

Amendment to the 10-year Budget 2021-2031

On 8 June 2023 the Auckland Council adopted an amendment to the 10-year Budget 2021-2031. This amendment enables the sale of some of the council's shares held in Auckland International Airport Limited (AIAL), which is the NZX listed company that owns and operates Auckland Airport. The amendment provides for the use of the proceeds from this sale to reduce the council's debt.

The specific changes to the 10-year Budget 2021-2031 are:

Auckland Airport Shareholding Policy Section 3.6 of Volume Two	Pages 2-4 of this document replace pages 287-289
Prospective financial statements Section 2.3 of Volume 1	Pages 5-12 of this document replace the statements on pages 37-44 The assumptions on page 13 of this document are added to the Significant Forecasting Assumptions on pages 54-62 Note 3 Reconciliation between Prospective Statement of comprehensive revenue and expenditure and Prospective funding impact statement on page 14 replaces the reconciliation on page 63 Note 5 Auckland Council (parent) financial statements on pages 15-22 of this document replace the statements on pages 66-72
Group of activity statement for Regionally delivered council services Section 2.7 of Volume Two	Financial statements on pages 23 & 24 of this document replace those on pages 206 & 207 of Volume Two
Prospective funding impact statement Section 2.2 of Volume One Section 3.2 of Volume Two	The prospective consolidated funding impact statement on pages 25 & 26 of this document replaces that on pages 35-36 of Volume One and on pages 236-237 of Volume Two

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 council intends to hold at least 10 per cent of the total shares in AIAL.

This policy provides for the sale of shares above the intended minimum level if the Governing Body decides that this best supports the council's financial strategy. The policy also provides for the purchase of additional shares to enable the council to maintain a minimum 10 per cent stake.

Policy background

As at May 2023, the council owns 266,328,912 shares in AIAL, which equated to 18.09 per cent of the total shares in AIAL.

Section 5 of the Local Government Act 2002 (the LGA) defines the council's shareholding in AIAL as a strategic asset. Under section 97 of the LGA, 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

Objective for shareholding

The objective is to maintain a 10 per cent stake in Auckland Airport.

Strategy

The council's strategy is to:

- maintain a shareholding in AIAL equivalent to at least 10 per cent of the total shares.
- consider selling its shares above the intended minimum level where the council would be better off as a result, or worse off by maintaining its holding.

Dividend reinvestment plan

Council's default position will be to not participate in AIAL's Dividend Reinvestment Plan, but the council may decide to participate to maintain at least 10 per cent of the total shares.

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:

- the objective of this policy
- impact on the council's budget 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 against the following seven general criteria. In applying these criteria, the council will follow the decision-making principles outlined in the LGA.

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. Financial returns: the impact on the council's projected after-tax cash flows.
5. 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.
6. 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 and the council holds a minority position, 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.

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 minimum policy percentage holding in the Auckland 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 minimum policy percentage holding in AIAL.

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 minimum policy percentage holding in AIAL.

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 minimum policy percentage.

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 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 the Deputy Mayor, after receiving advice from the Chief Executive and Group Chief Financial Officer.

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 to make any significant amendments to this policy.

2.3 Prospective financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council group consolidated

\$'000 As at 30 June	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
Revenue											
Rates	1,976,293	2,117,084	2,248,525	2,380,967	2,475,776	2,602,081	2,734,674	2,876,110	3,022,865	3,176,498	3,333,970
Fees and user charges	1,218,627	1,467,911	1,602,825	1,781,236	1,900,412	2,038,370	2,175,900	2,333,093	2,499,133	2,608,514	2,725,338
Grants and subsidies	864,747	880,078	931,498	1,031,491	1,010,226	1,038,678	1,075,731	1,061,439	1,019,889	1,024,201	1,003,734
Development and financial contributions	136,698	247,897	265,252	268,545	274,922	280,249	277,887	277,836	276,114	273,435	272,897
Other revenue	435,564	496,267	533,985	550,976	586,940	592,137	614,940	634,198	645,892	635,978	646,905
Vested assets	409,921	449,821	453,660	458,917	462,032	475,340	479,738	484,515	487,930	491,665	495,528
Finance revenue measured using effective interest method	4,866	2,807	2,424	2,081	1,808	1,561	1,445	1,371	81	67	69
Other finance revenue	2,152	673	749	820	871	920	976	1,036	1,090	1,134	1,170
Total revenue	5,048,868	5,662,538	6,038,918	6,475,033	6,712,987	7,029,336	7,361,291	7,669,598	7,952,994	8,211,492	8,479,611
		0	0	0	0	0	0	0	0	0	0
Expenditure		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee benefits	958,546	1,021,277	1,038,329	1,062,822	1,084,955	1,101,750	1,125,207	1,152,217	1,183,295	1,213,918	1,246,180
Depreciation and amortisation	1,051,289	1,062,891	1,105,449	1,156,803	1,232,195	1,300,641	1,398,124	1,481,033	1,548,286	1,612,167	1,703,498
Grants, contributions and sponsorship	158,640	170,463	166,101	172,906	175,825	176,601	179,797	183,157	184,251	187,703	190,721
Other operating expenses	1,822,533	1,970,816	2,020,594	2,104,642	2,251,741	2,345,694	2,413,842	2,491,224	2,606,283	2,689,498	2,783,246
Finance costs	454,380	447,437	477,973	471,545	485,570	501,640	528,927	552,557	560,462	560,674	551,836
Total expenditure	4,445,388	4,672,884	4,808,446	4,968,718	5,230,286	5,426,326	5,645,897	5,860,188	6,082,577	6,263,960	6,475,481
		0	0	0	0	0	0	0	0	0	0
Operating surplus/(deficit) before gains and losses	603,480	989,654	1,230,472	1,506,315	1,482,701	1,603,010	1,715,394	1,809,410	1,870,417	1,947,533	2,004,130
Net other gains				(30,599)							

