

Tahua ā-tau 2024-2034
Long-term Plan
2024-2034



Volume
2

**Our detailed budgets,
strategies and policies**

Mihi



Noho mai rā Tāmaki Makaurau,
moana waipiata,
maunga kākārīki.
Mai i ngā wai kaukau o ngā tūpuna,
ki ngā puke kawē 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 ki tō uma.
Tāmaki Makaurau
he tāone ūmanga kurupounamu koe;
tukua tō rongō kia rere i te ao.

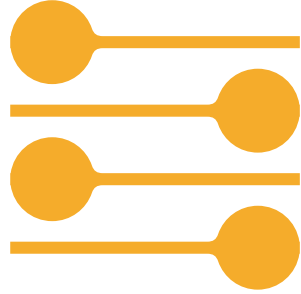
Tāmaki Makaurau
who bestrides shimmering seas,
and verdant mountains.
From the bathing waters of our forebears,
and hills that echo with voices
that acclaim.
Your mountains stand lofty,
your valleys spread from them
and your streams run freely.
Your harbours are majestic,
your beaches widespread,
the 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.



Long-term Plan 2024-2034 Volume 2

Table of contents	Page
Section one: Our key strategies	4
1.0 Strategic overview	5
1.1 Strategic direction on climate change	13
1.2 Leading and influencing better outcomes for Māori	16
1.3 Auckland Council's 30-year Infrastructure Strategy	18
1.4 Financial strategy	182
Section two: Our activities	211
2.0 Groups of activities	212
2.1 Roads and footpaths	219
2.2 Public transport and travel demand management	227
2.3 Water supply	235
2.4 Wastewater treatment and disposal	244
2.5 Stormwater management	251
2.6 Local council services	260
2.7 Regionally delivered council services	270
2.8 Council-controlled services	300
Section three: Our key policies	312
3.0 Overview of Policies and Other Information	313
3.1 Revenue and Financing Policy	318
3.2 Funding Impact Statement incorporating rating mechanism	336
3.3 Financial Reporting and Prudence Benchmarks	367
3.4 Local Board Funding Policy	371
3.4.a Fairer funding for local boards	380
3.5 Decision-Making Responsibilities of Auckland Council's Governing Body and local boards	384
3.6 Summary of Significance and Engagement Policy	400
3.7 Asset recycling policy	402
3.8 Overview to Auckland Council Controlled Organisations	409
3.9 Council Controlled Organisation Accountability Policy	412
3.10 Auckland Future Fund Policy	428
3.10a Auckland Future Fund Distribution Policy	431
3.11 Auckland Airport Shareholding Policy	434
Section four: Co-governance	436
4.0 Co-Governance and Co-Management Overview	437
4.1 Summary of TMA Operational Plan 2024/2026	439

Section one: Our key strategies



1.0 Strategic overview and delivery for Māori and Climate Change

Auckland’s regional long-term outcomes are set out in the Auckland Plan 2050

The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

The council has identified its community outcomes in the Auckland Plan 2050¹ where we describe six holistic outcomes. The plan provides direction on addressing Auckland’s key challenges of high population growth and environmental degradation, and how we can ensure shared prosperity for all Aucklanders. The six Auckland Plan outcomes (community outcomes) align with the four wellbeings set out in legislation:



Figure 1 - Auckland Plan Outcomes and the Four Wellbeings

The Future Development Strategy is our 30-year spatial plan to contribute to those outcomes. It provides the basis for integrated, strategic and long-term planning. The Future Development Strategy is Auckland’s high-level vision for accommodating growth over the long term.

The Future Development Strategy strikes a balance between greenfield growth and focusing new homes – with a greater choice of housing – closer to urban centres with easy access for people to walking, cycling, and public transport to get around. It sets timeframes for development over 30 years so that investment in essential infrastructure can keep pace with growth.

¹ Link to Auckland Plan 2050 <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/auckland-plan/Pages/default.aspx>

The Future Development Strategy:

- identifies priority areas for investment of key infrastructure to support communities
- creates capacity for housing choice in locations of high demand
- limits development in areas with risks for people and property
- supports focused local investment in key locations.

How we invest to contribute to Auckland’s regional outcomes

Auckland Council contributes to the regional Auckland Plan outcomes through activities in seven broad areas of investment. The investment areas consider council’s role and the key levers it has to deliver against the regional outcomes. This includes as a regulator, provider, partner, funder, facilitator and advocate.

At the start of the LTP process, the mayor and councillors prepared their *Direction to the council group*. That document identified principles for the LTP; challenges, opportunities and direction to each investment area; and required specific options to be developed for consideration as part of developing the LTP. This included allowing for the priorities of different areas to be understood and addressed rather than a one-size-fits-all approach, including a genuine attempt to engage and respond to the different needs of our communities. This process is informed by consideration of how Auckland is tracking against its regional outcomes set out in the Auckland Plan and Auckland council’s role in each investment area.

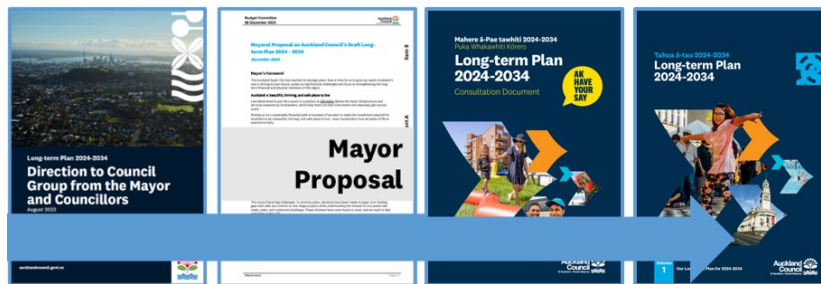


Figure 2 – Mayor and councillor-led LTP process

Auckland Council sets out the challenges, focus areas and what it will deliver in each investment area in the LTP.

The council delivers activity and services that work together to support Aucklanders’ way of life. The activities and services in each investment area should be seen as part of an integrated council group contribution to the regional six Auckland Plan Outcomes.



Figure 3 – Cascade showing council group contribution to four wellbeings

The seven areas of investment are:

Investment area	What the area covers
<p>Transport</p>	<ul style="list-style-type: none"> • Provide safe local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers
	<ul style="list-style-type: none"> • Provide public transport services and travel demand management
<p>Water (Drinking water, wastewater, stormwater)</p>	<ul style="list-style-type: none"> • Provide reliable supply of safe water
	<ul style="list-style-type: none"> • Collect and treat wastewater
	<ul style="list-style-type: none"> • Manage stormwater network to minimise risks of flooding and improve water quality
<p>Built environment (City centre and local development)</p>	<ul style="list-style-type: none"> • Coordinate enabling infrastructure (Transport and three waters) and ensure quality of vested assets • Transform City Centre and regenerate urban centres in locations with significant land holdings
<p>Natural environment (Environment and regulation)</p>	<ul style="list-style-type: none"> • Integrate land use and infrastructure planning and regulate development through consenting process • Regulate activities to safeguard public health and safety • Manage the collection and processing of household waste and minimize waste to landfill • Protect, improve and minimise risks to the natural environments and cultural heritage • Provide opportunities for communities to lead and deliver their own initiatives
<p>Community (Parks and community)</p>	<ul style="list-style-type: none"> • Protect and provide access to distinctive and unique environments through regional parks • Provide urban green spaces (local parks, paths and ngahere) and access to the coast • Enable a range of choices to access community services and recreation opportunities
<p>Economic and cultural development</p>	<ul style="list-style-type: none"> • Provide access to regional facilities • Facilitate economic development opportunities and promote Auckland as a destination
<p>Well-managed local government (Council support)</p>	<ul style="list-style-type: none"> • Lead council group response to partnership and participation of Māori in decision making and deliver Māori outcomes • Support effective governance, provide quality advice and advocate for Auckland’s interests • Provide leadership in building resilience and responding to emergency and lead recovery • Engage with Aucklanders to have their say, participate in decision-making and stay informed • Operate a fit-for-purpose organisation and make it easy to get things done with council • Manage long-term finances sustainably and maximise returns on council’s investment

Performance measurement framework

As part of the Long-term Plan 2024-2034 (LTP), council is legislatively required to prepare a set of performance measures (and targets) that the council considers appropriate to enable the public to assess the level of service for major aspects of the groups of activities.

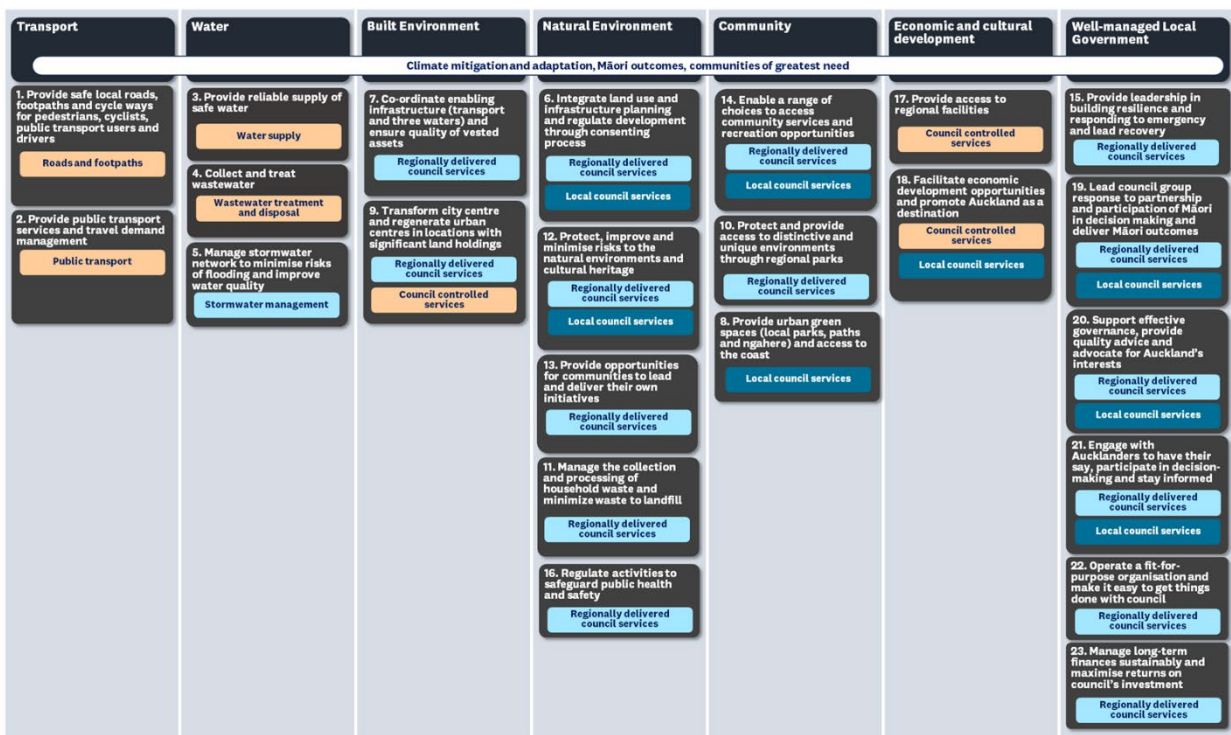
The direction to council from the mayor and councillors for this LTP identified the need to improve trust and confidence and tell a better story about council’s performance, including where we are performing well and where we need to do better using performance measures (including financial and non-financial measures).

