term plan amendment process and the special consultative procedure set out in the LGA 2002 to make any significant amendments to this policy.

3.7 Summary of Significance and Engagement policy

Auckland Council's Significance and Engagement Policy (the Policy) sets out the council's general approach to determining the significance of matters and how the council will engage with the community on matters before it makes decisions. The policy also lists the council's strategic assets.

The policy also contains references to supporting information used to support staff in applying the policy and other reference material, together with an overview of council's decision-making responsibilities and some key definitions.

This section provides a summary of the council's Significance and Engagement Policy. The full policy is available at <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/Documents/significance-engagement-policy201412.pdf>

Policy summary

The council will assess the degree of significance of proposals and decisions and the appropriate level of community engagement in accordance with the policy in the early stages of a proposal before decision making occurs. If necessary, the council will reconsider this assessment as the proposal develops.

The council will consider the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of community engagement:

- legal requirements to engage with the community
- the number of people affected, the degree to which they are affected and the likely impact of a decision
- whether the type of decision is likely to generate wide public interest within the local board area (local board decision) or within Auckland and New Zealand (governing body decision)
- the impact of the decision on the governing body or local board ability to deliver on actions that contribute to the Auckland Plan, as well as any statutory responsibility
- the impact of the decision on the intended service levels for a group of activities, including the start/stop of any group of activity
- the financial implications of the decision
- the degree to which the decision or proposal can be reversed should circumstances warrant, and
- the relationship of Māori, and their culture and traditions, in respect of any decision impacting on ancestral lands, water, sites, waahi tāpu, valued flora and fauna and other taonga.

Where required, the council will use a special consultative procedure as set out in Section 83 of the Local Government Act 2002. For all other matters requiring a decision, the council will determine the appropriate level of community engagement on a case by case basis.

The level of community engagement the council will undertake in relation to a proposal or decision will depend on the significance of that proposal or decision. In general, the more significant a matter, the greater the extent to which the council will engage with the community on it.

All engagement with the community by the council will be carried out in accordance with the principles set out in the Local Government Act 2002 and the policy.

In limited cases, the council may need to make a decision that is inconsistent with the policy (for example, where failure to make a decision urgently would result in unreasonable or significant damage to property, or risk people's health and safety). In such cases, the council will follow the process set out in section 80 of the Local Government Act 2002.

3.8 Overview of Auckland Council's CCOs

A council-controlled organisation (CCO) is a company or organisation in which the council controls 50 per cent or more of the votes or the right to appoint 50 per cent or more of the directors or trustees.

The council uses CCOs to apply commercial disciplines and specialist expertise in the management of key regional council assets and efficient service delivery.

CCOs are accountable to the council, which agrees the objectives and targets for each CCO and also monitors their performance. The council, in turn, is accountable to ratepayers and residents for the performance of the CCOs. The council is required to have a policy on the accountability of its substantive CCOs. The policy establishes the council's enduring expectations for each CCO. The council's CCO Accountability Policy can be found as Section 3.9 of this document.

To find out more about each of the CCOs, refer to their Statements of Intent, which can be found on the council's website. <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-annual-reports/Pages/cco-statements-of-intent.aspx>

The substantive CCOs

A substantive CCO¹ is either responsible for the delivery of a significant service or activity on behalf of the council or owns or manages assets with a value of more than \$10 million.

The council's substantive CCOs are:

- **Auckland Transport (AT)** – responsible for managing the region's transport system. AT provides Auckland's transport requirements (except state highways and Auckland motorways) which include roads, footpaths, cycleways, the public transport network and parking and enforcement.
- **Auckland Unlimited** – responsible for enriching cultural and economic life in Tāmaki Makaurau by creating and sharing experiences and opportunities. Auckland Unlimited aims to drive investment and support Auckland businesses to innovate and thrive, enhance Auckland as a culturally vibrant city, provide experiences and opportunities for all, and tell the Auckland story to Aucklanders, New Zealanders and the international community. It manages major regional facilities and landmark venues across the region, including: ANZ Viaduct Events Centre, Aotea Centre, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium, North Harbour Stadium, Western Springs Stadium and the New Zealand Maritime Museum.
- **Panuku Development Auckland (Eke Panuku)** – partners with the development sector, iwi and central government to facilitate redevelopment of selected areas across Auckland to promote quality built environments and residential and commercial growth. Eke Panuku will actively review the council group property portfolio for sites that are surplus to service requirements, require renewal or are underutilised and make land available for redevelopment. Eke Panuku will continue to redevelop the city waterfront area and manage non-service properties on behalf of the Auckland Council Group. Eke Panuku also manages on behalf of the council the Westhaven Marina Limited, Westhaven (Existing Marina) Trust and Westhaven (Marina Extension) Trust.
- **Watercare Services Limited (Watercare)** – provides high quality drinking water supply and wastewater treatment and disposal for the Auckland region. Watercare's subsidiaries are: Lutra Limited and Auckland City Water Limited. Watercare also has a relationship with and provides funding to the Water Utility Consumer Assistance Trust and the Watercare Harbour Clean-up Trust.

Contribution to council strategies and activities

As this plan is prepared on a group basis, each of the substantive CCOs' financial and performance information is embedded with the group of activity information contained in this plan. The group of activities information can be found in Section 2 of this document. The groups of activities that each CCO contributes to are listed below.

¹ The meaning of CCO includes subsidiaries of CCOs. For the purpose of this document any reference to a substantive CCO means the substantive CCO and its subsidiaries.

CCO	Group of activities
AT	Public transport and travel demand management Roads and footpaths
Auckland Unlimited	Council controlled services
Eke Panuku	Council controlled services
Watercare	Water supply Wastewater treatment and disposal

Legacy CCOs

In addition to its substantive CCOs, Auckland Council has several CCOs which were established before amalgamation. These are commonly referred to as legacy CCOs.

While legacy CCOs are smaller in size and scale, they provide a valuable service to a wide range of stakeholders and are key contributors to delivering council programmes and services.

The following three CCOs are required to meet CCO governance requirements such as half-year and annual reports and Statements of Intent:

- **Community Education Trust Auckland (COMET Auckland)** – promotes and supports better education and training opportunities, especially for communities of high educational needs across Auckland
- **Contemporary Art Foundation** – promotes the arts through ownership and management of the Te Tuhi Centre for the Arts, a public gallery in Pakuranga which hosts local, national and international art exhibitions
- **Manukau Beautification Charitable Trust** – the Trust promotes, supports and undertakes programmes, actions and initiatives to beautify Auckland.

The following four CCOs are exempt from CCO governance requirements such as half-year and annual reports and Statements of Intent:

- **Te Taumata Toi-a-Iwi (Arts Regional Trust)** – aims to grow entrepreneurship in the Auckland's arts, culture and creative sectors to generate cultural, creative and economic outcomes that benefit the region through the provision of unique and innovative programmes
- **Māngere Mountain Education Trust** – the Trust administers the Māngere Mountain Education Centre (MMEC) which provides educational opportunities for Aucklanders of all ages to learn about Māngere mountain and its people
- **Mount Albert Grammar School Community Swimming Pool Trust** – supports the Mt Albert Aquatic Centre, which is a local community pool
- **Te Puru Community Charitable Trust** – manages the community centre at Te Puru Park and supports sports, leisure, community and cultural groups in the Beachlands, Maraetai and Whitford communities.

3.9 CCO Accountability Policy

This policy sets out the council's expectations for its substantive council-controlled organisations (CCOs) in accordance with section 90 of the Local Government (Auckland Council) Act 2009 (LGACA) and more generally the approach used for accountability of substantive CCOs by Auckland Council.

This policy is designed to be understood in conjunction with:

- The general accountability expectations on CCOs required by Part 5 of the Local Government Act 2002
- The Statement of Expectations issued under section 64B of the Local Government Act 2002
- The Statements of Intent of each CCO, as described in Schedule 8 of the Local Government Act 2002
- The constitutions (where applicable) of each CCO
- section 92(2) of the Local Government (Auckland Council) Act 2009 which requires each substantive CCO to act consistently with the relevant aspects of any other plan (including a local board plan) or strategy of the Council to the extent specified in writing by the governing body of the Council.
- section 64A of the Local Government Act 2002 under which council can require CCOs to prepare and deliver additional plans, including an asset management plan, long-term plan and one or more thematic plans.