\$000 As at 30 June	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
Share of surplus/(deficit) in associates and joint ventures	5,201	(10,211)	(10,477)	(10,763)	(11,992)	(13,224)	(13,167)	(13,109)	(13,109)	(13,109)	(13,109)
Surplus/(deficit) before income tax	608,681	979,443	1,219,995	1,464,953	1,470,709	1,589,786	1,702,227	1,796,301	1,857,308	1,934,424	1,991,021
Income tax expense	31,223	65,575	82,052	102,146	110,090	131,065	149,397	168,662	196,398	203,876	206,657
Surplus/(deficit) after income tax	577,458	913,868	1,137,943	1,362,807	1,360,619	1,458,721	1,552,830	1,627,639	1,660,910	1,730,548	1,784,364
Surplus after income tax is attributable to:											
Ratepayers of Auckland Council	577,458	913,868	1,137,943	1,362,807	1,360,619	1,458,721	1,552,830	1,627,639	1,660,910	1,730,548	1,784,364
Other comprehensive revenue/ (expenditure)											
Fair value movement on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure			246,159	0							
Net gain on revaluation of property, plant and equipment	2,672,661	199,526	630,370	1,455,521	899,920	1,442,470	1,543,926	23,413	1,790,687	2,776,902	0
Tax on revaluation of property, plant and equipment	(326,061)	0	0	(292,654)	0	0	(316,275)	0	0	(472,721)	0
Total other comprehensive revenue	2,346,600	199,526	876,529	1,162,867	899,920	1,442,470	1,227,651	23,413	1,790,687	2,304,181	0
Total comprehensive revenue/(expenditure)	2,924,058	1,113,394	2,014,472	2,525,674	2,260,539	2,901,191	2,780,481	1,651,052	3,451,597	4,034,729	1,784,364

Prospective Statement of Financial Position

Auckland Council group consolidated

\$'000 As at 30 June	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
Assets											
Cash and cash equivalents	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Receivables and prepayments	543,587	576,225	592,438	615,249	612,250	642,749	676,374	707,328	736,170	762,399	789,517
Derivative financial instruments	2,713	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Other financial assets	56,363	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Inventories	49,950	60,343	61,550	62,781	64,037	65,318	66,624	67,956	69,315	70,701	72,115
Income tax receivable	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Non-current assets held-for-sale	132,349	106,239	1,193,638	135,786	102,949	84,251	37,774	15,802	43,995	64,722	0
Total current assets	884,962	936,807	2,041,626	1,007,816	973,236	986,318	974,772	985,086	1,043,480	1,091,822	1,055,632
Non-current assets											
Receivables and prepayments	40,406	49,418	50,820	52,781	52,523	55,145	58,035	60,696	63,175	65,429	67,760
Derivative financial instruments	440,525	429,000	429,000	429,000	429,000	429,000	429,000	429,000	429,000	429,000	429,000
Other financial assets	145,470	1,911,919	1,142,474	1,144,360	1,146,395	1,148,931	1,153,477	1,158,069	1,162,586	1,166,173	1,169,810
Property, plant and equipment	54,747,227	54,944,085	57,204,551	60,514,524	63,356,509	66,981,950	70,951,114	73,270,321	77,264,629	82,104,516	84,352,068
Intangible assets	592,363	747,836	778,602	823,655	862,337	911,682	965,706	997,272	1,051,638	1,117,513	1,148,103
Investment property	628,818	603,000	603,000	603,000	603,000	603,000	603,000	603,000	603,000	603,000	603,000
Investments in associates and joint ventures	2,519,160	1,437,190	1,878,413	2,107,350	2,173,058	2,064,534	2,047,067	2,029,658	2,012,249	1,994,840	1,977,431
Other non-current assets	12,978	8,060	9,121	10,203	11,307	12,433	13,582	14,754	15,926	17,098	18,270
Total non-current assets	59,126,947	60,130,508	62,095,981	65,684,873	68,634,129	72,206,675	76,220,981	78,562,770	82,602,203	87,497,569	89,765,442
Total assets	60,011,909	61,067,315	64,137,606	66,692,689	69,607,365	73,192,993	77,195,753	79,547,856	83,645,683	88,589,391	90,821,074