The performance measures are used to monitor the council group’s progress against the outcomes as part of the longer-term Auckland Plan 2050 and how council plans to contribute to them. See *Volume two, Section two* for more information.

The performance measures and associated targets in the Long-term Plan 2024-2034 are considered by management and/or council to assess whether council’s performance measures enable a reasonable assessment of service levels.

Auckland Council sets levels of service statements for 23 activities across the group, grouped into seven areas.

The diagram below shows the 23 activities, grouped by Group of Activity and mapped to the investment areas.



Council's focus for the next three years

In the Section 2 of Volume 2, it describes what council group will deliver in each of the investment areas. To achieve this delivery, the council needs 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.

The *Council Group 3-year focus* describes how Auckland Council Group as an organisation will work to deliver an Auckland we can be proud of. It outlines the group's focus areas to achieve the long-term vision for the region and describes organisational shifts for the next three years, through:

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.

Strategic architecture – our strategic direction and reporting frameworks

The long-term plan defines projects, programmes, and activities the council will deliver for the 2024-2034 period. The figure below is a high-level view of how the council’s long-term, medium-term, and operational strategic and financial planning mechanisms work together to structure our effort. It also shows reporting frequency.

	Strategic and financial planning framework mechanisms	Reporting
Long-term	<ul style="list-style-type: none"> Auckland Plan 2050 Auckland Unitary Plan Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan Kia ora Tāmaki Makaurau Other topic specific and place-based strategies, polices and plans 	Annually, three-yearly, five-yearly
Medium-term	<ul style="list-style-type: none"> Mayor and councillor direction to the group for the LTP Council’s focus for the next 3 years Long-term plan and budget Local board plans 	Annually
Annual	<ul style="list-style-type: none"> Annual plan and budget Local board agreements Council’s Letter of Expectation to CCOs CCO’s Statement of Intent CE Objectives 	Quarterly, annually
Operational	<ul style="list-style-type: none"> Business Plans 	Monthly, quarterly

Māori outcomes

Advancing Māori identity and wellbeing is a key priority of the Auckland Plan 2050. The long-term plan outlines how the council group delivers this priority.

Kia Ora Tāmaki Makaurau, Auckland Council's performance management framework for Māori outcomes, identifies the outcomes that matter most to Māori in Tāmaki Makaurau. Kia Ora Tāmaki Makaurau was formally adopted in 2020. The Auckland Council group approach to delivering Māori outcome priorities will be reviewed periodically.

Kia Ora Tāmaki Makaurau focuses council group effort and operational spend towards delivering outcomes for Māori of Tāmaki Makaurau. In addition to operational budgets, previous Long-term Plans (2021-2031 and 2018-2028) created the Māori Outcomes Fund (\$150 million combined capital and operating expenditure) for activities that directly contribute to Māori identity and wellbeing through the delivery of Kia Ora Tāmaki Makaurau.

The Long-term Plan 2024-2034 includes an increase in the Māori Outcomes Fund over the 10 years from \$150 million to \$171 million. The fund will increase by \$3 million per annum from year four of the plan (a total increase of \$21 million).

Kia Ora Tāmaki Makaurau is named for its overall outcome: holistic wellbeing for Tāmaki Makaurau. Kia Ora Tāmaki Makaurau outlines the practical steps to deliver on 10 Māori outcomes, by identifying focus areas where the council can best influence and direct resources for impact.

The 10 outcomes are:

- **Kia ora te marae** - Marae development
- **Kia ora te umanga** - Māori business, tourism and employment
- **Kia ora te kāinga** - Papakāinga and Māori housing
- **Kia ora te ahurea** - Māori identity and culture
- **Kia ora rangatahi** - Realising Rangatahi potential
- **Kia ora te reo Māori** - Te reo Māori
- **Kia ora te taiao** - Kaitiakitanga
- **Kia ora te whānau** - Whānau and Tamariki wellbeing
- **Kia ora te hononga** - Effective Māori participation
- **Kia ora hangai te kaunihera** - An empowered organisation

By delivering outcomes for Māori there will be wider benefits for Tāmaki Makaurau as a whole.

Climate outcomes

Auckland's climate is changing. We are already starting to see higher temperatures, increased drought, more intense rainfall events and sea level rise. We expect more change over the next 100 years. Climate change will impact on our communities, infrastructure, economy and natural environment.

The Auckland region has a plan for its long-term approach to climate action called Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan. It is a regional plan, and sets out eight priority action areas to deliver our goals to reduce emissions and adapt to the impacts of climate change.

The plan was prepared in partnership with mana whenua, through the Mana Whenua Kaitiaki Forum (now the Tāmaki Makaurau Mana Whenua Forum), to provide a te ao Māori perspective throughout the development of the plan.

Te Tāruke-ā-Tāwhiri outlines a Tāmaki Makaurau response to reflect our values and the foundations we need to succeed, including how we embed mātauranga Māori and te ao Māori principles, and how we work together to ensure an equitable transition to a low carbon, resilient future.

The plan sets **two goals** for the Auckland region:

- To reduce our greenhouse gas emissions by 50 per cent by 2030 and achieve net zero emissions by 2050.
- To adapt to the impacts of climate change by ensuring we plan for the changes we face under the current global emissions pathway.

Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan identifies **eight priority areas** for actions:

- Natural environment
- Built environment
- Transport
- Economy
- Communities and coast
- Food
- Te Puāwaitanga o te Tātai (flourishing inter-generational connections)
- Energy and industry

You can read the full plan on Auckland council website [Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan](#).

The council also has obligations under the Financial Markets Conducts Act which requires it to make annual climate statements which comply with the climate-related disclosure framework as set out in the Aotearoa Climate Standards from 30 June 2024. The aim of the standards is to support the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future (Volume one, Section 1.1).

1.1 Strategic direction on climate change

Strategic context

The health of our natural environment in Tāmaki Makaurau is imperative to all who live and work here. Without a sustainable connection to the land and sea we are at risk of losing everything that forms the basis of our individual and collective identities.

Climate change means that we could all face the loss of physical structures and resources, which impacts the wellbeing of all Aucklanders.

One of the ways that the council embraces its role of kaitiakitanga (guardian) in this beautiful city is by responding to the effects of climate change, supporting low carbon choices for the community and businesses and working with local communities to safeguard and support the health of our natural environment.

Since 2015 when the council joined the C40 Cities Climate Leadership Group, we have worked to improve our understanding of climate change and to manage our exposure to its effects on the organisation and the region.

In June 2019, the council responded to the call for climate action by declaring a climate emergency, acknowledging the scientific evidence and advice that there is a small window for action to avoid the most damaging effects of climate change.

From then, the council implemented mandatory climate impact statements in all governing body and committee reports, and in doing so, committed the council to incorporating climate change considerations into work programmes (such as asset renewals and infrastructure development), investments and decisions. This placed a focus on monitoring and reducing greenhouse gas emissions (GHG emissions) and preparing for the impacts of climate change.

To face the challenges that climate change poses to the region, the council adopted Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan in July 2020. The principles of Te Tiriti o Waitangi are foundational to council's approach to climate action and the plan was developed in partnership with mana whenua to ensure it incorporated a Te Ao Māori perspective.

Te Tāruke-ā-Tāwhiri sets the pathway for the Auckland region to achieve a 50 per cent reduction in GHG emissions by 2030 compared to those in 2016 (referred to as the baseline), and net-zero emissions¹ by 2050 and adapting to the impacts of climate change.

Te Tāruke-ā-Tāwhiri is a plan for all of Auckland to deliver and the council plays an important role in facilitating the required action to achieve its objectives. We recognise that we need to make fundamental changes to our organisation, the way we work and how we interact with our communities.

This long-term plan includes proposals that focus on our physical and financial resilience. It also acknowledges that we will need to continue to consider how council contributes and leads the way towards a low carbon and resilient region.

¹ Achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.

Corporate climate risks

The council has identified climate-related risks that are likely to impact at both a business and financial level. A list of these risks will be disclosed in Volume 4 of our annual report.

The group's top six climate-related risks that have an impact on long-term financial decisions are:

- increased damage and reduced access to key council assets, infrastructure and facilities due to increased frequency and severity of acute weather events
- failure to effectively and accurately consider climate change in governance structures, decision making and long-term planning including responding to climate risks, budgeting and planning etc.
- the council's inability to respond to the changing needs of Aucklanders under different climate scenarios and meet increased demand/load on group services such as emergency management, use of facilities and climate refugees etc. (those forced to leave their home due to the effects of climate change)
- failure to balance the delivery of climate-related priorities with broader council objectives and strategy
- inability to access debt capital and other financial products affordably and easily as a result of climate change
- failure to adequately address climate change in authentic partnership with mana whenua and with consideration of key mana whenua iwi priorities.

These risks could impact the council with service disruption, decreased operational capacity, increased maintenance and renewal costs, stranded assets and reduced access to financial markets for funding purposes.

These impacts will have a flow-on effect to Aucklanders through the services we provide, the infrastructure we rely on to get clean water, get rid of dirty water and stormwater and get around to our daily activities and increased costs.

Sustainable financing

In 2018, we established a green bond framework and started issuing green bonds to demonstrate our commitment to climate action and in response to capital markets seeking green financial products.

In 2020 we transformed our green bond framework to a Sustainable Finance Framework to include sustainability-linked products. This framework outlines the overall criteria and guidelines for how the council will issue green and sustainable financing products and manage them on an ongoing basis.

In 2022 we executed our first sustainability-linked financial products. Financial markets now consider sustainable financing to be mainstream and investors can now choose from different sustainable funding products from issuers across the globe.

To ensure that we are active and relevant in global financial markets, council will need to continue to consider how we will meet the eligibility criteria in our sustainable finance framework, and not only in terms of the impacts on the climate.

In doing so, the council will be able to expand its use of sustainable finance products and increase our access to capital markets, while supporting our efforts to reduce emissions and increase resilience to climate change.

Monitoring, reporting and verification

Context and objectives

Indicators are essential for organisations to measure and improve their performance. By establishing meaningful indicators (or performance measures) that align with strategic goals, Auckland Council Group can track progress, identify areas for enhancement, and make data-driven decisions.

An appropriate monitoring and reporting framework also supports better climate accountability across the organisation.

