Te Mahere Pae Tawhiti 2024-2034

Long-term Plan 2024-2034

Volume 1

Our Long-term Plan for 2024-2034

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Mihi

Noho mai rā Tāmaki Makaurau,
moana waipiata,
maunga kākāriki.
Mai i ngā wai kaukau o ngā tūpuna,
ki ngā puke kawe i ngā reo o te tini,
i puta ai te kī mōu.
Tū ana he maunga,
takoto ana he raorao,
heke ana he awaawa.
Ko ō wahapū te ataahua,
ō tāhuna te mahora,
te taiao e whītiki nei i a koe he taonga tuku iho.
Tiakina kia meinga tonu ai koe
ko 'te tāone taioreore nui o te ao,
manakohia e te iwi pūmanawa'.
Tāmaki Mākaurau tirohia te pae tawhiti
he whakairinga tūmanako
mō ngā uri whakaheke o āpōpō,
te toka herenga mō te hunga ka takahi ake
mā ō tomokanga,
te piriti e whakawhiti ai
tō iwi ki ngā huarahi o te ora.
Tāmaki Mākaurau e toro whakamua,
hīkina te mānuka.
Tērā te rangi me te whenua te tūtaki.
Maranga me te rā, he mahi māu me tīmata,
ka nunumi ana ki te pō,
whakatārewahia ō moemoeā ki ngā whetū.
Ko te oranga mutunga mōu
kei tua i te taumata moana.
Whakatuwherahia ō ringa, kūmea mai k i tō uma.
Tāmaki Makaurau
he tāone ūmanga kurupounamu koe;
tukua tō rongo kia rere i te ao.

Tāmaki Makaurau
who bestrides shimmering seas,
and verdant mountains.
From the bathing waters of our forebears,
and hills that echo with voices
that acclaim.
Your mountains stand lofty,
your valleys spread from them
and your streams run freely.
Your harbours are majestic,
your beaches widespread,
the environment that surrounds you is a legacy.
Take care of it so that you will always be known
as 'the world-class city
where talent wants to be'.
Tāmaki Makaurau looking to the future,
repository of our hopes
for generations to come,
anchor stone for those who venture
through your gateway,
and the bridge that connects
your citizens to life.
Tāmaki Makaurau moving on,
accepting all challenges.
Where even heaven and earth might meet.
Rise with the sun as there is work to be done
and when evening comes,
allow your dreams to glide among the stars.
Perpetual health and growth
is beyond the horizon of cresting waves.
Open your arms and pull them to your embrace.
Tāmaki Makaurau, you are a city
where valued business and enterprise thrives;
let your good name traverse the world.

Rārangi kōrero
Contents

◀ Bombay agriculture

About this document

This Long-term Plan 2024-2034 (LTP) sets out how Auckland Council will work to improve the daily lives of Aucklanders, and how this will be paid for over the next 10 years.

This LTP focuses on the future and sets out the role the council will play in contributing to outcomes for the region and the broader economy. It will help to define the future relationship between the council, Aucklanders, central government, iwi and partners.

As part of developing this budget, the mayor and councillors defined our priorities and considered extensive advice on the options available. We received around 28,000 pieces of public feedback, a record amount. Our decision makers carefully considered that feedback, alongside the best information and advice from a range of internal and external sources.

The result is this long-term plan which prioritises Auckland's physical and financial resilience by making the most of what we have, and targeting investment in areas where it is needed most or will have the highest impact.

▲ Cornwallis Beach Wharf

Long-term Plan 2024-2034 documents

This LTP has three volumes.

Finding your way around the volumes

Volume 1

Volume 1: An overview of our long-term plan

Section one: An introduction to our Long-term Plan 2024-2034 including a brief overview of the plans, strategies and budget that form the rest of this document.

Section two: Our financial overview and prospective financial statements for 2024-2034 and other key financial information.

Section three: Report from the Auditor General.

Section four: Outlines the structure of the council as well as ways to contact the council and a glossary of terms.

Volume 2

Volume 2: Our detailed budgets, strategies and policies

Section one: Our key strategies.

Section two: Our activities - summary information on the services Auckland Council delivers, performance measures and budget.

Section three: Our key policies.

Section four: Summary of the Tūpuna Maunga Authority Operational Plan 2024-2034.

Volume 3

Volume 3: Local Board information and agreements

Section one: An overview of local boards, and their expenditure for 2024-2034.

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

He kupu nā te koromātua
Message from the mayor

At the start of developing this long-term plan 2024-2034 (LTP), I said this was a time to tackle our big financial challenges and strengthen the financial and physical resilience of the region. I wanted us to focus on fixing Auckland and not kicking the can down the road.

I am proud of the progress we have made as a council in adopting this LTP. We received broad support from the public for the direction of this plan and for many of our individual proposals within it. I am grateful for the constructive contributions from many councillors, local boards, Houkura members, regional organisations and the public.

Given the financial challenges that the council and our constituents face, we could not offer a whole lot of new spending or launch new mega-projects. Neither was there any appetite for big cuts or austerity. So, we need to focus on making the most of what we have. That means doing things better, faster and cheaper; and fixing, finishing and optimising our assets and infrastructure before we start new things.

It's worth reflecting on some progress already made since we went out for consultation on the long-term plan. First, we fixed one of our biggest funding challenges: the need to enable much needed investment in water infrastructure without a massive increase in water prices.

The new model means Watercare remains an Auckland-owned and controlled entity, but with the ability to borrow and invest more without impacting Auckland Council's credit rating. Under the new model water charges will increase in July by 7.2 per cent rather than 25.8 per cent as had been proposed, with no cuts to their capital programme.

Another major focus has been to make more from our most significant assets – including Port of Auckland Limited (POAL) and the waterfront. While we didn't proceed with leasing the port operations it helped us realise what the council should expect POAL to deliver.

In working together with POAL and the Maritime Union of New Zealand, we have come up with a much better plan that is expected to deliver $1.1 billion in profits over the LTP period. The new plan will get us some great new public waterfront space for the city, improve ferry services, and provide a boost to our economy. This includes the release of Captain Cook and Marsden wharves for the city, and some public access being granted on Bledisloe Terminal.

This plan also lays the groundwork for my longer-term term vision of a more efficient council, focused on value for money for Aucklanders. I am pleased our new chief executive has taken up a challenge to find savings across all levels of the organisation and be more efficient. Last year we achieved $83 million in savings. We can deliver a further $27.8 million next year, rising to more than $60 million over the next three years. This LTP also confirms new budget responsibility rules we consulted on and other important value for money initiatives.

There are some big changes in the LTP:

- Establishment of the Auckland Future Fund which will be capitalised initially with the remainder of the council's shares in Auckland International Airport Limited (AIAL). This fund will return an additional $40 million every year from 2025 and have the highest levels of protections to maintain and grow its capital.
- Creating a 'fix and finish' fund of $20 million which could go to some important projects and help address imbalances in legacy areas that retained their shares at amalgamation.
- Implement 'fairer funding' for local boards without any cuts to any local board budgets.
- Increased transport funding to deliver better, more efficient public transport outcomes and improve safety for bus drivers. Important initiatives include the $50 weekly capped fare pass for public transport including buses, trains and inner harbour ferries.
- An additional $600 million for transport infrastructure prioritised on level crossing removal.

I acknowledge that these are tough times for households in Auckland. I am pleased that our LTP will result in an overall rates increases for the average-value residential property of 6.8 per cent in FY25, 5.8 per cent in FY26 and 7.9 per cent in FY27 and then average increases of no more than 3.5 per cent beyond that for the rest of the LTP. These are some of the lowest rates increases in New Zealand.

This has been a mammoth process and I am proud of what we have delivered in this LTP to fix the financial and physical resilience of Auckland.

Wayne Brown
Mayor of Auckland

He kupu nā te tumu whakarae
Message from the chief executive

This long-term plan is something of a coming of age for our council. We are now well into our second decade and my sense is that we are confronting our financial and strategic challenges head on. It means we are building on a foundation that, as we emerge from the upheavals of the last few years where we have navigated a pandemic, severe weather events and economic shocks, we are becoming more adept at responding to challenges. This is evident in the trade-offs and tough choices that we have made.

As an organisation, we are adapting. We have made changes and trade-offs of our own, to become more efficient, well organised and resourced to deliver for Aucklanders. We recognise that today's Auckland is vastly different to the region we were in 2010.

Our community has grown and become more culturally diverse. We have new and vibrant local town centres and urban regeneration is taking shape. The way that we live, work and play has changed to meet new lifestyle and work habits; and social, financial and the welfare pressures on our everyday lives have increased.

This requires us to support our communities more, prioritise the services and programmes they need most, and maximise our own resources to ensure continued prudence and value for money.

Under the leadership of the mayor and the elected representatives of Tāmaki Makaurau, along with our trusted partners like Houkura and our demographic advisory panels, this long-term plan has helped shift our thinking.

We have concentrated on areas where we can make the most difference and provide for our communities of greatest need. We are making progress toward a different relationship with central government and its agencies, rooted in partnership and mutual respect, to ensure effective regional leadership and delivery. We have reformed local board funding to better enable meaningful, sustainable decisions for local communities, address long-standing issues and strive towards fairer funding.

We've talked about trade-offs a lot as we prepared this plan. This prompted the widest range of feedback from Aucklanders that we have ever received – of all ages and from a diversity of backgrounds – and we commend Aucklanders on their preparedness to engage in such a courageous conversation.

As a result, our focus for the next 10 years will include fixing and growing infrastructure and building our region's physical resilience -at a cost of $39.3 billion of total group capital investment.

We will build on the basics with much-needed investment in transport to fix roads and make public transport faster, more reliable and easier to use. We will enable further investment in water infrastructure, while delivering a Making Space for Water programme to ensure our region is more resilient to flooding. We will deliver further vibrant city and town centres, with new areas for urban regeneration and infrastructure to support housing and growth. This includes making the most of our port and waterfront precincts.

Our natural environment will benefit from volunteer and community involvement in our programmes. We will deliver community services differently, in the way Aucklanders have told us they want them to be delivered. We will maintain our investment in economic and cultural development, while working with central government on new funding tools to attract visitors and build the economy that Auckland needs to support future growth.

Some of our most valued community assets are the result of the foresight of past leaders. Our regional parks network, formed in the 1960s but with its origins at the turn of last century, is a great example of this. It is now our time to secure this council's legacy, by creating a fund to safeguard our future, in the form of the Auckland Future Fund. This is new and exciting territory for us.

A long-term plan keeps us focussed on the future: not just the road in front of us but the twists and turns along the way that will take us on a longer journey to somewhere we haven't been before. There is much for us to do but we are ready, and our commitment starts now.

Nāu te rourou, nāku te rourou, ka ora ai te iwi.

Phil Wilson
Chief Executive

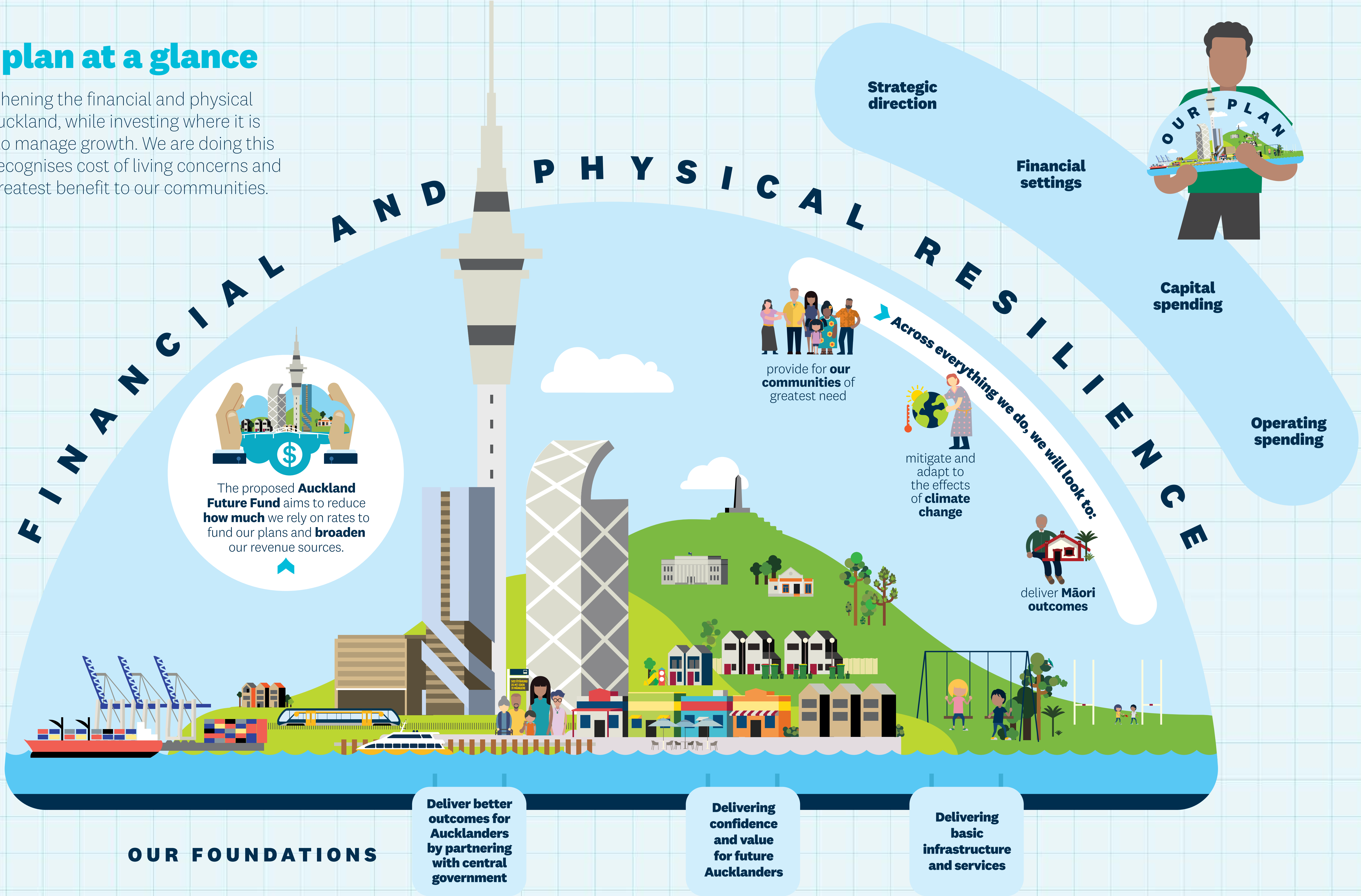
Wāhanga tuatahi:
He whakarāpopoto mō tā mātou mahere pae tawhiti

Section one: Summary of our long-term plan

◀ Sunrise over Rangitoto Island

1.1 Our plan at a glance

We are strengthening the financial and physical resilience of Auckland, while investing where it is needed most to manage growth. We are doing this in a way that recognises cost of living concerns and provides the greatest benefit to our communities.



Council services

Our long-term plan is designed to tackle our challenges head-on.

Transport

CAPEX $14.6 b OPEX $28.2 b

Transport package including:
- support for City Rail Link
- Auckland Transport capital expenditure $14 billion
- Northwest Rapid Transit
- Eastern Busway
- optimising the network using 'dynamic' lanes to control the flow of traffic at peak times
- a $50 capped weekly public transport pass
- Fareshare
- increased safety for bus drivers
- reduced cost and disruption of temporary traffic management
- address level crossings

Progress a **'time of use'** charging scheme for certain roads

Progress the Regional Land Transport Plan **(RLTP)**

Water

CAPEX $16.0 b OPEX $16.5 b

Sustainable and affordable **investments in water services**, enabled by the government's Local Water Done Well policy

Watercare $13.8 billion capital programme, including completion of the central interceptor and progressing the Huia water treatment plant upgrade

Water Quality Targeted Rate (WQTR) programmes $779 million

Making Space for Water programme $507 million in capital spending

Built environment

CAPEX $1.2 b OPEX $1.6 b

Urban regeneration including $100m Strategic Development Fund

Comprehensive **Waterfront Plan**

Coordinating **infrastructure to support housing**

Implementing the **city centre masterplan**

Natural environment

CAPEX $0.5 b OPEX $7.9 b

Natural Environment Targeted Rate

Continue to support volunteer and community involvement in **environmental programmes** $412 million

Improvements to **waste diversion**

Continue regional move to **rates funded refuse collection**

Increased resourcing for **animal management** $5.9 million

Community

CAPEX $4.2 b OPEX $12.4 b

Fairer funding for local boards: $84 million additional operational spend, and $56 million additional capital investment in the first three years.

Community services:
- $4.2 billion capital spend
- $637 million to support a transition to new service models, including increasing the Sports and Recreation Facilities Investment fund by $35 million over three years to address the deficit in indoor sports facilities in Auckland

Support for volunteers and communities to **care for green spaces**

Economic and cultural development

CAPEX $0.6 b OPEX $2.9 b

Work with central government on **new funding tools** for visitor attraction and economic development

A local board led **plan for North Harbour Stadium**

Well managed local government

CAPEX $2.2 b OPEX $6.5 b

Auckland Future Fund

Delivering **Māori outcomes** $171 million

Investing in **fit-for-purpose technology** to achieve $94 million of savings

Asset sales target $300 million

Accelerating **group shared services**

Flood-risk property buyouts around $800 million

Port enhanced earnings agreement

Our funding toolbox:

Fees and charges

Prudent borrowing

Major investments

Asset sales

Savings

Rates

Rates increase for average value residential property

2024/2025	2025/2026	2026/2027
6.80% $245 per year	5.80% $224 per year	7.90% $322 per year

Capital projects map

North Auckland

Northern Seawall, Orewa Beach
To prevent erosion at the northern end of Orewa Beach

Te Kori Scott Park, Hobsonville
Develop a sustainable sports park

Mahurangi community building
Comprehensive renewal including library reconfiguration, toilet facilities and delivering on seismic assessment recommendations

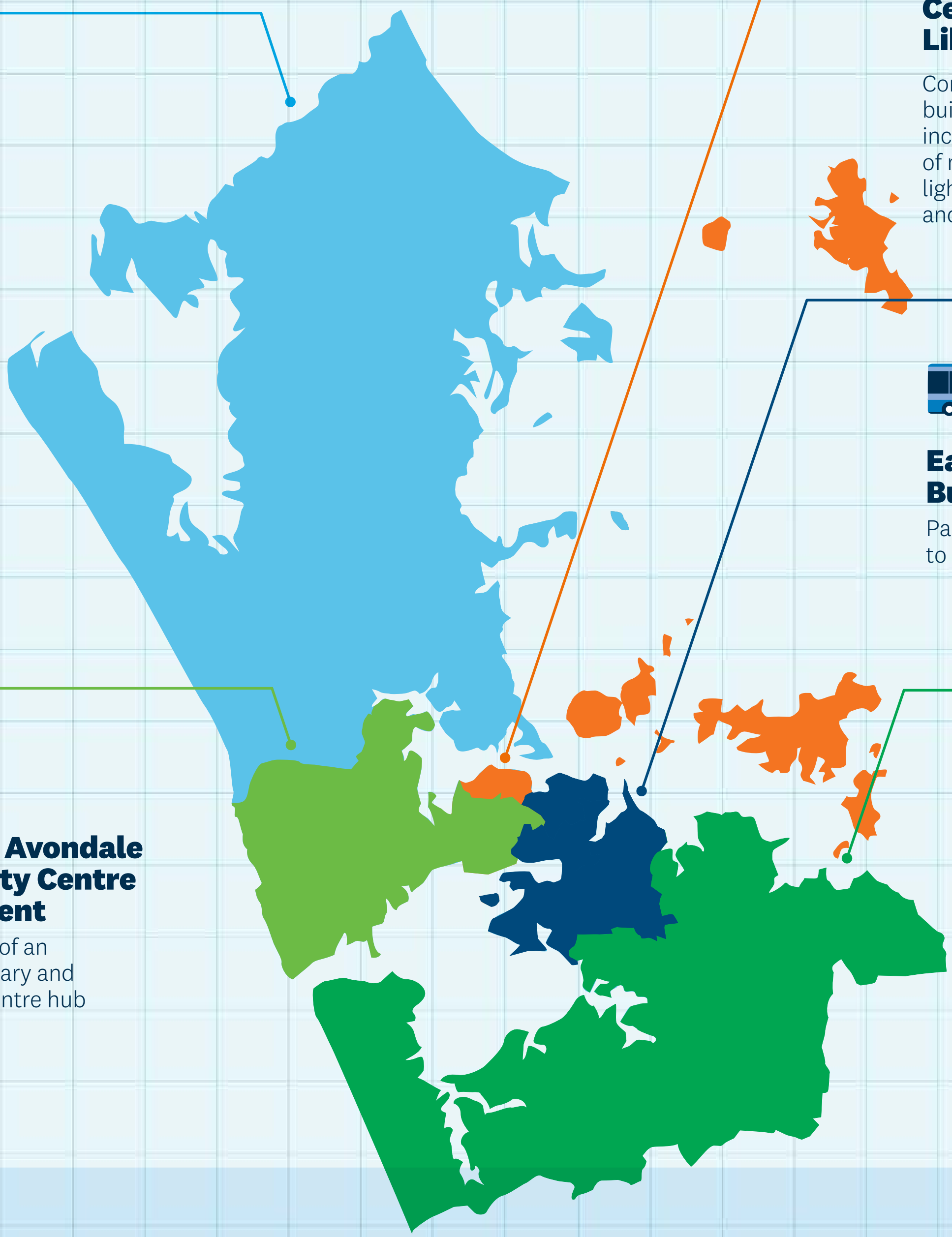
Northern Busway Enhancements
Akoranga to Albany, including upgrades to Rosedale Bus Station and corridor

West Auckland

Te Whau Pathway
Develop boardwalk connections

West Wave Aquatic Centre
Renew components in the Main Pool, Leisure Pool and Recreation Halls, including heating and ventilation systems, lighting, and changing rooms

Te Hono / Avondale Community Centre replacement
Development of an integrated library and community centre hub



Central Auckland and Gulf Islands

Central Library
Comprehensive interior building refurbishment including the renewal of mechanical services, lighting, furniture, fixtures and equipment

Ponsonby Civic Space
Staged development of a civic park space at 254 Ponsonby Road. This project is funded in part from the sale of properties in the Waitemata Local Board area

City Centre Programme
Delivering on the outcomes of the City Centre Masterplan to create a vibrant, accessible and inclusive city centre that contributes significantly to the Auckland region

East Auckland

Eastern Busway
Pakuranga to Botany

Jubilee Bridge, Panmure
Comprehensive renewal to increase the greenway/cycleway provision and incorporate an arts feature

Michaels Avenue Reserve
Stage two — Renewal of carparks and playspace

South Auckland

Reboubt Road Reservoir Expansion
Construction of additional treated water storage reservoir to maintain security of supply and cater for growth

Nathan Homestead, Manurewa
Seismic retrofit and upgrade to heritage community facility and café

Opaheke Sports Park, Papakura
Develop fresh-water and waste water system using the full Bellfield Encumbrance reserves fund

Develop Neighbourhood Parks, Franklin
Bremner Drive Drury, Glenbrook, Patumahoe, Clarks Beach, Ngakaroa Reserve, Ray Fausett Reserve

Region wide

City Rail Link (CRL)
Work to transform Auckland's public transport system continues. With the construction work now largely complete the project will move into the systems, control, integration, testing and commissioning phases

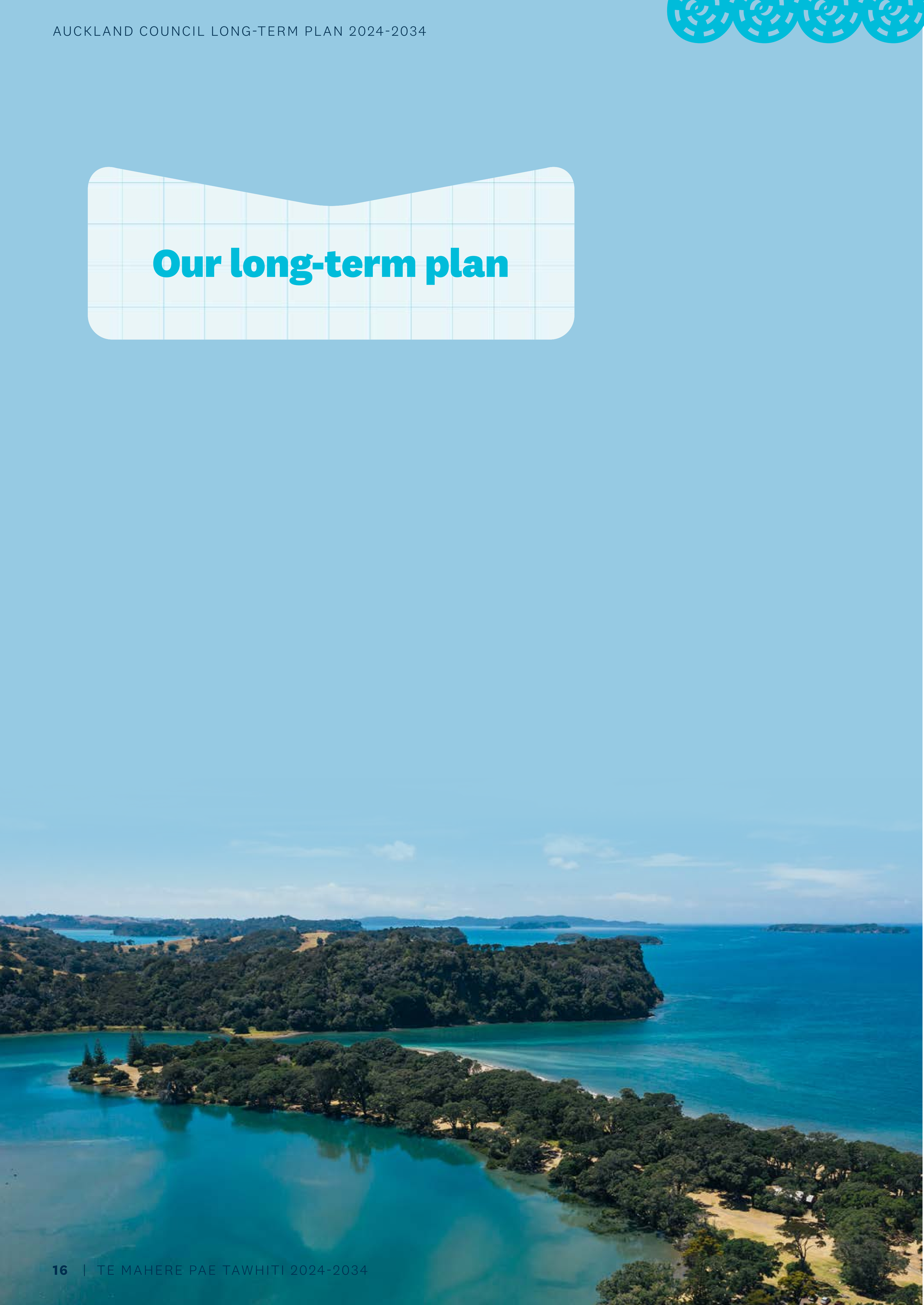
Central Interceptor
Watercare's supersized tunnel will reduce wastewater overflows into central Auckland waterways

Sports field capacity development programme
Developing, upgrading and renewing sports field to increase sports field capacity across Auckland

Urban regeneration
Mixing residential and commercial opportunities to optimise the use of council land

Get Auckland Moving
Developing new travel solutions and improving public transport to maintaining current infrastructure and facilities

Land acquisitions
Acquiring land for parks and open spaces to contribute to Aucklander's quality of life, as well as make better use of the parks we already have



Our long-term plan

1.2 Problems this plan addresses

Adapting to economic fluctuations

We have recently seen a transition from years of record low inflation and interest rates to higher levels that are more in line with long-term historical averages.