\$000 As at 30 June	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
Liabilities											
Current liabilities											
Payables and accruals	794,742	1,031,619	1,065,714	1,141,855	1,203,083	1,289,465	1,371,657	1,368,435	1,399,984	1,409,083	1,468,417
Employee entitlements	112,001	130,093	132,265	135,385	138,204	140,343	143,331	146,772	150,731	154,633	158,743
Borrowings	1,444,504	1,256,817	1,367,888	1,427,547	1,479,684	1,529,431	1,601,550	1,660,557	1,706,245	1,731,273	1,748,877
Derivative financial instruments	8,940	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Provisions	111,442	77,512	56,742	54,029	47,325	45,500	43,405	41,490	39,733	38,139	36,794
Total current liabilities	2,471,629	2,529,041	2,655,609	2,791,816	2,901,296	3,037,739	3,192,943	3,250,254	3,329,693	3,366,128	3,445,831
Non-current liabilities											
Payables and accruals	148,970	188,350	194,733	214,492	255,566	276,192	294,277	293,264	296,759	296,646	319,982
Employee entitlements	5,228	5,122	5,208	5,331	5,442	5,526	5,644	5,779	5,935	6,089	6,251
Borrowings	9,594,378	10,488,043	11,414,913	10,903,949	11,324,827	11,728,193	12,319,781	12,803,451	13,177,311	13,379,695	13,522,619
Derivative financial instruments	1,839,402	1,683,000	1,683,000	1,683,000	1,683,000	1,683,000	1,683,000	1,683,000	1,683,000	1,683,000	1,683,000
Provisions	161,102	329,828	243,688	233,171	205,674	198,527	190,138	182,424	175,306	168,829	163,365
Deferred tax liabilities	1,863,189	1,960,858	2,042,910	2,437,710	2,547,800	2,678,865	3,144,537	3,313,199	3,509,597	4,186,193	4,392,851
Total non-current liabilities	13,612,269	14,655,201	15,584,452	15,477,653	16,022,309	16,570,303	17,637,377	18,281,117	18,847,908	19,720,452	20,088,068
Total liabilities	16,083,898	17,184,242	18,240,061	18,269,469	18,923,605	19,608,042	20,830,320	21,531,371	22,177,601	23,086,580	23,533,899
Net assets	43,928,011	43,883,073	45,897,545	48,423,220	50,683,759	53,584,951	56,365,433	58,016,485	61,468,082	65,502,811	67,287,175
Equity											
Contributed equity	26,732,015	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000
Accumulated funds	2,924,582	4,973,826	6,137,982	7,849,706	9,283,078	10,783,109	12,367,986	14,030,431	15,692,897	17,423,694	19,208,331
Reserves	14,271,414	12,177,247	13,027,563	13,841,514	14,668,681	16,069,842	17,265,447	17,254,054	19,043,185	21,347,117	21,346,844
Total equity	43,928,011	43,883,073	45,897,545	48,423,220	50,683,759	53,584,951	56,365,433	58,016,485	61,468,082	65,502,811	67,287,175

Prospective Statement of Changes in Equity

Auckland Council group consolidated

\$000 As at 30 June	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
Contributed equity											
Opening balance	26,732,015	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	26,732,015	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000
Accumulated funds											
Opening balance	2,392,660	4,030,118	4,973,826	6,137,982	7,849,706	9,283,078	10,783,109	12,367,986	14,030,431	15,692,897	17,423,694
Surplus/ (deficit) after income tax	577,458	913,868	1,137,943	1,362,807	1,360,619	1,458,721	1,552,830	1,627,639	1,660,910	1,730,548	1,784,364
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive revenue	577,458	913,868	1,137,943	1,362,807	1,360,619	1,458,721	1,552,830	1,627,639	1,660,910	1,730,548	1,784,364
Transfer to/ (from) reserves	(45,536)	29,840	26,213	348,917	72,753	41,309	32,047	34,806	1,556	249	273
Balance as at 30 June	2,924,582	4,973,826	6,137,982	7,849,706	9,283,078	10,783,109	12,367,986	14,030,431	15,692,897	17,423,694	19,208,331
Reserves											
Opening balance	11,879,278	12,007,561	12,177,247	13,027,563	13,841,514	14,668,681	16,069,842	17,265,447	17,254,054	19,043,185	21,347,117
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	2,346,600	199,526	876,529	1,162,868	899,920	1,442,470	1,227,652	23,413	1,790,687	2,304,181	0
Total comprehensive revenue	2,346,600	199,526	876,529	1,162,868	899,920	1,442,470	1,227,652	23,413	1,790,687	2,304,181	0
Transfer to/ (from) reserves	45,536	(29,840)	(26,213)	(348,917)	(72,753)	(41,309)	(32,047)	(34,806)	(1,556)	(249)	(273)
Balance as at 30 June	14,271,414	12,177,247	13,027,563	13,841,514	14,668,681	16,069,842	17,265,447	17,254,054	19,043,185	21,347,117	21,346,844
Total equity											
Opening balance	41,003,953	42,769,679	43,883,073	45,897,545	48,423,220	50,683,759	53,584,951	56,365,433	58,016,485	61,468,082	65,502,811

\$000 As at 30 June	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
Surplus after income tax	577,458	913,868	1,137,943	1,362,807	1,360,619	1,458,721	1,552,830	1,627,639	1,660,910	1,730,548	1,784,364
Other comprehensive revenue	2,346,600	199,526	876,529	1,162,868	899,920	1,442,470	1,227,652	23,413	1,790,687	2,304,181	0
Total comprehensive revenue	2,924,058	1,113,394	2,014,472	2,525,675	2,260,539	2,901,191	2,780,482	1,651,052	3,451,597	4,034,729	1,784,364
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	43,928,011	43,883,073	45,897,545	48,423,220	50,683,759	53,584,951	56,365,433	58,016,485	61,468,082	65,502,811	67,287,175