Under section 92(1) of the Local Government (Auckland Council) Amendment Act 2009, a substantive CCO must give effect to the aspects of the council's Long-term Plan relevant to it. The CCO accountability policy must be included in the council's Long-Term Plan (section 90(3)(b)), and as such forms part of it. Amendments to the policy can only be done through an amendment to the Long-term Plan (section 90(3)(c)).

The council's expectations for CCO's contribution to the council's objectives and priorities

Section 90(2) of the LGACA sets out the requirements of the accountability policy, and states that:

“(2) The policy must—

- a) *include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, the Council's objectives and priorities.*
- b) *include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, any relevant objectives and priorities of central government.”*

Central government departments have been involved in the development of plans and strategies of the council, including the Auckland Plan and others such as the Auckland Transport Alignment Plan. Therefore, the objectives and priorities of central government are reflected in the expectations set out in this policy.

The Auckland Plan 2050 is our 30-year strategy for growth and development which brings together social, economic, environmental and cultural objectives for Auckland (not just Auckland Council). The plan comprises the Development Strategy and six outcomes.

The Long-term Plan is our 10-year Budget that outlines Auckland Council's funding priorities to deliver on the Auckland Plan.

Statement of Expectations

Auckland Council has a number of expectations of each substantive CCO. Additional expectations to those set out in this Policy are set out in the Statement of Expectations issued in accordance with section 64B of the Local Government Act 2002. These expectations may include:

- How the CCOs should conduct relationships with council, communities, specified stakeholders within those communities and iwi/hapu/Māori organisations
- The expectation that CCOs must act consistently with statutory obligations of the council, including council's obligations pursuant to third party agreements

- Any other shareholder expectations, such as expectations in relation to community engagement and collaboration with shareholders and others in the delivery of services.

The statement of expectations is published on Auckland Council's website.

1.1 Common expectations

Auckland Council has a number of common expectations of all its substantive council-controlled organisations in respect of their contribution to, and alignment with, the council's objectives and priorities. Each substantive CCO is to meet the common expectations set out below and the specific expectations for each.

1.1.1 Improve outcomes for Māori

The substantive CCOs are to give effect to the council's Māori Outcomes framework 'Kia ora Tāmaki Makaurau' and foster more positive and productive relationships between the council group and Māori, develop the ability of the council group and its people to respond more effectively to Māori and contribute to Māori wellbeing by developing strong Māori communities in Tāmaki Makaurau. This is to be achieved by:

- Ensuring that the principles of te Tiriti o Waitangi, such as shared decision-making, partnership and mutual benefit, are applied consistently in activities and decision-making.
- Implementing and reporting on agreed Te Tiriti o Waitangi Audit actions and Māori Responsiveness Plans.
- Fulfilling statutory obligations to Māori under the Local Government (Auckland Council) Act 2009, Local Government Act 2002 and other statutes.
- Providing council with information necessary to fulfil its statutory duties to the Independent Māori Statutory Board under the Local Government Auckland Council Act 2009, in particular section 88.
- Enabling Māori outcomes.
- Valuing te ao Māori – the Māori world view.
- In addition, the substantive CCOs are to contribute to achieving a collaborative and aligned approach across the council group to working with mana whenua and matāwaka.

1.1.2 Health and safety

Each substantive CCO is to give effect to the group Health, Safety and Wellbeing Policy Statement. This sets out principles and behaviours to give effect to the health and safety vision of the group.

1.1.3 Group policies

Each substantive CCO is to implement agreed existing group policies and participate in the development of any further group policies.

1.1.4 Significance and engagement

Each substantive CCO is to include customers and communities in decision making where appropriate, using the principles in the Significance and Engagement Policy.

1.1.5 Climate change and reducing carbon emissions

- Each substantive CCO is to contribute towards reducing carbon emissions and contributing towards a climate resilient future. This is to be achieved by:
- Supporting the implementation of actions identified in Te Tāruke-ā-Tāwhiri Auckland Climate Plan as appropriate for each CCO.
- Supporting the delivery of our regional and organisational targets of halving emissions by 2030, reaching net zero by 2050 and taking a precautionary approach to planning for the impacts of climate change
- Embedding climate change considerations into investment decision-making and planning, and corporate policies regarding both emissions reduction and addressing the impacts of current and on-going climate change.
- Fully assessing and disclosing its climate-related risks to support Council's reporting requirements under in the Climate Change Response (Zero Carbon) Amendment Act and its commitment to disclosure on climate-related financial risks through its group Annual Report.

1.2 Council's expectations of CCO alignment with and contribution to Council's objectives and priorities

1.2.1 Auckland Unlimited Limited

In 2020 Regional Facilities Auckland Limited amalgamated with Auckland Tourism, Events and Economic Development Limited, and is now known as Auckland Unlimited Limited. The purposes of Auckland Unlimited Limited include enriching cultural and economic life in Tāmaki Makaurau by creating and sharing experiences and opportunities and acting as the corporate trustee of the Regional Facilities Auckland Trust.

Auckland Unlimited Limited aligns with and contributes to the following Auckland Plan outcomes:

Outcome: Belonging and Participation

- Create safe opportunities for people to meet, connect and enjoy community and civic life
- Recognise the value of arts, culture and sports and recreation to quality of life

Outcome: Māori Identity and Wellbeing

- Promote Māori success, innovation and enterprise
- Showcase Auckland's Māori identity and vibrant Māori culture
- Celebrate Māori culture and support te reo Māori to flourish

Outcome: Environment and cultural heritage

- Ensure Auckland's natural environment and cultural heritage is valued and cared for

Outcome: Opportunity and Prosperity

- Create the conditions for a resilient economy through innovation, employment growth and raised productivity
- Attract and retain skills, talent and investment
- Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy
- Leverage Auckland's position to support growth in exports

It does this by undertaking the following activities:

- Managing and/or partnering with Auckland's important cultural heritage institutions (including Auckland Zoo, MOTAT, Auckland Art Gallery, New Zealand Maritime Museum, Auckland War Memorial Museum)
- Maintaining and developing, and partnering with sporting and entertainment venues (The Civic, Aotea Centre, Eden Park, Mt Smart Stadium, North Harbour Stadium, Bruce Mason Theatre)
- Attracting visitors to Auckland and ensuring a range of experiences are available for them to enjoy, including festivals and exhibitions, museums and attractions, and arts, cultural and sporting events
- Partnering with other agencies which support business, such as Ministry of Business, Innovation and Employment, Chamber of Commerce, New Zealand Trade and Enterprise and others.
- Attracting and providing services and venues for business events - meetings, conferences, conventions, exhibitions and incentive activity.
- Delivering programmes to attract investment alongside partners including central government, managing specific facilities for sectors such as film, connecting businesses to resources to help them grow and support skills development.
- Providing an umbrella approach to a compelling and aligned Auckland story across business, entertainment, and cultural assets.

1.2.2 Auckland Transport

Auckland Transport was legislatively established as a CCO at amalgamation in 2010, to contribute to an effective, efficient, and safe Auckland land transport system in the public interest¹.

Auckland Transport aligns with and contributes primarily to the following Auckland Plan outcomes:

- Outcome: Transport and Access
- Better connect people, places, goods and services
- Increase genuine travel choices for a healthy, vibrant and equitable Auckland
- Maximise safety and environment protection

In doing so, Auckland Transport is to:

- Make Auckland's transport system safe by eliminating harm to people.
- Accelerate better travel choices for Aucklanders.
- Better connect people, places, goods and services.
- Enable and support Auckland's growth through a focus on intensification in brownfield areas, with some managed expansion into emerging greenfield areas.
- Improve environmental resilience and sustainability of the transport system, and significantly reduce the greenhouse emissions it generates.