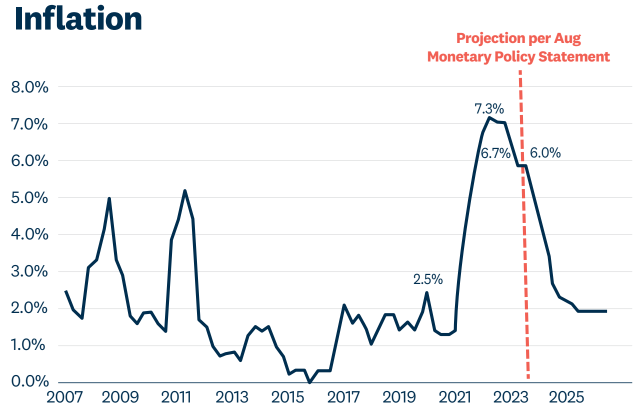
Inflation has averaged 2.4 per cent over the last 10 years, and peaked at 7.3 per cent in June 2022. While trending down from this peak, inflation remains high and is not expected to return to around 2 per cent until the 2026/2027 financial year.

The Reserve Bank has increased the Official Cash Rate (OCR) steadily over the past two years to control inflation. The high level of inflation leads to ongoing increases in the council's costs such as:

- staff costs across the group (salary increases are influenced by a number of factors, but in many cases the consumers price index (CPI) is a significant factor due to contractual obligations)
- contracted costs for outsourced services such as public transport provision, utilities, maintenance and waste services
- construction costs and interest expense.

While the council has addressed some of this pressure through cost savings, it has become harder to do without completely reviewing the activities and services we provide to the community, including which activities and services are delivered, and the council's role in delivering them.

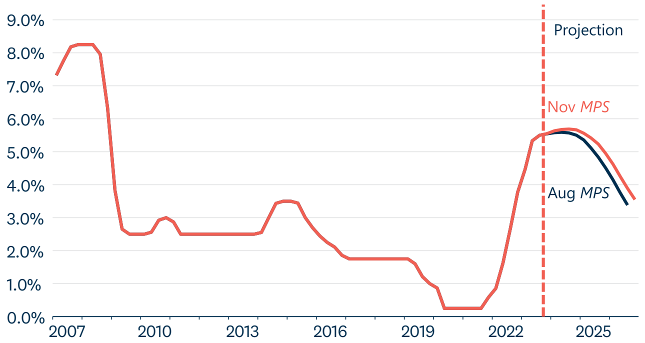
Inflation



*Data source: RBNZ

◀ Wenderholm Regional Park

Interest rates (OCR)
(quarterly average)



Source: RBNZ estimates

Paying for growth

Population growth increases demand for infrastructure and services. Auckland's population has grown substantially over the 10 years to the end of 2022, from 1.4 million to over 1.7 million at an average of 2 per cent each year.

The population is predicted to grow by a further 200,000 Aucklanders by 2034. This growth creates more demand for council activities and services, which is partially funded through the additional rates received from the new properties.

The rapid growth is also creating substantial demand for infrastructure investment such as transport, water services, parks and community facilities in both brownfield (previously built on) and greenfield (never built on) areas.

While we want to support growth in priority areas, we need to take a prudent approach to spending in this long-term plan.

Rising cost of asset ownership

Our capital investment in the 2023/2024 financial year has more than doubled from a decade ago. This is because decisions of the previous council to increase assets now need to be funded. The more we borrow to grow our assets to respond to population growth and other demands, the more we are exposed to rising interest rates.

We pay for the cost of capital investment in part with debt as a fair way to spread the costs over future generations. We also need to fund the additional costs to operate and maintain more assets and cover the cost to renew or replace assets as they wear out (we refer to this as funding depreciation). As we build more assets and borrow more money, the rates funding required to support our assets increases rapidly.

This means that even if our other costs only grow at the rate of inflation, our overall operating costs will rise faster than the rate of inflation. The most significant example of these increases is the $5.49 billion City Rail Link (CRL) project, the capital cost of which is being funded equally by Auckland Council and central government. It is currently estimated that the council will need to fund around $235 million of operating costs in relation to CRL from the first full year of operation, which is expected to be the 2026/2027 financial year.

While previous budgets have included some of these costs, the estimated impact has increased due to factors including capital cost projections and interest rates. The specific numbers are uncertain but it is clear that once CRL is open there will be a large increase in our funding requirement compared to previous years.

We have also not fully funded depreciation. This allows for how much the value of those assets decline, or depreciate, during the year from operating revenues. This means we have, on average, been borrowing more to renew our existing base. In addition, because we have not been able to renew all of our assets as quickly as we would have liked to, deferred work and the impact of inflation have resulted in higher projected renewal costs.

Storm response and resilience

In early 2023, Auckland experienced the Anniversary Day floods and Cyclone Gabrielle. These devastating events showed that the effects of climate change are becoming more frequent and more severe in Auckland.

These events have had a big impact on the council's finances both in terms of storm response costs and the need to improve our storm response and resilience. As part of our response we set up a Recovery Office to support affected communities and work on how we recover, such as by arranging for geotechnical work so that we can make decisions on future needs.

The major remediation and renewal-related capital costs for our storm response need funding. We have also agreed to a cost-sharing deal with the government to fund more than $2 billion to support flood recovery and resilience.

A key part of the plan to improve flood resilience is the Making Space for Water programme.

A limited funding system

The council uses a number of different tools to fund and finance its activities but these are often limited by legal or other constraints. Rates increases are limited by affordability concerns and the use of debt is limited by the need to keep our borrowing prudent and sustainable. We therefore continue to advocate for new tools, such as a bed night visitor levy, and reforms to some existing tools, such as development contributions.

We have a development contributions (DC) policy to charge developers part of the cost of new assets such as roads, pipes and parks needed in development areas. But this only funds part of the growth costs. We are seeking changes to the law relating to development contributions and targeted rates so we can adequately recover the costs of growth. This includes allowing us to charge development contributions based on an estimate of average infrastructure costs.

We are also working with the Ministry of Housing and Urban Development and Kāinga Ora – Homes and Communities to support the intensification of priority areas with significant Kāinga Ora landholdings. This work includes an indicative package of infrastructure investment to access a Housing Acceleration Fund.

There is an opportunity now for the council and the new government to work together to reset our relationship, and work differently to find structural fixes for the funding issues and growth challenges we share.

1.3 How the LTP supports strategic choices

The Auckland Plan 2050 outlines the major challenges that we face and sets direction in six outcome areas for tackling them.

These are:

- Belonging and participation
- Māori identity and wellbeing
- Homes and places
- Transport and access
- Environment and cultural heritage
- Opportunity and prosperity.

The council must focus on what it can control and put its efforts where they will make the biggest difference for Auckland and its people while providing for our communities of greatest need. This plan does this by addressing the longer-term outcomes we want to achieve. They include:

- Māori outcomes - focusing on opportunities to achieve better outcomes for and with Māori through our investment decisions, with the involvement of mana whenua, mataawaka, iwi and Māori community entities.
- Climate change – focusing on the threat that climate change poses to our economy, environment, and way of life and considering the climate impacts in everything that we do.

This LTP can also help define the relationship between the council, Aucklanders, central government, iwi and partners. It details what the council plans to do, why we will do it, and how these activities fit together with everything the council plans to deliver for Auckland.

It does this, informed by the mayor's vision and direction of council.

1.4 Direction

The mayor's vision

We want to create an Auckland that is beautiful, thriving, and safe, for all Aucklanders.

This includes;

- a stunning natural environment – harbours, beaches, forests, maunga, islands, urban trees – that can be accessed and enjoyed by Aucklanders across the region.
- a transport system and development pattern that enables us to live in decent houses in nice communities and move around the region easily, affordably and in a way that meets our climate commitments.
- decent and affordable public services, amenities, and infrastructure.
- a diverse and dynamic city, which honours the place of Māori and includes a rich array of cultural and sporting events, museums, galleries and built heritage.
- a thriving economy that supports growth and opportunities for all.

Priorities – better, faster, cheaper

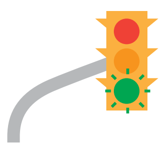
This prioritises progress on five areas:

1 Stop wasting money

Improve the cost effectiveness of our activities providing both short-term savings and long-term financial reform, to build public confidence in the council's fiscal discipline and cost control.

2 Get Auckland moving

Set a path for better public transport, including an integrated transport plan to deliver a better transport system, and reduce the cost and inconvenience of temporary traffic management.

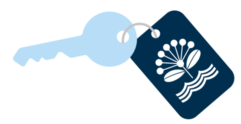


3 Fix Auckland's infrastructure and build a resilient Auckland

Finish large infrastructure projects to maximise the value of our existing infrastructure. This includes making the region more resilient to reduce the impact of future flooding.

4 Take back control of council-controlled organisations (CCOs) and Auckland's future

Improve governance and oversight to deliver greater value for Aucklanders.



5 Making the most of our harbours and environment

Recognise the value of land where POAL operates and look at transferring management of prime land fronting the Waitematā Harbour to the council.

Our focus for Auckland

Ultimately this LTP is about Auckland and Aucklanders, and council delivering outcomes for our region. An outcome-focused approach to investment is included to deliver on our priorities.

In terms of decision-making for this LTP, a key principle has been the need for prioritisation and trade-off decisions, which are significant given our budget challenges.

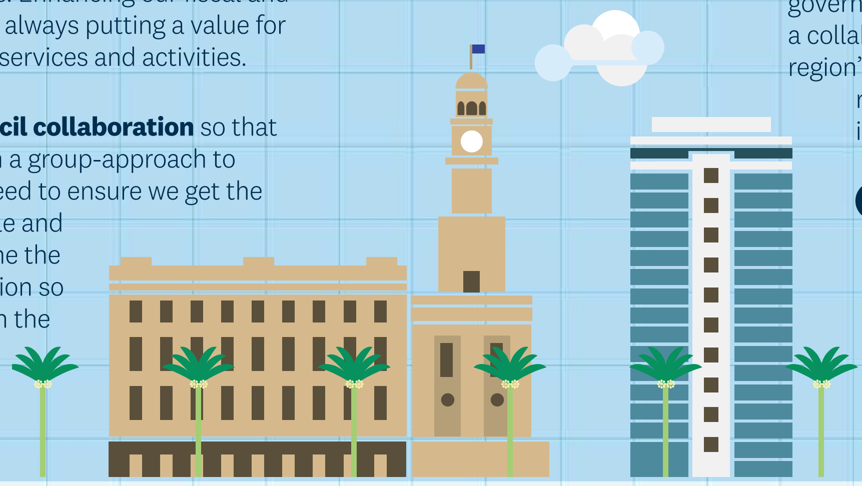
Our council group focus

We need to be fit for the future so we can continue to deliver for Auckland.

To do that we'll focus on important ways we work together.

Our areas of focus recognise and respond to the set of challenges and opportunities the group faces.

1. A more efficient council with a focus on **value for money** for Aucklanders. Enhancing our fiscal and budgetary process and always putting a value for money lens across our services and activities.
2. Enhancing **cross-council collaboration** so that Auckland benefits from a group-approach to collective issues. We need to ensure we get the benefit of council's scale and expertise and streamline the group's strategic direction so we continue to focus on the things most important to Aucklanders.
3. **Strengthening partnerships** with central government and iwi. The group will take a collaborative approach to tackling the region's biggest challenges, creating clear roles for partners. The 'Auckland Deal' is a large opportunity to deliver on this.
4. Embedding **climate action** across our activities. We need to continue to improve how we respond to the twin challenges of reducing our contribution to climate change and dealing with its impact.
5. **Driving the delivery of infrastructure** that Auckland needs through prioritisation and coordination of projects and focus on executing capital programmes with a 'fix, finish, optimise' mindset.
6. **Innovating how we deliver services** to be more effective with resources. We need to use new and better ways to deliver what Aucklanders need from a 21st Century council. This includes shifting the way council delivers some community services over time from asset-based to digital and community-based services.



1.5 Our services and activities

There are seven areas of council activities, or investment, that contribute to the collective vision for Auckland.

Our plan addresses the challenges and delivers actions in each of these areas. It also covers how we will deliver on the overall strategic outcomes and manage our finances prudently.

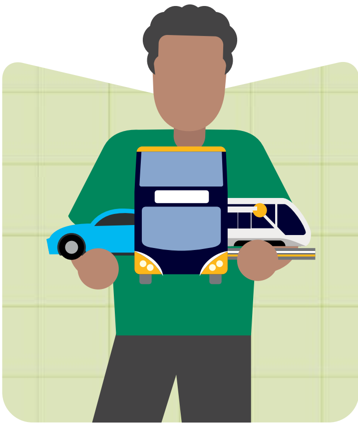
This section includes a high-level summary of what we will deliver under each of our activity areas. It includes the key challenges for each area along with the main responses included in our long-term plan. You can find more information about these activities in Volume 2 Section 2 – Our activities.

Transport

Transport investment will build on the basics, while fixing roads and improving public transport.

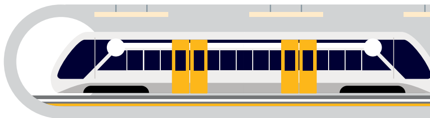
A key priority for transport is to make the most of our existing assets and planned spend, including our significant investment in the City Rail Link (CRL) and other large rapid transit network projects. We will particularly focus on renewals and maintenance to ensure roads and other network assets are kept in good order.

We will look at ways to make public transport faster, more reliable and easier to use. Rapid transit investment will focus on busways, following the successful example of the Northern Busway.



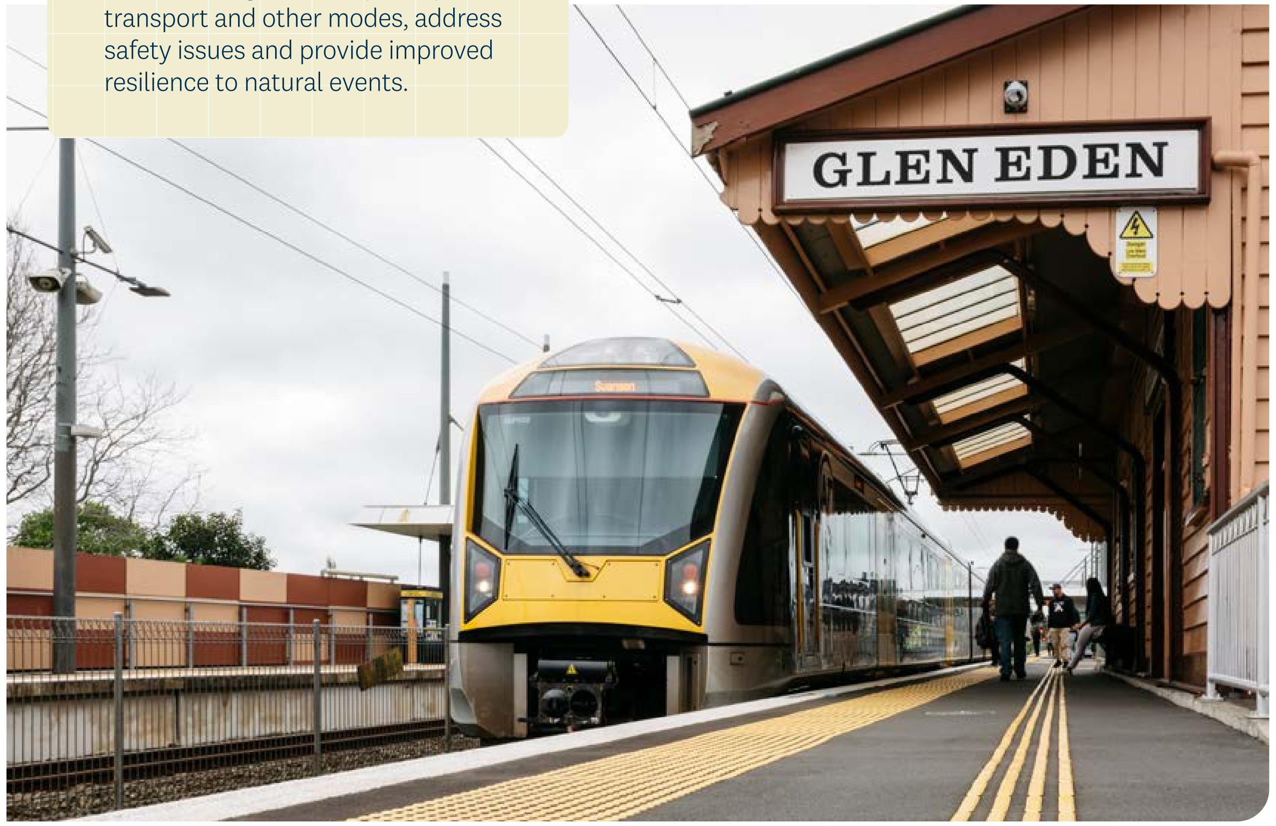
Transport investment will remain as one of the council's most important tools to reduce carbon emissions, such as the ongoing addition of electric vehicles to our bus and ferry fleets. Getting more people to use public transport also helps reduce emissions.

While we propose to invest more in transport, we have limited financial resources and face a rapid increase in costs, so ensuring maximum value from every dollar spent is critical.



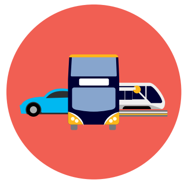
We will deliver a comprehensive programme of investments that help alleviate congestion, improve public transport and other modes, address safety issues and provide improved resilience to natural events.

▼ Glen Eden Station



◀ Little Shoal Bay

Transport

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	**$14,594m** (includes $592m for CRL over 3 years)	**$28,152m**	 **$34**

What we do:

We help Aucklanders move around the city by maintaining and operating over 7000 kilometres of local roads and operating an extensive network of train, bus and ferry services across the region.

We deliver a comprehensive programme of investments that help alleviate congestion, improve public transport and other modes, address safety issues and provide improved resilience to natural events.

Our challenges

- **Changing travel patterns.** Aucklanders need better choice in how they travel. Mode shift to better alternatives can reduce congestion, lower user costs, save time and achieve health benefits.
- **Resilience.** Making the transport system much more resilient to disruption including to the impacts of a changing climate including extreme weather events such as the Auckland Anniversary floods and cyclone Gabriel in 2023.
- **Renewals and maintenance.** The cost of maintaining, operating and improving the transport system has increased sharply in recent years, and there is a need to catchup with a renewals backlog, placing significant pressure on the government and Auckland Council's budgets. We need to ensure we are maintaining our existing assets properly.
- **Supporting growth.** Transport infrastructure is a key enabler of urban development and there is major pressure for investment to support growth in both greenfield and existing urban areas.
- **Reducing harm.** Significantly reducing the harm caused by Auckland's transport system, especially through improved road safety and reducing pollutants that are dangerous to people's health and the environment through runoff.

Our plan is to deliver

- Improvements to the bus network, including in the city centre and more widely to add capacity and improve overall speed and reliability.
- Optimised transport network and use of dynamic lanes to reduce congestion.
- Introducing a $50 weekly public transport cap for buses, trains and inner-harbour ferries.
- Enable payment for standard adult public transport fares with Apple and Google Pay, debit cards and most credit cards in addition to the current HOP card, and transition to the National Ticketing Solution (NTS).
- Expansion of the Fareshare scheme.
- Protect our drivers with the installation of safety screens for 80% of buses within two years.
- Developing a time of use charging scheme to cut congestion.
- Road renewals of $5.5 billion and the unsealed road improvements programme ($125 million).
- Removal of level crossings including four level crossings at Takānini to support the opening of the City Rail Link and realise the benefits.
- Climate Action Transport Targeted Rate (CATTR) funded investment programme, including the ongoing delivery of the Northwestern Busway with the reallocation of CATTR funding.
- Existing Rapid Transit projects, including CRL and Stage 3 of the Eastern Busway.

Our focus for the next 3 years:

- Progress capital programmes to deliver transport infrastructure.
- Prepare for the opening of CRL.
- Introduce new public transport fare options.

Water

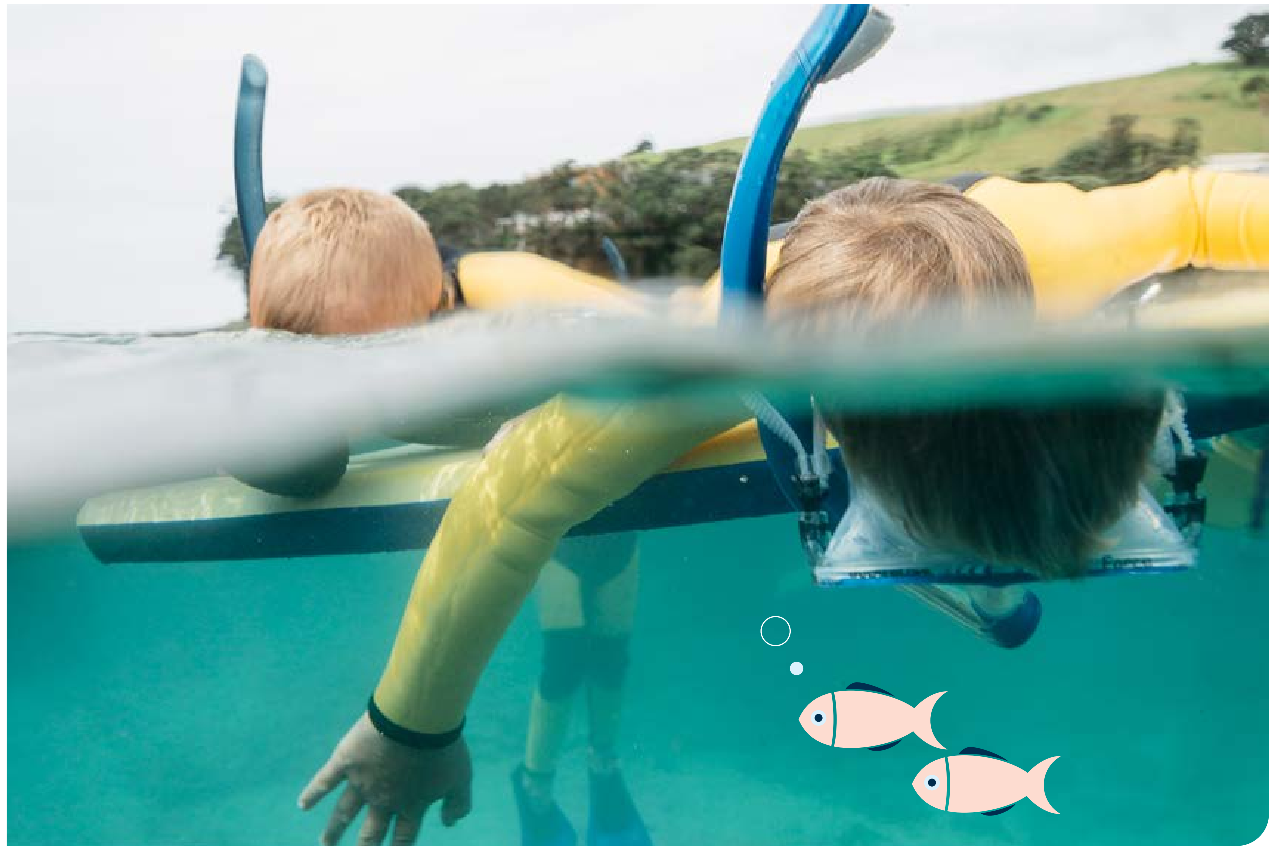
Watercare is responsible for water and wastewater while Auckland Council is responsible for stormwater. Through the government's water reform programme, Local Water Done Well, the financial independence of council-controlled organisation Watercare will enable inter-generational investment in water infrastructure, and delivery of sustainable and affordable water services to Auckland.

The new model means Watercare can invest more without being constrained by Auckland Council's prudential debt limits. In light of this, Watercare's Board has agreed a price path of 7.2 per cent increases per year for the next three years. This allows them to deliver an extensive capital investment programme while keeping water affordable.

Water investment also includes strengthening Auckland's resilience to flooding with the new Making Space for Water programme.

The recent storm events have shown us the challenges facing water quality, particularly in our harbours. Besides the other programmes of work to address this, the long-term plan is funding $779 million for a programme of water-quality stormwater projects.

▼ Snorkeling at Goat Island Marine Reserve



Water

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	$16,016m	$16,496m	$8

What we do:

Watercare supplies safe drinking water and treats wastewater to a high standard so that it can be safely discharged into the environment. Auckland Council manages stormwater to minimise flooding and protect the health of waterways, and provide infrastructure that supports the growth of Auckland.

Our challenges

- **Supporting growth.** Water infrastructure is an essential part of urban development. There is currently great demand for investment in water infrastructure to support growth in both greenfield (undeveloped land) and existing urban areas.
- **Flood Resilience.** Making the stormwater network much more resilient to a changing climate including extreme weather events such as the Auckland Anniversary floods and Cyclone Gabriel in 2023.
- **Availability of water**. Climate change is already affecting both demand for, and availability of, water. It is vital that we carefully manage a sustainable allocation of water and continue efforts to reduce demands.

Our plan is to deliver

- The Making Space for Water programme - including seven initiatives and more than $700 million in funding to strengthen Auckland's resilience to flooding, including government co-funding.
- Central Interceptor (CI) including extension to Point Erin to allow connections and to improve water quality in Herne Bay and St Marys Bay.
- Huia water treatment plant upgrade.
- Redoubt Road reservoir expansion.
- Complete the Paerata Culvert flood protection upgrade works.
- Continue to improve water quality in the Western Isthmus through the Waterview Catchment Separation works and Point Chevalier stormwater separation works.
- Improve water quality in the Eastern Isthmus by completing the Lower Khyber separation works.
- Renew and upgrade critical assets such as the East Tamaki Dam and the Paremuka dam culverts.
- Complete the stormwater upgrade of Corban Reserve by delivering Waitaro Stream, Corban Reserve Culvert Upgrade Stage 2.
- Continue working to restore the health and mauri (lifeforce) of the Kaipara Harbour through the Kaipara Moana Remediation Programme. This is a joint initiate between Auckland Council, Northland Regional Council, the government, and Kaipara Uri.