Prospective Statement of Cash Flows

Auckland Council group consolidated

\$000 As at 30 June	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
Cash flows from operating activities											
Receipts from rates revenue	1,926,293	2,117,083	2,248,526	2,380,968	2,475,776	2,602,084	2,734,675	2,876,112	3,022,866	3,176,500	3,333,971
Receipts from grants and other services	2,674,059	3,087,995	3,290,006	3,586,524	3,772,432	3,885,798	4,073,305	4,230,747	4,366,053	4,469,981	4,587,721
Interest received	7,018	3,480	3,173	2,901	2,679	2,481	2,421	2,407	1,171	1,201	1,239
Dividends received	5,560	6,541	30,336	32,115	38,172	40,913	43,128	44,819	45,384	45,393	47,222
Payments to suppliers and employees	(3,052,135)	(3,119,173)	(3,315,158)	(3,314,748)	(3,515,421)	(3,589,801)	(3,687,224)	(3,835,916)	(3,964,582)	(4,092,290)	(4,194,145)
Income tax refund/(paid)	0	0	0	0	0	0	0	0	0	0	0
Interest paid	(451,943)	(445,755)	(476,836)	(470,661)	(484,895)	(501,118)	(528,513)	(552,224)	(560,198)	(560,453)	(551,646)
Net cash inflow from operating activities	1,108,852	1,650,171	1,780,047	2,217,099	2,288,743	2,440,357	2,637,792	2,765,945	2,910,694	3,040,333	3,224,362
Cash flows from investing activities											
Sale of property, plant and equipment, investment property and intangible assets	390,013	132,283	106,238	173,666	135,785	102,948	84,250	37,773	15,800	43,993	64,722
Purchase of property, plant and equipment, investment property and intangible assets	(2,197,698)	(2,300,220)	(2,463,860)	(2,682,946)	(2,813,509)	(3,084,882)	(3,381,203)	(3,341,803)	(3,341,526)	(3,308,151)	(3,445,975)
Acquisition of other financial assets	(3,895)	(7,291)	(8,237)	(5,236)	(4,910)	(4,988)	(6,369)	(5,653)	(4,891)	(3,592)	(3,637)
Proceeds from Sale of other financial assets	0	0	0	989,371	0	0	0	0	0	0	0
Investment in joint associates and ventures	(395,000)	(490,000)	(456,000)	(244,000)	(82,000)	91,000	0	0	0	0	0
Advances to external parties	(6,000)	0	0	0	0	0	0	0	0	0	0
Proceeds from community loan repayments	5,034	4,420	3,871	3,350	2,875	2,453	1,823	1,061	375	5	0
Net cash outflow from investing activities	(2,207,546)	(2,660,808)	(2,817,988)	(1,765,795)	(2,761,759)	(2,893,469)	(3,301,499)	(3,308,622)	(3,330,242)	(3,267,745)	(3,384,890)
Cash flows from financing activities											
Proceeds from borrowings	2,235,159	2,355,141	2,294,758	1,925,413	1,914,730	1,944,598	2,203,388	2,152,946	2,087,491	1,940,153	1,895,765
Repayment of borrowings	(1,325,465)	(1,444,504)	(1,256,817)	(2,376,717)	(1,441,714)	(1,491,486)	(1,539,681)	(1,610,269)	(1,667,943)	(1,712,741)	(1,735,237)
Net cash inflow from financing activities	909,694	910,637	1,037,941	(451,304)	473,016	453,112	663,707	542,677	419,548	227,412	160,528

\$000 As at 30 June	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
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	(189,000)	(100,000)	0	0	0	0	0	0	0	0	0
Opening cash and cash equivalents and bank overdrafts	289,000	200,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Closing cash and cash equivalents and bank overdrafts	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

Note 5: Significant forecasting assumptions

Assumption	Assumption data for 10-year Budget 2021-2031 and source	Risks and impact
<p>Airport share sale proceeds</p>	<p>The council is projecting sale proceeds of \$989 million from the partial sale of the shares it owns in AIAL.</p> <p>This is based on the share price as at 17 April 2023 (\$8.66 per share), and a provision for a 3% lower realisation value to allow for the size of the transaction.</p> <p>The share price is subject to market movements.</p>	<p>Risks – That the proceeds from sale differ significantly from the assumption</p> <p>Level of uncertainty – High</p> <p>Impacts – If the share price is greater than assumed and/or the transaction impact is less, the net proceeds will be greater than \$989 million. This will enable the council to reduce debt further and make additional interest savings.</p> <p>If the share price is less than assumed and/or the transaction impact is greater, the net proceeds will be less than \$989 million. This will not enable the council to reduce debt by as much and the resulting interest savings will be lower.</p>
<p>Airport share transaction date</p>	<p>The council has assumed the sale of shares and reduction of debt will occur on 1 July 2023.</p> <p>The actual date and method of sale will depend on market conditions.</p> <p>Maximising sale price will be weighed against the interest costs of delaying sale for too long.</p> <p>Professional advice will guide that decision to maximise overall benefit to council.</p>	<p>Risks – That the transaction date differs from the assumption</p> <p>Level of uncertainty – High</p> <p>Impacts – If the transaction is executed prior to 1 July 2023 then the council will be able to reduce debt earlier and make interest savings in the current financial year. The estimated impact of a one-month earlier transaction (assuming no movement in other assumptions) would be around \$4 million of additional interest cost savings.</p> <p>If the transaction is executed after 1 July 2023 the projected debt reduction will be delayed and the full projected interest savings for 2023/2024 may not be achieved. If the transaction was delayed by one month, then the interest benefits would be reduced by around \$4 million.</p>

Note 3: Reconciliation between Prospective Statement of comprehensive revenue and expenditure and Prospective funding impact statement

This statement is prepared on a group basis. This statement should be read in conjunction with the Prospective Funding Impact Statement (group consolidated).