Climate-related performance measures

The performance measures to track progress related to climate change mitigation include:

- Group Greenhouse gas emissions Scope 1, 2 and 3
- Percentage of Group CAPEX spend:
 - aligned with priority locations as per Future Development Strategy (or equivalent)
 - where Whole of Life Carbon is quantified and mitigated

The group is a Climate Reporting Entity in terms of the Financial Markets Conduct Act 2013 and is required to report its greenhouse gas emissions in its Climate Statement. For avoidance of duplication, with the exception of one measure relating to Auckland Transport², we have not included performance against general greenhouse gas emissions targets in the LTP's Groups of Activities, noting these disclosures will be reported at a group level in the group's annual Climate Statement. The measure in the Public Transport and travel demand Group of Activity has been added due to the significant contribution of Auckland Transport to the Auckland Council group's Greenhouse Gas Emissions.

While the consideration of performance measures as part of the Long-term Plan 2024-2034 is a key aspect of our monitoring system, the wider council performance reporting landscape also includes (but is not limited to) strategic outcome reporting (via the three-yearly Auckland Plan monitoring report), CCO Statements of Intent (SOI), quarterly and monthly committee reporting and internal operational performance reporting and a climate statement within the annual report.

For more information about the performance measure framework see Section two: Groups of Activities.

For more information on the "Percentage of Group CAPEX spend" and Investment Impact Assessment - see 3.1 Section 3A of the Infrastructure Strategy, Investment prioritisation for further detail on the IIA process.

² For more information see *Volume 2, section 2: Groups of Activities - Public transport and travel demand*.

1.2 Leading and influencing better outcomes for Māori

Kia Ora Tāmaki Makaurau is the Māori outcomes performance measurement framework for the council group. It guides the council group on supporting strong Māori communities, as well as enabling effective Māori participation in council decision-making and ensuring that council staff are empowered to deliver on outcomes for and with Māori.

Council group's focus for the next three years

The council group's focus is to deliver on Kia Ora Tāmaki Makaurau and establish a clear pathway to monitor the impacts of this against the Māori outcomes.

We will do this through:

Effective Māori participation: empowering mana whenua iwi and Māori communities to be active partners and participants at all levels of the council group's decision-making, by progressing relationship agreements and enhanced capacity contracts, and enabling co-governance and co-management of sites of significance.

Realising rangatahi potential: the council enables rangatahi participation in council activities and projects to support rangatahi in leadership, training and employment.

Kaitiakitanga: the council actively provides for Māori participation in the management of taonga resources. The council works with mana whenua and Māori in the management, restoration and protection of our water resources, and works with mana whenua and Māori to design/co-design and deliver environmental management and community-led conservation initiatives.

Whānau and tamariki wellbeing support: through place-based services delivered in council-owned venues (like libraries) as well as through the delivery of Ngā Hapori Momoho -Thriving Communities strategy.

Marae development: delivering the Marae Infrastructure Programme that aims to ensure that marae are healthy and sustainable cultural hubs.

Māori identity and culture: Māori identity and culture is advanced through cultural events such as Matariki and Waitangi delivered in partnership with mana whenua. The council also promotes Māori culture and identity by identifying and protecting sites of significance, Māori public art and the application of Te Aranga design principles in our spaces and places.

Māori business, tourism and development: the council actively provides economic opportunities for Māori and supports Māori growth in business and tourism. This includes

promoting the growth of Māori entrepreneurship through smarter use of procurement and supply chains.

Te Reo Māori: Delivering bi-lingual signage at key council and Council-controlled organisations sites, within parks and on other council assets, through announcements in Te Reo on public transport, in council venues and on media platforms.

An empowered organisation: achieving outcomes and benefits for Māori by honouring Auckland Council's commitments and obligations under Te Tiriti o Waitangi, and developing the capability of elected members and staff to work effectively with Māori.

Supporting the career development and progression of Māori and specialist staff within Auckland Council and CCOs, ensuring that Māori staff are connected and well supported in their mahi.

Papakāinga and Māori housing: provide dedicated resources and support to Māori and mana whenua with technical matters related to resource and building consent processes, through the Regulatory Services Directorate and Māori Housing Unit to develop individual and communal housing.

Section 1: Infrastructure Strategy scope and role

Infrastructure is Auckland Council’s largest asset. We plan to invest \$293.7 billion in infrastructure between 2024-2054 (representing 86 per cent of the council’s budget to 2034). The management of Auckland Council’s infrastructure is, therefore, a significant opportunity for and risk to the wellbeing of Aucklanders. The Infrastructure Strategy provides the long-term (30+ year) view of our infrastructure management to inform long-term plan (LTP) decision-making.

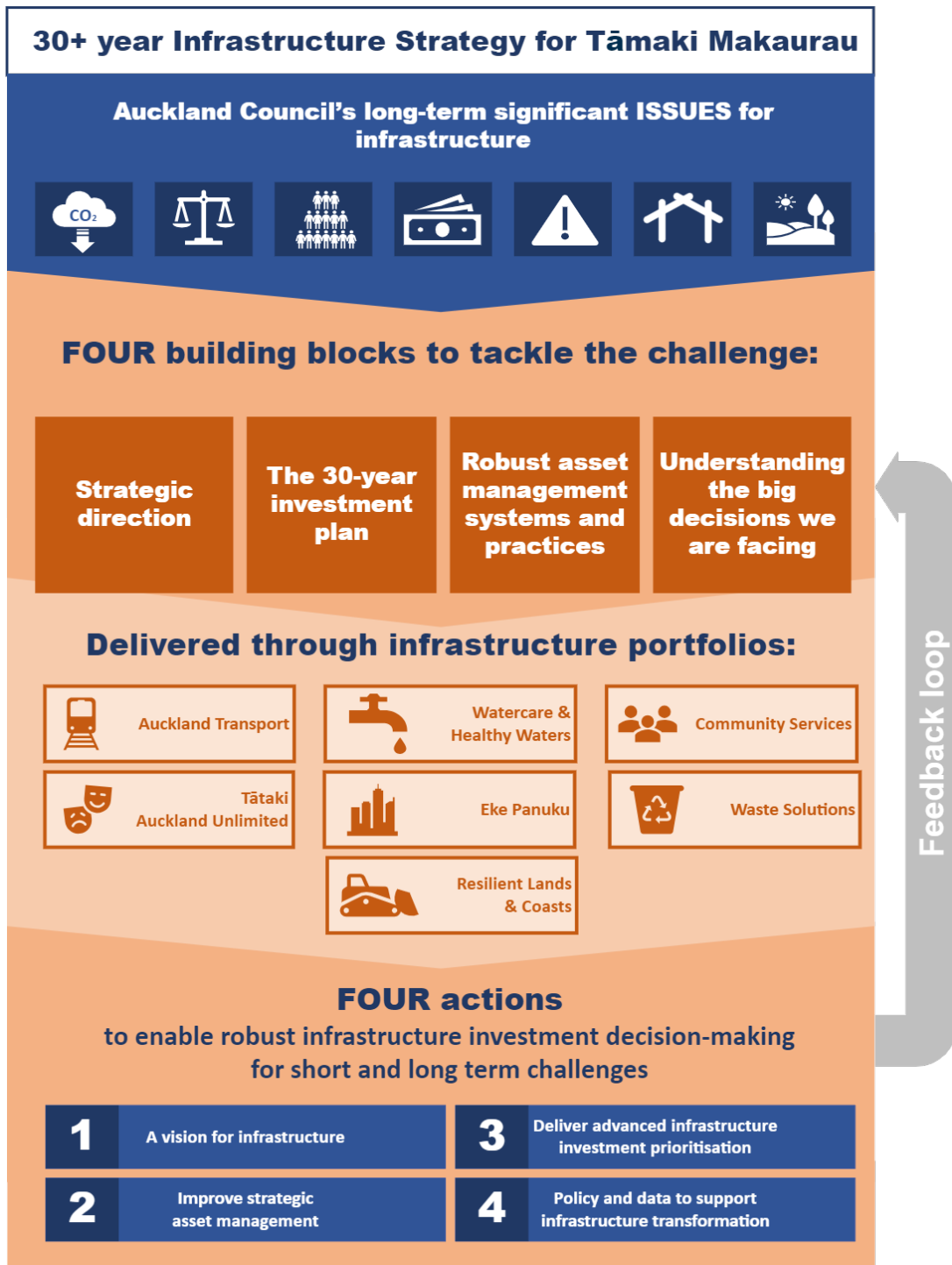


Figure 1: Overview of the key concepts covered in the Infrastructure Strategy

Role of the Strategy

Auckland Council (the council) is required by section 101B of the Local Government Act 2002¹ to prepare and adopt the Infrastructure Strategy, as part of its long-term plan.

The 2024 Infrastructure Strategy (the Strategy) is an update of the 2021 strategy. The strategy includes:

- seven significant issues that impact Auckland Council's infrastructure
- the approach to managing those infrastructure issues and the council's 'most-likely scenario' for infrastructure investment
- significant infrastructure investment decisions that will be required beyond setting the Long-term Plan 2024-2034.

Planning for infrastructure in the long-term must respond to evolving issues and cope with uncertainty. Therefore, the outer years of the Strategy (years 11-30+) include a combination of investment planning and projections and provides an opportunity to communicate uncertainties. As new information becomes available and financial forecasts are updated over the coming decade, planned infrastructure investment will be reviewed.

Long-term planning and asset management

The council plays a number of concurrent and connected roles in relation to its infrastructure. It is an asset manager, direction-setter, regulator, and investor in existing and new infrastructure. The long-term plan is a point where these processes connect through the setting of a strategic and long-term budget (see Figure 2). Within the long-term plan, the strategic direction, financial planning and asset management planning form an investment package for the next 3, 10, and 30 years.

The long-term plan's budget process provides a three-yearly opportunity for Auckland's community to provide input into the council's:

- planned investment
- approach to infrastructure
- strategic planning.

Feedback received on the consultation document highlighted community support for investment in infrastructure, with a particular emphasis on resilience, emissions reduction, and looking after the assets that we have.

The long-term plan and the council's strategic direction are then actioned by the parts of the council group responsible for providing infrastructure. Both asset management and strategic direction (long-term planning) are iterative cycles and the quality of each is underpinned by the data used. Asset management plans, and the asset management data and commentary presented in the infrastructure strategy, are the foundation for both cycles as they set out infrastructure risks, needs, and a plan for investment.

Council has systems for asset management that are tailored to the nuances and challenges of each infrastructure type. Continuous improvement of these systems are supported centrally by the recently adopted Asset Management Policy. AMPs also set out a plan for implementing the direction set through the long-term plan.

¹ Note that Section 2 of the Strategy responds to ss101B(2)(a)&(b), Section 3 responds to ss101B(3) and 101B(2)(b), Section 4 responds to ss101B(2)(b), 101B(4)(a), and 101B(4)(c)&(d), and Section 5 responds to s101B(4)(b).