Auckland Transport is to contribute to other relevant outcomes in the Auckland Plan, including:

- Outcome: Māori Identity and Wellbeing
- Outcome: Belonging and Participation
- Outcome: Homes and Places
- Outcome: Environment and Cultural Heritage
- Outcome: Opportunity and Prosperity

It contributes to these outcomes by undertaking the following activities:

- Providing an excellent customer experience for all services and customers.
- Supporting the Council Group's contribution towards Māori wellbeing outcomes, expectations and the aspirations of Māori under the Treaty of Waitangi.
- Collaborative partnering with funders, partners, mana whenua, stakeholders and communities.
- Running an operating model that is agile, financially sustainable and delivers economic benefits.
- Enabling and enhancing culture and capability.

¹ Section 39, Local Government (Auckland Council) Act 2009.

1.2.3 Eke Panuku Development Auckland Limited

Eke Panuku Development Auckland Limited (Eke Panuku) was formed in 2015 as a merger of Auckland Waterfront Development Agency Limited and Auckland Council Property Limited. Its purposes include facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities. Eke Panuku also manages council's non-service property portfolio and provides strategic advice on council's other property portfolios.

Eke Panuku aligns with and contributes to the following Auckland Plan outcomes:

Outcome: Homes and Places

- Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living
- Accelerate the construction of homes that meet Aucklanders' changing needs and preferences
- Develop a quality compact urban form to accommodate Auckland's growth

Outcome: Belonging and Participation

- Create safe opportunities for people to meet, connect, participate in, and enjoy community and civic life

Outcome: Opportunity and Prosperity

- Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy
- Outcome: Māori identity and wellbeing
- Showcase Auckland's Māori identity and vibrant Māori culture
- Celebrate Māori culture and support te reo Māori to flourish
- Reflect mana whenua mātauranga and Māori design principles throughout Auckland

Outcome: Environment and cultural heritage

- Use green infrastructure to deliver greater resilience, long-term cost savings and quality environmental outcomes

It does this by undertaking the following activities:

- Regeneration and development of council's agreed urban locations by making the most of Auckland Council owned land and working with the council, other council-controlled organisations, the crown and infrastructure providers to facilitate urban regeneration
- Selling Auckland Council's surplus property, and where appropriate, reviewing council's service property for optimisation and redevelopment opportunities
- Managing council's assets/property including commercial, residential and marina infrastructure, or redevelopment incorporating a service delivery function
- Undertaking other property-related services such as strategic property advice, place making, acquisitions and disposals
- Ensuring that its capital and operating expenditure, policies and plans (including locally-specific development plans) are directed towards achieving these objectives and priorities.

1.2.4 Watercare Services Limited

Watercare Services Limited (Watercare) provides Auckland's integrated water supply and wastewater services. Watercare aligns with and contributes to the following Auckland Plan outcomes²:

Outcome: Environment and cultural heritage

- Ensuring Auckland's natural environment and cultural heritage is valued and cared for
- Applying a Māori world view to treasure and protect our natural environment (taonga tuku iho)
- Using growth and development to protect and enhance Auckland's natural environment
- Ensuring Auckland's infrastructure is future-proofed

Outcome: Homes and places

- Developing a quality, compact urban form to accommodate Auckland's growth

Outcome: Māori identity and wellbeing

- Advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights.

It does this by undertaking the following activities:

- Delivering high quality drinking water to its customers
- Treating wastewater to a high standard before discharging it to the environment
- Maintaining and expanding water and wastewater infrastructure to cater for Auckland's growth
- Implementing, through its role as a provider of infrastructure critical to urban development, the Development Strategy set out in the Auckland Plan.
- Working with the council, other council-controlled organisations and infrastructure providers to achieve the council's objectives and priorities in an efficient and effective way, including in particular the optimisation and integration of water, wastewater and stormwater (the three waters) outcomes for the benefit of current and future Aucklanders.

² Watercare also has specific statutory obligations as the 'Auckland water organisation', which are set out in sections 57 and 58 of the Local Government (Auckland Council) Amendment Act 2009.

2. Additional reporting requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

- a) *specify any reporting requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.*”

2.1 Statutory requirements

Sections 66 to 68 of the Local Government Act 2002 (LGA) set out requirements for CCOs to provide half-yearly and annual reports on their operations to the council.

The half-yearly report must be provided within two months after the end of the first half of each financial year. The annual report must be delivered to the council no later than three months after the end of the financial year, and must be publicly available on the CCO’s website, with a hard copy available to any member of the public upon request. The release of the half-yearly and annual reports are required to be managed in accordance with the New Zealand Exchange (NZX) continuous disclosure requirements as noted under Section 2.4.

In addition to the statutory requirements, each substantive CCO is to provide additional reporting as set out below.

2.2 Quarterly reporting

In addition to the statutory requirements for half-yearly and annual reports, the council requires all substantive CCOs to provide:

- a quarterly report on their statement of intent (SOI) performance to the council, no later than 1 month after the end of the first and third quarter of each financial year.³The quarterly report must report against the performance targets set out in its SOI, and must be in the format required by the council.
- a group financial quarterly reporting pack as per instructions and timeframes issued by the Group Financial Controller (which includes financial and other information required by the council to fulfil its reporting obligations under legislation and New Zealand Exchange (NZX) regulations)

2.3 Attendance at council committee meetings

The chair and chief executive of each substantive CCO are expected to appear before the relevant council committee when it meets to consider the CCO’s performance against its SOI.

Representatives from the board of each substantive CCO may be required to appear before the relevant council committee when it meets to consider its annual report and/or fourth quarter report.

2.4 New Zealand Exchange requirements

Substantive CCOs must adhere to the New Zealand Exchange (NZX) requirements and work with the council on the timing of public release of financial information. In particular, CCO and group information must remain confidential until the group interim report and the Auckland Council preliminary NZX release by the council are released to the NZX at the end of February and August, respectively or as advised from time-to-time by the Group Treasurer.

Substantive CCOs must also comply with the requirements of the Disclosure Policy relating to Auckland Council.

2.5 Audit and risk reporting requirements

Each substantive CCO is to:

- Provide a risk report and top risks register (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis.

³ As provided for in s91(1)(b) of the Local Government (Auckland Council) Amendment Act 2009.

- Provide a risk summary (using standard template format) to be reported to the council’s Audit and Risk Committee on a quarterly basis. This summary will be reported to the council’s Audit and Risk Committee as a confidential item.
- Ensure relevant board members (or their delegates) attend the meeting of the council’s Audit and Risk Committee as requested by the committee. This will be every twelve months or as the Committee requires.
- As part of end of financial year processes, report all Audit New Zealand findings through council staff to the council’s Audit and Risk Committee in format specified by council and attend the relevant Audit and Risk Committee meeting to discuss these audit and financial risk updates.

2.6 Provide information as required

Each substantive CCO is required to provide information on any aspect of a CCO’s performance against its statement of intent if required to by a resolution of the relevant council committee.

3. Additional planning requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

- a) *specify any planning requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

3.1 Inputs to 10-year Budget and Annual Plan

Each substantive CCO is to have asset management plans, activity plans, performance frameworks and supporting financial information as inputs to the council’s 10-year Budget and Annual Plan in accordance with the timeframes and other requirements specified by the council.

Each substantive CCO should provide council with an updated asset management plan on an annual basis, in August of each year. This is to inform the group planning and budgeting processes and support monitoring of council’s urban growth strategy and other strategies. The updated asset management plan should clearly outline assumptions made and the information that has informed those assumptions.

3.2 Further requirements

Each substantive CCO must:

- Use accounting policies and standards that are consistent with the council group’s accounting policies and standards.
- Comply with council tax initiatives and policies.
- Follow any other planning requirements specified by the council and notified to CCOs.
- Prepare a Māori Responsiveness Plan, and work with the council to monitor and report against it.
- Prepare a local board engagement plan in accordance with the framework specified by council.

4. Management of strategic assets by council-controlled organisations

Section 90(2) of the LGACA states that:

“(2) The policy must—

- a) *identify or define any strategic assets in relation to each substantive council-controlled organisation and set out any requirements in relation to the organisation’s management of those assets, including the process by which the organisation may approve major transactions in relation to them.”*

4.1 Definition and identification of strategic assets

Strategic assets are defined in section 5 of the Local Government Act 2002 as assets that a local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community. This includes:

- a) any asset or group of assets listed in the local authority's Significance and Engagement Policy; and
- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
 - I. a port company;
 - II. an airport company.