\$'000 Financial year ending 30 June	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
Operating surplus/ (deficit) after income tax per Prospective Statement of comprehensive revenue	577,458	913,868	1,137,943	1,362,807	1,360,619	1,458,721	1,552,830	1,627,639	1,660,910	1,730,548	1,784,364
Items recognised as income in Statement of comprehensive revenue and as capital expenditure funding sources in Funding Impact Statement:											
Capital subsidies	(453,638)	(474,305)	(529,246)	(649,340)	(621,712)	(634,157)	(667,801)	(650,390)	(604,395)	(607,120)	(586,818)
Development contributions	(136,698)	(247,897)	(265,252)	(268,545)	(274,922)	(280,249)	(277,887)	(277,836)	(276,114)	(273,435)	(272,897)
Non-cash items recognised in Statement of comprehensive revenue and not included in Funding Impact Statement:											
Depreciation	1,051,289	1,062,891	1,105,449	1,156,803	1,232,195	1,300,641	1,398,124	1,481,033	1,548,286	1,612,167	1,703,498
Depreciation of make good provision added back in funding impact statement	(323)	0	0	0	0	0	0	0	0	0	0
Discounting of provisions	2,760	1,682	1,137	884	675	521	415	333	264	221	190
Recognition of revenue from vested assets	(409,921)	(449,821)	(453,660)	(458,917)	(462,032)	(475,340)	(479,738)	(484,515)	(487,930)	(491,665)	(495,528)
Un-realised fair value gains and losses	(1,020)	(1,040)	(1,061)	(1,082)	(1,104)	(1,126)	(1,149)	(1,172)	(1,172)	(1,172)	(1,172)
Other reconciling items:											
Retro-fit your home targeted rate included in funding impact statement but not recognised as revenue in the statement of comprehensive income	5,034	5,335	4,576	3,874	3,241	2,683	1,944	1,108	385	5	0
Retro-fit your home targeted rate interest component recognised as revenue in the statement of comprehensive income	0	(915)	(705)	(524)	(365)	(230)	(122)	(48)	(10)	0	0
Share of equity accounted (surplus) /deficit from associates not distributed by way of dividends to Auckland Council	(1,701)	14,511	14,777	15,063	16,292	17,524	17,467	17,409	17,409	17,409	17,409
Income tax recognised in statement of comprehensive revenue not included in the funding impact statement	31,223	65,574	82,052	102,146	110,090	131,065	149,397	168,662	196,398	203,875	206,658
Net other gains recognised in statement of comprehensive revenue not included in the funding impact statement		0	0	30,599	0	0	0	0	0	0	0
Operating funding surplus/ (deficit) per Prospective Funding Impact Statement	664,463	889,883	1,096,010	1,293,768	1,362,977	1,520,053	1,693,480	1,882,223	2,054,031	2,190,833	2,355,704

Note 5: Auckland Council (Parent) financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council parent

\$000 Financial year ending 30 June	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
Revenue											
Rates	1,987,516	2,129,236	2,261,238	2,393,969	2,489,073	2,615,662	2,748,378	2,890,076	3,037,120	3,191,024	3,348,683
Fees and user charges	253,869	306,927	317,322	335,935	348,944	354,825	362,795	370,554	379,664	389,145	398,820
Grants and subsidies	63,968	78,770	33,043	24,437	16,294	12,861	14,176	15,529	14,669	12,621	11,665
Development and financial contributions	136,698	247,897	265,252	268,545	274,922	280,249	277,887	277,836	276,114	273,435	272,897
Other revenue	234,555	244,113	282,675	295,898	309,613	329,015	350,784	360,672	376,839	375,956	387,230
Vested assets	113,494	105,847	107,205	109,713	110,446	121,206	123,000	124,830	124,830	124,830	124,830
Finance revenue measured using effective interest method	33,986	31,606	30,794	30,070	29,195	28,401	27,712	27,094	25,084	24,377	23,640
Other finance revenue	95,377	101,198	114,377	126,629	138,709	153,050	169,430	186,156	186,571	190,808	192,988
Total revenue	2,919,463	3,245,594	3,411,906	3,585,196	3,717,196	3,895,269	4,074,162	4,252,747	4,420,891	4,582,196	4,760,753
Expenditure											
Employee benefits	544,737	586,023	591,563	600,703	611,766	623,115	634,458	648,674	666,393	683,436	701,948
Depreciation and amortisation	301,552	300,943	311,091	331,836	363,634	396,646	431,842	469,210	505,629	535,712	560,419
Grants, contributions and sponsorship	1,160,117	1,127,221	1,179,757	1,253,053	1,207,795	1,240,009	1,349,373	1,379,547	1,393,591	1,407,190	1,403,249
Other operating expenses	662,266	713,763	736,817	772,218	824,482	867,176	893,144	927,188	994,892	1,032,885	1,075,828
Finance costs	434,057	429,203	459,288	452,420	466,612	483,221	508,798	532,157	539,801	539,768	532,026
Total expenses	3,102,729	3,157,153	3,278,516	3,410,230	3,474,289	3,610,167	3,817,615	3,956,776	4,100,306	4,198,991	4,273,470
Operating surplus/ (deficit)	(183,266)	88,441	133,390	174,966	242,907	285,102	256,547	295,971	320,585	383,206	487,283
Other gains and losses	0	0	0	(30,599)	0	0	0	0	0	0	0
Share of surplus/ (loss) in associates and joint ventures	3,351	(12,597)	(12,895)	(13,293)	(14,591)	(16,089)	(16,087)	(16,084)	(16,084)	(16,084)	(16,084)