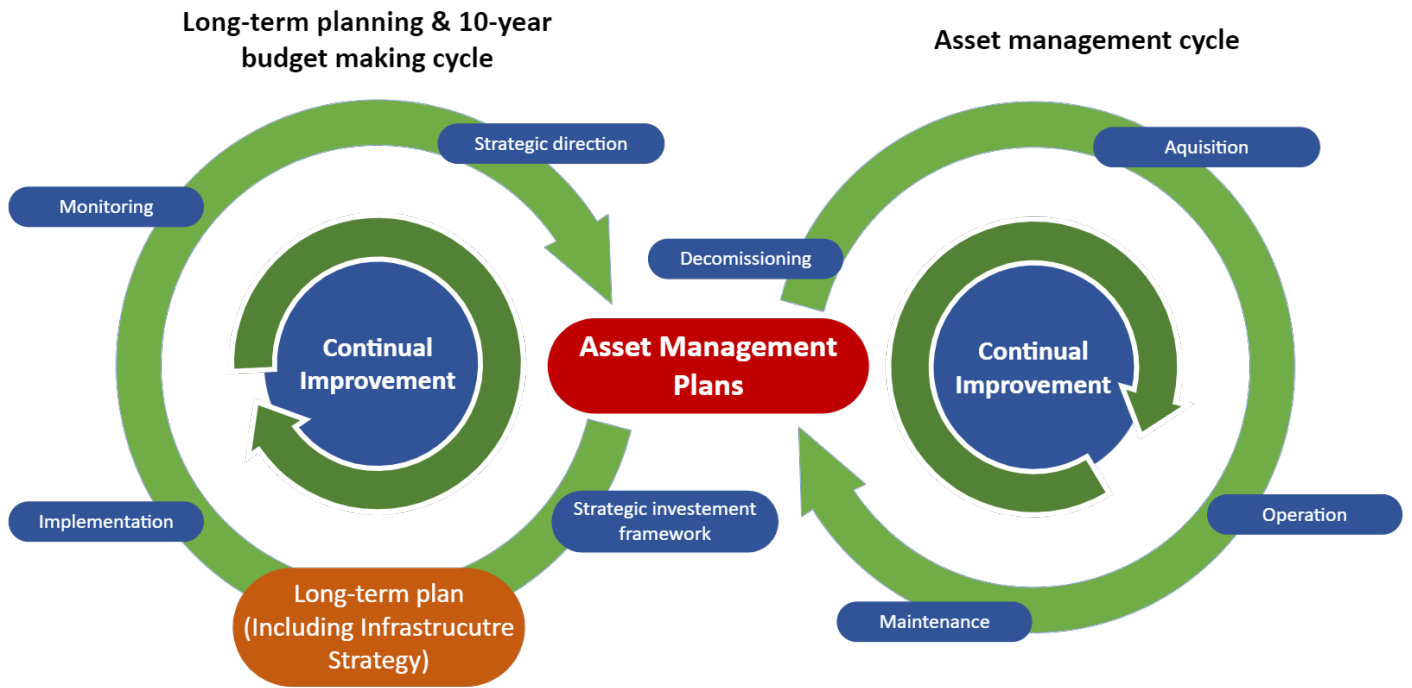


Figure 2: Connected cycles of long-term planning and asset management

1.1. Scope of the Strategy

Auckland Council's role in providing and operating Infrastructure

Much of the urban area in Tāmaki Makaurau is situated within a narrow isthmus, bound by multiple harbours, and this plays a role in dictating its urban form. Alongside the natural environment sits a complex urban environment made up of thriving centres, housing, commercial and industrial areas. Strong population growth is likely to continue over the next 30 years. We need significant infrastructure to support our daily activities, and we ask a lot from that infrastructure to keep our region functioning well. Further information on the context that is influencing this long-term plan can be found in the Financial Strategy (see long-term plan Volume 2, section 1.4 Financial Strategy)

The council provides a significant amount of infrastructure in Tāmaki Makaurau. It seeks to provide infrastructure that delivers a public good, supports the four well beings (social, economic, cultural and environmental) and generates outcomes desired by the Auckland Plan (see long-term plan Volume 2, section 1.0 Strategic overview)). Though the council is only part of the infrastructure story in Tāmaki Makaurau, it is a leader in our region's infrastructure.

The council's roles include:

- planning and delivering council-controlled infrastructure and services. Infrastructure is delivered by the council group, supported by a range of contracts for services such as public transport provision, asset maintenance and waste services
- coordinating land use and infrastructure planning, including delivering and funding infrastructure
- coordinating with other infrastructure providers to enable infrastructure development and management.
- working closely with other infrastructure providers to manage risks and dependencies through groups like Auckland Engineering Lifelines
- civil defence and emergency management
- regulation, through designating, consenting, monitoring, and developing rules and policy for infrastructure.

Infrastructure included in the Infrastructure Strategy

Figure 3 shows the infrastructure portfolios addressed in this strategy. These portfolios cover the mandatory classes of infrastructure assets², other assets with a high level of investment, and/or those that make a significant contribution to achieving Auckland's strategic outcomes. The total asset value covered in this Infrastructure Strategy is approximately \$69 billion as at February 2024, which excludes land holdings and depreciation for all portfolios except for Community which includes open space (land) as part of their asset holdings. The assets and investments included in this strategy are set out in Figure 3 and are referred to throughout the strategy as 'the council's infrastructure providers'. The infrastructure portfolios differ in scale, including size of their asset values and investment. The portfolios in Figure 3 are split into

² The mandatory asset classes under s 101B(6)(a) of the Local Government Act 2002 are water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. At Auckland Council, flood protection and control works assets sit within the stormwater group of activities, which is part of the 3 waters portfolio (along with water supply and wastewater). the Transport portfolio covers roads and footpaths and stormwater where it is related to the transport network.

three broad categories, large, medium and smaller portfolios to enable clear presentation of their asset value and investment.

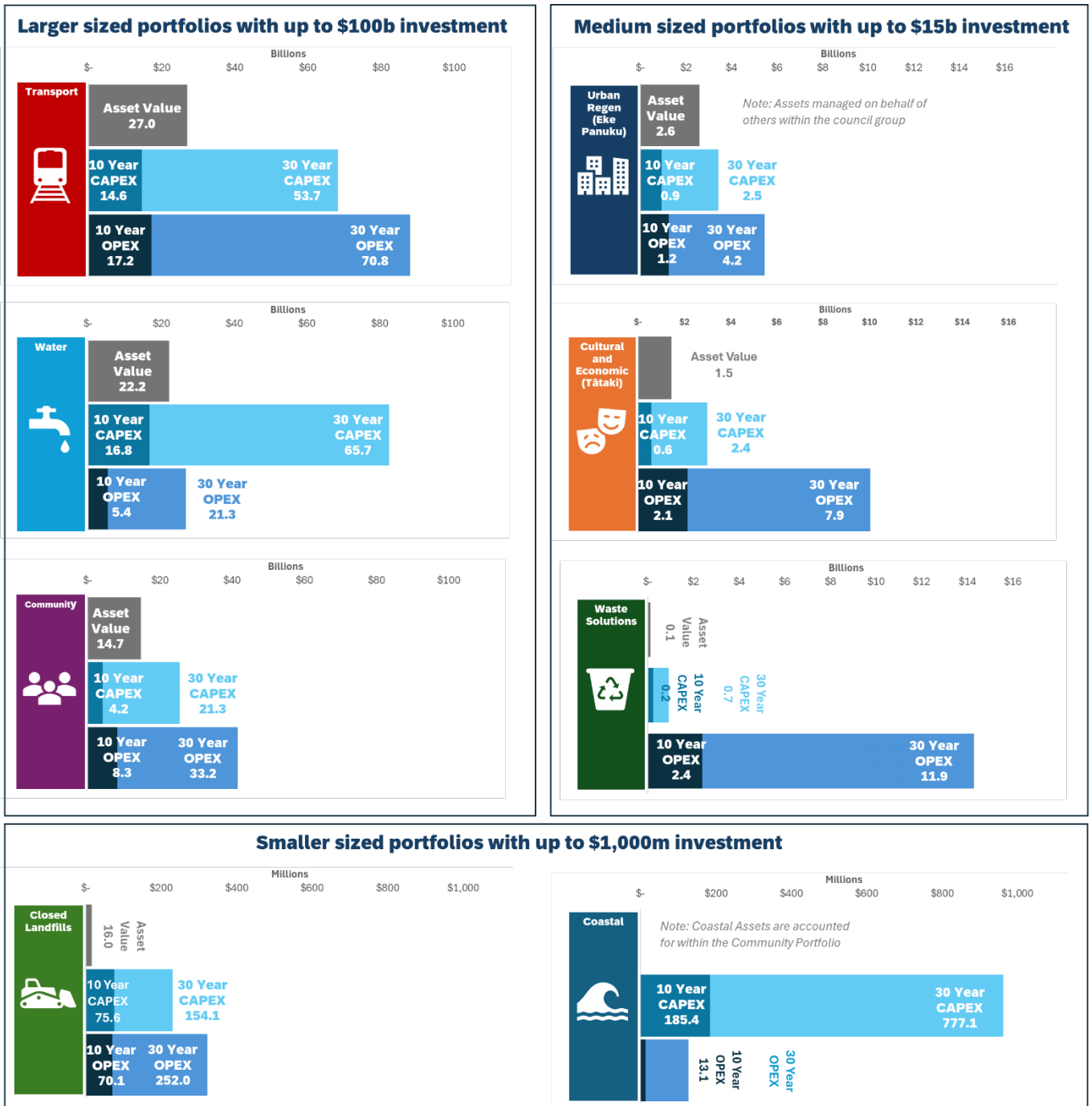


Figure 3: Infrastructure Strategy portfolios, asset value and planned investment (excluding CRL)

While the focus of this Strategy is council-specific infrastructure, many other groups provide infrastructure to Tāmaki Makaurau such as Port of Auckland, Auckland Airport, Waka Kotahi, telecom network providers, electricity, gas and petroleum suppliers, health and education providers. Many of these infrastructure systems also extend beyond Tāmaki Makaurau, reflecting our need to import resources such as energy, water and fuel.

Inter-relationships across Infrastructure portfolio, relative to asset value.