For the purposes of this policy, the council considers that the “current or future well-being of the community” means the economic, social, environmental and cultural well-being, and the health and safety of communities.

The strategic assets owned and/or managed by the council's substantive CCOs are any scheduled heritage buildings or structures and the assets set out in table 1.

Table 1 – Strategic assets owned or managed by substantive CCOs

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
Auckland Transport	The public transport network including Britomart	The roading network
Auckland Unlimited Limited as corporate trustee of the Regional Facilities Auckland Trust	Auckland Art Gallery (including the arts collections owned by Auckland Unlimited Limited) Auckland Zoo Aotea Centre Bruce Mason Theatre Civic Theatre Viaduct Events Centre North Harbour Stadium The council's contractual rights and interest in Auckland City Arena (known as Spark Arena) Mt Smart Stadium	
Eke Panuku Development Auckland Limited	None	The freehold interests in central Auckland waterfront land
Watercare Services Limited	The wastewater network The water supply network	none

4.2 Requirements in relation to the management of strategic assets by CCOs

4.2.1 Principles for the management of strategic assets

Each substantive CCO must manage the strategic assets set out in table 1 in a way that:

- maximises the long-term benefit of the strategic assets to Auckland.

- gives effect to the expectations set out in section 1 of this policy and the performance measures set out in this long-term plan.
- enables the CCO to achieve the objectives and performance measures set out in its statement of intent.

In making a decision about a strategic asset that may affect the council’s long-term interest in that asset or the associated service delivery to Aucklanders, each substantive CCO must consider the following factors in relation to the proposal, in addition to any of its own considerations:

- the contribution of the issue or proposal to meeting the council’s expectations of the CCO as set out in this policy, the long-term plan, Statement of Expectations and in the statement of intent.
- any impacts on the council’s other objectives or priorities (both positive and negative).
- its consistency with the council’s other plans and strategies, including area-specific plans.
- the likely financial impacts of the proposal, noting the opportunity cost of any investment or expenditure.
- the risks associated with the proposal, including its consistency with council’s enterprise risk framework and appetite.

4.2.2 Shareholder oversight of strategic assets and major transactions

Table 2 below provides guidance for CCOs about expectations for shareholder oversight of decisions about strategic assets and major transactions.

A fundamental principle is that CCOs must ensure that they comply with the no surprises policy and any requirements set out in a Statement of Expectations issued to a CCO, and engage with ward councillors and local boards on issues of local significance. An early discussion about the proposal with Council staff should be undertaken, before any decisions have been made which commit the CCO into a course of action, and with sufficient time for council to consider the proposal. Where it is not clear if the proposed action or decision is consistent with an agreed strategy of the council, a CCO should engage with council staff.

The table below sets out examples of transactions which may require shareholder oversight, but cannot capture the full range of possible situations and transactions which may be proposed by CCOs. For example, an action or decision may indicate shareholder approval is required under table 2 below, but not be material to the council’s long-term interest in the strategic asset and the associated service delivery to Aucklanders. In these cases, approval from the council may not be required. This can be granted at the discretion of the Mayor, Chair of the Finance and Performance Committee and the council’s Chief Executive, according to the criteria in the council’s Significance and Engagement Policy.

Table 2 – Shareholder oversight of strategic assets and major transactions

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
<ul style="list-style-type: none"> • Carry out a <i>major transaction</i> (defined in 4.2.3 below) • Undertake an action or make a decision which may affect the council’s long-term interest in a strategic asset or the associated service delivery to Aucklanders and: <ul style="list-style-type: none"> ○ which represents or may represent a departure from an agreed strategy of the council; or ○ where there is no agreed strategy of the council 	<ul style="list-style-type: none"> • The sale of any part of Britomart • A 20-year lease on waterfront land 	<p>Approval of the governing body of Auckland Council is required except where it is already provided for in the 10-year Budget. Note that some major transactions must be set out in the 10-year Budget.</p> <p>Some decisions must be included in the long-term plan. Section 97 of the Local Government Act 2002 requires that:</p> <p>(a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity and</p> <p>(b) a decision to transfer the ownership or control of a strategic asset to or from</p>

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
		the local authority must be explicitly provided for in the 10-year Budget, and must have been consulted on during the development of the 10-year Budget.
<ul style="list-style-type: none"> Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders which is consistent with an agreed strategy of the council 	<ul style="list-style-type: none"> Feasibility studies of a significant activity or investment The development of a water efficiency strategy 	<p>Refer to the fundamental principles described above about early engagement with council.</p> <p>In some cases approval of Auckland Council may be required, and in others, provisions of information to the governing body through a workshop or memorandum will be sufficient.</p> <p>Engage with relevant local boards in accordance with the Statement of Expectations.</p>
<ul style="list-style-type: none"> Undertake any operational actions that are part of day-to-day business, or which implement agreed decisions 	<ul style="list-style-type: none"> Entering into a contract for the provision of food and beverage services at Mt Smart Stadium 	No governing body oversight is required.

4.2.3 Definition of major transaction

For the purposes of this accountability policy, a “major transaction⁴” is:

- a) Any acquisition, disposal or replacement of a strategic asset, other than ongoing asset renewal in accordance with a CCO's asset management plan
- b) Any transaction or dealing in relation to a strategic asset:
 - Reducing control over the asset (whether directly or indirectly)
 - Reducing or materially affecting the asset's value
 - Granting any legal interest in the asset to a third party
 - Affecting the CCO's or council's ownership of the asset
- c) Any long-term contracts for the development or operation of a strategic asset (being a contract binding the CCO to a term exceeding fifteen (15) years, including any renewals at the contractor's option)
- d) Any matters covered by the rights and securities issues, takeover offers, mergers and capital restructuring sections of the Auckland Airport Shareholding Policy.

In relation to network infrastructure, a transaction only qualifies as a major transaction if it relates to any part of a network which:

- is integral to the functioning of the network as a whole, or
- substantially affects the level of service provided to the community.

A lease granted by a CCO on a strategic asset is not a major transaction if the lease:

- i. is granted in the ordinary course of the CCO's business on arms-length terms; and
- ii. does not exceed fifteen (15) years in duration (including any renewals at the lessee's option); and
- iii. does not exceed \$500,000 in rent per annum.

⁴ Note that this is a different definition of “major transaction” to that provided for in the Companies Act 1993, which has different requirements associated with it. Refer to section 4.2.4.

4.2.4 Major transactions under the Companies Act 1993

Under section 129 of the Companies Act 1993 a company must not enter into a major transaction unless the transaction is approved by special resolution; or contingent on approval by special resolution.⁵ This covers:

- a) the acquisition of, or an agreement to acquire, whether contingent or not, assets⁶ the value of which is more than half the value of the company's assets before the acquisition;
- b) the disposition of, or an agreement to dispose of, whether contingent or not, assets of the company the value of which is more than half the value of the company's assets before the disposition;
- c) a transaction that has or is likely to have the effect of the company acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the company's assets before the transaction.

Where a special resolution is required, it will be assessed against the criteria set out in section 4.2.5 below.

4.2.5 Process where the council's approval is required

Where approval of the council is required, it will be assessed against the following criteria:

- The contribution of the proposal to meeting the expectations set out in this policy and in the statement of intent, and other plans and strategies of council.
- The financial impacts of the decision.
- Evidence that the relevant CCO's Board has considered all of the relevant information which would influence the decision, including the risks and mitigations; and
- Any other factor that the council considers to be relevant, including consistency with council's enterprise risk framework and appetite.
- For decisions which require council approval, quality advice standards⁷ which are required for council decision-making should be adhered to by CCOs in papers prepared for board decision-making. Specifically, robust analysis of options and alternatives should be visible.

⁵ Special resolution means a resolution approved by a majority of 75 per cent or, if a higher majority is required by the constitution, that higher majority, of the votes of those shareholders entitled to vote and voting on the question.

⁶ Includes property of any kind, whether intangible or tangible.