\$000 Financial year ending 30 June	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
Operating surplus/ (deficit) before income tax	(179,915)	75,844	120,495	131,074	228,316	269,013	240,460	279,887	304,501	367,122	471,199
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Surplus/ (deficit) after income tax	(179,915)	75,844	120,495	131,074	228,316	269,013	240,460	279,887	304,501	367,122	471,199
Other comprehensive revenue											
Fair value movement on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure		0	246,159	0							
Net gain on revaluation of property, plant and equipment	1,732,724	199,515	0	292,182	874,077	649,736	261,000	22,309	867,675	912,110	0
Total other comprehensive revenue	1,732,724	199,515	246,159	292,182	874,077	649,736	261,000	22,309	867,675	912,110	0
Total comprehensive revenue/ (expenditure)	1,552,809	275,359	366,654	423,256	1,102,393	918,749	501,460	302,196	1,172,176	1,279,232	471,199

Prospective statement of financial position

Auckland Council parent

\$000 As at 30 June	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
Assets											
Current assets											
Cash and cash equivalents	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Receivables and prepayments	370,799	373,780	391,995	415,843	431,890	452,288	474,706	496,651	519,933	541,664	565,920
Derivative financial instruments	9,475	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Other financial assets	60,439	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Inventories	13,861	14,566	14,857	15,154	15,457	15,766	16,081	16,403	16,731	17,066	17,407
Income tax receivable	0	0	0	0	0	0	0	0	0	0	0
Non-current assets held for sale	132,349	106,239	1,193,638	135,786	102,949	84,251	37,774	15,802	43,995	64,722	0
Total current assets	666,923	669,585	1,775,490	741,783	725,296	727,305	703,561	703,856	755,659	798,452	758,327
Non-current assets											
Receivables and prepayments	7,315	20,943	21,970	23,307	24,206	25,349	26,605	27,835	29,140	30,358	31,717
Derivative financial instruments	441,516	429,000	429,000	429,000	429,000	429,000	429,000	429,000	429,000	429,000	429,000
Other financial assets	2,979,009	4,675,820	4,170,359	4,388,495	4,682,615	5,188,248	5,733,611	6,092,955	6,296,127	6,331,772	6,399,262
Property, plant and equipment	17,695,212	17,478,803	17,757,338	18,319,598	19,510,182	20,516,411	21,208,039	21,737,622	23,103,359	24,562,616	25,284,864
Intangible assets	240,745	312,102	317,076	327,116	348,375	366,342	378,692	388,148	412,535	438,591	451,488
Investment property	497,945	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000
Investments in subsidiaries	19,730,543	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000
Investments in associates and joint ventures	2,515,218	1,432,954	1,871,759	2,098,166	2,161,275	2,049,886	2,029,499	2,009,115	1,988,731	1,968,347	1,947,963
Other non-current assets	4,821	4,060	5,121	6,203	7,307	8,433	9,582	10,754	11,926	13,098	14,270
Total non-current assets	44,112,324	44,519,682	44,738,623	45,757,885	47,328,960	48,749,669	49,981,028	50,861,429	52,436,818	53,939,782	54,724,564
Total assets	44,779,247	45,189,267	46,514,112	46,499,668	48,054,256	49,476,974	50,684,589	51,565,285	53,192,477	54,738,234	55,482,891

\$000 As at 30 June	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
Liabilities											
Current liabilities											
Payables and accruals	719,699	747,963	755,477	775,728	788,559	820,440	874,315	922,804	969,286	1,016,252	1,065,827
Employee entitlements	59,833	70,322	70,987	72,084	73,412	74,774	76,135	77,841	79,967	82,012	84,233
Borrowings	1,457,231	1,262,528	1,381,092	1,443,917	1,498,288	1,552,840	1,627,182	1,687,590	1,734,111	1,759,218	1,784,310
Derivative financial instruments	8,464	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Provisions	105,501	65,512	44,742	42,029	35,325	33,500	31,405	29,490	27,733	26,139	24,794
Total current liabilities	2,350,728	2,177,325	2,283,298	2,364,758	2,426,584	2,512,554	2,640,037	2,748,725	2,842,097	2,914,621	2,990,164
Non-current liabilities											
Payables and accruals	151,609	135,894	137,249	140,926	143,256	149,050	158,842	167,658	176,102	184,637	193,646
Employee entitlements	1,555	1,019	1,029	1,045	1,064	1,084	1,104	1,129	1,160	1,190	1,222
Borrowings	9,063,010	9,977,687	10,914,680	10,402,344	10,817,860	11,237,192	11,814,441	12,283,126	12,643,413	12,835,326	13,029,664
Derivative financial instruments	1,829,757	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000	1,678,000
Provisions	151,605	309,828	223,688	213,171	185,674	178,527	170,138	162,424	155,306	148,829	143,365
Total non-current liabilities	11,197,536	12,102,428	12,954,646	12,435,486	12,825,854	13,243,853	13,822,525	14,292,337	14,653,981	14,847,982	15,045,897
Total liabilities	13,548,264	14,279,753	15,237,944	14,800,244	15,252,438	15,756,407	16,462,562	17,041,062	17,496,078	17,762,603	18,036,061
Net assets	31,230,983	30,909,514	31,276,168	31,699,424	32,801,817	33,720,567	34,222,027	34,524,223	35,696,399	36,975,631	37,446,830
Equity											
Contributed equity	26,569,091	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000
Accumulated funds	(1,756,059)	(643,172)	(496,464)	(16,473)	284,596	594,919	867,426	1,182,119	1,488,176	1,855,547	2,327,019
Reserves	6,417,951	4,983,686	5,203,632	5,146,897	5,948,221	6,556,648	6,785,601	6,773,104	7,639,223	8,551,084	8,550,811
Total ratepayers equity	31,230,983	30,909,514	31,276,168	31,699,424	32,801,817	33,720,567	34,222,027	34,524,223	35,696,399	36,975,631	37,446,830
Minority interests	0										
Total equity	31,230,983	30,909,514	31,276,168	31,699,424	32,801,817	33,720,567	34,222,027	34,524,223	35,696,399	36,975,631	37,446,830