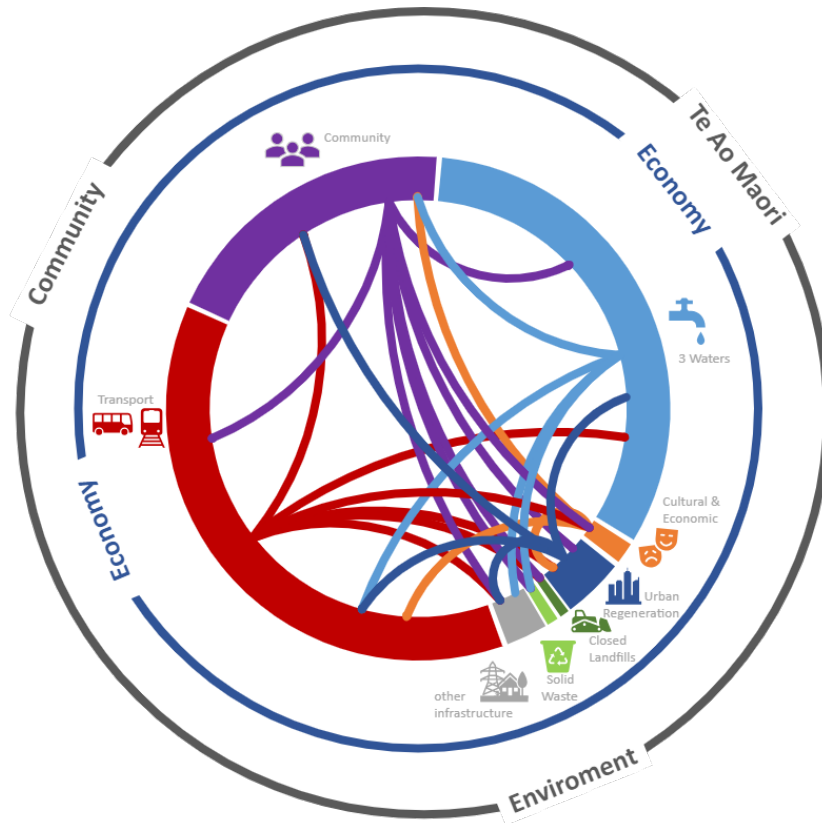


Figure 4: A connected system of infrastructure communities, Te Ao Māori and the environment

This strategy recognises that infrastructure is much more than just roads and pipes. It is a complex and interconnected system of built assets, natural assets, and services. Infrastructure systems exist within, and to serve, other related systems, like communities and the environment (see Figure 4). Applying a Te Ao Māori lens, and recognising connections and interdependencies, allows us to improve our understanding of how infrastructure can evolve, where its vulnerabilities lie, and what we can do to make it resilient.

Section 2: Significant issues facing Auckland Council's infrastructure.

Section 2 of the Strategy identifies seven significant issues for the council's infrastructure. These are:



Figure 5: Significant issues facing Auckland Council's infrastructure

These are the issues that our infrastructure needs to respond to in the long-term. They provide a framework for considering how the council manages and invests in infrastructure. Many of the challenges we face in our environment, as a community, and as a region, relate to our infrastructure. The seven issues identified are currently the most significant for long-term infrastructure planning in Tāmaki Makaurau and are consistent with the council's previous infrastructure strategies. The issues were identified based on the maturity of the council's existing infrastructure response. The maturity of our infrastructure response to these issues ranges from 'emerging' to 'established' maturity.

The maturity of the seven issues that inform this strategy and long-term plan are shown in the central bubble in Figure 6. This indicates that the issues are at a stage of maturity where the council understands them (has a policy position on the issues) and is therefore making decisions about how to embed them in its infrastructure investment response. The further the issue is towards the right-hand side of the spectrum, the more that issue is a driver of both capital and/or operational expenditure.

This section focuses on the challenges that our infrastructure faces in relation to these issues. Sections 3 and 4 of the strategy focus on the actions and responses to these issues required both by the council, and within each infrastructure portfolio.

Maturity assessment of the council's response to our significant infrastructure issues

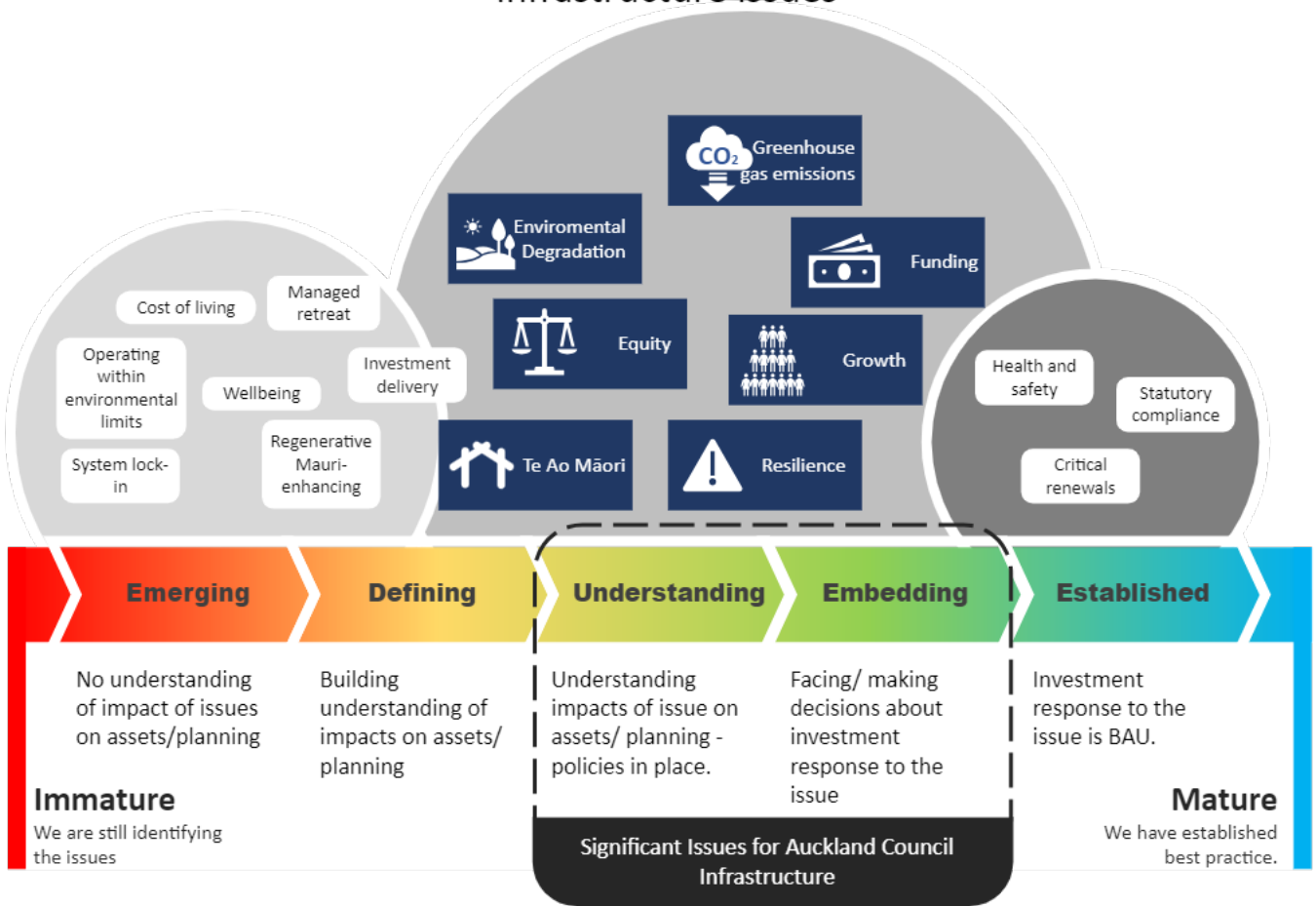


Figure 6: Relative maturity of our response to the issues facing the council's infrastructure

2.1. Emissions Reduction

Significance for infrastructure: Throughout its lifecycle, infrastructure is a significant contributor to greenhouse gas (GHG) emissions in Tāmaki Makaurau. Infrastructure has an important role to play in the transition to net-zero emissions by 2050, particularly when we consider the whole-of-life GHG emissions of infrastructure assets.

Auckland Council’s climate goals for Auckland include:

Reducing regional greenhouse gas emissions by 50 per cent by 2030 and achieving net zero emissions by 2050.³ The following pathways have been identified as ways to meet this goal:

- Reducing Auckland’s transport emissions by 64 per cent by 2030 through significant transport mode shift as well as through the change to a more compact urban form (that also reduces the need for other ancillary infrastructures such as water or stormwater).⁴
- Reducing vehicle kilometres travelled (VKT) in Auckland by 50 per cent by 2030 through improved urban form and providing better travel options.⁵

Current state of Auckland Council’s infrastructure response



Figure 7: Maturity of the council’s infrastructure response to Emissions Reduction, using the framework set out in Figure 6

The council has an established policy response for greenhouse gas emissions reduction. This response supports initial investment and interventions, with a particular focus on transport infrastructure. Further work is required to embed emissions reduction in asset management processes and decision-making. Figure 7 indicates the maturity of this infrastructure response, see Section 3 for further details on our response and the council’s planned actions.

The challenges for infrastructure

Reducing infrastructure emissions is a key priority for the council but also presents a significant challenge. A comprehensive approach must be taken that considers all infrastructure and their contribution to meeting council emission reduction targets. Ensuring an equitable transition needs to be prioritised as the council invests in and implements options to reduce emissions. There is also variability across the council group in terms of the skills and resources available to enable low emissions practices, such as improved emissions accounting and implementing low carbon solutions.

³ [Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan.](#)

⁴ [Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan.](#)

⁵ [Te Ara Whakaheke Tukuwaro Ikiiki: Transport Emissions Reduction Pathway \(TERP\).](#)

Measuring and planning for emissions reduction

Emissions reduction targets have been set in Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan. To align overall infrastructure investments with emissions reduction targets a consistent methodology for accounting embodied and operational emissions will be required for all infrastructure projects, across the council group. This is important as high-quality accounting and reporting of Scope 1, 2 and 3 greenhouse gas emissions⁶ is required for our mandatory climate-related disclosures.

Greenhouse gas emissions reduction needs to inform investment decisions more strongly

The consideration of greenhouse gas avoidance and reduction in investment decisions has started but needs to be built into more of the council's systems before it becomes business as usual. Making better investment decisions will mean that the council will have to understand both whole-of-life emissions as well as whole-of-life costs and benefits and use these to inform decision-making.

Whole-of-life emissions is where council takes embodied and operational greenhouse gas emissions into account over the life of the asset, including all indirect greenhouse gas emissions. Whole-of-life costs and benefits are where the council recognises the ongoing cost savings and other non-financial benefits over the life of the asset.

An Equitable Transition

Currently the council has not defined its approach to ensure an equitable transition to reduce emissions. We need to work with communities to make sure our actions towards a low-carbon future reflect their needs. The transition presents opportunities to support equitable outcomes across Tāmaki Makaurau, such as making public transport and high-quality green space more accessible.