⁷ A summary of Quality Advice Standards can be accessed here: <https://governance.aucklandcouncil.govt.nz/media/1095/quality-advice-standards.pdf>

4.0 Co-governance and co-management | Whakahaere takinga ā-rua

Auckland Council has entered into several agreements with joint decision-making bodies. These are referred to as either **co-governance** or **co-management** arrangements.

A **co-governance** entity is generally made up of appointed members from each partner organisation and the kaupapa includes strategic decisions such as policy and planning matters. Further information is in the table below.

A **co-management** entity generally includes appointed members from each partner organisation and the kaupapa focuses on operational management. Co-management arrangements include:

- Mutukaroa (Hamlins Hill) Trust
- Pukaki Co-Management Agreement
- Rangihoua and Tawaipareira Management Committee
- Waiomanu Pa Kainga Reserve Co-Management Agreement
- Te Motu a Hiaroa (Puketutu Island)
- Pukekiwiriki Paa Joint Management Committee.

The aim of the arrangements is effective management of maunga (mountains), wahapū (harbours) and motu (islands), whenua (land) and awa (rivers). They foster a strong, healthy relationship with Māori through shared decisions about these vital taonga, as well as improving the quality of life for all Aucklanders.

Co-governance and co-management arrangements bring a new approach to management that rests upon the Treaty of Waitangi relationship and which provides valuable connectivity between mana whenua and local government, and opportunities to deliver mutually beneficial social, environmental and resource management outcomes.

Co-governance entities

Co-governance entities	Purpose
Tūpuna Maunga o Tāmaki Makaurau Authority	The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Settlement vested the Crown-owned land in 14 tūpuna maunga ('Maunga') in Ngā Mana Whenua o Tāmaki Makaurau, on the basis that they are held in trust for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The tūpuna maunga are vested as reserves. The Maunga Authority is responsible as the administering body for the tūpuna maunga. For more information on the Tūpuna Maunga Authority Operational Plan 2021/2022 refer to the following Section 4.1 in this Volume.
Ngāti Whātua Ōrākei Reserves Board	The Ngāti Whātua Ōrākei Reserves Board (reserves board) is the statutory authority established under the Ngāti Whātua Ōrākei Settlement Act 2012 (and prior to that the Ōrākei Act 1991) to co-govern the Whenua Rangatira and Pourewa Creek Recreation Reserve. The reserves board is responsible for an expansive area of land lying on the harbour edge between Paratai Drive and Mission Bay, including Ōkahu Bay - the Whenua Rangatira - as well as an expansive area of bush and grassland to the east of Ōrākei Basin known as the Pourewa Creek Recreation Reserve.

Co-governance entities	Purpose
Te Poari o Kaipātiki ki Kaipara	<p>Te Poari o Kaipātiki ki Kaipara (formally the Parakai Recreation Reserve Board), is a co-governance entity that oversees Kaipātiki (formerly the Parakai Recreation Reserve).</p> <p>Kaipātiki provides access to Te Awa Kahawai, the Parakai geothermal field, and is located in the small township of Parakai in the South Kaipara region.</p> <p>Te Poari aims to manage Kaipātiki in a way that harnesses the healing qualities of the geothermal spring and reflects Ngāti Whātua o Kaipara and local community values.</p>

Further information on the co-governance entities can be found online here
<https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/kaupapa-maori/comanagement-authorities-boards/Pages/default.aspx>



**Tūpuna Maunga o Tāmaki Makaurau
CO-GOVERNANCE OF THE TŪPUNA MAUNGA/VOLCANIC CONES
SUMMARY OF THE TŪPUNA MAUNGA AUTHORITY
OPERATIONAL PLAN 2021/22**

www.maunga.nz

DRAFT

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) requires the Tūpuna Maunga o Tāmaki Makaurau Authority (Tūpuna Maunga Authority) and Auckland Council to prepare an Annual Operational Plan and a summary of that plan for inclusion in the Auckland Council's Annual Operational Plan 2021/22 process.

The Tūpuna Maunga Authority and Auckland Council are required to approve the Annual Operational Plan. The Tūpuna Maunga Authority Operational Plan 2021/22 must be considered and adopted concurrently with the Auckland Council's Operational Plan 2021/22. A summary of the Tūpuna Maunga Authority's indicative funding requirements are outlined in this Section.

NGĀ MANA WHENUA O TĀMAKI MAKAURAU

Ngā Mana Whenua o Tāmaki Makaurau negotiated a collective settlement of their historical Treaty claims with the Crown. Ngā Mana Whenua o Tāmaki Makaurau is the collective name of the 13 iwi/hapū with historical Treaty claims in wider Tāmaki Makaurau. The iwi/hapū are grouped into the following three rōpū:

MARUTŪĀHU RŌPŪ	NGĀTI WHĀTUA	WAIOHUA TĀMAKI RŌPŪ
Ngāti Maru	Ngāti Whātua o Kaipara	Ngāi Tai ki Tāmaki
Ngāti Pāoa	Ngāti Whātua Ōrākei	Ngāti Tamaoho
Ngāti Tamaterā	Te Rūnanga o Ngāti Whātua	Ngāti Te Ata
Ngāti Whanaunga		Te Ākitai Waiohua
Te Patukirikiri		Te Kawerau ā Maki

THE NGĀ MANA WHENUA O TĀMAKI MAKAURAU COLLECTIVE REDRESS ACT 2014

The Collective Redress Act 2014 vested the Crown owned land in 14 Tūpuna Maunga (ancestral mountains / volcanic cones) in Ngā Mana Whenua o Tāmaki Makaurau. They are held for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The Tūpuna Maunga are vested as reserves under the Reserves Act 1977.

THE 14 TŪPUNA MAUNGA ARE:

Matukutūruru/Wiri Mountain

Maungakiekie/One Tree Hill

Maungarei/Mount Wellington

Maungauika/North Head

Maungawhau/Mount Eden

Ōhinerau/Mount Hobson

Ōhūiarangi/Pigeon Mountain

Ōtāhuhu/Mount Richmond

Ōwairaka/Te Ahi-kā-a-Rakataura/ Mount Albert

Puketāpapa/Pukewīwī/Mount Roskill

Rarotonga/Mount Smart *

Takarunga/Mount Victoria

Te Kōpuke/Tītīkōpuke/Mount St John

Te Tātua a Riukiuta/Big King

CO-GOVERNANCE

The Act also established the Tūpuna Maunga Authority, a bespoke co-governance entity, to administer the Tūpuna Maunga.

The Authority has six representatives from Ngā Mana Whenua o Tāmaki Makaurau, six from Auckland Council and one non-voting Crown representative appointed by the Minister for Arts, Culture and Heritage. The term of the Authority aligns with the term of the Council.

Under the Act, the Tūpuna Maunga Authority is the administering body for each Maunga for the purposes of the Reserves Act 1977, with two exceptions of Maungauika / North Head and Rarotonga / Mount Smart.

Maungauika / North Head has previously been administered by the Crown (Department of Conservation) but has now been transferred to the Tūpuna Maunga Authority. Routine management is now undertaken by council under the direction of the Tūpuna Maunga Authority in the same way as for the other Maunga.

Responsibility for administration and management of Rarotonga / Mount Smart remains with Auckland Council (Regional Facilities Auckland) under the Mount Smart Regional Recreation Centre Act 1985 and Reserves Act 1977.

The Tūpuna Maunga Authority is also the administering body for Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain and the Maungakiekie / One Tree Hill northern land.

The legislation provides for funding and staff resourcing through Auckland Council. The Authority is currently supported by a core team of eight council staff across the Governance and Parks, Sport and Recreation units.

The scale of this co-governance arrangement is unparalleled in Auckland and the resulting unified and cohesive approach to caring for the Maunga has garnered widespread support.

STRATEGIC FRAMEWORK:

TŪPUNA MAUNGA INTEGRATED MANAGEMENT PLAN

The Tūpuna Maunga Integrated Management Plan (“IMP”) sets the foundations for how the Tūpuna Maunga are valued, protected, restored, enhanced, and managed in the future with equal consideration and reverence. The IMP established a set of Values for the Tūpuna Maunga which are outlined below.