Prospective statement of movement in equity

Auckland Council parent

\$'000 As at 30 June	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
Contributed equity											
Opening balance	26,569,091	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	26,569,091	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000
Accumulated funds											
Opening balance	(1,530,608)	(748,856)	(643,172)	(496,464)	(16,473)	284,596	594,919	867,426	1,182,119	1,488,176	1,855,547
Surplus/ (deficit) after income tax	(179,915)	75,844	120,495	131,074	228,316	269,013	240,460	279,887	304,501	367,122	471,199
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive expenditure	(179,915)	75,844	120,495	131,074	228,316	269,013	240,460	279,887	304,501	367,122	471,199
Transfer to/ (from) reserves	(45,536)	29,840	26,213	348,917	72,753	41,309	32,047	34,806	1,556	249	273
Balance as at 30 June	(1,756,059)	(643,172)	(496,464)	(16,473)	284,596	594,919	867,426	1,182,119	1,488,176	1,855,547	2,327,019
Reserves											
Opening balance	4,639,691	4,814,011	4,983,686	5,203,632	5,146,897	5,948,221	6,556,648	6,785,601	6,773,104	7,639,223	8,551,084
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	1,732,724	199,515	246,159	292,182	874,077	649,736	261,000	22,309	867,675	912,110	0
Total comprehensive revenue	1,732,724	199,515	246,159	292,182	874,077	649,736	261,000	22,309	867,675	912,110	0
Transfer to/ (from) reserves	45,536	(29,840)	(26,213)	(348,917)	(72,753)	(41,309)	(32,047)	(34,806)	(1,556)	(249)	(273)
Balance as at 30 June	6,417,951	4,983,686	5,203,632	5,146,897	5,948,221	6,556,648	6,785,601	6,773,104	7,639,223	8,551,084	8,550,811
Total equity											
Opening balance	29,678,174	30,634,155	30,909,514	31,276,168	31,699,424	32,801,817	33,720,567	34,222,027	34,524,223	35,696,399	36,975,631

\$000 As at 30 June	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
Surplus/ (deficit) after income tax	(179,915)	75,844	120,495	131,074	228,316	269,013	240,460	279,887	304,501	367,122	471,199
Other comprehensive revenue	1,732,724	199,515	246,159	292,182	874,077	649,736	261,000	22,309	867,675	912,110	0
Total comprehensive revenue/ (expenditure)	1,552,809	275,359	366,654	423,256	1,102,393	918,749	501,460	302,196	1,172,176	1,279,232	471,199
Transfer to/ (from) reserves	0										
Balance as at 30 June	31,230,983	30,909,514	31,276,168	31,699,424	32,801,817	33,720,567	34,222,027	34,524,223	35,696,399	36,975,631	37,446,830

Prospective statement of cash flows

Auckland Council parent

\$'000 Financial year ending 30 June	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
Cash flows from operating activities											
Receipts from rates revenue	1,937,516	2,129,236	2,261,239	2,393,971	2,489,074	2,615,662	2,748,378	2,890,075	3,037,118	3,191,024	3,348,683
Receipts from grants and other services	671,707	863,048	838,839	843,357	863,938	870,141	880,807	891,351	904,749	904,240	912,032
Interest received	129,363	132,804	145,171	156,699	167,904	181,451	197,142	213,250	211,655	215,185	216,628
Dividend received	14,473	6,018	43,450	59,489	72,086	88,443	104,313	113,193	121,079	127,096	136,093
Payments to suppliers and employees	(2,553,322)	(2,399,218)	(2,603,096)	(2,576,585)	(2,602,874)	(2,698,926)	(2,834,015)	(2,987,844)	(3,045,342)	(3,123,703)	(3,185,300)
Interest paid	(431,620)	(427,521)	(458,150)	(451,536)	(465,937)	(482,700)	(508,384)	(531,824)	(539,537)	(539,547)	(531,836)
Net cash from operating activities	(231,883)	304,367	227,453	425,395	524,191	574,071	588,241	588,201	689,722	774,296	896,300
Cash flows from investing activities											
Proceeds from Sale of other financial assets	0	0	0	989,371	0	0	0	0	0	0	0
Acquisition of other financial assets	(3,895)	(7,291)	(8,237)	(5,236)	(4,910)	(4,988)	(6,369)	(5,653)	(4,891)	(3,592)	(3,637)
Advances of loans to related parties	(168,974)	(275,869)	(267,117)	(254,483)	(351,564)	(504,986)	(529,821)	(273,519)	(160,562)	17,084	(6,083)
Sale of property, plant and equipment, investment property and intangible assets	310,013	132,283	106,238	173,666	135,785	102,948	84,250	37,773	15,800	43,993	64,722
Purchase of property, plant and equipment, investment property and intangible assets	(552,501)	(691,630)	(661,061)	(638,027)	(693,901)	(734,150)	(789,593)	(876,908)	(947,241)	(1,048,805)	(1,170,732)
Proceeds from community loan repayments	5,034	3,506	3,166	2,826	2,510	2,222	1,701	1,013	364	5	0
Investment in associates and joint ventures	(395,000)	(490,000)	(456,000)	(244,000)	(82,000)	91,000	0	0	0	0	0
Advances to external parties	(6,000)	0	0	0	0	0	0	0	0	0	0
Net cash from investing activities	(811,323)	(1,329,001)	(1,283,011)	24,117	(994,080)	(1,047,954)	(1,239,832)	(1,117,294)	(1,096,530)	(991,315)	(1,115,730)
Cash flows from financing activities											
Proceeds from borrowings	2,216,241	2,187,162	2,436,650	2,003,234	1,982,344	2,038,525	2,289,023	2,225,402	2,148,305	1,982,733	2,007,704
Repayment of borrowings	(1,335,189)	(1,262,528)	(1,381,092)	(2,452,746)	(1,512,455)	(1,564,642)	(1,637,432)	(1,696,309)	(1,741,497)	(1,765,714)	(1,788,274)
Net cash from financing activities	881,052	924,634	1,055,558	(449,512)	469,889	473,883	651,591	529,093	406,808	217,019	219,430