⁶ Scope 1 emissions are direct emissions from owned and controlled combustion sources, such as diesel, coal, LPG and refrigerant leakage and release. Scope 2 emissions are indirect emissions purchased or acquired electricity, steam, heat and cooling. Scope 3 emissions are indirect emissions that are not covered in Scope 2 that occur in the value chain. (see [Homepage | GHG Protocol](#) for more information)

2.2. Resilience

Significance for infrastructure: Infrastructure needs to be future-proofed and resilient, so it can continue to serve people as we face changing climate conditions and an increase in natural hazards. Actions to prepare for climate change and natural hazards are vital to the asset management cycle of infrastructure.

Auckland Council’s adopted commitments include:

Delivering flexible and adaptable infrastructure:

- Building flexibility and adaptability into infrastructure design to ensure it is easier to modify and respond to changing needs.⁷
- Taking a precautionary approach to plan for the continued and catastrophic increase in the impacts and risks of climate change and natural hazards, considering the potential of a 3.5 degrees or warmer world by 2110.⁸
- The council’s approach to flexible planning and adaptation in the face of uncertainty and changing conditions follows adaptive approaches such as dynamic adaptive policy pathways (DAPP).⁹

Understanding resilience and vulnerabilities of infrastructure systems:

- Develop a consistent understanding of vulnerability, criticality, and interdependencies of ‘built’ assets, and in particular, critical infrastructure, which may be vulnerable to natural hazards and climate change.¹⁰

Current state of Auckland Council’s infrastructure response

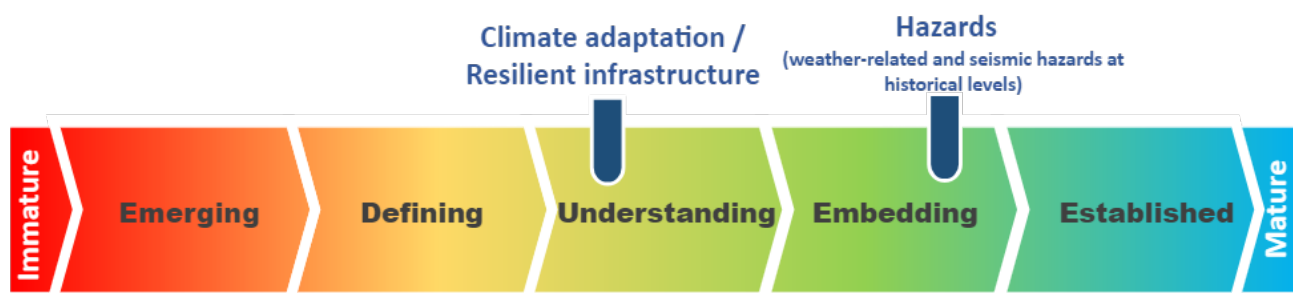


Figure 8: Maturity of the council’s infrastructure response to Resilience, using the framework set out in Figure 6

The council has a programme of investment (supported by policy and standards) in managing natural hazards, for example, through ongoing investment in flood management and infrastructure standards. However, in relation to these hazards as exacerbated by climate change, we are less mature. The council is developing a consistent approach to direct our investment in adaptability and resilience to climate change. We have started to plan and fund investment to increase resilience across our infrastructure. However, to date, investment has not adequately matched the real and potential risk presented by hazards.

⁷ [Auckland Plan 2050](#), Culture and Heritage, Direction 4.

⁸ [Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan](#), Our approach to adaptation and Action B3.

⁹ [Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan](#), Our approach to adaptation and Action B3.

¹⁰ [Natural Hazards Risk Management Action Plan](#), Section 2 & 4.4.

A fundamental change in our investment would be required for our assets to be more resilient to natural hazards and climate change.

The damage caused to assets during the storm events in 2023 shows the impacts of severe natural hazards which are occurring more frequently as a result of climate change. This has increased the council's focus on resilience direction and investment, and significant effort is being invested in improving our infrastructure resilience. Figure 8 indicates the maturity of this infrastructure response, see Section 3 for further details on our response and the council's planned actions.

The challenges of resilience for infrastructure

Building resilience in our infrastructure is a system-wide issue that requires a range of responses. To improve resilience throughout Tāmaki Makaurau, the council cannot just focus on one area or use the same technical solution everywhere. To transition towards resilient infrastructure, the council must consider how it will take a coordinated and proactive approach with asset owners and our communities.

Prioritising resilience

While existing strategy supports increasing resilience and adaptability, the scale of investment does not align with the magnitude of this issue. Investment into resilient infrastructure will require funding of flexible and agile solutions, this is currently constrained by council's infrastructure investment methodology.

Resilience is more likely to be deprioritised or neglected as it is currently difficult to quantify and communicate the return on investment (ROI) beyond the engineering and financial components. For example, investing in green infrastructure provides multiple benefits for infrastructure resilience and the community, but may cost more in capital investment or implementation time than a more traditional solution. More consistent measurement and valuation of the wider benefits of resilience is needed. This would allow a better understanding of trade-offs when making infrastructure investment decisions.

Transforming the infrastructure system

Making infrastructure more resilient is hindered by lock-in effects that can occur from the initial planning stage. Setting trigger points that direct infrastructure (and communities) to relocate or change the level of service early in the planning process, can help to manage expectations and reduce long-term lock-in of infrastructure.

A framework is required to establish trigger points during the adaptation planning process. This framework will help to guide the council to decide whether to strengthen and/or renew existing infrastructure, or work with the community to adapt including possible relocation, away from hazard-prone areas. This framework will require changes to our financial systems to be able to accommodate options related to future triggers and decisions, and to communicate uncertainty associated with the triggers and options.

Taking a coordinated and proactive approach

The council must continue to build a shared definition of infrastructure resilience that takes a broad view of asset, network, and community resilience, and apply this consistently across its infrastructure portfolios. This definition will require analysis of how hazards relate to infrastructure, the interdependence of infrastructure, and the potential impacts of hazards on wider networks.

The council will also need to build its social, technical, and organisational ability to respond to weather events, particularly as they occur more often as climate change continues to accelerate. As the resilience of infrastructure across Tāmaki Makaurau is a nationally significant issue, this coordinated and proactive approach should focus on clarifying liabilities and responsibilities between central government and council.

2.3. Growth

Significance for infrastructure: The projected population growth for Tāmaki Makaurau is significant. Supporting growth requires us to work together and ensure we have a clear understanding of where and when investment in planning and infrastructure should be made.

Auckland Council’s adopted commitments include:

Growth assumptions (coordination)

- Commitment to the Tāmaki – Whenua Taurikura, Auckland Future Development Strategy and the Auckland growth scenario as the basis of investment planning around growth.¹¹

Quality compact growth

- Infrastructure investment in growth is guided by Tāmaki – Whenua Taurikura, Auckland Future Development Strategy to focus on spatial priority areas (an approach established in the Development Strategy 2018 and the Long term Plan 2021).¹²
- Tāmaki – Whenua Taurikura, Auckland Future Development Strategy defines a desired state of our infrastructure system (including taking a whole of life cycle approach, with nature based, low-emission infrastructure that is well integrated with land use and infrastructure decision making)¹³.
- Auckland Unitary Plan (operative 2016) – Enables development across the region that is based on the quality compact city approach.

Current state of Auckland Council’s infrastructure response



Figure 9: Maturity of the council’s infrastructure response to Growth, using the framework set out in Figure 6

The council has policy and processes to guide our infrastructure support for growth, and providing for growth is a consistent area of infrastructure investment. However, the council’s financial ability to respond to growth is limited and unexpected changes to growth locations, for example as a result of private plan changes, make it harder for the council to proactively plan and invest in growth. More sophisticated forecasting and prioritisation, supported by changes at a statutory level is needed to improve infrastructure investment for growth in the right places. Figure 9 indicates the maturity of this

¹¹ [Tāmaki – Whenua Taurikura, Auckland Future Development Strategy 2023-2053](#)

¹² [Tāmaki – Whenua Taurikura, Auckland Future Development Strategy 2023-2053](#)

¹³ [Tāmaki – Whenua Taurikura, Auckland Future Development Strategy 2023-2053](#)

infrastructure response. See Section 3 for further details on our response and the council's planned actions.

The challenges for infrastructure

As the population of Tāmaki Makaurau continues to grow, the council must consider the need to deliver new infrastructure, both within the existing urban area (where there is high latent demand and where some infrastructure already exists) and at the urban periphery (which has larger lots of land for large-scale development but requires an extension of bulk infrastructure networks). The council faces significant challenges due to the need to keep pace with growth.

Responding to growth, market pressures and changing policy

Population growth, new national land use requirements, and private plan changes pose challenges for both planning and servicing of infrastructure.

Through the Auckland Unitary Plan, the council has enabled greater intensification across the existing urban area to respond to growth. More than 80 per cent of building consents in the last five years have been inside the existing urban area.¹⁴ This is because of the enabled housing intensification which is a trend that is likely to continue and increase. New legislative requirements will change the location and timing of development across the existing urban area.¹⁵ This is likely to mean an increase in the need for new and upgraded infrastructure.

Unexpected changes to existing growth priorities through new Central Government policy and out-of-sequence plan changes, make it harder for council to proactively plan for growth. These changes also create more uncertainty for the development community about where the council will invest. The council's growth strategy, (Tāmaki – Whenua Taurikura, Auckland Future Development Strategy) is required to provide certainty for infrastructure providers, while providing the flexibility to respond to changes in future land-use patterns.

The council therefore needs to better understand changes in land-use patterns using more sophisticated and integrated tools than it currently has. These tools need to provide a more informed view on infrastructure capacity in high demand locations, and consider the potential return on investing, to add capacity in those locations.

Prioritisation in a constrained financial environment

Most of the infrastructure that will support Tāmaki Makaurau over the longer term already exists. Infrastructure is costly, and the council's financial capacity to provide, maintain and operate infrastructure is limited. The council must balance its investment with maintaining existing assets, many of which have been in place for a long time, while ensuring these remain fit-for-purpose for changing communities.

Infrastructure will also be exposed to more natural hazard impacts, further challenging the council's financial capacity. With limited financial resources the council must decide how and where to invest to maintain infrastructure services, while ensuring that growth, and growth-related infrastructure deliver better outcomes for both communities and the environment.

¹⁴ [Auckland Plan 2050: Development Strategy Monitoring Report 2022 - Existing Urban Areas \(aucklandcouncil.govt.nz\)](https://aucklandcouncil.govt.nz)

¹⁵ [Resource Management \(Enabling Housing Supply and Other Matters\) Amendment Act 2021](#)

Funding infrastructure to respond to growth

The challenge of funding growth is a combination of understanding what is required, who will pay, and how to get the best value from investments made.

It is important to understand the ability of existing infrastructure to accommodate growth when identifying areas of council's investments. This needs to be matched with the underpinning demand to live in those areas, so that a good understanding on the anticipated return on the council's investment gets achieved.