The IMP was developed in accordance with Section 41 of the Reserves Act to provide for and ensure the use, enjoyment, maintenance, protection, preservation, and development as appropriate for the reserve purposes for which each of the Tūpuna Maunga is classified. This single integrated plan replaces the former separate legacy reserve management plans for the Tūpuna Maunga.

The IMP was approved in 2016 following a public consultation process and can be read online at www.maunga.nz.

TŪPUNA MAUNGA INTEGRATED MANAGEMENT PLAN STRATEGIES

The Tūpuna Maunga Integrated Management Plan Strategies are the next level of policy development for the Tūpuna Maunga and aim to support the Values and Pathways in the Tūpuna Maunga Integrated Management Plan 2016.

The IMP Strategies was approved in 2019 following a public consultation process and can be read online at www.maunga.nz.

TŪPUNA MAUNGA VALUES

Within the Tūpuna Maunga Integrated Management Plan, the Tūpuna Maunga Authority has articulated a set of values of the Tūpuna Maunga. The values promote the statutory purpose of the Tūpuna Maunga under section 109 of the Collective Redress Act, where in exercising its powers and functions the Authority must have regard to the spiritual, ancestral, cultural, customary and historical significance of the Tūpuna Maunga to Ngā Mana Whenua.

The values provide a strategic framework to guide the Tūpuna Maunga Authority in making any decision about the Tūpuna Maunga.

The values weave together and give expression to mana whenua and other world views, and the connections and histories in a manner that highlights the way in which these views complement each other and create a richness to the relationship people have with the Tūpuna Maunga and multiple ways in which ways in which these relationships are thought of and expressed.



VALUE

PATHWAYS

WAIKUATANGA / SPIRITUAL

- Restore and recognise the relationship between the Maunga and its people.
- Recognise the tihī is sacred.
- Tread gently.
- Treat the Maunga as taonga tuku iho – treasures handed down the generations.

MANA AOTŪROA / CULTURAL AND HERITAGE

- Enable mana whenua role as kaitiaki over the Tūpuna Maunga.
- Recognise European and other histories, and interaction with the maunga.
- Encourage culturally safe access.
- Restoring customary practices and associated knowledge.

TAKOTORANGA WHENUA / LANDSCAPE

- Protect the integrity of the landscape of the Tūpuna Maunga.
- Active restoration and enhancement of the natural features of the Maunga.
- Encourage activities that are in keeping with the natural and indigenous landscape.
- Encourage design that reflects Tūpuna Maunga values.
- Promote a connected network of Tūpuna Maunga.
- Preserve the visual and physical integrity of the Maunga as landmarks of Tāmaki.

MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY

- Strengthen ecological linkages between the Tūpuna Maunga.
- Maunga tū mauri ora, Maunga tū makaurau ora / if the Maunga are well, Auckland is well.
- Protect and restore the biodiversity of the Tūpuna Maunga.

MANA HONONGA TANGATA / LIVING CONNECTION

- Rekindle the sense of living connection between the Maunga and the people.
- Give expression to the history and cultural values of the Tūpuna Maunga.
- Actively nurture positive relationships.
- A place to host people.

WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL

- Alignment with the Tūpuna Maunga values.
- Foster partnerships and collaboration.
- Focus on commercial activities that create value and enhance experience.
- Explore alternative and self-sustaining funding opportunities.

MANA WHAI A RĒHIA / RECREATIONAL

- Balance informal and formal recreation.
- Encourage informal inclusive recreational activities.
- Recreational activities consistent with tikanga Māori.
- Maunga are special places and treasures handed down.
- Promote health and wellbeing.

TŪPUNA MAUNGA OPERATIONAL PLAN 2021/22

Each financial year, the Tūpuna Maunga Authority and Council must agree an annual operational plan to provide a framework in which the Council will carry out its functions for the routine management of the Tūpuna Maunga and administered lands for that financial year, under the direction of the Tūpuna Maunga Authority.

The Tūpuna Maunga Operational Plan 2021/22 identifies a number of projects to be delivered or commenced in the coming financial year and the subsequent two financial years. The Tūpuna Maunga Operational Plan 2021/22 also sets out the 10-year work programme and funding envelope confirmed through the Long Term Plan 2021 -2031. The budget for 2021/22 and the subsequent years fits within this funding envelope.

A copy of the Operational Plan can be found at www.aucklandcouncil.govt.nz

This work programme is a continuation from the Long-Term Plan 2018-28. This year's operational plan reflects the progress that has been made on this programme and includes further projects which have emerged from the Tūpuna Maunga Strategies.

PRIORITY PROGRAMMES AND PROJECTS OVER THE NEXT 3 YEARS INCLUDE:

POLICY AND MANAGEMENT

- Develop individual Tūpuna Maunga plans to provide direction on how the Values, Pathways, guidelines and strategies should be reflected on each Tūpuna Maunga.
- Progressing the potential transfer of administration over certain Maunga reserve lands from the Department of Conservation to the Authority, and the potential transfer of the administration of land contiguous to other Tūpuna Maunga
- Establishment of a compliance programme including a review of current and establishment of appropriate bylaws.
- Development of individual Tūpuna Maunga plans which reflect the Integrated Values and Pathways,

overarching guidelines and strategies for each of the Tūpuna Maunga.

HEALING THE MAUNGA

VALUES:

TAKOTORANGA WHENUA / LANDSCAPE VALUE

- Protection and restoration of the tihi (summits) including reconfiguring space and provision of cultural infrastructure.
- Protection and restoration of historic kumara pits, pā sites and wahi tapu
- Development of infrastructure to enhance visitor experience at including provision of carparks, amenity areas and ancillary infrastructure such as wharepaku/ toilets.
- Removal of redundant infrastructure (built structures, water reservoirs, impermeable surfaces, etc) and returning areas to open space

EDUCATION, COMMUNICATIONS AND PARTNERSHIPS

VALUES:

WAIKUATANGA / SPIRITUAL VALUE

- On-site staff to protect and enhance the Tūpuna Maunga and the visitor experience
- Volunteer programmes to connect communities to the Tūpuna Maunga
- Education programmes, community events and a bespoke website that celebrates the living connection that all communities have with the Tūpuna Maunga
- Implementation of the Education Strategy to promote the values of the Tūpuna Maunga and the unique history and whakapapa of Ngā Mana Whenua. This includes exploration of visitor centre

opportunities, connecting with communities of learning such as schools and the development of a communications strategy.

CULTURAL CONNECTION

VALUES:

MANA AOTŪROA / CULTURAL AND HERITAGE VALUE

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

- Development of a programme of work which enables Ngā Mana Whenua to express their living and unbroken connection with the Tūpuna Maunga. This may include cultural interpretation including distinct entrance ways, pou whenua, pa reconstructions, kaitiaki opportunities, and other cultural activities.
- Mana whenua living connection programme focusing on their role as kaitiaki (guardians), restoring customary practices and associated knowledge and enabling cultural activities

BIODIVERSITY/BIOSECURITY

VALUES:

MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY VALUE

- Restoration of indigenous native ecosystems; reintroducing native plants and attracting native animal species; removing inappropriate exotic trees and weeds (For context, see pages 58, 65-66, 71, 87, and 90-91 of the Tūpuna Maunga Authority Integrated Management Plan, and at pages 7 and 34 of the Integrated Management Plan Strategies)
- Pest control on all Maunga in line with Auckland's plan to be pest free by 2050
- Researching options to achieve efficient and effective animal and pest control methods, which includes a phased reduction in the use of herbicides and pesticides on the Tūpuna Maunga.

RECREATION AND ACTIVATION

VALUES:

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

MANA WHAI A RĒHIA / RECREATIONAL VALUE

- Exploration of facilities and activities on, around and between the Tūpuna Maunga which provide for passive and active recreational opportunities.

COMMERCIAL

VALUES:

WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL VALUE

- Develop and implement a commercial framework which ensures continued investment back into the Tūpuna Maunga. This includes exploration of potential commercial activities and facilities, as well as the development of a concession framework for commercial operators on the Maunga.