\$000 Financial year ending 30 June	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
Net increase/(decrease) in cash and cash equivalents and bank overdraft	(162,154)	(100,000)	0	0	0	0	0	0	0	0	0
Opening cash and cash equivalents and bank overdrafts	242,154	180,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Closing cash and cash equivalents and bank overdrafts	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000

2.7 Regionally delivered council services

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	327,560	2,781,113	3,679,275
	Direct operating expenditure*	147,780	159,532	163,899	169,757	1,389,235	1,882,424
	Capital expenditure	73,601	66,501	69,858	85,310	519,265	740,933
Environmental services	Non-rates revenue	554	699	716	731	6,464	8,610
	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 community services	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
	Capital expenditure	110,506	102,706	116,802	111,358	1,603,214	1,934,080
Regional governance	Non-rates revenue	994	2,397	3,897	2,397	20,076	28,768
	Direct operating expenditure*	34,143	51,575	53,443	48,200	382,532	535,751
	Capital expenditure	972	20	-	-	-	20
Regional planning	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
	Capital expenditure	109,951	49,982	63,460	52,858	289,481	455,780
Waste services	Non-rates revenue	32,155	31,788	36,368	39,872	342,459	450,486
	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
Organisational support	Non-rates revenue	13,243	9,970	9,964	10,100	40,762	70,796
	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

** This includes the Ports of Auckland Limited fully consolidated financials

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	74,383	81,172	86,451	85,202	85,386	87,033	85,164	87,817
Total operating funding	1,339,260	1,530,636	1,661,121	1,780,098	1,773,387	1,806,211	1,885,778	1,957,497	2,116,295	2,242,900	2,396,304
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	36,027	25,870	21,764	25,628	24,893	31,020	25,232	13,982
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	1,442,059	1,486,345	1,531,514	1,563,991	1,599,390	1,682,318	1,724,703	1,774,017
Surplus (deficit) of operating funding	15,858	103,652	223,337	338,039	287,042	274,697	321,787	358,107	433,977	518,198	622,287
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	(1,189,688)	(176,244)	(139,678)	(113,280)	55,306	(667)	938	(123,059)
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	(1,056,982)	(22,010)	(22,767)	(5,733)	123,929	46,690	45,819	(79,542)
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)	(1,057,277)	(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	(718,943)	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)	(338,039)	(287,042)	(274,697)	(321,787)	(358,107)	(433,977)	(518,198)	(622,287)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

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	30,717	36,550	39,093	41,249	42,926	42,256	42,294	44,161
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	5,104,798	5,360,395	5,645,218	5,940,836	6,261,045	6,588,059	6,842,403	7,127,493
Applications of operating funding:											
Payment to staff and suppliers	2,940,043	3,162,559	3,225,020	3,340,366	3,512,522	3,624,047	3,718,845	3,826,598	3,973,830	4,091,119	4,220,140
Finance costs	451,619	445,758	476,842	470,663	484,896	501,117	528,509	552,224	560,199	560,453	551,649
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,391,662	3,608,317	3,701,862	3,811,029	3,997,418	4,125,164	4,247,354	4,378,822	4,534,029	4,651,572	4,771,789
Surplus (deficit) of operating funding	664,463	889,882	1,096,012	1,293,769	1,362,977	1,520,054	1,693,482	1,882,223	2,054,030	2,190,832	2,355,704
Sources of capital funding:											
Subsidies and grants for capital expenditure	453,638	474,306	529,246	649,339	621,711	634,157	667,801	650,390	604,395	607,120	586,819
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	(451,306)	473,016	453,113	663,707	542,678	419,548	227,412	160,528
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

SECTION THREE: OUR KEY 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
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,890,043	1,765,124	1,938,674	640,245	1,505,434	1,470,467	1,693,644	1,508,678	1,315,858	1,151,961	1,084,964
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	894,858	1,007,039	910,614	909,771	1,017,016	1,006,855	889,538	927,291	864,941
- 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	(813,277)	(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	3,034,686	1,934,014	2,868,411	2,990,521	3,387,126	3,390,901	3,369,888	3,342,793	3,440,668
Surplus (deficit) of capital funding	(664,463)	(889,882)	(1,096,012)	(1,293,769)	(1,362,977)	(1,520,054)	(1,693,482)	(1,882,223)	(2,054,030)	(2,190,832)	(2,355,704)
Funding balance	0	0	0	0	0	0	0	0	0	0	0