Who benefits from the provision of bulk and wider infrastructure is complex, but it is important that those who primarily benefit from it (which include the existing landowners and developers) pay an appropriate share of the cost of new infrastructure. The current funding tools available to council, particularly development contributions, have limitations and should be reviewed, modified, or supplemented.

New funding tools are needed. For example, the council currently cannot capture increases in land values that are generated through the council's investment in infrastructure, nor does the council have tools (such as time of use charging) to manage demand to help reduce investment requirements. To improve its funding and financing capability, the council has recently approved a move from a 10-year Development Contribution Policy to applying a 30-year timeframe, across some parts of the region¹⁶. However, the council is considering using other tools like targeted rates and infrastructure funding and financing levies under the Infrastructure Funding and Financing Act 2020 to raise the funds required to deliver across its Spatial Priority Areas.

¹⁶ [Auckland Council Development Contributions Policy 2022 – Variation A](#)

2.4. Funding infrastructure

Significance for infrastructure: There continues to be a gap between the funding available through existing mechanisms, and funding required to deal with the issues facing our infrastructure. It is essential that the council makes decisions for current and future communities to ensure efficient infrastructure investment that maximises every infrastructure dollar spent.

Auckland Council’s adopted commitments include:

- When making decisions and managing finances, a local authority should take account of and promote the interests of future as well as current communities.¹⁷
- Promoting the social, economic, environmental and cultural wellbeing of communities in the present and for the future.¹⁸
- Spatial priority areas identified for targeted investment over the next 30 years to service expected growth across Tāmaki Makaurau the existing urban areas.¹⁹
- Raising most of our debt through sustainable finance mechanisms such as green bonds and diversifying the use of these mechanisms with tools such as sustainability linked loans and bonds.²⁰

Current state of Auckland Council’s infrastructure response

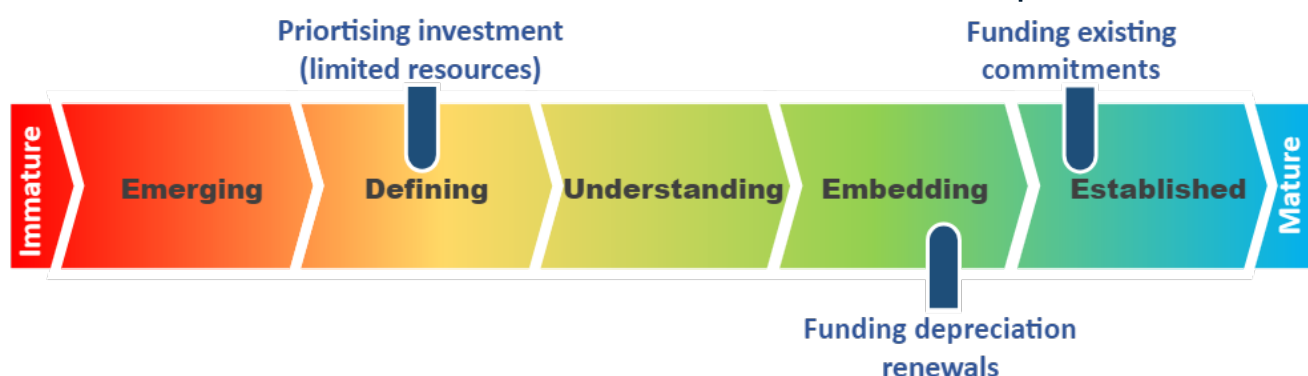


Figure 10: Maturity of the council’s infrastructure response to Funding, using the framework set out in Figure 6

The council has funding and financing policies and tools to guide infrastructure investment, including annual and long-term plans. It can also apply specific growth charges such as development contributions and infrastructure growth charges to fund growth infrastructure. The council’s infrastructure providers have a good and improving understanding of the condition and renewal/maintenance requirements of their assets. Full funding of renewals is not yet standard practice, as non-critical renewals are sometimes deprioritised through budgeting processes. Renewals funding will, however, be better informed as asset data is improved.

The process for using these tools to fund existing commitments is well established and applied cyclically to respond to the changing economic environment and population growth. However, the council needs more

¹⁷ [Local Government Act 2002, s14 \(1\)\(c\)\(ii\) and 101\(1\)](#)

¹⁸ [Local Government Act 2002, s10\(1\)\(b\)](#)

¹⁹ [Tāmaki – Whenua Taurikura, Auckland Future Development Strategy 2023-2053](#)

²⁰ Auckland Council Sustainable Finance Framework, Sept 2023.

sophisticated forecasting and data to make well-informed decisions on prioritising investment in a constrained funding environment.

Figure 10 indicates the maturity of this infrastructure response, see Section 3 for further details on our response and the council's planned actions.

The challenges for infrastructure

Funding infrastructure is challenging for the council. The council needs sufficient information and the right processes to make well-informed decisions about what to fund and how to prioritise in order to meet our financial sustainability commitments within a constrained funding environment. The council also needs to have the right funding tools available to ensure those who benefit the most from the council's investments pay their fair share.

Understanding funding requirements and making informed trade-offs

Our decision-makers need to have confidence that the council has a robust understanding of our infrastructure funding needs. This means ensuring that elected members are presented with transparent, consistent information about our existing infrastructure, including its performance, condition and maintenance needs. We also need to ensure that decision-makers have access to an evidence-based understanding of the infrastructure costs associated with responding to our long-term infrastructure issues (as described in this strategy).

The council needs to further refine its decision-making processes to ensure that infrastructure investment trade-offs and priorities are clearly identified and considered. Progress has been made through the establishment of the Investment Impact Assessment, and focused approach to growth (used in budget processes since the 10-year Budget (Long-term Plan) 2021-2031). A Strategic Investment Framework for Infrastructure and an investment hierarchy²¹ have also been introduced but are not yet embedded in the development of infrastructure investment.

The current funding system

New Zealand's local government funding system does not provide an adequate, fit-for-purpose range of funding tools the council needs to fund the infrastructure required in Tāmaki Makaurau. Even at the targeted rate level, rates are a blunt funding tool and can be a political challenge to impose. The council uses growth-based funding mechanisms such as development contributions or infrastructure growth charges to deliver growth infrastructure, but these rarely cover the full cost of the infrastructure, particularly when considering the whole of life costs (as opposed to just the initial capital investment). Additionally, the transport funding system is broken and is not fit-for-purpose for the region's needs. The local government funding tools are not adequate for the 21st century.

Critically, funding systems do not yet respond to emerging challenges. The council, working with central government and the private sector, has not yet established how it will fund a proactive approach to emerging issues such as coastal retreat, climate adaptation, and transitioning to zero-carbon infrastructure. Additionally, much of the infrastructure for highly urbanised areas across Tāmaki Makaurau already exists, and the costs associated with these systems are increasingly operational. The ongoing increase of operational costs is also challenging as rates are a significant source of funding.

²¹ Both delivered in response to the 2021 Infrastructure Strategy and the Group Asset Management Policy (2023)

2.5. Equity

Significance for infrastructure: Infrastructure plays a central role in community wellbeing and investment provides an opportunity to address inequity and reduce the disparity of outcomes currently experienced by some communities. For Tāmaki Makaurau to be a place where people continue to want to live and work, all Aucklanders must have the opportunity to succeed and to share prosperity.

Auckland Council’s adopted commitments include:

- Focusing investment to address disparities and serve communities of greatest need.²²
- Making decisions based on ‘evidence of need’ and the voices of Aucklanders.²³
- Enabling a more regenerative and inclusive economy for the people and wellbeing of Tāmaki Makaurau.²⁴
- Supporting communities (whānau, hapū, iwi, people) to lead their own responses. And enable them to define, deliver and monitor the things that enable help them to thrive.²⁵

Current state of Auckland Council’s infrastructure response

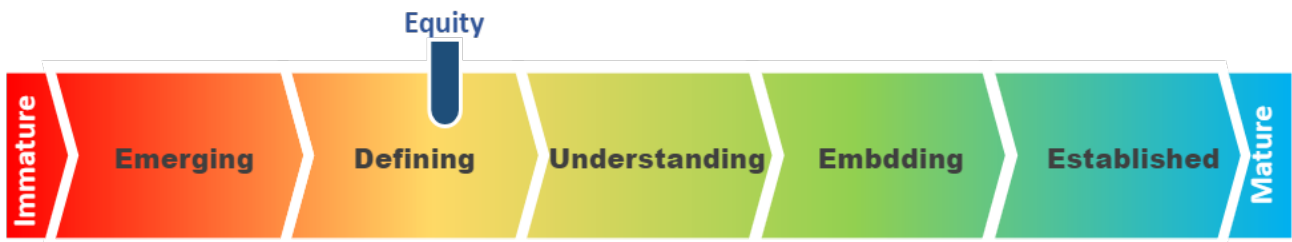


Figure 11: Maturity of the council’s infrastructure response to Equity, using the framework set out in Figure 6

The Auckland Plan 2050 recognises growing inequity as one of the three biggest challenges for Tāmaki Makaurau. The council has policy in place to address equity (for example, through the Auckland Plan and Ngā Hapori Momoho). However, a clear relationship between this policy and infrastructure investment is generally weak. A small number of investments have clear equity drivers, but this is not yet business as usual. Figure 11 indicates the maturity of this infrastructure response, see Section 3 for further details on our response and the council’s planned actions.

The challenges for infrastructure

Infrastructure represents our biggest investment, and therefore a significant opportunity to improve equity by providing all Aucklanders with a fair opportunity to access jobs, education and quality wellbeing support. The key challenges we face in leveraging infrastructure investment are conceptualising, measuring and investing in equity.

²² [Auckland Plan 2050, Belonging and Participation, Focus area 6](#)

²³ [Nga Hapori Momoho: Thriving Communities 2022, Investment Principles](#)

²⁴ [Te Mahere Whanake Ōhanga: Economic Development Action Plan 2021-2024](#)

²⁵ [Nga Hapori Momoho: Thriving Communities 2022, Key Shift 3](#)

Defining and measuring equity

Currently the council lacks a shared definition of what equity is, including how infrastructure investment impacts on communities with the greatest needs. Improving our understanding through better data collection and establishing a shared definition of equitable infrastructure will support better infrastructure investment to produce multiple benefits for our communities.

Prioritising investment in addressing equity

Infrastructure has a significant role to play in reducing disparities and sharing prosperity with all Aucklanders. Work is underway to reduce inequity and support communities of greatest need, but, if and how equity outcomes are considered by infrastructure asset managers and planners varies.

Currently, equity is not used consistently as a criterion when we manage assets, define demand, or design solutions. Our lack of understanding and measurement of equity means that we do not make the most of our infrastructure investments to provide multiple benefits.

A key challenge is to consider broad return from our investment. This includes considering improvements which are not typically valued when assessing our infrastructure spend, such as improvements to health and wellbeing, and supporting social connections.