Our focus for the next 3 years:

- Watercare to progress key capital programmes, e.g. Central interceptor.
- Progress Water Quality Targeted Rate (WQTR) funded programmes, e.g. Western / Eastern isthmus.
- Advance Making Space for Water programme.

Making Space for Water

Following the 2023 storm events the council established a Recovery Office to support affected communities and work on our recovery.

In this LTP, the *Making Space for Water* programme is a substantive response to the severe storms of early 2023. The programme will aid Auckland's recovery from the impacts of the Auckland Anniversary floods and Cyclone Gabrielle, and build resilience and preparedness for future storms. Its strategic goals are to:

- reduce existing flood risks
- avoid creating new flood risks
- raise awareness of flood risks, and
- prepare for flood events.

Making Space for Water is a key programme in the Tāmaki Makaurau Recovery Plan. It also delivers on priorities and goals set out in the Auckland Water Strategy 2022-2050 and Te Tāruke a Tāwhiri: Auckland's Climate Plan.

It is important to note that the Making Space for Water programme does not set out to completely resolve flooding issues in the region, Instead it allows the council to reduce risk and better prepare the region for flooding. The programme includes funding for seven initiatives:

- **Blue-green networks**: Creating parks (green) around existing waterways (blue) to give stormwater space to flow and help reduce flooding in populated areas. The parks can be enjoyed by the community during dry weather. During storms the parks are designed to flood, diverting water away from and reducing flooding on private property.
- **Stream and waterway resilience**: Enhancing the capacity of high-risk streams and waterways by de-lining concrete channels and replacing pipes with naturalised features like vegetated swales, ponds, or open channels.
- **Increased maintenance**: Boosting maintenance of both the pipe and stream stormwater networks to improve drainage capacity and prevent blockages.
- **Flood intelligence**: Investing in new planning, monitoring, and modelling tools while continually updating existing tools to assess and communicate flood risk.
- **Overland flow path management**: Identifying and enhancing the performance of overland flow paths at both a catchment (capital works) and individual property-scale.
- **Community-led flood resilience**: Supporting communities to take action to reduce their own flood risk and ensuring Aucklanders know what to do before, during and after a flood. Facilitating minor works on council assets and streams with community groups and providing guidance on how to manage flood risk.
- **Rural settlements**: Responding to specific needs in rural communities including marae and papakāinga to improve community resilience and assess public stormwater assets.

Making Space for Water will reduce flood risk to our communities and provide protection to critical infrastructure assets.

The total cost provided for this programme is $507 million capital expenditure (including central government co-funding) and $224 million operating expenditure.

Built environment

As Auckland grows, the council needs to build and develop supporting infrastructure and respond to direction from central government.

This long-term plan focuses and aligns major investment in space-shaping programmes, and continues to identify and unlock development opportunities (part of our urban regeneration programme) to enable new homes, create walkable, well-connected, low carbon communities and attract investment.

The LTP enables and supports development around major transport investment to maximise value for money, reduce emissions and support better use of existing assets where we can, given our inability to determine where growth occurs. This includes supporting residential and employment growth in the city centre and other city-shaping projects, and the realisation of the transformational benefits of City Rail Link.

Infill development is also changing Auckland. Urban regeneration plays an important part in ensuring development is well planned and improvements to the built environment strengthen communities and the economy.

The long-term plan allows for further investment to deliver vibrant city centres, with new areas for urban regeneration and infrastructure to support housing and growth.

▼ Te Kori Scott Point

Built environment

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	$1,181m	$1,590m	

What we do:

We help deliver a vibrant city centre and local town centres. We do this to support businesses and a thriving economy, strong and inclusive communities and to showcase the culture and identity of Auckland.

Our challenges

- **Growth:** Auckland's population has grown rapidly in recent years and the council has consented record numbers of dwellings. Communities need investment in infrastructure to support growing demand.
- **Spatial planning in an uncertain and changing environment:** Unexpected events and legislative changes increase uncertainty and make planning harder. Central government are increasingly providing planning direction to the council and driving place-shaping programmes.
- **Development on land susceptible to coastal inundation and flooding:** As Auckland has grown, land has been reclaimed alongside intensifying development in coastal and low-lying areas including flood-prone areas.
- **Affording bulk infrastructure:** Investing in infrastructure is challenging in the council's constrained financial environment. Trade-off's must be made (and re-made) to ensure Aucklanders are getting the best value for money from infrastructure investment. This includes sequencing development.

Our plan is to deliver

- Support for growth and ensure infrastructure development in large-scale funded and partially funded areas outside the investment priority areas (e.g., Wairaka/Carrington Road) – where they align with the Auckland Plan 2050 and the Future Development Strategy.
- Implementing the City Centre Masterplan, including: delivery of the Midtown Regeneration Programme to ensure that the city is ready to realise the benefit of the CRL investment, support residential growth in the city centre, advance other city-shaping projects and begin the phased transformation of Wynyard Point open space, Te Ara Tukutuku.
- Completing a masterplan to develop the central wharves into a public space, and aligning cruise facilities and ferry services with POAL operations, to provide a boost to economy.
- Continuing to regenerate our neighbourhoods in Wynyard Quarter, City Centre, Takapuna, Northcote, Henderson, Avondale, Maungawhau, Panmure, Onehunga, Papatoetoe, Manukau, Pukekohe and Ormiston.
- Renewing critical assets, particular on our waterfront.

Our focus for the next 3 years:

- Ensuring city centre works delivered in time to maximise the benefits of CRL opening.
- Develop waterfront public spaces.
- Investigate inclusion of new areas for urban regeneration.

Housing and Growth

We need to provide more services and infrastructure to support population growth in Auckland. Additionally, through our regulatory role, we need to make sure development is safe and meets quality standards.

The rapid expansion of Auckland's population is driving a substantial demand for infrastructure investment in both brownfield and greenfield areas. Proceeding with new development in areas without the necessary public infrastructure in place will create major problems in terms of quality housing and urban development outcomes, as set out in the Auckland Unitary Plan. The council needs to plan for the timely provision of infrastructure to ensure:

- housing and business development can proceed
- delivery of good urban outcomes
- climate outcomes and other policy goals are achieved
- infrastructure can be delivered as economically as possible
- lower risk of stranded assets
- digging twice is avoided with the associated higher costs and community disruption.

The council has identified specific priority growth areas in the Future Development Strategy 2023, in collaboration with central government. Each of these areas have substantial infrastructure investment requirements over the medium to long-term:

- The Auckland Housing Programme large scale project areas (Mt Roskill, Mangere and Oranga) and the Tamaki Regeneration area, $2-$3 billion
- The Inner Northwest (Westgate, Whenuapai and Redhills), $2 billion
- The City Centre (CRL stations at Maungawhau and Karang-a-Hape)
- Drury: $2.4 billion.

The investment in this plan will support the council to deliver our obligations under the National Policy Statement for Urban Development. The 2023 Housing and Business Development Capacity Assessment for the Auckland Region (HBA) identified that the council has sufficient capacity for the coming 30 years of forecast growth.

While there are some short-term infrastructure constraints in the next three years, the council has included significant investment in priority areas and is also collaborating with partners such as developers, Kāinga Ora and central government to enable further progress.

A key part of this collaboration is our continued work with Kāinga Ora and central government to enable further investment in the Auckland Housing Programme areas using the Housing Acceleration Fund (HAF). Additional National Land Transport Funding (NLTF), and development contributions (DCs) might also support this investment. This would allow for an acceleration of investment in transport, stormwater, parks, and community infrastructure to support growth in these areas in the next 10 years.

This plan includes $620 million of investment for these areas across the next 10 years using existing funding tools.

Using the HAF could allow for a significant acceleration of investment that would otherwise be spread over future decades. This would enable more housing development sooner. In addition to the required government's agreement to the use of HAF for these investments, the government might also need to amend the DC provisions in the Local Government Act 2002. This would allow the council to collect DCs for the growth share of the HAF investments. This would ensure developers in these areas, private and KO, pay a fair share of the cost of the investments they will benefit from.

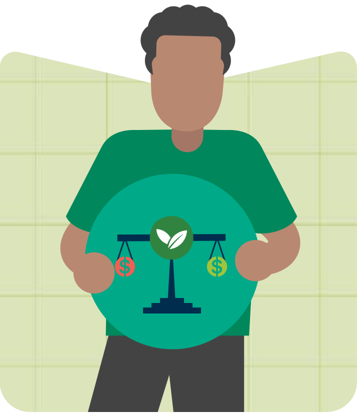
If the government's support is not available from the HAF, investment in the short-term will be constrained and the council will continue to work with KO to plan for future investment in later decades as part of the council's longer-term contributions policy work.

▲ Wyntard Development

Natural environment

Rapid growth and climate change is placing pressure on the state of the environment and the spread of pests, weeds and pathogens (like bacteria, viruses, fungi and parasites) which continue to threaten our native species.

Auckland Council supports the natural environment through a range of consenting, licencing and compliance activities to monitor and safeguard the natural environment and make it accessible to Aucklanders. We also support community involvement in environmental programmes.



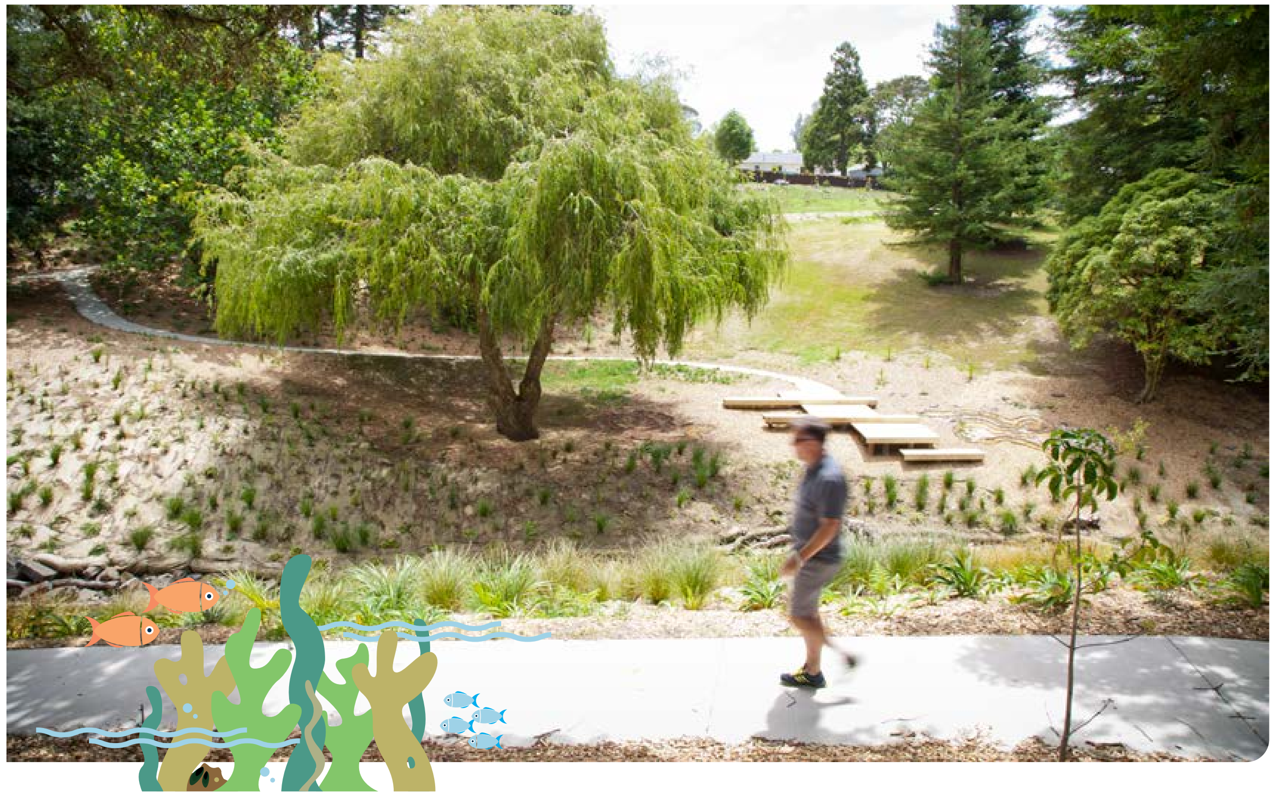
Volunteers play an important role in looking after the environment and we will continue to support volunteers to play an active role in the development, funding and caring for our green spaces.

We work with other agencies to nurture, monitor and protect Auckland's natural environment. We look after the green spaces and unique environments, including Auckland's cultural heritage. We keep Aucklanders and whānau safe through our consenting, licensing and compliance functions. We also collect Auckland's rubbish, recycling, food scraps and inorganics and recycle and reuse waste resources to minimise waste to landfill.

Getting the most out of our regulatory powers to achieve good neighbourhood and climate outcomes is also a priority for the council. We will use planning regulations, urban design and other mechanisms to ensure that new development aligns with the vision for liveable, low emission, resilient and vibrant neighbourhoods.

This long-term plan resumes the Natural Environment Targeted Rate at the previously planned level to raise around $32.6 million in 2024/2025, and increasing by 3.5 per cent a year. This includes $200,000 towards responding to the spread of the toxic Caulerpa seaweed in the Hauraki Gulf.

▼ Green Bay Botanical Garden



Natural environment

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	$517m	$7,882m	$13

What we do:

We work with other agencies to nurture, monitor and protect Auckland's natural environment. We look after the green spaces and unique environments, including Auckland's cultural heritage. We keep Aucklanders and whānau safe through our consenting, licensing and compliance functions. We also collect Auckland's rubbish, recycling, food scraps and inorganics and recycle and reuse waste resources to minimise waste to landfill.

Our challenges

- **A degrading natural environment**. The rapid growth of Auckland is putting pressure on the environment. Development, along with the spread of pests, weeds, and diseases, is threatening native species.
- **Green and Blue spaces**. Development is reducing the number of mature trees and private green space. Urban greening makes a city more resilient to climate change and is critical to mitigation and adaptation, as well as health and wellbeing.
- **Climate change.** Auckland is already feeling the effects of climate change and it will put further pressure on our natural spaces and native species.

Our plan is to deliver

- The Pest Free Auckland programme.
- Implementation of the Regional Pest Management Plan 2020-2030.
- Kauri dieback management programme.
- Marine biosecurity education and engagement programme.
- Resume the Natural Environment Targeted Rate (NETR).
- Food scraps service – completing the roll out of a rates-funded, weekly kerbside food scraps service, to all households in urban areas by the end of 2024.
- Rates-funded refuse – rolling out rates-funded refuse collections to the North Shore, Waitākere and Papakura in 2024/2025, and Franklin and Rodney in 2025/2026.
- Resource Recovery Network.
- Improvements and increased capacity in our animal shelter network.

Our focus for the next 3 years:

- Increased volunteer and community involvement in environmental programmes.
- Improvements to waste diversion (particularly construction / demolition).
- Increase resourcing for animal management.

Community

Aucklanders love and value our parks and open spaces as well as our community assets. However, some of these assets no longer fit with the changing demographics and needs of our communities.

This plan allows for $4.2 billion capital expenditure and $12.4 billion operating expenditure in community assets, services and open space.

Council previously decided to move towards a model that requires fewer physical assets to deliver services to our communities. This is because we just don't have the financial capacity to renew all of our ageing community assets, or the assets are not serving the needs of our changing communities.

Our plan includes $637 million of operating expenditure tagged to helping council transition to fewer renewals and more innovative ways of delivering council services or 'Deliver Differently'. This funding will be phased in over the first three years of this plan, as local boards consider how to fund those services their communities want delivered differently. It also provides for a Sport and Recreation Facilities Plan to address a deficit in indoor sports facilities, including $35 million over three years. Ensuring Auckland is a safe and vibrant city is also important. Through partnerships we have seen the establishments of safety hubs within the CBD, increased community patrols by Community Patrols New Zealand and increased funding for our compliance team who have employed a team of compliance wardens to deal with low-level issues and provide reassurance to the public. We have an improved partnership with Police by jointly funding four CCTV surveillance operators focusing on the CBD to support crime prevention.

This long-term plan continues to provide $500,000 of funding for outreach services for the homeless. There is also an additional funding to support youth homelessness initiatives, as means to prevent long-term homelessness in the city.

▼ Duder Regional Park

Auckland's Regional Parks are extremely popular and highly valued by the people of Auckland. The parks network presently comprises 28 regional parks, encompassing 41,000 ha of land and 210 km of coastline. The parks attract some six million visitors a year.

Community

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	$4,240m	$12,386m	 $29

What we do:

We strengthen Auckland communities by providing, managing and supporting open spaces, parks, sports, recreation, community arts programmes, libraries, venues, community services, Māori and Pasifika programmes, and via working with partners and funding grants.

Our challenges

- **Affording to maintain our facilities network**. Many of council's community facilities assets are ageing and utilisation is declining. Maintaining the full network of facilities is not financially sustainable.
- **Changing needs.** Auckland's communities are not only growing, they are changing and their needs are becoming more diverse and more different from when many of our facilities and services were designed.
- **Community resilience.** Inflation and cost escalation are affecting some communities significantly and contributing to cost-of-living pressures. Growing wealth and income inequality makes it difficult for some people to thrive.

Our plan is to deliver

- Transition of the Parks and Community Asset portfolio with $4.2 billion of capital funding for the next 10 years, supported with $637 million of operational funding already budgeted to transition to a lesser dependance on assets and more innovative ways of delivering council services or 'Deliver Differently'.
- Increasing the Sports and Recreation Facilities Investment fund by $35 million over three years to address the deficit in indoor sports facilities in Auckland.
- Fairer funding for local boards.
- Continued provision of our library collection and digital 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 a broad range of information in both physical and digital resources to support reading, discovery, and participation.
- Investing in sector and community-led arts and cultural activities, events, community development and safety activities through the Regional Grants Programme.
- Delivering high priority asset renewals to safeguard our facilities from asset failure and support high-priority growth projects.

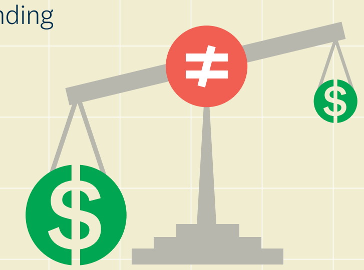
Our focus for the next 3 years:

- Support local boards to better deliver for their communities under a more equitable funding system.
- Progressing urgent community asset renewals.
- Support volunteer and community involvement with caring for green spaces.

Fairer funding

Local boards are at the heart of our communities. A fairer funding approach in this plan will enable local boards to better respond to the needs of their communities. It will do this by more quickly addressing funding imbalances between the 21 local boards that have been in place since Auckland Council's inception, without the need to reallocate funding between boards.

This will mean boards can move quickly to reorganise their work programmes to help accelerate the maintenance and renewal of facilities that are needed by the community. Local boards can also provide an increased range of different services that suit their diverse and changing communities.



This plan includes operational expenditure of $637 million to help council transition to fewer renewals and more innovative ways of delivering council services or 'Deliver Differently'. It will also allow local boards to consider options such as partnerships with third-party providers who might be able to provide services in partnerships that more effectively meet the needs of the community.

Currently, local board funding to deliver local community services differs greatly between local boards as the allocation of funding is based largely on what assets and services were provided by legacy councils prior to 2010. So local boards that had a lot of assets at amalgamation tend to have more funding than boards with fewer assets.

The Governing Body approved in principle a new funding model for local community services in 2021 after four years of investigation. This new model is fairer as it distributes available funding based on population (80 per cent), deprivation (15 per cent) and land area (5 per cent). This is different to the current funding allocation which is based on assets and services in each local board area.

When current funding is compared to funding based on the new model, some local boards are currently funded above the equitable funding level and some local boards are funded below an equitable level.

The new approach provides an additional $84 million of operating funding and $56 million of capital funding over the next three years. This will require a 1 per cent additional rates increase in 2025/2026 and 0.5 per cent additional increase in 2026/2027.

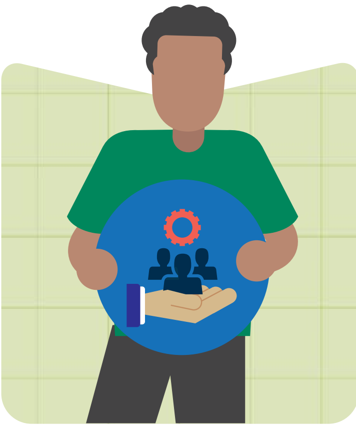
The fairer funding approach means local boards will move to be funded based on a revised formula that accounts for population, land area and socio-economic considerations, rather than being based on the decisions of the legacy councils. Under this new model, no local board will receive less funding than they would under the current funding policy.

With additional funding and budget responsibilities comes additional accountability. The budget responsibility and transparency rules apply equally to local board decisions as they do to the Governing Body. This plan provides for support for elected members to help ensure these responsibilities can be met, including the implementation of initiatives to drive efficiency and value for money to improve rates affordability.

Economic and cultural development

Economic development and destination initiatives including destination marketing and major events, such as the Diwali festival, are vital to Auckland. They continue to be funded under this plan, but at a reduced level (compared to pre-COVID-19 funding levels).

The long-term plan reduces rates funding for investment in economic and cultural development from the 2025/2026 financial year. The council will work with central government on new funding tools for visitor attraction and economic development to build the future economy Auckland needs to support its growth.



Over the longer term these activities should not be funded by general rates and work will progress to introduce an alternative funding tool such as a bed night visitor levy. Without this mechanism or sponsorship / partnering with the private sector, only the basic suite of events and minimum level of economic development projects will be delivered.

If a bed night visitor levy is not in place for the 2025/2026 financial year, then the council will need to consider a range of options via the Annual Plan 2025/2026. This could include considering reducing expenditure on events for that year, a higher rates increase for financial year 2025/2026 and any other potential funding sources.

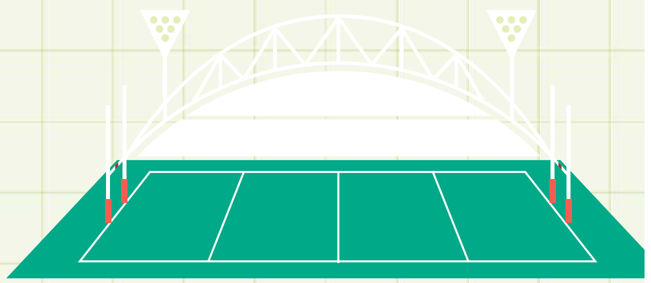
If a visitor levy is in place in time for the 2025/2026 financial year, then we may be able to support up to $20 million of additional events spending over and above what is currently included in this long-term plan.

This plan continues funding to provide experiences for visitors to the Auckland Zoo, Auckland Art Gallery, and New Zealand Maritime Museum, and continue supporting ongoing wildlife, visual arts and heritage conservation and asset development activities. It also enables international and domestic musicals, concerts, sporting events and art exhibitions for Auckland residents and to attract out-of town visitors, and investment in Auckland's economy, as well as continuing to provide the existing free and subsidised entry to programmes and events across a wide range of facilities, events and venues – ensuring equality of access. The plan provides for maintenance and base renewal of our portfolio of assets with a focus on decarbonisation of heritage assets and other decarbonisation initiatives.

North Harbour Stadium

A locally-led process will get underway for the North Harbour Stadium and Domain Precinct.

The Upper Harbour and Hibiscus and Bays Local Boards will lead a political working group on proposals to make better use of the stadium and precinct. Operational management options will also be explored.



Economic and cultural development

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	$587m	$2,870m	 $4

What we do:

Arts, sports, live performances and events enrich the lives of Aucklanders and visitors. We promote Auckland as a place to live, work, invest, study and visit, provide leisure, sport and entertainment venues, such as the art gallery and Auckland Zoo. We support the creation of quality jobs for all Aucklanders.

Our challenges

- **Sustainable funding for council's activities:** The council invests in economic development activities for the benefit of Auckland. However there are monetary benefits for others as a result of economic growth that do not flow to council, principally private actors and the government.
- **Disruption:** In recent years COVID-19, border restrictions, inflation, changing working patterns, the extreme weather events of 2023 have all created change for businesses and workers.
- **Ageing infrastructure:** Previous under-investment in regional facilities has meant that without additional funding many could face closure due to health and safety concerns.

Our plan is to deliver

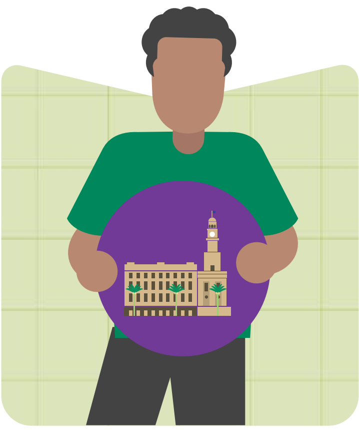
- Continue to deliver large cultural events such as Pasifika, Diwali and the Lantern Festival.
- Work with the government and industry, progressing work towards a bed night visitor levy.
- Secure international and domestic musicals, concerts, sporting events and art exhibitions for Auckland residents and to drive out-of-town visitation and investment in Auckland's economy.
- Maintain the Aotea precinct as the cultural centre of Auckland, continuing delivery of the Future Zoo developments and curating the visual arts offering to Aucklanders.
- Continue maintenance and base renewal of our portfolio of assets with a focus on de-carbonisation initiatives, including of our heritage assets.
- Support ongoing wildlife, visual arts and heritage conservation and asset development activities at Auckland Zoo, Auckland Art Gallery and the New Zealand Maritime Museum.
- Work across the council family to support key economic place-based developments, policy developments and major infrastructural projects that support the regional economy.
- Provide economic intelligence to support economic outcomes, jobs and investment for future Auckland, supporting post COVID-19 recovery.

Our focus for the next 3 years:

- Work with central government on new funding tools to attract visitors and stimulate economic development.
- Progress Auckland main stadium options through feasibility.
- A local board led plan for North Harbour Stadium.

Well managed local government

There is investment needed to support Auckland Council to deliver services and elected representatives to make decisions. We also invest in emergency management for the region and grants for large regional amenities. There is also a need to manage the council's investments, including Port of Auckland Limited.



A key priority in this plan is support for the work of elected members and local communities, and ensuring that we comply with statutory requirements (which are relevant to meetings, information management and all of the council's statutory activities). Also, we will continue to work in partnership with emergency services and other organisations to ensure effective coordination of civil defence and emergency management.

We are aware that trust and confidence in local government is declining. To help change this, we will invest in fit-for-purpose technology to improve our processes and make it cheaper to deliver our services. This will allow us to provide a quicker and easier experience for Aucklanders when you need to engage with us. With a better use of technology, we will be able to further reduce operational running costs.

This plan also sets a direction and provides for an accelerated implementation of shared services across the group to eliminate duplication and improve cost effectiveness.