All projects are designed to deliver outcomes for the 13 iwi/hapū of the Tāmaki Collective and all the people of Auckland, enhance the mana and mauri of the Tūpuna Maunga and deliver improved open spaces across the eight local board areas.

They will also enable a compelling case in a future UNESCO World Heritage bid for the Tūpuna Maunga, which will contribute to a Māori identity that is Auckland's point of difference in the world. The bid for World Heritage status will require a dedicated resource and will continue to be progressed in this financial year in partnership with the Department of Conservation.

SUMMARY OF INDICATIVE FUNDING REQUIREMENTS

The funding for Tūpuna Maunga is set at a regional level. The 10 Year budget to enable the priority projects and programmes in the council's 10 Year Budget (Long Term Plan) 2021-31 is shown in Table 2.

The budget for 2021-22 fits within this 10 Year Budget (Long Term Plan) 2021-31 funding envelope.

TABLE 2 – FUNDING ENVELOPE FOR THE TŪPUNA MAUNGA AUTHORITY IN THE COUNCIL'S 10 YEAR BUDGET (LONG TERM PLAN) 2021-31

FUNDING ENVELOPE	2021/22 \$000's	2022/23 \$000's	2023/24 \$000's	2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's	2028/29 \$000's	2029/30 \$000's	2030/31 \$000's
Net operating expenditure:*										
Net operating expenditure: 2021-31**	3,489	3,512	3,642	3,897	3,917	3,917	3,917	4,358	4,460	4,557
Net operating expenditure: 2021-31(including inflation)***	3,524	3,600	3,792	4,127	4,219	4,297	4,376	4,955	5,160	5,364
Capital expenditure 2021-31	6,925	8,875	9,086	9,395	9,820	12,780	12,800	13,056	13,317	13,583
Total LTP Funding Requirement 2021-31	10,414	12,387	12,728	13,292	13,737	16,697	16,717	17,414	17,777	18,141
Total LTP Funding Requirement 2021-2031 (including inflation)	10,449	12,475	12,878	13,522	14,039	17,077	17,176	18,011	18,478	18,948

Notes:

* Net operating expenditure excludes depreciation

** Figures are in 2020/21 year values

*** Inflation is calculated at Council agreed rates

Wāhanga tuawha:
He pārongo atu anō

**Section 5:
Additional
information**



5.1 How the organisation is structured

Auckland Council's structure provides the scale for efficient delivery, a regional perspective that provides a clear direction for Auckland, and representation that reflects diversity, local flavour and active public participation.

The Mayor promotes our vision for Auckland to be a world class city and is tasked with leading the development of regional plans, policies and budgets to achieve that vision.

Auckland's 20 councillors, who represent 13 wards, make up the Governing Body along with the Mayor. It focuses on strategic issues and initiatives which affect Auckland as a region. Some decision-making powers are delegated to committees – three committees of the whole (Environment and Community; Finance and Performance; Parks, Arts Community and Events; and Planning), and reporting and standing committees (Appointments and Performance Review; Audit and Risk; Civil Defence and Emergency Management; Regulatory; Strategic Procurement; Auckland Domain; Value for Money and Council Controlled Organisation oversight).

We have 149 local board members, spread over 21 boards, who make decisions on the local services, such as parks, libraries, community halls and pools, which form the fabric of our local communities.

The Governing Body

This consists of the mayor and 20 councillors who are elected on a ward basis. The Governing Body focuses on the big picture and on Auckland-wide strategic decisions that are important to the whole region. Auckland is split into 13 wards, which are used for council elections. Councillors are elected to represent the Auckland region and they also sit on council committees.

The Mayor

The Mayor is elected by residents directly. The mayor leads the council and has enhanced responsibilities including promoting a vision for Auckland, providing leadership to achieve the vision, leading development of council plans, policies and budget, and engaging with the people of Auckland and its many communities and stakeholders.

Ngā mema o te Kāhui Kāwanatanga

5.1.1 Governing Body members

Auckland's 20 councillors, who represent 13 wards, make up the Governing Body along with the Mayor.



Hon Phil Goff, CNZM, JP
Mayor



Bill Cashmore
Deputy Mayor Franklin



John Watson
Albany



Wayne Walker
Albany



Dr Cathy Casey
Albert-Eden-Roskill



Hon Christine Fletcher QSO
Albert-Eden-Roskill



Sharon Stewart QSM
Howick



Paul Young
Howick



Alf Filipaina
Manukau



Fa'anana Efeso Collins
Manukau



Angela Dalton
Manurewa-Papakura



Daniel Newman
Manurewa-Papakura



Josephine Bartley
Maungakiekie-Tāmaki



Chris Darby
North Shore



Richard Hills
North Shore



Desley Simpson
Orākei



Greg Sayers
Rodney



Linda Cooper JP
Waitākere



Shane Henderson
Waitākere



Pippa Coom
Waitemata



Tracy Mulholland
Whau

Tō mātou tira kaiwhakahaere

5.1.2 Auckland Council Executive Leadership Team



Jim Stabback
Chief Executive



Patricia Reade
Deputy Chief Executive



Simone Andersen
GM Nga Mataarae – Maori Outcomes



Dr Claudia Wyss
Director Customer and
Community Services



Barry Potter
Director Infrastructure and
Environmental Services



Craig Hobbs
Director Regulatory
Services



Phil Wilson
Director, Governance & CCO
Partnerships



Peter Gudsell
Group Chief Financial Officer



Megan Tyler
Chief of Strategy

5.1.3 Local Boards

The 21 local boards are a key part of the governance of Auckland Council with a wide-ranging role that spans most council services and activities. Local boards make decisions on local matters, provide local leadership, support strong local communities and provide important local input into region-wide strategies and plans.

Local boards:

- make decisions on local matters, including setting the standards of services delivered locally
- identify the views of local people on regional strategies, policies, plans and bylaws and communicate these to the governing body
- develop and implement local board plans (every three years)
- develop, monitor and report on local board agreements (every year)
- provide local leadership and develop relationships with the governing body, the

community and community organisations in the local area

- identify and develop bylaws for the local board area and propose them to the governing body
- any additional responsibilities delegated by the governing body, such as decisions within regional bylaws.

Each year, local boards and the governing body agree individual local board agreements, which set out the local activities, services and levels of service that will be provided over the coming year. The agreements for 2021/2022 are included in this 10-year Budget and can be found in Volume 3.

To find out which local board area you are in, follow this path from the website home page: About Council > Local Boards > Find your ward and local board

5.1.4 Council Controlled Organisations

The council uses Council Controlled Organisations (CCOs) to apply commercial disciplines and specialist expertise in the management of key regional council assets and efficient service delivery. For more information about our CCOs please see Section 3.8 in Volume 2.

The council commissioned an independent review of its substantive council controlled organisations in early 2020. The independent panel was tasked with reviewing: the effectiveness of the CCO model, roles and responsibilities, the accountability mechanisms

between CCOs and the council, and the culture of CCOs.

The panel reported their findings in July 2020. The council group is working together to implement the 64 recommended improvements made by the review panel.

The report of the review panel can be found here: www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/council-controlled-organisations/Pages/review-of-council-controlled-organisations.aspx

5.1.5 Independent Māori Statutory Board

The Independent Māori Statutory Board (IMSB) has specific responsibilities and legal powers to promote issues of significance to Māori and assist Auckland Council to make decisions and

act in accordance with statutory provisions relating to Te Tiriti o Waitangi. The Board has voting rights on Auckland Council's key decision-making committees and promotes cultural,

economic, environmental and social well-being issues that are significant to Māori. It provides direction and guidance to help improve council's responsiveness to Māori.

The board and the Governing Body will also meet at least four times each year to discuss the council's performance of its duties. The nine Independent Māori Statutory Board members are:

- Mr David Taipari, Chairperson
- Mr Glenn Wilcox, Deputy Chairperson

- Mr Renata Blair
- Hon. Tau Henare
- Ms Liane Ngāmane
- Mr Terrence (Muka) Hohneck
- Mr Tony Kake
- Mr Denis Kirkwood
- Ms Josie Smith
- Ms Karen Wilson

For more details on the IMSB, please visit www.imsb.maori.nz

5.1.6 Advisory panels

Auckland Council's demographic and sector advisory panels enable the council to ensure that the views and needs of a wide range of communities of interest are incorporated in council's decision-making. Advisory panels provide advice to the governing body and council staff within the remit of the Auckland Plan on the following areas:

- Auckland Council's regional policies, plans and strategies
- Regional and strategic matters including those that Council-Controlled Organisations deal with
- any matter of particular interest or concern to Auckland's diverse communities.