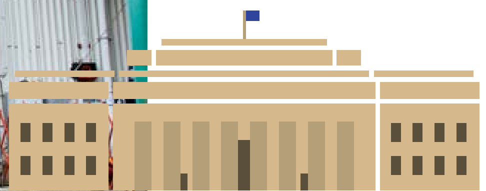
We also want to increase the support and provide more opportunities for and with mana whenua and Māori communities, and improve the local business environment through work with our partner associations.

As required by specific levy legislation, the council also makes significant investments in cultural institutions and organisations that it does not own or govern, such as:

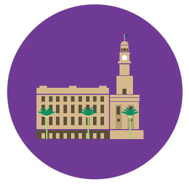
- Auckland War Memorial Museum.
- Museum of Transport and Technology (MOTAT).
- Auckland Regional Amenities Funding Board (ARAFB).

We will work with those organisations to progress work to modernise the legislation and governance relationship with the council.

▼ MOTAT



Well managed local government

KEY AREA OF SPEND	CAPITAL SPEND	OPERATING SPEND	RATES VALUE PER $100
	$2,205m	$6,536m	 $9

What we do:

We support Auckland Council to deliver services and elected representatives to make decisions. We provide emergency management for the region and grants for large regional amenities. We also manage the council's investments, including Port of Auckland Limited.

Our challenges

- **Operating environment**. Recent years have been very challenging for council. There is reduced investment capacity due to reduced revenue, existing commitments to spend, increased interest rates and supply chain costs.
- **Rising demand for investment.** There is rising investment demand due to rapid growth, changing community needs and expectations, ageing assets, a need to support recovery from recent storm events and mitigate and adapt to climate change.
- **Complexity**. The council's group structure, governance arrangements, and the necessary supporting structures can create cost and complexity. Optimising for good governance, devolved decision-making, achieving efficiencies of scale, and maintaining agility and adaptability is an ongoing challenge.

Our plan is to deliver

- The establishment of the Auckland Future Fund to improve the financial and physical resilience of the council.
- Increase community awareness, understanding and participation in emergency management.
- Partner with mana whenua and mātāwaka to support disaster resilience of iwi and Māori.
- Maintain and renew our ICT network, end user equipment, end-of-life software, and cyber security.
- Moving to fit-for-purpose technology services to transform the way we deliver technology across council.
- Accelerate group shared services and consolidation of service function to reduce duplication amongst council organisations.
- Asset sales target of $300 million.
- Renew corporate property and the vehicle fleet to reduce emissions and operational running costs.
- Increase Māori outcome funding to a total of $171 million over 10 years, accompanied by a review of the partnership with Māori, iwi, mataawaka and mana whenua.

Our focus for the next 3 years:

- Establish Auckland Future Fund.
- Progressing Māori outcomes.
- Reduce corporate emissions (e.g. solar initiatives).
- Accelerate group shared services including new procurement processes.
- Plan delivery of $300 million asset sales target.
- Use fit-for-purpose technology to deliver better and more efficient services.
- Continued storm recovery and response activities, including property buyouts.

Greater efficiency across council

There is a commitment to greater efficiency across the organisation, including group shared services. In 2022/2023 we achieved $83 million in savings and efficiencies across the group and this plan provides for an additional $27.8 million in year-one rising to $67 million in year-three of the LTP from:

- increasing fees and user charges to better reflect costs associated with providing services, such as Land Information Memorandums (LIM) requests, land advisory services, and building inspections.
- further back-office efficiencies, including accelerating the adoption of a leading practice design approach to a group shared service model.
- reductions to communications, marketing and engagement activities, such as the promotion of council services, and restricting public consultation to what is required by legislation.
- shifting to fit for purpose technology and operating models, including sharing of technology across the group.
- implementing more cost-effective service delivery models for the provision of regionally-networked local services such as pools and leisure, and property management across the council group.
- reducing the built heritage acquisition fund.
- reducing the reliance on general rates for funding destination marketing and major events, with expectations this would be funded from introduction of a tourism bed-night visitor levy.
- further reducing activity in a range of discretionary areas, including the use of professional services.

We have set a target for selling surplus property assets of $300 million over 10 years in line with our savings plan. This target is less than one per cent of what we propose to invest in new assets over the next 10 years.

▲ Festive in the City Centre, Te Komititanga ▶ Te Wharekura

1.6 Major investments

Auckland Future Fund

Making changes to some of our large investments will improve the council's physical and financial resilience. This plan includes the establishment of a regional wealth fund called the Auckland Future Fund to protect the value of the council's intergenerational assets, enhance cash returns, deliver diversification and improve financial flexibility.

An Auckland Future Fund will diversify council's major investments across different sectors and different geographic areas and protect the value of intergenerational assets held by the fund, so they can continue to benefit future generations.

It will also provide additional funding for council services of around $40 million per year from 2025/2026. This stronger annual return to the council will help fund services and infrastructure without the need for higher rates increases.

The Auckland Future Fund will be managed by a professional investment manager under a clear set of investment objectives and policies set by the council. This long-term plan enables a transfer of all the council's remaining shares in Auckland International Airport Limited (AIAL) into the fund and enables the fund manager to decide to sell any or all shares.

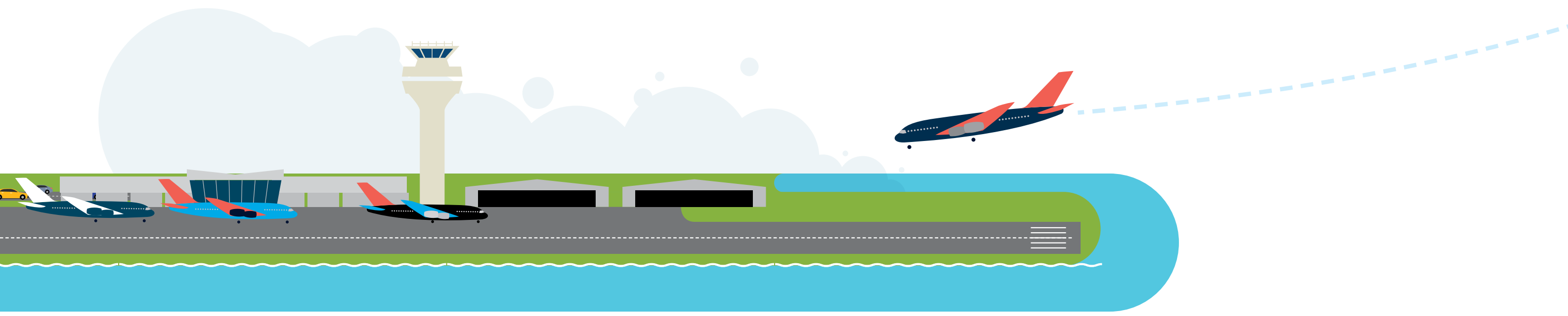
The plan for the Future Fund is not to 'set it and forget it'. Its establishment is a vehicle and mechanism to create long-term wealth for the Auckland region and to protect the value of intergenerational financial investments. We will look at options in the future to further capitalise the Future Fund.

The fund will be established as a trust with strict protections requiring it to be managed and applied with the intent of maintaining or increasing the real value of its capital over the medium term, and council will also seek legislative protection.

The CCO Accountability Policy has been amended to provide for this trust which will be a substantive council-controlled organisation.

For further detail on the fund, two new policies have been included in this long-term plan and can be found in Volume 2, section three (Auckland Future Fund Policy and Auckland Future Fund Distribution Policy).

This plan allows $20 million of the enhanced returns from the Auckland Future Fund in 2024/2025 to be set aside in a reserve fund to fix and finish community projects in legacy Manukau City and Auckland City areas. Work will progress over the next 12 months to identify opportunities to make further capital contributions to the future fund.



Port of Auckland

In this plan, POAL is expected to deliver $1.1 billion in profits over the LTP period. That is $200 million more than previously forecast. Last year, POAL delivered profits of around $42 million. By 2027, it will be delivering Auckland Council $110 million, or more than $2 million a week.

This plan provides for the transfer of Captain Cook and Marsden Wharves and the associated land from Port of Auckland Limited (POAL) to Auckland Council within two to five years, with any final decisions on the transfer subject to the relevant consents for work on Bledisloe North being granted and agreement on sale valuation of the wharves.

The plan will open new public waterfront space for the city, improve ferry services and provide a boost to our economy.

Auckland Council has affirmed an intent to support POAL to continue as a key import port of Auckland for the foreseeable future – which could well be 30 years or more – and until a long-term strategy for POAL and the Upper North Island Supply Chain is determined.

This includes a commitment to progressing work on the appropriate commercial model for POAL to deliver maximum value to Auckland in line with the council's ownership objectives, which includes:

i) Investigating rationalisation of Port ownership in the Upper North Island, to promote the most efficient long-term outcomes for Auckland and New Zealand.

ii) The council considering further, in good-faith and collaboration with POAL and Unions, a property company / operational company split, given the potential of this model as a precursor to rationalisation. The council will undertake to work with the other parties to work through their concerns about this model.

iii) Progressing a long-term initiative to develop a Comprehensive Waterfront Plan, building on recent work, with stakeholders to resolve the optimal use of port land for Auckland.

This could include ways POAL could contribute to the Future Fund.

There is also a commitment to progressing work on the long-term strategy for POAL and the Upper North Supply Chain. It is accepted that a new main import port in the Upper North Island is needed in the future. While future development does not need to be centrally planned, this will include working to support a long-term strategy for Port development outside Auckland's city centre and the infrastructure required to support the Upper North Island Supply Chain.

POAL will continue implementation of "time of use" charging for trucks to reduce the contribution of Port traffic to city centre congestion. POAL, Auckland Council and Unions will continue to support rail and coastal shipping and investigate ways to improve the competitiveness of these modes. The plan also supports the growth of ferry patronage and removes some cruise-related traffic from Princess Wharf and Queens Wharf.

The plan supports POAL's economic contribution by providing greater confidence or certainty required to invest in improved facilities, supporting the completion of its infrastructure plan and plans to boost the cruise industry.

Under the plan, POAL has reaffirmed its commitments to meeting community expectations around environmental protection, health and safety and operational standards.

A new swimming pool to connect the harbour

Eke Panuku currently has a project plan to update the swimming area around the Karanga Tidal Steps in Wynyard Quarter with a diving platform. This will include a plan to create a waterfront swimming pool by creating a pontoon structure around the tidal steps by summer 2024 and completed at no extra cost within the existing budgets.

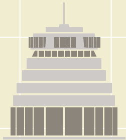
This will also solve the current navigation and safety challenge with boats going in and out of the Viaduct Harbour. It will provide a boost for Wynyard Quarter businesses.

▲ Artists impression of the expanded swimming area at the Karanga Plaza Tidal Steps.

1.7 Ongoing opportunities

This LTP will tackle the big financial challenges and strengthen the financial and physical resilience of the region with specific actions. There are aspects of it that will require further progress or might need to be adapted along the way.

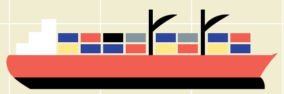
There are both risks and opportunities inherent in having an agile plan and we are mindful of the consequences of that. The continuing aspects include:



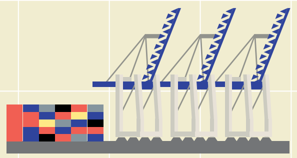
Much progress has been made in seeking a fundamentally different relationship for Auckland with central government, including ongoing agreements on water reform and changes to transport funding. This plan will require ongoing negotiations to deliver the outcomes that Auckland is seeking potentially including an Auckland Deal.

Making sure the government's plan for Local Water Done Well enables Watercare to borrow for intergenerational investment without being constrained by the council's prudential debt limit. Legislation to achieve this is expected to be passed in 2024 and the council has assumed that this will occur and be effective from 1 July 2025.

The council's response to the 2023 storm events is evolving with more funding directed toward buyouts to reduce risk to residents. The Making Space for Water Programme is moving into work on detailed design and business cases to confirm government funding.

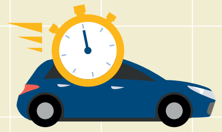


Making the most of our port and waterfront requires both POAL fulfilling its commitment to deliver $1.1 billion in profits over the LTP period, and the release of Captain Cook and Marsden wharves to enable new public waterfront space, as well as some public access to the Bledisloe terminal. These principles will need to be enshrined in a new tripartite accorxqd between Port of Auckland Limited, Auckland Council along with the Maritime Union of New Zealand and other POAL operational unions – including enhanced council oversight of POAL's strategic direction. The revised earnings numbers will also be enshrined in POAL's Statement of Corporate Intent.



Auckland Council and Eke Panuku have a framework plan for the central wharves. They will work with POAL, mana whenua and other stakeholders to complete the master planning for the area. POAL will also work with Council and Eke Panuku, as well as other stakeholders, in developing its new infrastructure and precinct plan. The $6 million cost of this plan will be covered by Eke Panuku with a $1 million kickstart from the mayor's office in 2024/2025.

Our transport plans, including a $14 billion capital budget for Auckland Transport, are reliant on the assumed levels of government contributions being confirmed.



Time-of-Use pricing to reduce congestion will require more work with the Government to confirm details around ownership and operation of the scheme; as well as clarity on capital costs.

We need to complete existing transport projects, notably the City Rail Link and Eastern Busway. Work with government on the final CRL asset ownership and operating arrangements is also continuing. More level crossing removals are likely to be required and this will require a long-term funding and delivery model.

Our housing and growth infrastructure plans are reliant on Auckland Council and the government working together to progress the infrastructure needed for the Auckland Housing Programme areas. If the government's support is not available, and overall investment lower, the council will focus its committed investment into those areas offering the greatest potential development in the short-term. The council will continue to work with KO to plan for future investment in later decades as part of the council's longer-term contributions policy work.

Our economic development initiatives require the introduction of a bed night visitor levy by 2025/2026. The intention is to move quickly to introduce a bed night visitor levy which could enable $20 million of additional investment in destination marketing and major events activity, over and above what is included in this plan by 2025/2026. This will require industry and government agreement. Without it we will have to consider higher rates increases, reductions in destination, marketing and major events costs of $7 million from year 2 of this plan (or alternative funding sources).

There will be continued focus by the council organisation to find savings and be more efficient. This will include changes to financial strategies to bring about better-quality spending and a refreshed procurement strategy. These initiatives are expected to result in further savings over time.

This plan provides for the establishment of the Auckland Future Fund, to be initially capitalised with the council's remaining shareholding in Auckland International Airport Limited, but there are opportunities to expand it. This will include considering other contributions to the fund, including how POAL might contribute to the fund in the future. An Investments Working Group will look at these further capitalisation options and report back for the next Annual Plan process.

The council will also seek legislative protection for the Auckland Future Fund.

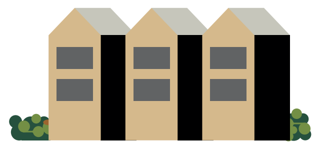
1.8 Your rates

Your rates

Your rates pay for a wide range of day-to-day activities and support investment in Auckland's assets.

Our Long-term Plan 2024-2034 includes a budget package that will result in a total rates increase for the average value residential property of around 6.8 per cent or $245.48 a year ($4.72 a week) in 2024/2025.

We are strengthening the financial and physical resilience of Auckland, while investing where it is needed most to manage growth. We are doing this in a way that recognises cost of living concerns and provides the greatest benefit to our communities.



To help with our budget challenge this year, the average increase in general rates across all existing properties will to be 7.1 per cent.

Changes to our rates for this plan include:

- removing the Long-term Differential Strategy (LTDS), which aimed to gradually lower the share of general rates paid by businesses and raise the share paid by other ratepayers, and holding the business differential at its current level of around 31 per cent. This will mean that from 2024/2025 the general rates increase will be applied evenly across all ratepayers. This has no impact on rates for either residential or business properties from 2024/2025 but does mean residential properties do not continue to face higher increases in general rates than business properties (assuming the growth in the rating base is evenly distributed between sectors).

- resuming the Water Quality Targeted Rate (WQTR) and extending it to 2033/2034 at a level to only cover the annual operating and interest costs of programmes the rate funds. This ensures that we can continue to fund the water quality improvements in harbours and streams across the region, at a lower immediate cost to ratepayers. This reduces rates for the average value residential property by $5.81 and $27.13 for the average value business property.
- resuming the Natural Environment Targeted Rate (NETR), providing for it to increase at 3.5 per cent per year from 2025/2026, and extending it to 2033/2034 to ensure that we can continue to deliver pest control across the region to protect our high value sites and native species, reduce the spread of kauri dieback and maintain the pest-free status of Hauraki Gulf Islands. This increases rates for the average value residential property by $23.24 and $110.01 for the average value business property.

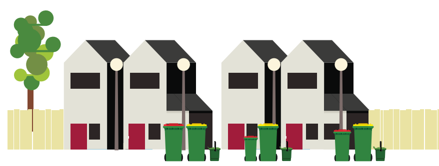
- adjusting the business differential for the NETR, WQTR and Climate Action Transport Targeted Rate (CATTR) to align with the general rates business differential. This reduces rates for the average value residential property by $9.15 and increases rates by $123.19 for the average value business property.

We are increasing the waste management targeted rates to recover the increased cost to deliver our waste management services as a result of:

- rising inflation in costs to deliver the services
- the rise in the government levy on waste sent to landfill
- reduced revenue from the sale of recycled materials.

Overall, there will be a 4.9 per cent (around $20) increase in the combined targeted rates for the standard waste management services (refuse, recycling, food scraps and inorganic collection services).

The Climate Action Transport Targeted Rate (CATTR) will increase on average by 3.5 per cent as agreed to by the council in 2022.



◀ Ōrākei

Total rates changes

The total rates changes for the average value properties in the residential and the business categories respectively, including increasing the share of the three targeted rates (water quality, natural environment, and climate action transport) paid by business properties from 25.8 per cent to around 31 per cent, are set out in the tables below.

The combined impact of changes to general rates, the NETR, the WQTR, the CATTR, and the waste management targeted rates will be a rates increase of around 6.80 per cent for the average value residential property and around 8.39 per cent for the average value business property in 2024/2025. The makeup of these increases is shown in the following table:

	Urban residential	Urban business
Average CV	**$1,421,000**	**$3,789,000**
Total rates 2023/2024	**$3,609.64**	**$19,167.39**
Breakdown of changes to 2023/2024 total rates		
General rates increase	214.78	1,376.51
Change to Water Quality Targeted Rate	-6.54	-17.18
Change to Natural Environment Targeted Rate	19.96	154.48
Change to Waste Management Minimum Base rate	3.68	3.68
Change to Waste Management Standard Recycling rate	10.46	10.46
Change to Waste Management Standard Refuse rate	1.86	n/a
Change to Waste Management Food Scraps rate	3.99	n/a
Change to Climate Action Transport Targeted Rate	-2.71	81.12
Total rates 2024/2025	**$3,855.12**	**$20,776.46**
$Annual change	245.48	1,609.07
$Weekly change	4.72	30.94
Annual change per cent	6.80%	8.39%

The expected increases to overall rates for the average value properties for the first three years of the long-term plan are shown below (rounded to the nearest dollar):

	2024/2025	2025/2026	2026/2027
Average value residential	6.80% or $245 per year	5.80% or $224 per year	7.90% or $322 per year
Average value business	8.39% or $1,609 per year	5.90% or $1,225 per year	8.22% or $1,809 per year

The following graphic illustrates the overall rates increase for residential and business ratepayers for a range of property values. The increases shown in the graphic are for demonstrative purposes only.
To find out what the impact of the proposed changes to your rates would be for 2024/2025 please visit **https://www.aucklandcouncil.govt.nz/property-rates-valuations/Pages/find-property-rates-valuation.aspx**

▶ Ormiston Development

Estimated rates increases for residential ratepayers 2024/2025

Increase	CV	Per cent
$157	CV: $750k	6.69%
$190	$1m	6.74%
$213	$1.175M	6.77% (Median CV)
$245	$1.421M	6.80% (Average CV)
$282	$1.7M	6.83%
$322	$2M	6.85%
$454	$3m	6.89%

Estimated rates increases for business ratepayers 2024/2025

Increase	CV	Per cent
$258	CV: $500K	8.25%
$360	$750K	8.30%
$463	$1M	8.32%
$494	$1.075M	8.33% (Median CV)
$668	$1.5M	8.35%
$1,609	$3.789M	8.39% (Average CV)
$4,161	$10M	8.41%

Supporting notes

- The rates calculated above include general rates, the Water Quality Targeted Rate, the Natural Environment Targeted Rate, the Waste Management Minimum Base Service Rate, the Standard Recycling Rate, the Standard Refuse Rate (included for residential properties only), the Food Scraps Rate (included for residential properties only), and the Climate Action Transport Targeted Rate. We have included the Standard Refuse Rate for residential properties as it provides a useful proxy for these costs across the region including areas where this rate is not applied or will only be available for part of the year and charged on a pro-rata basis. It is not included for business properties as it only applies to some business properties in the former Auckland City Council area.
- The rates analysis above excludes targeted rate changes that cover the cost of increased service levels affecting specific groups of ratepayers such as the introduction of the Franklin Local Board Paths Targeted Rate and the extension of rates funded refuse service to the former districts of Waitākere City, North Shore City and Papakura District.
- A number of other changes have been adopted to our rating policy and may affect individual properties (see Volume two, Section 3.0 Policy Overview for more detail).
- The rates shown above do not include water or wastewater charges which are set by Watercare. To support a significant increase in capital investment over the next 10 years, Watercare's board of directors have approved an increase in water and wastewater tariffs by 7.2 per cent on 1 July 2024. You can see more information on the Watercare website **www.watercare.co.nz**

Wāhanga tuarua:
Ā mātou tahua pūtea

Section two: Our finances

◀ Queen Street

2.1 Financial overview

Introduction

This section provides a high-level overview of our key financial information and explains how we fund our activities. This should be read in conjunction with the prospective financial statements in Section 2.2.

Key proposed financial parameters for 2024-2034

$ million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Total capital investment	4,306	4,191	4,102	4,034	4,110	4,128	4,074	3,593	3,374	3,429	**39,340**
Total operating expenditure	6,140	6,541	6,819	7,155	7,434	7,753	8,128	8,399	8,646	8,897	**75,912**
Overall average rates increase	7.1%	5.9%	8.4%	3.5%	3.2%	3.7%	3.5%	3.7%	3.5%	3.5%	
Rates revenue	2,784	3,010	3,304	3,470	3,631	3,814	4,005	4,185	4,388	4,604	**37,195**
Total operating funding sources	5,808	6,255	6,638	7,031	7,417	7,829	8,287	8,779	9,304	9,870	**77,219**
Total assets	77,613	82,569	88,973	92,996	97,003	100,082	103,455	109,658	111,887	113,879	
Total borrowing	14,057	15,604	17,182	18,384	19,600	20,741	21,732	22,187	22,039	21,292	
Total equity	57,683	60,843	65,655	68,296	70,558	72,335	74,551	79,935	82,092	84,422	
Debt to revenue ratio	250%	213%	214%	212%	208%	206%	205%	198%	189%	175%	

Capital investment and debt levels

Capital expenditure is for purchasing, building, replacing, or developing the city's assets (for example roads, libraries, parks and sports fields).

Over the next 10-years, our total capital expenditure programme is planned to be $38.7 billion, in addition we plan to invest $592 million in City Rail Link Limited. The total capital investment for Auckland over 2024-2034 is projected to be $39.3 billion.

Delivered by:	$ billion
Auckland Council	8.7
Auckland Transport	14.0
Watercare	13.8
Auckland Unlimited	0.6
Ports of Auckland Limited	0.7
Eke Panuku Development Auckland	0.9
Total capital expenditure	38.7
Investment in City Rail Link Limited	0.6
Total capital investment	39.3

The following table shows how we plan to fund our capital expenditure and other capital outflows in 2024-2034.

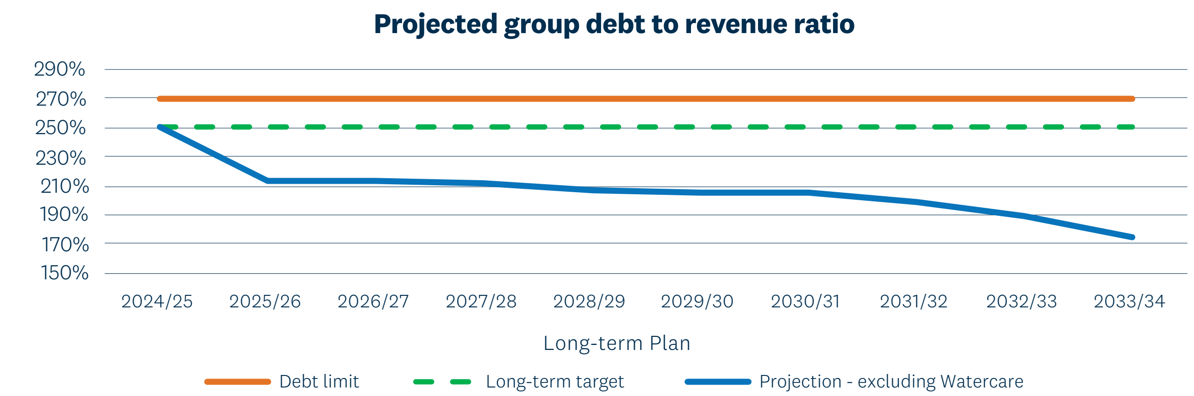
Capital expenditure and other outflows $ billion	Long-term Plan 2024-2034
Growth	12.9
Service level improvement	9.7
Renewals	16.2
Investment in City Rail Link Limited	0.6
Capital investment	**39.3**
Weathertightness claims	0.2
Other	(0.3)
Total	**39.3**

Funding sources $ billion	Long-term Plan 2024-2034
Capital subsidies	7.9
Development contributions	2.0
Asset sales	0.9
Operating cash surplus	19.8
Borrowings	8.7
Total	**39.3**

The continued investment in Auckland will see us increasing council debt from $12.6 billion to $21.3 billion, over the 10-year period.

Our Financial Strategy sets a limit on the council's borrowing, to maintain debt at a prudent and sustainable level. This internal limit is set at 270 per cent of revenue, with a long-term target of maintaining debt at below 250 per cent.

The chart below shows that, with the revenues and debt of Watercare excluded from 1 July 2025, council debt is significantly below the target and even falls below 200 per cent in the last three years. This headroom will ensure the group retains flexibility to respond to unforeseen shocks.



To help mitigate the impact on debt, the council has considered its asset portfolio. Asset recycling is a key lever as changing asset ownership has minimal impact on jobs and employment compared to spending reductions.

We have set an asset recycling target over the decade of $300 million. This is on top of other asset sales programmes across the group such as those undertaken by Eke Panuku, including as part of the Transform and Unlock programme.

Operating expenditure and revenue sources

It is forecast that the Auckland Council group will spend $75.9 billion in operating expenditure over the next 10 years. This covers the council's day-to-day operations and services, from collecting rubbish and running public transport to maintaining parks and issuing building consents. It includes costs related to the capital expenditure programme such as interest, maintenance, and depreciation (a non-cash cost).

The $77.2 billion of operating funding sources cover $57.4 billion of cash operating expenditure (depreciation is excluded as it is a non-cash item), leaving a cash surplus of $19.8 billion to fund capital expenditure.

Operating funding expenditure $ billion	Long-term Plan 2024-2034
Staff	13.7
Interest	10.1
Other	33.6
Total cash operating expenditure	57.4
Depreciation and amortisation	18.5
Total operating expenditure	**75.9**

Operating funding sources $ billion	Long-term Plan 2024-2034
Rates	37.2
Fees and user charges	24.8
Subsidies and grants	6.2
Other	9.0
Total operating funding source	**77.2**

Balanced budget and funded depreciation

The Local Government Act 2002 requires that each local authority ensures that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Additionally, however, it provides that a local authority may set projected operating revenues at a different level if it resolves that it is financially prudent to do so, having regard to -

a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and

b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and

c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and

d) the funding and financial policies adopted under section 102 of the Local Government Act 2002.

As shown in our Financial Strategy in section 1.4 of Volume 2, 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, and plan to achieve this by 2028. 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 additional borrowing would have left a legacy of additional debt for future generations to service. Fully funding depreciation 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.

Key Assumptions

Our financial forecasts are based on some key assumptions, which have a high degree of uncertainty. These include:

- projected growth and development occurring so that we meet forecasts for rates, consenting revenue, development contributions and other user charges such as water and wastewater charges
- inflation and interest rates being in line with projections
- the Auckland Future Fund returns are as expected
- government funding for transport investment is secured as assumed
- CRL is delivered on time and on budget, including vested asset and operating funding assumptions being in line with our assumptions
- Buyouts, grants and government contributions in response to the 2023 storm events are in line with projections
- Assumed cost reductions and asset sales targets are met.

A full set of our significant financial assumptions are available in Section 2.2 Prospective Financial Statements.

▶ Harbourview Oranghina Park Te Atatu

2.2 Prospective financial statements

2.2 Prospective financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council group consolidated

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Revenue											
Rates	2,524,291	2,781,626	3,007,611	3,302,553	3,468,899	3,630,228	3,814,277	4,005,191	4,185,298	4,388,395	4,603,867
Fees and user charges	1,646,497	1,787,384	1,910,033	2,041,984	2,194,754	2,351,258	2,514,147	2,691,254	2,896,623	3,109,696	3,325,890
Grants and subsidies	1,179,450	1,730,435	1,499,005	1,402,802	1,474,339	1,459,013	1,393,468	1,362,585	1,268,028	1,252,999	1,270,057
Development and financial contributions	268,545	230,000	240,000	248,000	217,410	148,329	167,758	187,363	196,735	175,072	192,680
Other revenue	758,569	696,501	718,337	682,460	735,540	796,362	854,105	930,278	1,036,329	1,144,090	1,268,879
Vested assets	456,083	671,571	3,109,456	462,410	463,226	461,877	460,677	459,481	463,503	467,296	471,368
Finance revenue measured using effective interest method	7,071	8,526	6,132	4,713	4,635	4,592	3,383	3,385	3,295	3,296	3,298
Other finance revenue	774	4,346	4,626	4,805	4,931	4,988	4,979	5,097	5,307	5,439	5,544
Total revenue	**6,841,280**	**7,910,390**	**10,495,199**	**8,149,727**	**8,563,733**	**8,856,647**	**9,212,793**	**9,644,633**	**10,055,117**	**10,546,283**	**11,141,585**
Expenditure											
Employee benefits	1,146,181	1,267,098	1,290,147	1,293,285	1,315,940	1,340,436	1,372,384	1,406,507	1,455,216	1,483,684	1,518,399
Depreciation and amortisation	1,292,763	1,410,421	1,472,569	1,630,549	1,735,438	1,809,397	1,878,074	2,019,861	2,079,100	2,156,710	2,271,918
Grants, contributions and sponsorship	170,067	170,379	176,512	198,155	207,495	197,275	200,803	212,753	207,586	211,776	216,029
Other operating expenses	2,391,795	2,673,434	2,899,300	2,887,890	2,992,172	3,095,212	3,203,350	3,311,808	3,417,262	3,521,920	3,642,429
Finance costs	536,241	618,765	702,101	809,323	903,594	991,585	1,098,877	1,176,998	1,240,040	1,272,255	1,247,867
Total expenditure	**5,537,048**	**6,140,096**	**6,540,628**	**6,819,201**	**7,154,638**	**7,433,905**	**7,753,488**	**8,127,929**	**8,399,204**	**8,646,346**	**8,896,641**
Operating surplus/(deficit) before gains and losses	**1,304,233**	**1,770,294**	**3,954,571**	**1,330,525**	**1,409,095**	**1,422,742**	**1,459,304**	**1,516,704**	**1,655,914**	**1,899,937**	**2,244,943**
Net other gains and losses	(26,785)	344	13,621	13,893	14,171	14,455	14,744	15,039	15,340	15,646	15,959
Share of surplus/(deficit) in associates and joint ventures	(6,864)	(129,927)	(1,875,423)	(247,834)	12,673	12,812	12,586	12,836	13,226	13,440	13,659

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Surplus/(deficit) before income tax	**1,270,584**	**1,640,712**	**2,092,769**	**1,096,585**	**1,435,940**	**1,450,009**	**1,486,635**	**1,544,578**	**1,684,479**	**1,929,023**	**2,274,562**
Income tax expense	100,996	55,422	62,871	66,060	82,316	108,786	131,611	152,948	200,534	258,112	313,839
Surplus/(deficit) after income tax	**1,169,588**	**1,585,290**	**2,029,898**	**1,030,525**	**1,353,624**	**1,341,223**	**1,355,024**	**1,391,630**	**1,483,945**	**1,670,912**	**1,960,723**
Surplus after income tax is attributable to:											
Ratepayers of Auckland Council	1,169,588	1,585,290	2,029,898	1,030,525	1,353,624	1,341,223	1,355,024	1,391,630	1,483,945	1,670,912	1,960,723
Other comprehensive revenue/ (expenditure)											
Fair value movement on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure	0	12,879	26,016	26,537	27,068	27,609	28,161	28,724	29,299	29,885	30,482
Net gain on revaluation of property, plant and equipment	3,590,178	70,619	1,472,085	3,754,968	1,260,782	1,200,563	393,286	795,591	4,151,234	455,969	338,988
Tax on revaluation of property, plant and equipment	(292,654)	0	(368,561)	0	0	(307,053)	0	0	(280,248)	0	0
Total other comprehensive revenue	**3,297,525**	**83,499**	**1,129,540**	**3,781,505**	**1,287,850**	**921,119**	**421,447**	**824,316**	**3,900,285**	**485,854**	**369,471**
Total comprehensive revenue/ (expenditure)	**4,467,113**	**1,668,789**	**3,159,438**	**4,812,030**	**2,641,474**	**2,262,341**	**1,776,470**	**2,215,946**	**5,384,229**	**2,156,766**	**2,330,194**

Prospective Statement of Financial Position

Auckland Council group consolidated

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
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	651,589	874,573	891,859	928,530	983,735	1,029,017	1,071,296	1,122,818	1,171,432	1,234,729	1,306,053
Derivative financial instruments	732	110,147	110,147	110,147	110,147	110,147	110,147	110,147	110,147	110,147	110,147
Other financial assets	59,507	109,675	109,675	109,675	109,675	109,675	109,675	109,675	109,675	109,675	109,675
Inventories	58,978	41,681	42,806	43,662	44,535	45,426	46,335	47,261	48,207	49,171	50,154
Income tax receivable	2,328	0	0	0	0	0	0	0	0	0	0
Non-current assets held-for-sale	135,785	254,067	98,423	68,453	48,917	105,780	45,673	28,593	34,393	104,507	-
Total current assets	**1,008,919**	**1,490,143**	**1,352,910**	**1,360,467**	**1,397,010**	**1,500,045**	**1,483,126**	**1,518,494**	**1,573,854**	**1,708,229**	**1,676,030**
Non-current assets											
Receivables and prepayments	56,006	104,217	66,516	69,251	73,368	76,746	79,899	83,741	87,367	92,088	97,407
Derivative financial instruments	526,816	625,667	625,667	625,667	625,667	625,667	625,667	625,667	625,667	625,667	625,667
Other financial assets	1,354,174	1,464,261	1,492,592	1,518,330	1,544,559	1,571,835	1,599,989	1,632,418	1,661,716	1,693,700	1,724,182
Property, plant and equipment	71,864,783	70,817,394	77,602,240	83,981,429	87,927,436	91,758,088	94,794,426	98,051,575	104,102,987	106,124,729	108,078,369
Intangible assets	260,956	504,603	554,099	599,259	627,148	654,222	675,682	698,702	741,472	755,761	769,568
Investment property	729,295	681,053	694,674	708,568	722,739	737,194	751,938	766,976	782,316	797,962	813,922
Investments in associates and joint ventures	1,927,754	1,914,745	167,960	97,413	63,832	64,970	55,907	60,394	65,103	69,858	74,656
Other non-current assets	11,432	11,119	11,992	12,882	13,791	14,717	15,662	16,626	17,590	18,554	19,518
Total non-current assets	**76,731,216**	**76,123,059**	**81,215,740**	**87,612,799**	**91,598,541**	**95,503,438**	**98,599,169**	**101,936,099**	**108,084,219**	**110,178,318**	**112,203,290**
Total assets	**77,740,135**	**77,613,201**	**82,568,650**	**88,973,266**	**92,995,550**	**97,003,484**	**100,082,296**	**103,454,594**	**109,658,073**	**111,886,547**	**113,879,319**

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Liabilities											
Current liabilities											
Payables and accruals	1,258,574	1,703,268	1,758,758	1,730,529	1,787,517	1,829,318	1,861,241	1,877,903	1,783,180	1,756,324	1,800,556
Employee entitlements	134,041	136,314	138,794	139,132	141,569	144,204	147,641	151,312	156,552	159,615	163,349
Borrowings	1,041,153	2,706,745	3,000,687	3,300,422	3,528,900	3,759,855	3,976,625	4,164,949	4,251,386	4,223,282	4,081,353
Derivative financial instruments	2,634	1,546	1,546	1,546	1,546	1,546	1,546	1,546	1,546	1,546	1,546
Provisions	114,251	351,557	102,293	85,492	82,549	79,156	75,110	71,110	67,331	63,767	60,636
Total current liabilities	**2,550,652**	**4,899,431**	**5,002,079**	**5,257,121**	**5,542,081**	**5,814,079**	**6,062,163**	**6,266,821**	**6,259,995**	**6,204,534**	**6,107,440**
Non-current liabilities											
Payables and accruals	237,775	316,760	340,945	343,253	386,699	464,491	468,558	469,959	451,901	445,699	500,905
Employee entitlements	6,155	5,188	5,282	5,295	5,388	5,488	5,619	5,759	5,958	6,075	6,217
Borrowings	10,861,942	11,350,471	12,603,593	13,881,410	14,855,448	15,840,043	16,764,170	17,567,024	17,935,519	17,815,706	17,210,639
Derivative financial instruments	637,180	567,459	567,459	567,459	567,459	567,459	567,459	567,459	567,459	567,459	567,459
Provisions	180,048	143,636	128,167	119,512	115,471	110,737	105,058	99,410	94,067	89,022	84,575
Deferred tax liabilities	2,654,182	2,647,126	3,078,558	3,144,618	3,226,933	3,642,773	3,774,384	3,927,333	4,408,115	4,666,227	4,980,066
Total non-current liabilities	**14,577,282**	**15,030,640**	**16,724,003**	**18,061,547**	**19,157,397**	**20,630,991**	**21,685,249**	**22,636,943**	**23,463,019**	**23,590,188**	**23,349,861**
Total liabilities	**17,127,934**	**19,930,071**	**21,726,082**	**23,318,668**	**24,699,479**	**26,445,070**	**27,747,412**	**28,903,764**	**29,723,014**	**29,794,722**	**29,457,301**
Net assets	**60,612,201**	**57,683,130**	**60,842,568**	**65,654,598**	**68,296,072**	**70,558,413**	**72,334,884**	**74,550,829**	**79,935,059**	**82,091,825**	**84,422,018**
Equity											
Contributed equity	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179	26,693,179
Accumulated funds	8,371,818	9,417,990	11,610,507	12,764,231	14,218,961	15,571,404	16,935,668	18,343,747	19,829,511	21,500,147	23,446,238
Reserves	25,547,204	21,571,961	22,538,882	26,197,188	27,383,932	28,293,830	28,706,037	29,513,903	33,412,369	33,898,499	34,282,601
Total equity	**60,612,201**	**57,683,130**	**60,842,568**	**65,654,598**	**68,296,072**	**70,558,413**	**72,334,884**	**74,550,829**	**79,935,059**	**82,091,825**	**84,422,018**

Prospective Statement of Changes in Equity

Auckland Council group consolidated

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Contributed equity											
Opening balance	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**
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	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**	**26,693,179**
Accumulated funds											
Opening balance	**6,855,642**	**7,372,800**	**9,417,990**	**11,610,507**	**12,764,231**	**14,218,961**	**15,571,404**	**16,935,668**	**18,343,747**	**19,829,511**	**21,500,147**
Surplus/ (deficit) after income tax	1,169,588	1,585,290	2,029,898	1,030,525	1,353,624	1,341,223	1,355,024	1,391,630	1,483,945	1,670,912	1,960,723
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive revenue	**1,169,588**	**1,585,290**	**2,029,898**	**1,030,525**	**1,353,624**	**1,341,223**	**1,355,024**	**1,391,630**	**1,483,945**	**1,670,912**	**1,960,723**
Transfer to/ (from) reserves	346,588	459,900	162,619	123,199	101,105	11,220	9,240	16,450	1,819	(275)	(14,632)
Balance as at 30 June	**8,371,818**	**9,417,990**	**11,610,507**	**12,764,231**	**14,218,961**	**15,571,404**	**16,935,668**	**18,343,747**	**19,829,511**	**21,500,147**	**23,446,238**
Reserves											
Opening balance	**22,596,267**	**21,948,362**	**21,571,961**	**22,538,882**	**26,197,188**	**27,383,932**	**28,293,830**	**28,706,037**	**29,513,903**	**33,412,369**	**33,898,499**
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	3,297,525	83,499	1,129,540	3,781,505	1,287,850	921,119	421,447	824,316	3,900,285	485,854	369,471
Total comprehensive revenue	**3,297,525**	**83,499**	**1,129,540**	**3,781,505**	**1,287,850**	**921,119**	**421,447**	**824,316**	**3,900,285**	**485,854**	**369,471**
Transfer to/ (from) reserves	(346,588)	(459,900)	(162,619)	(123,199)	(101,105)	(11,220)	(9,240)	(16,450)	(1,819)	275	14,632
Balance as at 30 June	**25,547,204**	**21,571,961**	**22,538,882**	**26,197,188**	**27,383,932**	**28,293,830**	**28,706,037**	**29,513,903**	**33,412,369**	**33,898,499**	**34,282,601**
Total equity											
Opening balance	**56,145,088**	**56,014,342**	**57,683,130**	**60,842,568**	**65,654,598**	**68,296,072**	**70,558,413**	**72,334,884**	**74,550,829**	**79,935,059**	**82,091,825**
Surplus after income tax	1,169,588	1,585,290	2,029,898	1,030,525	1,353,624	1,341,223	1,355,024	1,391,630	1,483,945	1,670,912	1,960,723
Other comprehensive revenue	3,297,525	83,499	1,129,540	3,781,505	1,287,850	921,119	421,447	824,316	3,900,285	485,854	369,471
Total comprehensive revenue	**4,467,113**	**1,668,789**	**3,159,438**	**4,812,030**	**2,641,474**	**2,262,341**	**1,776,470**	**2,215,946**	**5,384,229**	**2,156,766**	**2,330,194**
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	**60,612,201**	**57,683,130**	**60,842,568**	**65,654,598**	**68,296,072**	**70,558,413**	**72,334,884**	**74,550,829**	**79,935,059**	**82,091,825**	**84,422,018**

Prospective Statement of Cash Flows

Auckland Council group consolidated

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Cash flows from operating activities											
Receipts from rates revenue	2,524,291	2,781,626	3,007,611	3,302,553	3,468,899	3,630,228	3,814,277	4,005,191	4,185,298	4,388,395	4,603,867
Receipts from grants and other services	3,797,953	4,295,801	4,287,314	4,265,579	4,517,133	4,696,147	4,800,291	5,030,731	5,258,270	5,525,123	5,939,330
Interest received	7,845	12,872	10,757	9,518	9,566	9,580	8,362	8,482	8,602	8,736	8,843
Dividends received	36,092	56,284	82,995	84,684	86,519	88,068	89,648	91,260	93,246	94,929	96,819
Payments to suppliers and employees	(3,625,178)	(3,984,426)	(4,378,771)	(4,411,411)	(4,487,718)	(4,614,779)	(4,764,897)	(4,927,995)	(5,139,834)	(5,239,325)	(5,355,578)
Income tax refund/(paid)	0	0	0	0	0	0	0	0	0	0	0
Interest paid	(535,664)	(618,395)	(701,882)	(809,209)	(903,565)	(991,626)	(1,098,960)	(1,177,115)	(1,240,157)	(1,272,372)	(1,247,983)
Net cash inflow from operating activities	**2,205,340**	**2,543,763**	**2,308,024**	**2,441,713**	**2,690,833**	**2,817,618**	**2,848,721**	**3,030,553**	**3,165,426**	**3,505,486**	**4,045,297**
Cash flows from investing activities											
Sale of property, plant and equipment, investment property and intangible assets	164,207	63,713	254,067	98,423	68,453	48,917	105,780	45,673	28,593	34,393	104,507
Purchase of property, plant and equipment, investment property and intangible assets	(2,717,048)	(3,837,219)	(4,009,301)	(3,933,126)	(4,000,545)	(4,085,744)	(4,108,706)	(4,063,698)	(3,648,951)	(3,389,864)	(3,402,809)
Acquisition of other financial assets	(25,491)	(1,299,601)	(4,086)	(581)	0	0	0	(3,705)	0	(2,098)	0
Proceeds from Sale of other financial assets	866,039	1,287,945	0	0	0	0	0	0	0	0	0
Investment in joint associates and ventures	(346,000)	(258,000)	(136,530)	(185,360)	37,905	3,325	13,300	0	0	0	0
Advances to external parties	0	0	0	0	0	0	0	0	0	0	0
Proceeds from community loan repayments	2,462	2,075	1,771	1,379	838	334	7	0	0	0	0
Net cash outflow from investing activities	**(2,055,830)**	**(4,041,087)**	**(3,894,078)**	**(4,019,265)**	**(3,893,349)**	**(4,033,168)**	**(3,989,619)**	**(4,021,730)**	**(3,620,358)**	**(3,357,569)**	**(3,298,302)**
Cash flows from financing activities											
Proceeds from borrowings	904,720	3,919,578	4,253,809	4,578,239	4,502,938	4,744,450	4,900,753	4,967,802	4,619,881	4,103,469	3,476,286
Repayment of borrowings	(1,054,230)	(2,422,254)	(2,706,745)	(3,000,687)	(3,300,422)	(3,528,900)	(3,759,855)	(3,976,625)	(4,164,949)	(4,251,386)	(4,223,282)
Payments of finance lease principal	0	0	38,990	0	0	0	0	0	0	0	0
Net cash inflow from financing activities	**(149,510)**	**1,497,324**	**1,586,054**	**1,577,552**	**1,202,516**	**1,215,550**	**1,140,898**	**991,177**	**454,932**	**(147,917)**	**(746,995)**
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**(0)**	**0**	**(0)**	**0**	**(0)**	**(0)**	**(0)**	**0**	**(0)**	**0**	**0**
Opening 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
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**

Notes to the prospective financial statements

Note 1: Statement of significant accounting policies

Basis of reporting

Auckland Council is a local authority domiciled in New Zealand and governed by the following legislation:

- Local Government Act 2002 (LGA 2002);
- Local Government (Auckland Council) Act 2009 (LGACA 2009); and
- Local Government (Rating) Act 2002.

Auckland Council is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 (FMCA 2013).

The council's principal address is 135 Albert Street, Auckland Central, New Zealand.

The Auckland Council Group (the group) consists of Auckland Council (the council), its subsidiaries, associates and joint ventures. A list of significant subsidiaries is provided in the table below. All group entities are domiciled in New Zealand. The council considers that presenting group information enhances transparency of information about cost of services provided to Auckland ratepayers and enables ratepayers to make more informed decisions about the impact of delivering the Auckland Plan.

The primary objective of the group and the council is to provide services and facilities to the Auckland community for social benefit rather than to make a financial return. Accordingly, the council has designated itself and the Group as public benefit entities (PBEs) and applies New Zealand Tier 1 Public Benefit Entity accounting standards (PBE Accounting Standards). These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.The Group and council have a balance date of 30 June and these prospective financial statements are for the period from 1 July 2024 to 30 June 2034. The actual results achieved for the period covered by this plan are likely to vary from the information presented in this document, and these variances may be material. The Group and council do not intend to update the prospective financial statements after publication.

The prospective financial statements have been prepared to ensure accountability of the group and the council to the Auckland community. Information in the financial statements may not be suitable for use in any other context.

The governing body is responsible for the prospective financial statements included in this plan, including the appropriateness of the significant financial assumptions these are based on, and the other disclosures in the document.

Basis of preparation

These consolidated prospective financial statements are prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA 2002, the LGACA 2009 and the Local Government (Financial Reporting and Prudence) Regulations 2014 and comply with PBE Accounting Standards;
- on a historical cost basis, except for certain financial instruments which have been measured at fair value, certain classes of property, plant and equipment and investment property which have been subsequently measured at fair value;
- on a going concern basis and the accounting policies have been applied consistently throughout the periods; and
- in New Zealand dollars (NZD), rounded to the nearest million dollars, unless otherwise stated.

They comply with PBE FRS 42 Prospective financial statements.

They were adopted by the Governing Body of Auckland Council on 27 June 2024.

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances. Judgements and estimates which are considered material to understanding the performance of the group include:

- Property, plant and equipment
- Derivative financial instruments
- Provisions
- Investment in other entities

Refer to note 2 for significant forecasting assumptions.

Comparative information

The Annual Plan 2023/2024 adopted by the council on 29 June 2023 has been provided as a comparator for these consolidated prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these consolidated prospective financial statements which is based on the most up-to-date forecast information.

Basis of consolidation

The consolidated financial statements include the forecasts of Auckland Council and its CCOs and subsidiaries.

CCOs and subsidiaries are entities controlled by the group. Control is achieved when the group has the power to govern their financial and operating policies. In order to establish control, the controlling entity presently have exercisable power to govern decision making to be able to benefit from the activities of the other entity.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements from the date the group gains control until the date the group ceases to control the subsidiary. The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment of subsidiaries with the group's accounting policies. All intra-group balances, transactions, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

The substantive CCOs and subsidiaries within the Group comprise the following:

Name	Principal activity and nature of relationship where there is no direct ownership	CCO	Percentage ownership % 2020/2021	Percentage ownership % 2030/2031
Auckland Transport	Owns the public transport network and manages the transport infrastructure and services in Auckland. **Auckland Transport is a body corporate with perpetual succession and is treated under the LGACA 2009 as if the council is its sole shareholder.*	Yes	100*	100*
Eke Panuku Development Auckland Limited	Facilitates the redevelopment and rejuvenation of urban locations including the Auckland waterfront. Optimises the council's property portfolio. of urban locations. Contributes to accommodating residential and commercial growth. Optimises the council's property portfolio.	Yes	100	100
Port of Auckland Limited	Owns and operates Auckland's port which provides container bulk cargo handling, freight hubs, cruise industry facilities, and other services. Although Auckland Council owns 100 per cent of POAL, it is governed under the Port Companies Act 1988 and is not a council-controlled organisation (CCO).	No	100	100
Tataki Auckland Unlimited Limited	Manages projects for economic development, tourism and events promotion in the Auckland region.	Yes	100	100
Tataki Auckland Unlimited Trust	Supports and promotes the arts, culture, heritage, leisure, sports and entertainment, and owns and manages the venues for these activities. **Tataki Auckland Unlimited Trust is a charitable trust of which Tataki Auckland Unlimited Limited, a 100% owned subsidiary of Auckland council, is the sole trustee.*	Yes	100*	100*
Watercare Services Limited (Watercare)	Provides water and wastewater services and owns and operates the water and wastewater infrastructure.	Yes	100	100
Auckland Future Fund Trust	To protect the real value of council's intergenerational assets that are put into the Fund so they can continue to benefit future generations, and to provide an enhanced return to the council to fund services and infrastructure. **Auckland Future Fund Trust is a non-charitable trust of which Auckland Future Fund Limited, a 100% owned subsidiary of Auckland council, is the sole corporate trustee.*	Yes	100*	100*

Significant restrictions

Despite Auckland Council's ability to control its subsidiaries, there are significant restrictions on the ability to access the assets of Auckland Unlimited Trust and Watercare Services Limited.

- Tataki Auckland Unlimited Trust is a charitable trust, Auckland Council is unable to access its assets.
- In accordance with the Local Government (Auckland Council) Act 2009 section 57(1)(b), Auckland Council may not receive a dividend or distribution of surpluses from Watercare Services Limited.

Implementation of new and amended standards

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. The group has adopted the revised PBE standards, and the adoption did not result in a significant impact on the group financial statements.

Disclosure of Fees for Audit Firms' Services – (Amendments to PBE IPSAS 1)

Disclosure of Fees for Audit Firms' Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types of services to include in each category. This amending standard is effective for reporting periods beginning on or after 1 January 2024 with early adoption permitted. The group has early adopted the amendment (refer to Note A2), and the adoption did not result in a significant impact on the group financial statements.

Standards issued but not yet effective

The group will adopt the following accounting standard in the reporting period after the effective date.

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. They are not expected to have any significant impact on the group financial statements.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed in detail the effect of the new standard.