Auckland Council has six demographic advisory panels and three sector panels.

Demographic advisory panels:

- Disability Advisory Panel
- Rainbow Communities Advisory Panel
- Ethnic Peoples Advisory Panel
- Seniors Advisory Panel
- Pacific Peoples Advisory Panel
- Youth Advisory Panel. Sector panels:
- Auckland City Centre Advisory Board
- Rural Advisory Panel
- Heritage Advisory Panel.

For more detail on Auckland Council's advisory panels, please visit our website www.aucklandcouncil.govt.nz/advisorypanels

5.2 Co-governance arrangements

As a result of Treaty of Waitangi Settlements, legislation has established co-governance entities which require the council to co-govern alongside mana whenua as Treaty partners:

- I. The Ngāti Whātua Ōrākei Reserves Board was established under the Ōrākei Act 1991 and currently operates under the Ngāti Whātua Ōrākei Claims Settlement Act 2012 and has three council appointees.
- II. Te Poari o Kaipātiki ki Kaipara (officially the Parakai Recreation Reserve Board) is established under the Ngāti Whātua o Kaipara Claims Settlement Act 2013 and has three council appointees.
- III. The Tūpuna Maunga o Tāmaki Makaurau Authority (or Maunga Authority) is

established under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 and has six council appointees.

In addition, the council nominates two members of the Mutukaroa (Hamlins Hill) Management Trust and four members of the Te Motu a Hiaroa (Puketutu Island) Governance Trust and local board members participate alongside mana whenua in the Pukekiwiriki Pā Joint Management Committee, Wai o Maru Co-Management Committee, Te Pūkaki: Tapu o Poutukeka Historic Reserve and associated Māori Lands Co-management Committee, and Rangihoa and Tawaiaparera Committee (in abeyance). Please see Section 4.0 of Volume 2 for more information.

Me pēhea te whakapā mai ki te kaunihera

5.3 How to contact the council

Online	aucklandcouncil.govt.nz/contactus
Phone	09 301 0101
Post	Auckland Council, Private Bag 92300, Auckland 1142

5.3.1 Locations that offer council services

Bledisloe Lane (CBD)

Bledisloe House, Ground Floor,
24 Wellesley Street, Auckland CBD

Aotea / Great Barrier Island

81 Hector Sanderson Road,
Claris, Great Barrier Island

Helensville

49 Commercial Road, Helensville

Henderson

6 Henderson Valley Road, Henderson

Huapai

296 Main Road (SH16), Huapai

Kumeū Library

296 Main Road, Kumeū

Manukau

Ground floor, Kotuku House, 4 Osterley Way,

Manukau

Orewa

50 Centreway Road, Orewa

Papakura Sir Edmund Hillary Library

1/209 Great South Road, Papakura

Pukekohe Library, Franklin: The Centre

12 Massey Avenue, Pukekohe

Takapuna Library

9 The Strand, Takapuna

Te Manawa

11 Kohuhu Lane, Westgate

Waiheke Island

10 Belgium Street, Ostend,
Waiheke Island

Warkworth

For opening hours and a list of services available at each service centre, visit aucklandcouncil.govt.nz

Papakupu kupu

5.4 Glossary of terms

Accommodation Provider Targeted Rate (APTR)

A rate paid only by owners of properties such as motels, hotels and Airbnb properties. The money received from this rate is used to fund major events and undertake other activities to attract visitors to Auckland.

Activity or service

The services the council provides to the community. This includes things like running buses, collecting rubbish and maintaining parks.

Annual Plan, Annual Budget or Emergency Budget

The plan that sets out what the council seeks to achieve in a financial year, the services we will provide, how much money will be spent and where that money will come from. Last year's budget is referred to as our Emergency Budget because of the need to respond to a significant financial challenge for 2020/2021.

Asset

An item of value, usually something of a physical nature that you can reach out and touch, that will last for more than one year. Infrastructure assets are physical items such as roads, pipes and council buildings that are needed to provide basic services.

Asset recycling

This means letting go of some of our less well used assets to help pay for new ones that will help us deliver better services to the community. Usually this means selling assets to somebody else, but sometimes it is possible to instead agree that someone else will use the asset for a period of time before handing it back to us in the future.

Auckland Council or the council

The local government of Auckland established on 1 November 2010. The council is made up of the governing body, 21 local boards, and the council organisation (operational staff).

Auckland Transport

The organisation that delivers transport services on behalf on the council.

Auckland Unlimited

The organisation that manages Auckland Zoo and the Auckland Art Gallery along with venues used for conventions, shows, concerts and major sporting events. Auckland Unlimited also delivers major events for council and provides tourism promotion and economic development services on the council's behalf.

Capital investment, capital expenditure or capital programme

Building (or buying) assets such as roads, pipes and buildings that are we use to provide services to Aucklanders.

Council-controlled organisation (CCO)

A company (or other type of organisation) that is at least 50 per cent owned by the council or for which the council has at least 50 per cent control through voting rights or the right to appoint directors. These organisations each have their own board of directors (or equivalent) and their own staff who manage day-to-day operations.

Council group

Auckland Council and the Council-controlled organisations, along with the council's investments in Ports of Auckland and Auckland Airport.

Deferral

Delaying the building or buying of assets until a later time.

Development contributions

A charge paid by developers to the council when they build or subdivide property. The council uses this money to help pay for the new assets such as roads, pipes and parks that are needed to support the new households or businesses that will occupy the new properties that have been developed.

Facilities

Buildings or other structures used to provide services to Aucklanders.

Financial year

The year from 1 July to 30 June the following year. The council budgets and sets rates based on these dates rather than calendar years which end on 31 December.

General rates

Paid by all ratepayers to fund general council services.

Governing Body

The Governing Body is made up of the mayor and 20 councillors. It shares its responsibility for decision-making with the local boards. The governing body focuses on Auckland-wide strategic decisions.

Grants and subsidies

Money that someone pays to the council to cover (or help cover) the cost of providing a service to Aucklanders.

Sometimes grants also refers to money the council pays to a community organisation to provide services to Aucklanders, rather than council providing those services directly.

Local boards

There are 21 local boards, which represent their local communities and make decisions on local issues and services.

Operating budget or operating expenditure

Money that the council spends on providing services in the current financial year, as opposed to building things that will provide services for years to come. This includes spending money on staff and contractors to do things like process building consents, open libraries, run buses and maintain parks. It also includes things like paying grants to community organisations and paying interest on money the council has borrowed.

Panuku

Panuku Development Auckland (Eke Panuku), the organisation that provides property management and development services to the council and Aucklanders.

Rates

A tax against the property to help fund services and assets that the council provides.

Revenue or income

Money that the council receives (or is due to receive) to pay for the cost of providing services to Auckland. Cash revenue specifically refers to the money received during the year, and excludes things like postponed rates which will be received later.

Savings

Reducing the amount of money that the council pays out in a particular financial year. This could refer to being more efficient (paying less money to get the same service) or to saving money by delivering less services to the community. It also sometime refers to spending money later than we previously planned.

Targeted rates

A rate that is paid by only a particular group of ratepayers or is used to fund only a particular set of activities. This is used when the council wants to make sure that those ratepayers who benefit from an activity pay for it (as opposed to spreading the cost across all ratepayers) or where the council wants to make sure that money collected for a particular purpose is only spent for that purpose.

Transport

Local roading, parking and public transport services provided for Aucklanders. These services are usually provided by Auckland Transport, except for the City Rail Link project which is delivered separately in partnership with central government.

Waste

Generally refers to household and business rubbish, along with recycling and things like food scraps which can be reused for other purposes.

Watercare

Watercare Services Limited, the organisation that provides water supply and waste water services to Aucklanders.

5.5 Key word index





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