Summary of significant accounting policies

Item	Policy
Revenue	The Auckland Council Group (the group) and Auckland Council (the council) receive their revenue from exchange and non-exchange transactions. Exchange transaction revenue arises when the group and the council provide goods or services directly to a third party and receive approximately equal value in return. Non-exchange transaction revenue arises when the group and the council receive value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies, fees and user charges derived from activities that are partially funded by rates. The group and the council's significant items of revenue are recognised and measured as follows:

Type	Recognition & measurement
Rates	Rates are set annually by resolution of the council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002. Rates comprise general and targeted rates and are stated net of rates remissions. Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.
Grants and subsidies	Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.
Development contributions	Development contributions are charged for new property developments to contribute to the group's costs of building supporting infrastructure such as stormwater, roads and footpaths. Revenue is recognised at the later of the point when the group is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in the group's development contributions policy, and the point at which the group can provide the service for which the contribution was charged. The timing of recognition is dependent on the type of consent granted and the nature of the development.
Vested assets	Vested asset revenue represents infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to the group and the council and is measured at the fair value of the asset received.
Finance revenue	Finance revenue comprises interest revenue and realised gains from the early closeout of derivatives. Revenue is recognised using the effective interest method.
Dividend revenue	Dividend revenue is recognised when the group and the council's right to receive the dividend is established.
Fees and user charges	
Water and wastewater	Water revenue comprises the amounts received and receivable at balance date for water supplied to customers in the ordinary course of business. Wastewater revenue is a combination of a fixed charge and a volumetric charge based on a percentage of water used. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgment when estimating the daily average water consumption of customers between meter readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.
Sale of goods	Sales revenue is recognised when the substantial risks and rewards of ownership have been passed to the buyer.
Port operations	Revenue from port operations includes revenue from marine services, ship exchange, berthage, goods wharfage, and collection and transport of containers. Revenue is recognised when the services are provided, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.
Consents	Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Consent revenue is recognised when consents are provided at the fair value of the amount receivable.
Licences and permits	Revenue is recognised on receipt of application as these are non-refundable.
Other revenue	
Infrastructure growth charge revenue	Infrastructure growth charge revenue is recognised when payment is received for approved connections.

Expenditure	
Employee benefits	Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as an expense and liability when they accrue to employees.
Grants and subsidies	Discretionary grants and subsidies are recognised as expenses when the group and the council have advised their decision to pay and when the attached conditions, if any, are satisfied. Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.
Finance Costs	Finance costs include interest expense, amounts paid or payable on interest rate swaps, amortised borrowing costs, net realised losses on the early close-out of derivatives and costs directly incurred in managing funding. Interest on debt and finance leases is recognised using the effective interest method.
Income tax	Income from the council and some CCOs is exempt from income tax under the Income Tax Act 2007, except for certain income received from CCOs and port-related commercial undertakings. Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantively enacted by the balance date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive revenue and expenditure or directly in equity. Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.
Operating Leases	Lessee The group and the council lease property, plant and equipment from third parties in the normal course of business with lease terms varying from 1 month to 150 years. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the lease term. Lessor The group and the council lease certain property, plant and equipment to third parties including land and buildings and some commercial and residential property. The leases have non-cancellable periods ranging from 1 month to 100 years with subsequent renewals negotiated with the lessee. Rental revenue (net of any incentives given to lessees) is recognised as revenue on a straight-line basis over the lease term
Prospective statement of financial position	
Cash and cash equivalents	Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdraft classified under current liabilities. The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.
Receivables and prepayments	Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision for impairment of receivables is determined based on an expected credit loss model. In assessing credit losses for receivables, the group and the council apply the simplified approach and record lifetime expected credit losses (ECLs) on receivables. Lifetime ECLs result from all possible default events over the expected life of a receivable. The group and the council use the provision matrix based on historical credit loss experience upon initial recognition of the receivable, based on reasonable and available information on the customers. In assessing ECLs on receivables the group and the council consider both quantitative and qualitative inputs. Quantitative data includes past collection rates, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with the group and the council. To measure the expected credit losses, all receivables have been grouped based on shared credit risk characteristics and the days overdue. Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their debt.
Derivative financial instruments	The group and the council use derivative financial instruments, such as forward foreign currency contracts and interest rate swaps to mitigate risks associated with foreign currency and interest rate fluctuations. The group and the council do not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised directly in other comprehensive revenue and expenditure. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. On derecognition, amounts accumulated in cash flow hedge reserve are transferred to surplus or deficit. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserve at that time remains in equity and is recognised when the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss in cash flow hedge reserve is recognised immediately in the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognised in other comprehensive revenue and expenditure are transferred to the initial cost of the carrying amount of the non-financial asset or liability.

Other financial assets

The group and the council's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Other financial assets of the Group include unit trusts, loans to related parties, credit support annex, bonds, borrower notes, community loans and listed and unlisted shares.

Impairment of loans to related parties

Impairment of loans to related parties reflect the group and the council's expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group and the council expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

Fair value and classification of financial instruments

For those financial instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Group is the bid price at reporting date.

Level 2- Inputs other than quoted prices included within level 1 using observable market inputs for the asset or liability, either directly or indirectly.

Level 3- Inputs for the asset or liability that are not based on observable market data.For the purpose of measurement, the group and the council's financial assets and liabilities are classified into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Fair value through other comprehensive revenue and expenditure	Fair value	Other comprehensive revenue and expenditure
Financial assets at amortised cost	Amortised cost less provision for impairment	Surplus or deficit
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit

Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied. Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current tangible and intangible assets

Non-current tangible and intangible assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses, if any, are recognised in the surplus or deficit. Increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. They are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

The property, plant and equipment of the group and the council are classified into three categories:

Infrastructure assets include land under roads and systems and networks integral to the city's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.

Operational assets include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings.

Restricted assets include property and improvements where the use or transfer of title outside the group or the council is legally restricted.

Initial recognition and subsequent measurement

Property, plant and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs and internal surpluses. Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

Depreciation

Depreciation is provided on all property, plant and equipment except for land, works of art and specified cultural heritage assets. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight-line basis over their useful economic lives

Useful lives

The useful lives used to calculate the depreciation of property, plant and equipment are as follows:

Asset class	Estimated useful life (years)	Asset class	Estimated useful life (years)
Infrastructure		**Operational (continued)**	
Land and road formation	Indefinite	Bus stations and shelters	10 - 640
Roads	5 - 100	Marinas	9 - 45
Water and wastewater	5 - 200	Rolling stock	14 - 35
Machinery	5 - 200	Wharves	54 - 100
Stormwater	12 - 150	Works of art	13 to Indefinite
Other infrastructure	10 - 69	Other operational assets	1 - 50
Operational		**Restricted**	
Land	Indefinite	Parks and reserves	Indefinite
Building	10 - 100	Buildings	5 - 100
Specialised sporting and cultural venues	3 - 100	Improvements	3 - 87
Train stations	7 - 100	Specified and cultural heritage assets	Indefinite

Disposals

Gains and losses on the disposal of property, plant and equipment are recognised in surplus or deficit. Any amounts included in the asset revaluation reserve in respect of the disposed assets are transferred to accumulated funds on disposal.

Damaged or destroyed assets

Damaged or destroyed assets are impaired to their recoverable service amount based on their value in use, using the restoration cost approach. This is determined by reference to the depreciated replacement cost of the assets less the costs to repair the damage.

Asset type	Where impairment loss is recognised
Assets held at cost	Net other gains or losses, in surplus or deficit.
Property, plant and equipment held at revalued amount	Other comprehensive revenue to the extent that it does not exceed the amount in the revaluation surplus for the class of asset. Any excess is recognised in Net other gains or losses, in surplus or deficit.
Investment property	Net other gains or losses, in surplus or deficit.

Impairment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in surplus or deficit for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

Revaluation

Infrastructure assets (except land), restricted assets (except improvements and specified cultural and heritage assets) and operational assets (except other operational assets) are revalued with sufficient regularity, and at least every five years to ensure that their carrying amounts do not differ materially from fair value. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on an asset class basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for each class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus or deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expenditure.

Intangible assets

Initial recognition and subsequent measurement

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over their useful economic lives.

Useful lives

The useful lives used to calculate the amortisation of intangible assets are as follows:

Class of intangible asset	Estimated useful life (years)
Community rights	2 - 35
Computer software	3 - 15
Intellectual property	5 - 35
Other intangible assets	1 - 85

Disposals

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

Impairment

Intangible assets are tested annually for impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

Intellectual property

Intellectual property comprises integrated catchment data and network models that provide local information about the stormwater, water and wastewater network performance in relation to capacity and interaction with the environment. The models are used for long-term management of the network.

Other intangible assets

Other intangible assets of the group include the following:

- Access rights primarily involve long-term rail land leases with KiwiRail, permitting AT to utilize assets through agreements, and also encompass licenses for access to Gulf Harbour Ferry Terminal.
- Resource consents

Restrictions to title and security over intangible assets

There are no restrictions over the title of intangible assets of the group and the council, nor are any intangible assets pledged as security for liabilities.

Investment property

Investment property includes land, commercial buildings and water space licences held to generate income. Investment property is initially recognised at cost and subsequently measured at fair value. Valuations are undertaken, annually by independent registered valuers with appropriate recognised professional qualifications and recent experience in Auckland and in investment properties. Gains or losses arising from changes in fair value are included in surplus or deficit. Investment properties are valued individually and not depreciated.

Investment in joint ventures and associates

Investments in associates and joint ventures are accounted for using the equity method in the group and the council financial statements. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate or joint venture after the date of acquisition. Distributions received reduce the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with the group.

Payables and accruals

Current payables and accruals represent amounts payable within 12 months of balance date and are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value.

Non-current payables and accruals represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.

Employee entitlements

Employee benefits to be settled within 12 months of balance date are reported within current liabilities at the amount expected to be paid. All other employee benefits are reported within non-current liabilities and are measured at the present value of estimated future cash outflows.

Borrowings

Borrowings are initially recognised at face value plus transaction costs and are subsequently measured at amortised cost using the effective interest method.

Foreign currency borrowings are translated into NZD using the spot rates at balance date. Foreign exchange gains and losses resulting from the settlement of borrowings and from translation are recognised in the surplus or deficit.

Current borrowings are debts expected to be repaid within a year, including bank overdraft, short term loans and other similar obligations. Non-current borrowings refer to debts not due for repayment within a year.

Provisions

Provisions are recognised in the statement of financial position where the group and the council have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably.

Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as a finance cost in surplus or deficit,

Contingent assets and liabilities

A contingent liability is a possible or present obligation that arises from past events but is not recognised because an outflow of resources is not probable or inability to measure reliably.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by one or more uncertain future events not wholly within the control of the entity.

The group and the council do not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or because they cannot be reliably measured. However, they are disclosed as follows:

- contingent liabilities are disclosed unless the possibility that these will crystallise is remote; and
- contingent assets are only disclosed when it is probable that they will crystallise.

Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the financial statements

Related party transactions

Related parties include subsidiaries, associates, joint ventures, key management personnel, the elected representatives of the council and their close family members and entities controlled by them. Close family members include spouses or domestic partners, children and dependants.

Apart from the disclosure of key management personnel remuneration, transactions with related parties that are on an arm's length basis are not disclosed.

Ratepayer equity

Ratepayer equity is the Auckland community's interest in the Group. Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes.

Contributed equity is the net asset and liability position excluding restricted reserves at the time the council was formed.

Note 2: Significant forecasting assumptions

The level of uncertainty for each assumption refers to the difficulty of predicting outcomes because of limited or inexact knowledge. The council cannot control all the variables that affect future outcomes, such as the wider economy and changes in legislation.

Low level of uncertainty – information available to council point to a high likelihood of the assumption being accurate and/ or most of the variables are under council's control.

Moderate level of uncertainty – council has most of the information available on the assumption but variables outside of council's control may still affect the accuracy of the assumption.

High level of uncertainty – council has some of the information on the assumption but there is a high likelihood that variables outside of council's control will impact on the accuracy of the assumption.

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
Population and development growth (including growth in the rating base)	Population growth and the consequential demand for residential housing is a key driver for many of the council's activities and asset management plans (for example the number and type of community facilities the council provides). The council's population and development growth forecasts are based on the latest Statistics NZ population forecasts and its recently adopted Future Development Strategy. The population projections are used to forecast the level and location of development growth (the number of dwellings and floor space area). This information is a key driver for some of the council's activities such as managing the stormwater from developed properties. Growth in the rating base is driven by property development, including new buildings and subdivisions, which increase the size of the rating base over which the rates requirement is spread. The council looks at projections for these factors and makes adjustment for prudence and timing lags. This is used, alongside the agreed average rates increase to existing ratepayers, to project the total rates revenue.	**Risk** - Growth differs significantly from forecast **Level of uncertainty** - Moderate **Impacts** - If actual population and/or development growth is higher, it may put pressure on the council's existing and planned infrastructure and services. If actual population growth is lower, it may result in surplus capacity in existing or planned infrastructure and services. Population and development growth is affected by a range of external factors, most of which are outside the council's control or influence. The council will continue to monitor growth on an annual basis. If there is a significant change, appropriate amendments will be made as part of subsequent annual plan or long-term processes. The council may choose to increase its investment in growth and fund this by looking at using one or more of the financial levers available to it. If the growth in the rating base is higher or lower than this projection, this will result in rates revenue above or below that projection. A 0.1 per cent variance in the growth experienced would result in a movement in total general rates revenue of approximately $3 million per annum.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Population (millions)	1.749	1.772	1.799	1.818	1.838	1.86	1.882	1.907	1.925	1.944
Dwellings	594,018	602,653	613,125	620,506	628,263	636,439	645,086	654,269	661,831	669,855
Business floor space (million sq metres)	40.229	40.443	40.662	40.884	41.112	41.343	41.581	41.866	42.092	42.337
Separately used or inhabited part (SUIP) rateable properties	710,015	722,795	736,167	747,798	758,417	769,338	780,494	792,201	802,183	812,611
Rating units (rateable properties)	624,317	635,555	647,312	657,540	666,877	676,480	686,289	696,583	705,360	714,530
Growth in the rating base (GIRB)	1.70%	1.80%	1.85%	1.58%	1.42%	1.44%	1.45%	1.50%	1.26%	1.30%

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
Economic growth and return on investments	The state of the economy could influence the council's return on its investments In particular, it could affect volumes and pricing for the port. The council currently is a minority shareholder in Auckland International Airport Limited (AIAL)and a 100 percent shareholder in Port of Auckland Limited. This plan includes the diversification of the council's commercial investments through the establishment of the Auckland Future Fund. A diversified fund should reduce specific company risk but will remain subject to national and international economic cycles and impacts.	**Risk** – That economic growth differs significantly from that forecast in this plan **Level of uncertainty** – High **Impacts** – New Zealand's economic outlook, while outside the council's control, will affect financial performance of the council's commercial investments such as Port of Auckland Limited and Auckland International Airport, as well as volumes of regulatory activity like consenting. Economic growth also impacts on affordability of the council's rates and user charges. Revenue impacts may drive changes to both operational and capital expenditure. The economic outlook also affects local businesses, the region's level of employment and the rate of development.
Auckland Future Fund (AFF)	This plan assumes the transfer of the council's shares in AIAL into the AFF within the first half of the 2024/2025 financial year. The council is projecting a transfer value of $1.30 billion for the current AIAL shareholding to the Auckland Future Fund. This is based on the council's shareholding of 163,231,446 shares, the share price as at 22 April 2024 ($7.97 per share), and transaction costs of 1%. The share price is subject to market movements. The council is assuming average annual returns of 7.24% per annum from the AFF can be achieved over the long term, after allowing for management costs associated with administering a fund. This assumption was provided by advisors Russell Investments and is based on an 80:20 growth to income investment split, for New Zealand and Australian funds. This is based on an analysis of historical performance, noting past returns do not guarantee future outcomes.	**Risks** – That the AIAL market share price at the time of transfer differs significantly from the assumption. – That fund returns differ significantly from the projection **Level of uncertainty** – High **Impacts** – If the share price is greater than assumed, the net transfer value will be greater than $1.3 billion. This will enable the council to increase fund size and make additional returns. If the share price is less than assumed, the net transfer value will be less than $1.3 billion. This will result in a lower fund size, consequently leading to a subsequent decrease in returns. For example if the share price at sale is 10% higher than assumed then returns over the 10 years would be $70 million higher, equally if the share price is 10% lower then returns would be $70 million lower. – If the returns in any one year exceed the assumption, then the total fund size will grow more quickly (based on keeping a fixed distribution of 5.24%) and future year distributions will be higher than modelled. If the returns in one year are lower than assumed, then the fund size will grow more slowly and future year distributions will be lower than modelled. If returns vary significantly from the assumption over a number of years it may be prudent for the council to revisit its long-term assumption and the distribution/reinvestment settings. If the fund were to see average annual returns of 1% higher than assumed the total fund at the end of the LTP period would be around $150 million higher and returns would grow to be around 9 per cent higher than projected. Similarly if the fund were to see annual returns 1 per cent per annum lower than assumed the 2034 balance would be around $140 million lower and returns would be around 8 per cent lower by this time than projected.
Development contribution revenue	Auckland Council's current Financial Strategy and Revenue and Financing Policy state that a fair and appropriate proportion of growth-related infrastructure investment should be funded from development contributions (Council and Auckland Transport investment) and Infrastructure Growth Charges (Watercare investment). The council adopted a new Development Contributions Policy in December 2021 to enable the fair recovery of this investment. This policy came into effect from January 2022. In order to recover the costs more fairly, the council is moving to matching the full costs of infrastructure required (which can take up to 30 years) with the full development anticipated in the area serviced. This change will take time and is being completed in stages with the first update to the policy, for Drury, being adopted in April 2023. Updates for other areas are planned for 2025. The Development Contributions Policy will be further updated separately from this 10-year Budget, informed by final decisions on the capital programme. Revenue projections included in this proposed budget are based on estimates of development activity and expected changes to the policy based on the proposed investment in growth infrastructure.	**Risk** – that development growth occurs at a different pace than projected or the new Development Contributions Policy does not enable a fair recovery of growth costs. **Level of uncertainty** – High for pace of growth and low for the policy. **Impacts** – If development occurs more slowly than projected, the recovery period will be extended, and the delay may need to be covered by additional borrowing. It may also be that the capital programme needs to be slowed. If development occurs earlier than projected revenue levels will increase, and the capital programme may need to be accelerated to support the development.

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts

$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Development contribution revenue	230	240	248	217	148	168	187	197	175	193

Bed night visitor levy

The council is working with central government around the introduction of a bed night visitor levy that could be used to fund destination marketing and major events costs. This would require change to legislation.

For this plan the council is assuming proceeds of $7 million from 2025/2026 that can be used to fund existing expenditure in this area.

Risk – that the level of revenue generated differs from the assumption, or legislation is not in place by 1 July 2025.

Level of uncertainty – High

Impacts – If the levy is not in place (or sufficiently progressed) by the adoption of the Annual Budget 2025/2026 then the council will need to make decisions around the funding of destination marketing and major events activity, whether through increased rates, other funding options, or reduced costs.

If the levy generates more revenue than the assumption the council will increase the level of expenditure, and update future budgets accordingly.

Inflation

Auckland Council uses a number of information sources (both internal and external) to inform projections of inflationary impacts on its costs and revenues.

Central projections for the consumer price index (CPI) are established and distributed around the council group. This consistent base for underlying inflationary trends is then adjusted, in response to other information, to reflect specific price movements faced by the council.

The central projections included in the budget are particularly informed by inflation reported by Statistics NZ and the inflation projections included in the Reserve Bank of New Zealand's February 2024 Monetary Policy Statement and the BERL economic forecasts provided to Taituarā. These included annual movements in the Consumer Price Index (CPI) of 4.7 per cent for the year to December 2023, and then projected to return to within the 1 to 3 percent target range in the second half of 2024, and to 2 percent by the end of 2025.

The table below indicates the central assumptions for CPI growth for the year to the end of the December preceding the relevant financial year which were provided to the group for developing budgets for the LTP. In particular, the inflators below are applied to projections of future staff costs.

Risk – Actual inflation is different from forecast inflation

Level of uncertainty – High

Impacts – If inflation is higher than projected the cost of providing services would be higher than planned. If inflation is lower than projected, the cost of providing services would be lower.

The council will continue to monitor price movements on an annual basis and any significant changes will be addressed in subsequent annual plans or long-term plans.

Inflator	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
CPI	4.70%	2.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts

Interest rates

The council's treasury department has provided interest rate projections based on an assessment of market rates and anticipated borrowing requirements.

The council manages its interest rate exposure to provide some certainty for cost of its borrowings over the short to medium term. This is achieved through the use of interest rate and currency hedges. The value of these derivative financial instruments will fluctuate throughout the forecast period with movements in market interest and exchange rates. Derivative valuation movements are highly complex and very uncertain, therefore the council does not project any movement in derivatives. It is important to note that any derivative valuation movements that do occur would have no impact on overall council interest costs, and therefore no impact on council rates or debt.

The council has assumed that it maintains its AA/Aa2 credit rating in preparing the interest rate projections. The below average interest rates have been assumed in this plan

The council has also assumed that with the changes to water legislation, Watercare will need to borrow in its own name from 1 July 2025 and this will be at a higher interest cost (0.5 per cent per annum).

Risk – Prevailing interest rates differ significantly from those forecasted

Level of uncertainty – High

Impacts – Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. For every 1.0 percentage point change in market interest rates, the council's debt servicing costs would change by less than $20 million, due to the level of interest rate hedging currently in place.

For every one notch change from the current credit rating, we would expect a change in interest rates of between 0.05 per cent and 0.15 per cent per annum.

Average interest rates	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Borrowings	4.80%	4.90%	5.00%	5.10%	5.20%	5.40%	5.50%	5.60%	5.70%	5.70%
Cash holdings	4.50%	3.50%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%

Government transport funding

The National Land Transport Fund (NLTF) provides co-funding for transport investment from funds paid by road-users through petrol taxes and road user charges. The council also receives direct Crown funding for transport outside of the NLTF. The council is proposing to limit its funding to Auckland Transport, particularly for renewals, to only those projects where funding is committed by the government.

Auckland Transport have estimated levels of NLTF funding and Crown transport funding based on the current Government Policy Statement on Transport, commitments made by NZ Transport Agency Waka Kotahi (as administers of the fund), and historical trends.

For the Long-term Plan 2024-2034 we are assuming the council will receive:

- $5.7 billion of operating funding
- $7.0 billion of capital funding

The RLTP process will conclude in August 2024, funding implications will be considered at that point and updated through future planning processes.

Risk – That assumed funding levels cannot be achieved through Waka Kotahi processes.

Level of uncertainty – High

Impacts – If the capital contribution level is lower than assumed, then transport capital expenditure would be less than projected. Conversely, if the level of capital contribution is higher than assumed this would enable an increase in transport capital expenditure.

If the level of operating subsidy available increases this would reduce the amount of rates funding required for operating costs and free up this funding to invest in additional infrastructure or services. A reduction may necessitate reduced services or investment, or additional funding from another source such as rates.

Revaluation of PPE and investments

Auckland Council's accounting policy provides for most fixed assets to be revalued with sufficient regularity (at least every five years) to ensure that the carrying value does not differ materially from fair value. Land under roads are held at cost and not revalued. Where significant the projected impact of asset revaluation on fixed assets values and depreciation expense has been reflected in this plan.

Risk – That actual revaluation movements differ significantly from those forecasted in this plan.

Level of uncertainty – Moderate

Impacts – If the revaluations are different from those forecasted it will affect asset values and total comprehensive income. In the case of depreciable assets this will flow through to changed levels of depreciation expense.

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
City Rail Link (CRL) capital and operating costs	The City Rail Link (CRL) is forecast to be complete and open in 2026. Auckland Council has committed to fund 50 per cent of the capital costs of the CRL project. The total capital cost is projected to be $5.5 billion and therefore the council share is $2.75 billion (of which around $2.25 billion has been invested in advance of this planning period, leaving around $500 million to be included in this long-term plan). Once the CRL is complete and opened the council expects to receive enhanced public transport revenues from higher patronage, and to be required to fund the full operating costs of the network enhancements, and of the increased services that the project will enable. Over the longer-term, the CRL is expected to support further growth in services and patronage, although wider rail network requirements will eventually be required to achieve the full benefit. After accounting for additional revenue, the net additional operating costs that need to be funded at that time are projected to be around $235 million per annum. These will include maintenance costs, interest on the debt to fund construction, depreciation, running facilities such as new stations, track access charges from KiwiRail, and operational costs of running the increased services. For the depreciation portion of this funding requirement the council has assumed a weighted average useful life of 30 years for the assets. While this is less than some initial estimates (60-70 years) we see this as prudent given the high level of uncertainty around the assets that will be received, their valuations and future funding arrangements for the associated services.	**Risk** – That the opening date of the CRL differs significantly from 1 July 2026. That the capital or operating costs (including depreciation) related to CRL differ materially from those projected. **Level of uncertainty** – High **Impacts** – If the CRL opens before 1 July 2026 then the council group will receive the additional public transport revenue and incur additional operating costs in the 2025/2026 year. If advice was received around an earlier opening date, then the council could make decisions around how to fund this, either through the 2025/2026 Annual Budget, or a separate decision. If the CRL opens after 1 July 2026 the increase in the net costs to the council of public transport will be delayed and result in savings in the 2026/2027 financial year. It is expected that the council would have a higher degree of certainty around the opening date when finalising the 2026/2027 Annual Budget and could make decisions around the treatment of these savings. If there are changes to capital cost or changes to operating costs other than the timing changes discussed above, then the council would need to consider its response to these changes through its normal annual and long-term plan processes.
City Rail Link (CRL) accounting treatment	Upon completion assets are expected to be vested, primarily, in KiwiRail and Auckland Transport. Formal decisions on ownership of specific associated assets upon completion are yet to be made. It is expected that these decisions will be made in the same year as the assets are vested in the owning entities. For this plan the council has made assumptions around the distribution of assets based on existing metro rail ownership and operating model and early, indicative valuations. Council has assumed that: • if the asset/system would be used primarily for trains then it would be a KiwiRail asset (e.g. tracks and tunnels) • if the asset/system would be primarily for people then it would be an Auckland Transport asset (i.e. stations and urban realm assets) The council has assumed Auckland Transport will receive vested assets worth around $220 million from CRLL in the 2024/2025 year, and $2.6 billion in the 2025/2026 year. This distribution of assets is not related to the even split of capital investment. Accounting treatment is equity accounting for CRLL at all times, but the amounts will reduce substantially in the year assets are transferred. Once asset splits are decided and vested, AC group will account for the assets on its balance sheet. In the year of transfer, investments in associate will reduce substantially, a significant amount of vested asset revenue will be recognised and AC group PPE will increase substantially.	**Risk** – The distribution of assets differs significantly from the assumption. The timing of decisions and asset transfers differ from the assumption. **Level of uncertainty** – Moderate **Impacts** – If more assets are vested in Auckland Transport than assumed then depreciation and maintenance costs will be higher than projected, but track access costs from Kiwirail may be lower than projected. There is not expected to be a material impact on overall costs. If fewer assets are vested in Auckland Transport than assumed then depreciation and maintenance costs will be lower than projected, but track access costs from Kiwirail may be higher than projected. There is not expected to be a material impact on overall costs. If there is a material period of time between asset split decisions being formally agreed and the transfer dates, then joint operations accounting treatment would need to be applied for the intervening period. The nature of the impacts on the forecast financial statements would be a reduction in our investment in associates and an increase in assets and liabilities to the value of the agreed share of CRLL assets and liabilities.
Capital project projections	Cost projections for individual capital projects are based on the best available information at the time of adoption and are set at a mid-point of the expected total project cost. For more complex projects a formal estimation process may be undertaken whereby a range of cost outcomes are estimated and budgets are set at a P50 level, being a level under which there is 50 per cent confidence the final cost will sit. Supporting information to inform projections can include historical costs of similar projects, supplier quotes or estimates, independent cost estimations, or expert advice. By using a midpoint (or P50) projection across our significant, and broad-based, investment programme the expected outcome is that the overall cost of investment should equal the total of the mid-point estimates.	**Risk** – The variance above and below estimated midpoints is not even. **Level of uncertainty** – Moderate **Impact** – If the total cost of capital investment is significantly higher or lower than the budget it will result in changes to the mix of financial levers the council uses to fund it's capital programme.

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
Timing of capital expenditure	This long-term plan has been developed based on the best available information on the likely timing of capital projects and programmes. The council has assumed at a group-level that $125 million capital (Auckland Transport $75 million, Auckland Council $50 million) expenditure will not be delivered in 2024/2025 and will be delivered in a future financial year. This has been assessed by considering previous delivery rates and the nature of this year's capital programme.	**Risk** – That the actual timing of the capital programme is different from that forecasted. **Level of uncertainty** – Moderate **Impacts** – Delivery of capital expenditure to a different time frame than projected would have both a financial impact and could impact when the proposed level of service improvements would be achieved. The financial implications would depend on the planned funding sources for the relevant capital expenditure and its associated expenses. The financial impact would be on funding requirements, borrowings, interest expense, depreciation expense and consequential operating costs. The actual timing of capital expenditure (and the achievement of related service level improvements) will be impacted by a number of factors. One of the key areas under the control of council is the quality of project management. Other areas such as the market's response to the increased programme certainty are beyond the control of the council.

Timing adjustment ($million)	2024/25	2025/26	2026/27	2027/28	10-year total
Auckland Transport	(75)		37.5	37.5	-
Auckland Council	(50)		25	25	-
Total	**(125)**		**62.5**	**62.5**	**-**

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
Weathertightness and other building defect claims	The council has considered the financial impact of weathertightness and other building defect claims, including those already lodged and potential claims. On the basis of an actuarial assessment, a provision was established at 1 November 2010 for future weathertightness claims. Based on an updated assessment completed in December 2023, the council is forecasting claim payments of $172 million over the period of this plan. The cost of funding these settlements should not fall unfairly on ratepayers in the year of settlement. Rather than burdening current ratepayers with the full impact of these settlements, it is assumed they will be funded from borrowings and the repayment of these borrowings spread over 30 years.	**Risk** – The council's exposure to claims is different than the potential liability forecasted in this plan. **Level of uncertainty** – Moderate **Impacts** – If claims are higher or lower than forecast, then the council's levels of borrowing and the associated borrowing costs will also be higher or lower than forecast. Depending on how large the variance is, it may affect future forecast rate requirements.
Asset recycling	Asset recycling is an important lever for the council as it allows capital to be re-invested in assets that support more strategically important activities. In this long-term plan, the council continues to optimise the use of its balance sheet and includes an asset sales target of $300 million of surplus property assets, to be delivered over the next 10 years. On top of the general asset recycling target, the council also plans to dispose of property assets as part of its urban regeneration activities undertaken by Eke Panuku, which includes • Reinvestment sales of surplus council land across Transform and Unlock locations, the proceeds of which are reinvested in the urban regeneration of Transform and Unlock locations • Strategic development fund (SDF) repayment sales, the SDF is a $100m revolving fund that enables the purchase of property which through agglomeration adds to the strategic outcomes or values of existing council owned sites with transform and unlock locations. When properties purchased are sold the sales receipts are recycled back into the fund. • Prior year sales reflect estimated cash inflow from unconditional sales made or projected to be made by 30 June 2024 covering the different types of sales mentioned above. The projections below reflect the forecast cashflow based on best knowledge around the estimated settlement or payment date for each individual property in the pipeline at the time of preparing the budgets.	**Risk** - That sufficient disposals are not identified or realised to achieve the targets set. **Level of uncertainty** – Moderate **Impacts** - If the level of asset sales is higher or lower than forecast it will result in changes to the level, and pace, of capital investment that the council can prudently undertake

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts

$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10-year total
Asset recycling target	33	51	34	22	26	55	14	19	14	32	**300**
Reinvestment sales - Transform and Unlock	8	24	37	36	20	47	28	10	0	35	**245**
Strategic development fund repayment	0	3	11	10	3	4	4	0	21	37	**92**
Prior year sales	23	216	16								**255**
Total	**64**	**294**	**98**	**68**	**49**	**106**	**46**	**29**	**34**	**105**	**893**

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
Useful lives of assets and sources of funding of replacements	The useful lives of significant assets are shown in the statement of significant accounting policies. The useful life is used to determine the timing of renewing the asset and the level of depreciation for the asset. Renewals of most categories of council assets are to be funded by depreciation funding as set out in our Revenue and Financing Policy. As we are moving towards fully funding depreciation, in the long-run this is expected to match our renewals requirement. Any timing differences between when assets need renewing and depreciation funding collected is to be covered through borrowings. Other funding sources for the replacement of assets include: • Watercare Services Limited will continue to fund depreciation to meet forecast average renewal requirements. • Port of Auckland will fully fund their depreciation from commercial revenues. • The council receives some subsidies for renewing assets such as the Waka Kotahi subsidy for renewing some roads (see transport government funding assumption).	**Risk** – Assets wear out and need to be replaced earlier than estimated. **Level of uncertainty** – Low **Impacts** – Depreciation costs would change with updated information about the remaining useful life of an asset and borrowing costs would increase if capital expenditure was required earlier than anticipated. However, these impacts could be mitigated by reprioritising the capital expenditure programme.
Climate change	Climate change is expected to have a variety of implications for Auckland's infrastructure networks and service provision and delivery. The most recent climate change projections indicate warming temperatures, more frequent hot days, and longer dry periods. More frequent and severe weather events causing flooding, slips and droughts are expected. Sea-level rise will also increase exposure for assets on the coast from inundation and erosion. Our assets (infrastructure and natural assets) and the way we provide services to the community may be adversely affected by the changing climate.	**Risk** – with ongoing climate warming, there will be increased surface flooding, damage to infrastructure due to extreme weather events and greater risk to public safety and private property. **Level of uncertainty** – High **Impacts** – Increased investment in new or improved infrastructure may be required and the timing of maintenance and replacement of assets may be affected. The Infrastructure Strategy reflects the current council infrastructure investment approach to climate change and sets out how this can be improved. This will also impact our ability to report adequately on our climate response progress, invest in climate-positive outcomes, and lead Auckland in the change that is required.
Foreign exchange risk	The council manages foreign currency risk of the group apart from Port of Auckland. Foreign exchange risk of all entities under the group is managed through derivative financial instruments. The risk is mitigated by entering into forward foreign currency exchange contracts where the threshold is set by the treasury management policies. The risk on offshore borrowings is offset by cross-currency interest rate swaps over the life of the borrowings. The group and council are not planning to have any material exposure to foreign exchange as all foreign currency denominated borrowings and material purchases will be hedged.	**Risk** – That group and council transactions that are denominated in a foreign currency other than NZD. The NZD may deteriorate against the relevant foreign currency from the period between when the transaction was entered and when foreign currency payments are made. **Level of uncertainty** – Low **Impacts** – The group and council are not planning to have any material exposure to foreign exchange as all foreign currency denominated borrowings and material purchases will be hedged.

Assumption	Assumption data for Long-term Plan 2024-2034 and source	Risks and impacts
Legislation and regulation	The current government is embarking on an ambitious programme of regulatory reform which includes reviewing areas directly relevant to Auckland Council. The government has introduced the Local Government (Water Services Preliminary Arrangements) Bill, as part of the Local Water Done Well policy, which will prohibit the council from providing financial support to Watercare. The council has assumed that this will be passed, and be effective from 1 July 2025. Apart from this, and the assumption on the bed-night visitor levy discussed above, the council has not assumed any specific material changes to existing legislation or other national standards applicable to Auckland Council.	**Risk** – New legislation or changes to existing legislation may alter the nature and scope of services currently being provided. **Level of uncertainty** – High **Impacts** – If changes in legislation require the council to provide further services, or significantly increase levels of compliance or operating costs then this will need to be offset by an increase in fees and charges and or an increase in rates. It is not possible to quantify the potential financial impact of such changes at this time.
Government funding for storm recovery and resilience	Auckland Council and central government have negotiated a one-off funding package to help Auckland recover from the severe weather events of Auckland Anniversary weekend and Cyclone Gabrielle. This includes funding for category three property buyouts to be shared 50:50 between council and central government. It also includes funding for transport network recovery and resilience projects such as Making Space for Water. The use of this funding for specific initiatives is subject to business case approvals. In addition to transport funding from central government from the National Land Transport Fund, this plan includes an assumed $767 million of Crown funding for these initiatives.	**Risk** – Detailed work on business cases may alter the nature and scope of the initiatives, which could see the amount of government funding reduced and/or the benefits from this package changed. **Level of uncertainty** – High **Impacts** – Detailed work on business cases and the associated approval decisions could see less storm recovery and resilience outcomes delivered. This could involved less funding being advanced by both council and central government. Auckland Council may then need to have further funding discussions with central government and review its own funding decisions through future annual and long-term plans.
Savings and cost reductions	In this plan we have set a target of achieving $67 million of operational cost savings by year three of this plan. A phased approach will be taken with the year 1 savings target set at $27.8 million, and year 2 at $47 million. These savings will be in addition to existing savings targets identified in previous group budgets. The achievement of these targets is assumed to have an impact on some service levels and these reductions have been reflected in this plan.	**Risks** – That the savings target is not achieved in every year, or that cost reductions cannot be achieved without material impacts on service levels. **Level of uncertainty** – Moderate **Impact** – If the council is unable to achieve its savings and cost reduction target, we would need to pull an alternative lever. This could lead to higher borrowings, more asset sales, delayed investment and/or higher rates. Alternatively, the achievement of the savings targets might see some planned service levels not being achieved.

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).

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Operating surplus/ (deficit) after income tax per Prospective Statement of comprehensive revenue	**1,169,588**	**1,585,290**	**2,029,898**	**1,030,525**	**1,353,624**	**1,341,223**	**1,355,024**	**1,391,630**	**1,483,945**	**1,670,912**	**1,960,723**
Items recognised as income in Statement of comprehensive revenue and as capital expenditure funding sources in Funding Impact Statement:											
Capital subsidies	(617,099)	(1,179,400)	(899,421)	(809,604)	(860,218)	(836,912)	(762,755)	(718,276)	(623,139)	(607,923)	(615,124)
Insurance recovery revenue funding capital projects	(110,000)	(30,000)									
Development contributions	(268,545)	(230,000)	(240,000)	(248,000)	(217,410)	(148,329)	(167,758)	(187,363)	(196,735)	(175,072)	(192,680)
Non-cash items recognised in Statement of comprehensive revenue and not included in Funding Impact Statement:											
Depreciation	1,292,763	1,410,421	1,472,569	1,630,549	1,735,438	1,809,397	1,878,074	2,019,861	2,079,100	2,156,710	2,271,918
Depreciation of make good provision added back in funding impact statement	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)	(315)
Discounting of provisions	(1,082)	684	534	428	343	273	232	198	198	198	198
Recognition of revenue from vested assets	(456,083)	(671,571)	(3,109,456)	(462,410)	(463,226)	(461,877)	(460,677)	(459,481)	(463,503)	(467,296)	(471,368)
Un-realised fair value gains and losses	892	(858)	(873)	(890)	(908)	(926)	(945)	(964)	(964)	(964)	(964)
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	3,044	2,378	2,006	1,511	893	345	8	0	0	0	0
Retro-fit your home targeted rate interest component recognised as revenue in the statement of comprehensive income	(582)	(303)	(235)	(132)	(55)	(11)	(0)	0	0	0	0
Share of equity accounted (surplus) /deficit from associates not distributed by way of dividends to Auckland Council	15,049	137,240	1,883,315	255,908	(4,324)	(4,463)	(4,237)	(4,487)	(4,710)	(4,754)	(4,799)
Income tax recognised in statement of comprehensive revenue not included in the funding impact statement	100,996	55,422	62,871	66,060	82,316	108,786	131,611	152,948	200,534	258,112	313,839
Net other gains recognised in statement of comprehensive revenue not included in the funding impact statement	26,785	(344)	(13,621)	(13,893)	(14,171)	(14,455)	(14,744)	(15,039)	(15,340)	(15,646)	(15,959)
Operating funding surplus/ (deficit) per Prospective Funding Impact Statement	**1,155,413**	**1,078,644**	**1,187,272**	**1,449,736**	**1,611,986**	**1,792,737**	**1,953,518**	**2,178,715**	**2,459,073**	**2,813,962**	**3,245,468**

Note 4: Reserve Funds

Auckland Council group

The Local Government Act 2002 requires the Long-term Plan to identify each reserve set aside by the council, the purpose of each fund, the activities to which each fund relates and funding flows for the period of the plan.

Reserve	Purpose	Activities
Cash flow hedge reserve	Gains from revaluation of the Diversified Financial Assets portfolio	Organisational support
Available-for-sale investment revaluation reserve	Recognition in group accounts of associated' reserves	Organisational support
Share of associates' reserves	Accumulated gains from asset revaluation	Investment
Asset revaluation reserve	Accumulated gains from asset revaluation	Various
Restrict equity reserves		
Statutory funds (Off street parking)	Funds accumulated under legislation (primarily related to subdivisions or off-street parking).	Parking and enforcement
Trust and bequests	These trusts are primarily related to assets held by council. The trust deeds restrict council's action in relation to these assets.	Various
Regional fuel tax reserve	Fuel tax collected for specific transport projects.	Roads and footpaths and Public transport and travel demand management
Other restricted equity	Reserve funds related to particular projects or assets whereby council is restricted in its decision-making ability.	Various
Targeted rates reserves		
Central City targeted rate reserve	Targeted rate collected for enhancement of central business district as a place to work, live, visit and do business.	Regional planning
Riverhaven Drive targeted rate reserve	Targeted rate being collected to recover the costs of the construction of a road.	Roads and footpaths
Jackson Crescent wastewater targeted rate reserve	Targeted rate collected to recover the cost of the council providing financial assistance to connect to a wastewater scheme.	Wastewater treatment and disposal
Point Wells wastewater targeted rate reserve	Targeted rate collected to recover the cost of the council providing financial assistance to connect to a wastewater scheme.	Wastewater treatment and disposal
Harbourview Orangihina Park targeted rate reserve	Targeted rate collected for development of Harbourview Orangihina Park.	Regional community services
Open space/ Volcanic cones	Legacy targeted rates. No longer levied.	Regional community services
Water quality targeted rate reserve	Targeted Rate collected to help fund the capital costs of investment in cleaning up Auckland's waterways.	Stormwater management
Natural environment targeted rate reserve	Targeted Rate collected to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.	Development Auckland
Rodney Local Board transport targeted rate reserve	A targeted Rate that helps fund the capital and operating costs of additional transport investment and services.	Roads and footpaths and Public transport and travel demand management
Central City targeted rate reserve	Targeted rate collected for enhancement of central business district as a place to work, live, visit and do business.	Regional planning
Electricity network resilience targeted rate reserve	Targeted rate collected to fund management of Auckland Council-owned trees under or near Vector's power lines to improve public safety around power lines, reduces power outages, and improves the resilience of public trees	Regional community services
Climate action transport targeted rate reserve	Targeted rate collected to fund the acceleration of regional climate action by extending the regional networks for public transport, active transport and urban ngahere to reduce Auckland's greenhouse gas emissions	Regional environmental services; Roads and footpaths; Public transport and travel management

The funding flows for these reserves are:

$000 As at 30 June	Annual Plan 2023/24	Closing balance 2023	Deposits	Withdrawals	Closing balance 2034
Cash flow hedge reserve	8,519	0	0	0	0
Available-for-sale investment revaluation reserve	347,308	704,683	0	0	704,683
Share of associates' reserves	0	0	0	0	0
Asset revaluation reserve	24,756,957	20,772,584	12,711,748	0	33,484,332
Restricted equity reserves					
Statutory funds	3,734	4,083	0	(349)	3,734
Trust and bequests	1,331	1,387	800	(835)	1,351
Regional fuel tax reserve	266,286	328,008	150,000	(478,008)	0
Other restricted equity	51,782	52,948	86,041	(88,178)	50,811
Total restricted equity	**323,133**	**386,426**	**236,840**	**(567,370)**	**55,897**
Targeted rates reserves					
Central City targeted rate reserve	75,893	74,468	253,475	(307,809)	20,134
Riverhaven Drive targeted rate reserve	(174)	(270)	349	(79)	0
Jackson Crescent wastewater targeted rate reserve	2	(1)	1	-	(0)
Point Wells wastewater targeted rate reserve	2	(8)	9	(1)	0
Open space/ Volcanic cones	2,459	2,537	1,550	(1,500)	2,587
Water quality targeted rate reserve	28,232	56,344	105,256	(151,998)	9,603
Natural environment targeted rate reserve	22	14,180	429,095	(443,275)	0
Rodney Local Board transport targeted rate reserve	(13,369)	5,046	25,238	(27,085)	3,200
Electricity network resilience targeted rate	4,148	2,165	142,435	(142,435)	2,165
Climate action targeted rate reserve	14,073	37,166	681,362	(718,527)	0
Total targeted rates reserves	**111,288**	**191,627**	**1,638,771**	**(1,792,709)**	**37,689**
Total reserves	**25,547,204**	**22,055,320**	**14,587,360**	**(2,360,078)**	**34,282,601**

Note 5: Auckland Council (Parent) financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council parent

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Revenue											
Rates	2,535,907	2,793,549	3,019,838	3,314,911	3,481,559	3,643,184	3,827,478	4,018,551	4,192,450	4,395,573	4,611,072
Fees and user charges	312,133	351,167	350,661	357,887	365,347	375,535	384,613	393,866	403,035	412,427	421,946
Grants and subsidies	79,615	364,115	130,509	45,887	53,168	69,931	46,659	41,018	43,238	48,842	49,777
Development and financial contributions	268,545	230,000	240,000	248,000	217,410	148,329	167,758	187,363	196,735	175,072	192,680
Other revenue	345,485	218,387	221,146	321,341	245,512	251,510	256,565	262,320	268,795	276,471	283,551
Vested assets	124,701	330,157	2,768,815	123,000	124,830	124,830	124,830	124,830	126,731	128,685	130,695
Finance revenue measured using effective interest method	34,879	26,417	23,939	22,027	21,471	20,832	19,043	18,433	17,832	17,121	16,413
Other finance revenue	151,434	196,949	241,941	204,668	156,484	107,988	52,818	25,903	23,370	22,436	23,632
Total revenue	**3,852,699**	**4,510,740**	**6,996,848**	**4,637,721**	**4,665,780**	**4,742,139**	**4,879,764**	**5,072,285**	**5,272,186**	**5,476,626**	**5,729,766**
Expenditure											
Employee benefits	661,845	709,720	721,598	725,835	737,207	753,392	772,738	795,966	829,430	842,952	862,191
Depreciation and amortisation	353,499	366,831	384,145	407,748	424,604	447,119	470,546	486,518	503,092	530,964	556,662
Grants, contributions and sponsorship	1,291,870	1,554,631	1,683,808	1,683,026	1,789,912	1,761,153	1,717,618	1,692,502	1,567,819	1,538,945	1,560,395
Other operating expenses	880,814	955,049	1,052,640	1,051,352	1,085,714	1,137,008	1,192,146	1,250,163	1,306,940	1,361,968	1,429,048
Finance costs	527,569	605,960	669,765	690,152	687,107	677,129	671,644	672,914	698,744	718,753	715,072
Total expenses	**3,715,597**	**4,192,191**	**4,511,955**	**4,558,114**	**4,724,544**	**4,775,801**	**4,824,691**	**4,898,064**	**4,906,026**	**4,993,583**	**5,123,367**
Operating surplus/ (deficit)	**137,102**	**318,549**	**2,484,894**	**79,607**	**(58,764)**	**(33,662)**	**55,073**	**174,222**	**366,160**	**483,043**	**606,399**
Net other gains and losses	(26,785)	(2,406)	10,816	11,032	11,252	11,478	11,707	11,941	12,180	12,424	12,672
Share of surplus/ (loss) in associates and joint ventures	(9,408)	(132,723)	(1,878,842)	(251,794)	8,484	8,484	8,484	8,484	8,649	8,818	8,991
Operating surplus/ (deficit) before income tax	**100,909**	**183,420**	**616,867**	**(161,154)**	**(39,028)**	**(13,701)**	**75,264**	**194,647**	**386,990**	**504,285**	**628,061**

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Surplus/ (deficit) after income tax	**100,909**	**183,420**	**616,867**	**(161,154)**	**(39,028)**	**(13,701)**	**75,264**	**194,647**	**386,990**	**504,285**	**628,061**
Other comprehensive revenue											
Fair value movement on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure											
Net gain on revaluation of property, plant and equipment	421,603	0	51,282	1,883,715	1,062,861	0	299,579	674,798	805,361	289,094	14,469
Total other comprehensive revenue	**421,603**	**0**	**51,282**	**1,883,715**	**1,062,861**	**0**	**299,579**	**674,798**	**805,361**	**289,094**	**14,469**
Total comprehensive revenue/ (expenditure)	**522,512**	**183,420**	**668,150**	**1,722,560**	**1,023,834**	**(13,701)**	**374,843**	**869,445**	**1,192,350**	**793,379**	**642,530**

Prospective statement of financial position

Auckland Council parent

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
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	546,477	218,954	64,436	84,464	76,110	40,186	65,356	125,177	223,512	300,923	280,821
Derivative financial instruments	1,008	110,160	110,160	110,160	110,160	110,160	110,160	110,160	110,160	110,160	110,160
Other financial assets	63,860	116,742	116,742	116,742	116,742	116,742	116,742	116,742	116,742	116,742	116,742
Inventories	19,512	331	340	347	354	361	368	375	383	391	398
Income tax receivable	0	0	0	0	0	0	0	0	0	0	0
Non-current assets held for sale	135,785	132,183	98,423	68,453	48,917	105,780	45,673	28,593	34,393	104,507	0
Total current assets	**846,642**	**658,370**	**470,101**	**460,165**	**432,283**	**453,229**	**418,300**	**461,048**	**565,190**	**712,722**	**588,122**
Non-current assets											
Receivables and prepayments	25,874	83,525	44,475	48,273	49,535	51,859	53,952	56,347	58,639	61,337	64,121
Derivative financial instruments	527,796	625,976	625,976	625,976	625,976	625,976	625,976	625,976	625,976	625,976	625,976
Other financial assets	5,168,002	4,836,839	4,392,509	3,459,697	2,516,281	1,461,882	466,691	349,012	230,681	184,306	87,046
Property, plant and equipment	21,998,901	21,259,925	21,782,282	24,212,173	25,791,259	26,264,717	27,090,482	28,288,563	29,599,419	30,350,060	30,912,960
Intangible assets	96,179	224,331	231,940	257,008	273,229	278,092	286,575	298,882	312,347	320,058	325,841
Investment property	593,110	540,777	551,593	562,624	573,877	585,354	597,062	609,003	621,183	633,606	646,279
Investments in subsidiaries	19,956,613	21,417,023	24,064,633	24,064,633	24,064,633	24,064,633	24,064,633	24,064,633	24,064,633	24,064,633	24,064,633
Investments in associates and joint ventures	1,921,247	1,906,368	156,164	81,657	43,886	40,695	27,529	27,664	27,797	27,929	28,060
Other non-current assets	4,838	4,166	5,039	5,929	6,838	7,764	8,709	9,673	10,637	11,601	12,565
Total non-current assets	**50,292,560**	**50,898,931**	**51,854,610**	**53,317,970**	**53,945,512**	**53,380,974**	**53,221,609**	**54,329,753**	**55,551,312**	**56,279,507**	**56,767,480**
Total assets	**51,139,202**	**51,557,301**	**52,324,711**	**53,778,136**	**54,377,795**	**53,834,202**	**53,639,909**	**54,790,801**	**56,116,502**	**56,992,229**	**57,355,601**

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Liabilities											
Current liabilities											
Payables and accruals	1,264,810	1,399,464	1,417,132	1,354,760	1,377,267	1,389,904	1,397,896	1,400,577	1,370,647	1,392,882	1,427,529
Employee entitlements	69,560	68,838	69,990	70,401	71,504	73,074	74,950	77,203	80,449	81,761	83,627
Borrowings	1,068,393	2,715,045	2,781,861	2,748,397	2,661,386	2,556,102	2,444,464	2,500,250	2,534,271	2,546,626	2,485,143
Derivative financial instruments	2,677	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Provisions	93,177	329,298	80,034	63,233	60,290	56,897	52,851	48,851	45,072	41,508	38,377
Total current liabilities	**2,498,617**	**4,514,705**	**4,351,077**	**4,238,852**	**4,172,507**	**4,078,037**	**3,972,221**	**4,028,942**	**4,032,499**	**4,064,836**	**4,036,736**
Non-current liabilities											
Payables and accruals	219,238	244,089	247,171	236,292	240,218	242,422	243,816	244,283	239,063	242,941	248,984
Employee entitlements	1,198	1,122	1,141	1,148	1,166	1,191	1,222	1,259	1,311	1,333	1,363
Borrowings	10,665,701	11,172,171	11,447,113	11,309,414	10,951,368	10,518,136	10,058,755	10,288,310	10,428,301	10,479,142	10,226,144
Derivative financial instruments	637,204	567,831	567,831	567,831	567,831	567,831	567,831	567,831	567,831	567,831	567,831
Provisions	167,324	132,884	117,730	109,390	105,663	101,244	95,880	90,547	85,518	80,788	76,656
Total non-current liabilities	**11,690,665**	**12,118,097**	**12,380,986**	**12,224,075**	**11,866,246**	**11,430,824**	**10,967,504**	**11,192,230**	**11,322,025**	**11,372,035**	**11,120,978**
Total liabilities	**14,189,282**	**16,632,802**	**16,732,063**	**16,462,927**	**16,038,753**	**15,508,861**	**14,939,725**	**15,221,172**	**15,354,523**	**15,436,872**	**15,157,713**
Net assets	**36,949,919**	**34,924,498**	**35,592,648**	**37,315,209**	**38,339,042**	**38,325,341**	**38,700,184**	**39,569,628**	**40,761,979**	**41,555,358**	**42,197,888**
Equity											
Contributed equity	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778	26,538,778
Accumulated funds	1,081,025	516,823	1,296,309	1,258,354	1,320,432	1,317,952	1,402,455	1,613,552	2,002,360	2,506,370	3,119,799
Reserves	9,330,116	7,868,898	7,757,561	9,518,076	10,479,832	10,468,612	10,758,951	11,417,299	12,220,841	12,510,210	12,539,311
Total ratepayers equity	**36,949,919**	**34,924,498**	**35,592,648**	**37,315,209**	**38,339,042**	**38,325,341**	**38,700,184**	**39,569,628**	**40,761,979**	**41,555,358**	**42,197,888**
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Total equity	**36,949,919**	**34,924,498**	**35,592,648**	**37,315,209**	**38,339,042**	**38,325,341**	**38,700,184**	**39,569,628**	**40,761,979**	**41,555,358**	**42,197,888**

Prospective statement of movement in equity

Auckland Council parent

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Contributed equity											
Opening balance	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**
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	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**	**26,538,778**
Accumulated funds											
Opening balance	**633,529**	**(126,496)**	**516,823**	**1,296,309**	**1,258,354**	**1,320,432**	**1,317,952**	**1,402,455**	**1,613,552**	**2,002,360**	**2,506,370**
Surplus/ (deficit) after income tax	100,909	183,420	616,867	(161,154)	(39,028)	(13,701)	75,264	194,647	386,990	504,285	628,061
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive expenditure	**100,909**	**183,420**	**616,867**	**(161,154)**	**(39,028)**	**(13,701)**	**75,264**	**194,647**	**386,990**	**504,285**	**628,061**
Transfer to/ (from) reserves	346,588	459,900	162,619	123,199	101,105	11,220	9,240	16,450	1,819	(275)	(14,632)
Balance as at 30 June	**1,081,025**	**516,823**	**1,296,309**	**1,258,354**	**1,320,432**	**1,317,952**	**1,402,455**	**1,613,552**	**2,002,360**	**2,506,370**	**3,119,799**
Reserves											
Opening balance	**9,255,100**	**8,328,797**	**7,868,898**	**7,757,561**	**9,518,076**	**10,479,832**	**10,468,612**	**10,758,951**	**11,417,299**	**12,220,841**	**12,510,210**
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	421,603	0	51,282	1,883,715	1,062,861	0	299,579	674,798	805,361	289,094	14,469
Total comprehensive revenue	**421,603**	**0**	**51,282**	**1,883,715**	**1,062,861**	**0**	**299,579**	**674,798**	**805,361**	**289,094**	**14,469**
Transfer to/ (from) reserves	(346,588)	(459,900)	(162,619)	(123,199)	(101,105)	(11,220)	(9,240)	(16,450)	(1,819)	275	14,632
Balance as at 30 June	**9,330,116**	**7,868,898**	**7,757,561**	**9,518,076**	**10,479,832**	**10,468,612**	**10,758,951**	**11,417,299**	**12,220,841**	**12,510,210**	**12,539,311**
Total equity											
Opening balance	**36,427,407**	**34,741,079**	**34,924,498**	**35,592,648**	**37,315,209**	**38,339,042**	**38,325,341**	**38,700,184**	**39,569,628**	**40,761,979**	**41,555,358**
Surplus/ (deficit) after income tax	100,909	183,420	616,867	(161,154)	(39,028)	(13,701)	75,264	194,647	386,990	504,285	628,061
Other comprehensive revenue	421,603	0	51,282	1,883,715	1,062,861	0	299,579	674,798	805,361	289,094	14,469
Total comprehensive revenue/ (expenditure)	**522,512**	**183,420**	**668,150**	**1,722,560**	**1,023,834**	**(13,701)**	**374,843**	**869,445**	**1,192,350**	**793,379**	**642,530**
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	**36,949,919**	**34,924,498**	**35,592,648**	**37,315,209**	**38,339,042**	**38,325,341**	**38,700,184**	**39,569,628**	**40,761,979**	**41,555,358**	**42,197,888**

Prospective statement of cash flows

Auckland Council parent

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Cash flows from operating activities											
Receipts from rates revenue	2,535,907	2,793,549	3,019,838	3,314,911	3,481,559	3,643,184	3,827,478	4,018,551	4,192,450	4,395,573	4,611,072
Receipts from grants and other services	913,688	1,068,875	893,178	790,584	805,748	756,325	767,545	791,790	818,439	813,796	846,507
Interest received	186,313	223,366	265,880	226,695	177,955	128,820	71,861	44,336	41,202	39,557	40,045
Dividend received	66,539	56,164	56,797	149,487	69,771	71,779	73,288	74,796	76,648	78,164	79,853
Payments to suppliers and employees	(2,591,166)	(2,981,339)	(3,328,828)	(3,531,760)	(3,571,848)	(3,584,987)	(3,685,955)	(3,779,580)	(3,821,414)	(3,776,453)	(3,769,709)
Interest paid	(526,677)	(605,276)	(669,231)	(689,724)	(686,763)	(676,855)	(671,412)	(672,716)	(698,546)	(718,555)	(714,873)
Net cash from operating activities	**584,604**	**555,338**	**237,634**	**260,193**	**276,421**	**338,265**	**382,804**	**477,178**	**608,780**	**832,080**	**1,092,894**
Cash flows from investing activities											
Proceeds from Sale of other financial assets	866,039	1,287,945	0	0	0	0	0	0	0	0	0
Acquisition of other financial assets	(25,491)	(11,656)	(4,086)	(581)	0	0	0	(3,705)	0	(2,098)	0
Advances and repayments of loans to related parties	(441,567)	(638,234)	446,644	932,013	942,578	1,054,065	995,184	121,383	118,331	48,473	97,261
Sale of property, plant and equipment, investment property and intangible assets	114,207	63,713	132,183	98,423	68,453	48,917	105,780	45,673	28,593	34,393	104,507
Purchase of property, plant and equipment, investment property and intangible assets	(604,744)	(1,210,561)	(1,058,365)	(934,906)	(881,137)	(906,391)	(926,057)	(925,871)	(929,715)	(976,045)	(980,181)
Proceeds from community loan repayments	2,462	2,075	1,771	1,379	838	334	7	0	0	0	0
Investment in associates and joint ventures	(346,000)	(258,000)	(136,530)	(185,360)	37,905	3,325	13,300	0	0	0	0
Investments in subsidiaries	0	(1,287,945)	0	0	0	0	0	0	0	0	0
Advances to external parties	0	0	0	0	0	0	0	0	0	0	0
Net cash from investing activities	**(435,094)**	**(2,052,663)**	**(618,382)**	**(89,031)**	**168,637**	**200,250**	**188,214**	**(762,519)**	**(782,791)**	**(895,277)**	**(778,413)**

Financial year ending 30 June $000	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Cash flows from financing activities											
Proceeds from borrowings	932,497	3,919,632	3,056,803	2,610,699	2,303,339	2,122,870	1,985,084	2,729,805	2,674,261	2,597,467	2,232,144
Repayment of borrowings	(1,082,006)	(2,422,308)	(2,715,045)	(2,781,861)	(2,748,397)	(2,661,386)	(2,556,102)	(2,444,464)	(2,500,250)	(2,534,271)	(2,546,626)
Payments of finance lease principal	0	0	38,990	0	0	0	0	0	0	0	0
Net cash from financing activities	**(149,510)**	**1,497,324**	**380,748**	**(171,162)**	**(445,058)**	**(538,516)**	**(571,019)**	**285,341**	**174,011**	**63,197**	**(314,482)**
Net increase/(decrease) in cash and cash equivalents and bank overdraft	**(0)**	**(0)**	**0**	**0**	**(0)**	**0**	**0**	**(0)**	**0**	**(0)**	**(0)**
Opening 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
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**

Note 6: Group depreciation and amortisation by group of activity

Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Roads and Footpaths	442,942	451,076	469,970	486,861	504,828	529,446	551,316	591,693	605,915	632,938	644,379
Public Transport and travel demand management	106,044	98,709	103,808	196,822	202,287	209,397	211,024	221,483	227,126	234,598	238,273
Wastewater	161,725	213,541	226,986	243,651	280,175	294,140	311,083	358,472	374,618	384,769	427,999
Water supply	128,365	178,489	182,981	189,748	215,106	220,218	224,866	252,462	259,184	264,394	295,409
Stormwater	91,466	99,076	99,940	101,650	103,600	104,976	107,498	109,909	113,551	117,742	122,450
Local Council Services	11,256	3,661	3,457	3,266	3,099	2,885	2,763	2,673	2,682	2,542	2,566
Regionally delivered council services	271,943	284,036	300,764	321,913	337,235	356,346	375,424	386,516	396,957	418,878	437,915
Council controlled services	78,707	81,518	84,348	86,323	88,794	91,673	93,783	96,339	98,753	100,534	102,613
	1,292,448	**1,410,106**	**1,472,254**	**1,630,235**	**1,735,123**	**1,809,083**	**1,877,760**	**2,019,547**	**2,078,785**	**2,156,395**	**2,271,603**

Wāhanga tuatoru:
Tā te Kaitātari Pūrongo

Section three: Auditor's Report

◀ Waitangi ki Manukau 2024

To the reader:

Independent Auditor's report on Auckland Council Group's 2024-23 long-term plan

I am the auditor of Auckland Council Group (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have used my staff and resources to carry out the assurance engagement of the Council's plan.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
    - long-term, integrated decision-making and co-ordination of the Council's resources; and
    - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 367 to 370 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. My opinion on the plan does not provide assurance on the consultation document or the information that supports it.

My opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

The audit was completed on 27 June 2024, which is the date on which my opinion is expressed.

Emphasis of matters

Without modifying my opinion, I draw attention to the following disclosures in the plan:

Uncertainty over the returns on the Auckland Future Fund

Page 44 outlines the establishment of a regional wealth fund to manage and diversify the Council's major investments, including its shares in Auckland International Airport Limited. As outlined on page 75, the Council assumes that these shares will transfer to the fund at $1.3 billion. Due to market movements, the value of the shares will only be known once the shares are transferred. Significant variances in the value of the shares could affect the initial size of the regional wealth fund and its future returns.

The Council has assumed that the fund will generate an average return of 7.24% per annum over the long-term. There is a high level of uncertainty over these returns. The returns could vary significantly, impacting on the future value of the regional wealth fund and future distributions to the Council.

Uncertainty over storm recovery funding arrangements

Page 81 outlines that the Council and the Government agreed on a one-off funding package for storm recovery, which includes co-funding from the Government for Category 3 property buyouts and resilience projects to a maximum of $767 million. The total cost of the property buyouts is highly uncertain, and if the costs were to increase from what is included in the projected financial statements, the Council would need to fund the increase.

Uncertainty over costs related to the City Rail Link project

Page 78 outlines that the Council funds 50% of the capital costs of the City Rail Link (CRL) and assumes Council will fund a further $500 million. Ownership allocation of specific assets has not yet been agreed. The value related to the assets that the Council will need to recognise is therefore uncertain and significant differences could result in material gains or losses.

The Council also assumes net additional operating costs of $235 million per annum from 1 July 2026 (the forecast date when the CRL starts operating). These costs are highly uncertain because material differences in the value of the Council's assets, delays in project completion, and when CRL starts operating could significantly affect maintenance and depreciation costs and the timing of the Council's forecast cashflows.

Uncertainty over the impact of the Local Government (Water Services Preliminary Arrangements) Bill

Page 81 outlines the Council's assumption that relevant provisions in the Local Government (Water Services Preliminary Arrangements) Bill will be passed into law, and come into force on 1 July 2025. The Bill includes provisions specifically related to the Council's water services delivery, including that it is prohibited from providing financial support to Watercare or having access to their assets. The Council's assumptions are uncertain because the provisions could change as the Bill goes through the legislative process. There could therefore be changes in the Council's water charges, debt levels, and cost of interest (see pages 55 and 77, respectively).

Basis of opinion

My staff carried out the work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

The Council's evidence to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan, has been assessed. The risks of material misstatement and the Council's systems and processes applied to prepare the plan, have been assessed to select appropriate procedures.

The procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

The security and controls over the electronic publication of the plan was not evaluated.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence and quality management

My staff, and appointed auditors and their staff are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In addition to the audit of the plan, my staff and appointed auditors and their staff have carried out other engagements that are of an assurance nature and therefore compatible with the independence requirements. These assurance engagements have not impaired my independence as auditor of the Council. Other than these engagements, and in exercising my functions and powers under the Public Audit Act 2001, I have no relationship with or interests in the Auckland Council Group. My staff also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Andrew McConnell
Deputy Auditor-General
Wellington, New Zealand
27 June 2024

Wāhanga tuawha:
He pārongo atu anō

Section four: Additional information

◀ Waikowhai Walkway

Ngā mema o te Kāhui Kāwanatanga

4.1 How the organisation is structured

Auckland Council is structured to provide scale for efficient delivery, a regional perspective that provides a clear direction for all of Auckland, and representation that reflects diversity, local knowledge and active public participation.

The mayor directs our vision for Auckland and leads the development of regional plans, policies and budgets to achieve that vision. Auckland's 20 councillors, 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: Planning, Environment and Parks Committee, Transport and Infrastructure Committee and the Budget Committee, also known as 'Committees of the whole'. Other committees are: Auckland Domain; Audit and Risk; Civil Defence and Emergency Management; Council Controlled Organisation Direction and Oversight; Revenue, Expenditure and Value; Performance and Appointments; and Regulatory and Safety. We have 149 local board members, spread over 21 local 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 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.

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.

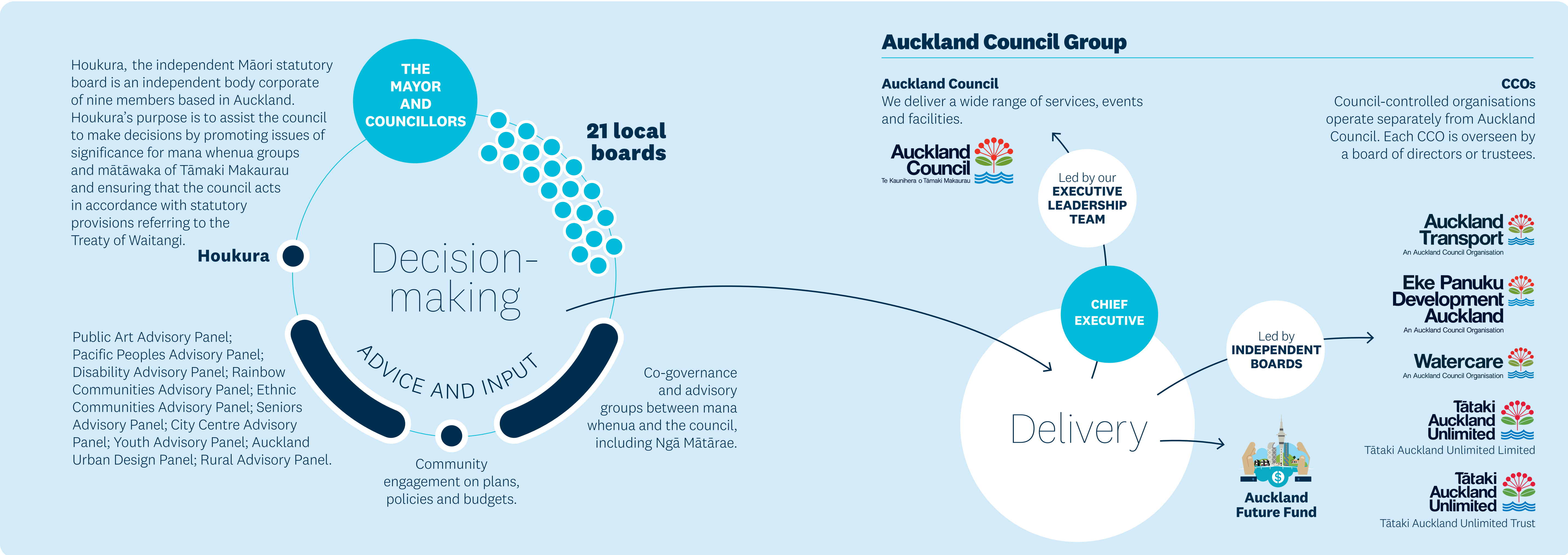
Local boards

The 21 local boards are a key part of the governance of Auckland Council with a wide-ranging role that spans most local 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
- 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 2024/2025 are included in Volume 3 of this long-term plan.

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.



4.1.1 Governing Body members

Auckland's 20 councillors, along with the mayor make up the Governing Body.


Wayne Brown
Mayor


Desley Simpson JP
Deputy Mayor | Ōrākei


John Watson
Albany


Wayne Walker
Albany


Julie Fairey
Albert-Eden-Puketāpapa


Hon Christine Fletcher QSO
Albert-Eden-Puketāpapa


Andy Baker
Franklin Ward


Sharon Stewart QSM
Howick


Maurice Williamson
Howick


Lotu Fuli
Manukau


Alf Filipaina MNZM
Manukau


Angela Dalton
Manurewa-Papakura


Daniel Newman JP
Manurewa-Papakura


Josephine Bartley
Maungakiekie-Tāmaki


Chris Darby
North Shore


Richard Hills
North Shore


Greg Sayers
Rodney


Shane Henderson
Waitākere


Ken Turner
Waitākere


Mike Lee
Waitematā and Gulf


Kerrin Leoni
Whau

4.1.2 Auckland Council Executive Leadership Team


Phil Wilson
Chief Executive


Ross Tucker
Group Chief Financial Officer


Max Hardy
Director Group Strategy and Chief Executive Office


Parul Sood
Deputy Director Resilience and Infrastructure


Rachel Kelleher
Director Community


Barry Potter
Director Resilience and Infrastructure


Megan Tyler
Director Policy, Planning and Governance


Nicolas Turoa
Tumuaki Huanga Māori

4.1.3 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 services delivery. For more information about our CCOs please see Section 3.8 in Volume 2.

Auckland Council has four substantive CCOs:

Auckland Transport - provides and maintains Auckland's transport services and infrastructure

Tātaki Auckland Unlimited - enriches the cultural and economic life of Tāmaki Makaurau Auckland

Eke Panuku – urban regeneration and property and marina management

Watercare - provides reliable water and wastewater services

As part of the Long-term Plan 2024-2034, the council decided to establish, as an unincorporated non-charitable trust, a regional wealth fund to be called the Auckland Future Fund. Once established, this entity will be a substantive CCO.

4.1.4 Houkura

Houkura, the Independent Māori Statutory Board, has specific responsibilities and legal powers to promote issues of significance to Māori in Tāmaki Makaurau and assist Auckland Council to make decisions and act in accordance with statutory provisions relating to Te Tiriti o Waitangi. Houkura has two members sit, with voting rights, on each of the council's committees that deal with the management and stewardship of natural and physical resources and promotes cultural, economic, environmental and social well-being issues that are significant for mana whenua groups and mataawaka of Tāmaki Makaurau.

Houkura and the Governing Body will also meet at least four times each year to discuss the council's performance of its duties. The nine Houkura members are:

- Mr David Taipari, Chairperson
- Mr Hon. Tau Henare, Deputy Chairperson
- Ms Pongarauhine Renata
- Mr Tony Kake
- Mr Edward Ashby
- Mr Rewa Billy Brown
- Mr Ngarimu Blair
- Mr Glenn Wilcox
- Mr Terrence Mook Hohneck

For more details on Houkura, please visit **https://houkura.nz**

4.1.5 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 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 ten advisory panels:

- Public Art Advisory Panel
- Disability Advisory Panel
- Rainbow Communities Advisory Panel
- Ethnic Communities Advisory Panel
- Seniors Advisory Panel
- Pacific Peoples Advisory Panel
- Youth Advisory Panel
- City Centre Advisory Board
- Rural Advisory Panel
- Auckland Urban Design Panel.

For more detail on Auckland Council's advisory panels, please visit our website **www.aucklandcouncil.govt.nz/advisorypanels**

4.2 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 Tawaiparera Committee (in abeyance). Please see Section 4 of Volume 2 for more information.

Me pēhea te whakapā mai ki te kaunihera

4.3 How to contact the council

Online
aucklandcouncil.govt.nz/contactus

Phone
09 301 0101

Post
Auckland Council, Private Bag 92300, Auckland 1142

Locations that offer council services

Aotea / Great Barrier Island
75 Hector Sanderson Road, Claris, Great Barrier Island

City Centre Library
44-46 Lorne Street, CBD

Helensville
49 Commercial Road, Helensville

Waitākere Central Library (Henderson)
3 Ratanui Street, Henderson

Kumeū Library
296 Main Road (SH16), Kumeū

Manukau Library
3 Osterley Way, Manukau

Ōrewa Library
12 Moana Avenue, 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 Library
131-133 Oceanview Road, Oneroa, Waiheke Island

Warkworth Library
2 Baxter Street, Warkworth

For opening hours and a list of services available at each service centre, visit **https://www.aucklandcouncil.govt.nz/report-problem/visit-us/Pages/default.aspx**

Papakupu kupu

4.4 Glossary of terms

Active travel
Walking and cycling

Activity or service
The services the council provides to the community. This includes things like running buses, collecting rubbish and maintaining parks.

AIAL
Auckland International Airport Limited

Annual Plan, Annual 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.

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 portfolio
A collection of a wide range of assets that are owned by investors.

Asset rationalisation
The process of reorganising a company's assets in order to improve operating efficiencies and boost the bottom line.

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 Plan 2050
Our long-term spatial plan for Auckland looks ahead to 2050. It considers how we will address our key challenges of high population growth, shared prosperity, and environmental degradation.

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.

Base renewal
Continue maintenance and base renewal of our portfolio of assets with a focus on de-carbonisation of heritage assets and other de-carbonisation initiatives.

Blue-green networks
Interconnected system of water [blue] and green spaces like parks and gardens.

Capex
Capital investment, capital expenditure or capital programme. Building (or buying) assets such as roads, pipes and buildings that are used to provide services to Aucklanders.

Category 3 homes/properties
These are properties which, as a result of severe weather events, are assessed by Auckland Council to represent an intolerable risk to life with land instability or flooding and for which there are no feasible mitigation solutions. Residential properties assessed as category 3 are eligible for a buy-out.

Category 2P homes/properties
These are properties where there is assessed to be an intolerable risk to life from a future storm event for which there is a feasible mitigation at a property level.

CATTR
Climate Action Transport Targeted Rate

Community stewardship
Community stewardship is about creating and preserving long-term value for current and future generations by responsibly managing and allocating capital, to look ahead and provide advice on future challenges and opportunities.

Consumer Price Index (CPI)
Measure of change in price over time for consumer goods/services, shown as an average.

Council group
Auckland Council and the Council-controlled organisations, along with the council's investments in Port of Auckland and Auckland Airport.

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.

CRL
City Rail Link

CV (Capital value)
The value of an asset or investment (for example property value).

Debt
Using borrowings in a sustainable way to pay for long-life assets.

Deferral
Delaying the building or buying of assets until a later time.

Deficit
A shortfall of income or assets over expenditure or liabilities in a given period.

Depreciation (costs)
A reduction in the value of an asset with the passage of time. The council funds depreciation from the general rates, ensuring we can replace the assets in the future.

Deprivation
Lacking the material benefits considered to be basic necessities in a society.

Development contributions (DC)
A charge paid by developers to the council when they build or subdivide property. The council uses this money to help pay fornew 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 or will be developed.

Diversified investment
The spreading of investments both among and within different asset classes and across geographic areas. This would reduce specific company risks but will remain subject to national and international economic cycles and impacts.

Economic fluctuation
The ups and downs in the levels and/or rates of changes in the economic variables like real national income (gross domestic product (GDP)), inflation rate, and the rate of unemployment.

Equitable funding level
The funding each local board would be entitled to under the funding allocation model.

Facilities
Buildings or other structures used to provide activities or 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.

Fiscal rules
A numerical limit or goal in respect of one or more financial areas. Fiscal rules are often expressed as limits on spending, revenue, budget balances, or debt.

Fully funded depreciation
Allowing for 100 per cent of the cost of depreciation in any given year.

GDP
Gross domestic product- a measure of what is produced in the national economy.

General rates
Rates levied on ratepayers across Auckland pay to fund general services.

GHG emissions
Greenhouse gases emissions

Governing Body
The Governing Body is made up of the mayor and 20 councillors.

Government Funding
Funding from the central government.

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 activities or services to Aucklanders, rather than council providing those services directly.

Green bonds
Nominal fixed income bonds which provide finance for specific government projects with climate change mitigation and environmental outcomes.

Greenfield
Undeveloped land.

GST
Goods and services tax.

Individual Service Profiles
Individual service profiles for each department within both Auckland Council parent and the council-controlled organisations.

Infill development
Increasing the number of dwellings on a property, either by building a secondary or accessory dwelling (for example, a granny flat) or by creating a new site through subdivision of the site.

Integrated transport plan
A process to identify current and future access needs – for people, goods and services – and inform decision makers, key stakeholders and the community on how to manage the transport system and land uses to best address these needs.

Kaitiakitanga
Guardianship

Local boards
There are 21 local boards They represent their local communities and make decisions on local issues and services.

LTDS
Long-term Differential Strategy by which the share of rates paid by businesses, rather than households, is changed.

MSFW
Making Space for Water

mana whenua
The indigenous people (Māori) who have historic and territorial rights over the land It refers to iwi and hapū who have these rights in Tāmaki Makaurai, Auckland

Mātauranga
Māori knowledge

Mataawaka
Māori living in the Auckland region who are not in a Mana Whenua group.

Maunga
Mountain, mount, peak.

Net zero emissions
An overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.

NLTF
National Land Transport Fund

NETR
Natural Environment Targeted Rate

OCR
Official Cash Rate

Opex
Operating expenditure. Money 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 liking paying grants to community organisations and paying interest on money the council has borrowed.

Panuku
Panuku Development Auckland, the organisation that provides property management and development services to the council and Aucklanders.

POAL
Port of Auckland Limited

Premium fare(s)
A fare for ferry services that are considered to be more costly, perhaps because they cover greater distance or are on routes that have higher running costs.

RTN
Rapid transit network

Rates
A tax against the property to help fund activities, services and assets that the council provides.

Rates postponement
Allowing ratepayers to delay paying the rates they owe until a later date.

RFT
Regional Fuel Tax

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 costs to council perhaps by being more efficient (ways to provide services for reduced costs) or by delivering different or fewer services to the community.

Section 17A
Section 17a delivery of services from the Local Government Act 2002 i

Shoreline Adaptation Plan
Planning for the future of Auckland's 3200km of shorelines (beaches, cliffs, harbours and estuaries) in response to the impacts of climate change, erosion and flooding.

Strategic Development Fund
A credit facility available to us to take advantage of any acquisition opportunities for town centre regeneration outcomes.

Tangata whenua
Citizen

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. (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.

Tātaki Auckland Unlimited
Tātaki Auckland Unlimited refers to two substantive council-controlled organisations: Tātaki Auckland Unlimited Limited and Tātaki Auckland Unlimited Trust.

Time-of-use charges
Charging motorists to enter roads, usually at peak times, as a way of deterring congestion

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.

Waste Management and Minimisation Plan
A statutory Auckland-wide plan required under the Waste Minimisation Act 2008, with an aspirational goal of zero waste by 2040.

WQTR
Water Quality Targeted Rate

Watercare
Watercare Services Limited, the organisation that provides water supply and wastewater services to Aucklanders.

Rārangi kupu matua
4.5 Key word index

▲ Festive in the City Centre

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Te Kaunihera o Tāmaki Makaurau