2.6. Te Ao Māori Infrastructure

Significance for infrastructure: There is no clear vision for infrastructure that is built from a foundation of mātauranga Māori, and the council does not have a clear understanding of what Māori infrastructure is. A desired state of infrastructure systems, including mana-enhancing and mauri-enhancing, should be developed so that infrastructure can contribute to Māori aspirations.

Auckland Council’s adopted commitments include:

Te Tiriti partnership approach, Mātauranga as a foundation

- Mana whenua and Māori are active partners, decision-makers and participants alongside Auckland Council Group.²⁶
- Embracing the council group’s commitment to a treaty-based partnership with Māori.²⁷
- Resourcing mana whenua to enable meaningful partnership relationships with the council.²⁸
- Reflecting mana whenua mātauranga and Māori design principles throughout Auckland.²⁹

Enabling Kaitiakitanga, Māori relationship with the environment³⁰

- Mana whenua are supported as kaitiaki of te taiao in Tāmaki Makaurau.
- Incorporating a Māori world view to treasure and protect our natural environment (taonga tuku iho).

Marae Development³¹

- Investing in marae to be self-sustaining and prosperous.

Te Mauri o Te Wai, the life sustaining capacity of Auckland’s Water, is protected and enhanced³²

- Regenerative and mauri enhancing infrastructure.
- Assessing existing and new water infrastructure for its impacts on mauri.
- After 2030, only building water infrastructure that is regenerative and mauri enhancing.

Current state of Auckland Council’s infrastructure response



Figure 12: Maturity of the council's infrastructure response to Te Ao Māori, using the framework set out in Figure 6

²⁶ [Kia ora Tāmaki Makaurau, Kia Ora Te Hononga Outcome](#)

²⁷ [Auckland Council Organisational Charter, We honour Te Tiriti o Waitangi](#)

²⁸ [Auckland Water Strategy, Strategic Shift 4](#)

²⁹ [Auckland Plan 2050, Māori Identity and Wellbeing, Focus area 7](#)

³⁰ [Auckland Plan 2050, Environment and Cultural Heritage, Direction 2](#)

³¹ [Auckland Plan 2050, Māori Identity and Wellbeing, Focus area 2](#)

³² [Auckland Water Strategy, Strategic Shift 4](#)

The council has policy on delivering Māori outcomes. The Long-term Plan 2024-2034 includes \$171 million towards the achievement of the Māori outcomes. There is currently little integration of Māori outcomes or consideration of how infrastructure components and characteristics can align with a Te Ao Māori view, in the remainder of the council's infrastructure investment. Achieving better outcomes for Māori can be delivered through the everyday budgets and activities of council and council-controlled organisations (CCOs), a significant portion of which is through infrastructure investment. Figure 12 indicates the maturity of this infrastructure response, see Section 3 for further details on our response and the council's planned actions.

The challenges for infrastructure

Our existing approach to infrastructure has been one that is not regenerative, nor mauri and mana enhancing.³³ As a result, a significant proportion of Māori are not best served by our infrastructure. Future infrastructure needs to have different components and characteristics to our existing infrastructure to align with a Te Ao Māori view and support better outcomes for Māori.

Key challenges for the council include:

- developing better partnerships with Mana Whenua
- aligning infrastructure decision making with Te Ao Māori principles
- understanding Māori infrastructure systems.

Partnership with Mana Whenua

The council has made progress towards an organisational shift to partner with mana whenua, but at the infrastructure decision-making level we do not consistently work in partnership with mana whenua. Currently, where partnership occurs, it is mainly at a project level and there are projects which demonstrate the positive results achieved. Engagement processes which support ongoing and enduring partnerships between mana whenua and the council are still being developed. The current council process and a lack of prioritisation have placed mana whenua under pressure to engage across a range of topics.

The council needs to partner with mana whenua at a strategic level to better address some of the long-term issues for Tāmaki Makaurau and influence infrastructure planning. The current approach also means that 'by-Māori, for-Māori' is generally not enabled or delivered, though initial efforts to embed this approach are included in recent work such as the Storm Fund for resilience.

Incorporating Te Ao Māori into infrastructure decision-making

Te Ao Māori has not been a common consideration in the development of infrastructure in Tāmaki Makaurau. Due to historical and sometimes current practices, mana and mauri are diminished by existing infrastructure. Council needs to partner with mana whenua to embed Te Ao Māori principles that will identify how the infrastructure system might be provided differently. Consistently applying an intergenerational view to infrastructure planning and investment, prioritising mātauranga for defining problems and designing solutions, enabling mana whenua to exercise kaitiakitanga, and recognising that one collective group/decision may not work for mana whenua, will contribute to better infrastructure decision-making.

³³ [Auckland Water Strategy, Strategic Shift 4](#)

Understanding Māori infrastructure

The council does not yet have a common and clear understanding of Māori infrastructure systems. Building this understanding in partnership with mana whenua and mataawaka would enable the council to better understand its role and how the council's investment plans impact Māori. This might include building an understanding of interdependencies, for example: between roads and marae, the use of the council's facilities by Māori, and vulnerability and resilience in Māori infrastructure.

2.7. Environmental Degradation

Significance for infrastructure: Construction and operation of infrastructure puts pressure on the environment. It is our responsibility to ensure that we reduce negative impacts.

Infrastructure investment can contribute to enhancing the environment and regenerating environmental systems to ensure that the natural environment is preserved, protected and cared for, both for its intrinsic value and to sustain life for future generations.

Auckland Council’s adopted commitments include:

Regenerating natural systems

- Regenerating natural systems by increasing uptake and integration of connected, nature-based solutions in development planning.³⁴
- Increasing the average tree canopy cover across Auckland’s urban area, protect mature trees through no net loss of tree canopy.³⁵
- Te Mauri o Te Wai, the life sustaining capacity of Auckland’s Water, is protected and enhanced.³⁶
- Establishing the necessary guidance and tools then, from 2030, only building water infrastructure that is regenerative and mauri enhancing.³⁷
- Infrastructure in Auckland captures, uses and recycles water efficiently so that everyone has access to enough water of the appropriate quality to meet their needs.³⁸
- Raising most of our debt through sustainable finance mechanisms such as green bonds and diversifying its use of these mechanisms with tools such as sustainability linked loans and bonds.³⁹

Reducing Waste

- Auckland aspires to be Zero Waste by 2040 and turning waste into resources.⁴⁰

Current state of Auckland Council’s infrastructure response

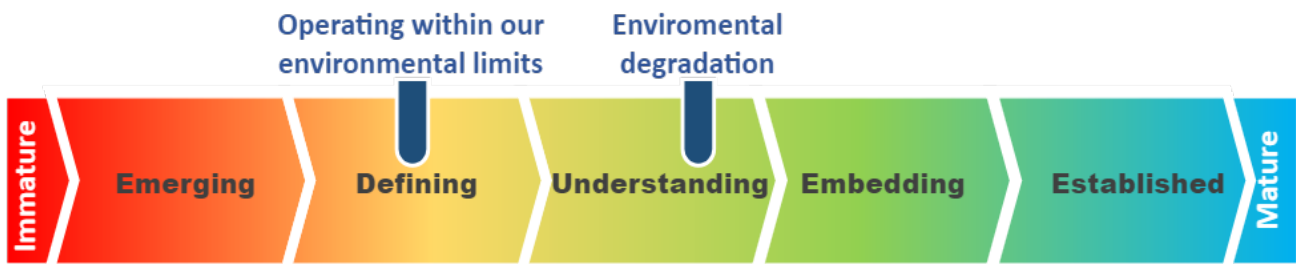


Figure 13: Maturity of the council’s infrastructure response to Environmental Degradation, using the framework set out in Figure 6

³⁴ Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan, Action N3, Indigenous Biodiversity Strategy, Objective 3; Parks and Open Space Strategic Action Plan, p24.

³⁵ [Auckland’s Urban Ngahere \(Forest\) Strategy](#), Section 5

³⁶ Auckland Water Strategy

³⁷ Auckland Water Strategy

³⁸ Auckland Water Strategy

³⁹ Auckland Council Sustainable Finance Framework, Sept 2023.

⁴⁰ [Auckland Waste Management and Minimisation Plan 2018](#), Section 1&3.

There are a number of components to the issue of environmental degradation caused by infrastructure. The council's responses to these issues are at different stages of maturity. The council has policy to support and protect our environment, though the council is still defining expectations and boundaries for managing the impacts infrastructure can have. While the council strategy strongly supports reducing environmental degradation, to date, the scale of investment response has not aligned with its strategic goals, or the magnitude of this issue. Figure 13 indicates the maturity of this infrastructure response, see Section 3 for further details on our response and the council's planned actions.

The challenges for infrastructure

Historically, infrastructure has often resulted in damage to the environment. Managing the impacts of past decisions and evolving our business-as-usual approach is a key challenge that the council faces. As the council repairs and renews its existing infrastructure system, there are also opportunities to protect and regenerate our natural environment. Challenges to active restoration of the environment include inconsistent analysis and prioritisation of environmental impacts, and we lack clear boundaries for the impacts infrastructure has on the environment.

Evaluating the environmental impacts of infrastructure investments

Infrastructure investments are not systematically or consistently evaluating potential environmental impacts. For example, it is a challenge to include 'whole of life' cost and environmental cost benefits analysis into infrastructure planning and investment, which has traditionally been narrowly defined. This has resulted in a limited use of green infrastructure or incorporation of Te Ao Māori perspective and leadership in infrastructure design. Current renewal processes are also a challenge as infrastructure renewals are primarily planned as 'like for like' and are not developed or prioritised using other potential outcomes (such as environmental).

Strategies and regulations don't set and enforce environmental expectations.

Another challenge for infrastructure to respond to the environment is that the council's strategies and regulations do not consistently set and enforce expectations or boundaries on infrastructure impacts. The implementation of the National Policy Statement on Freshwater Management and the ongoing resource management reforms present an opportunity for addressing this policy gap.

We are not prioritising investment in the environment (including green infrastructure). Infrastructure investment mostly focuses on a limited range of values, such as prioritising land-use activity and economic benefits. This can come at the expense of communities and the environment. As part of improving our response, we are working to prioritise investing in green infrastructure (nature-based solutions) and to incorporate a Te Ao Māori perspective in infrastructure design.

The council needs to raise debt to fund the infrastructure needs of our growing region. To meet growing demand for green and sustainable debt products, it is desirable to ensure that as many as possible of the assets we invest in meet our green bond and loan eligibility criteria set out in Auckland Council's Sustainable Finance Framework 2023⁴¹. Currently we do not have enough assets on our books that meet the applicable criteria to enable council to raise all of our debt in a green format. This creates a risk that access to the financial markets becomes more restrictive and expensive and we suffer reputationally. See the long-term plan Volume two, Section 1.4: Financial Strategy for further detail on sustainable finance.

⁴¹ [Auckland Council Sustainable Finance Framework, September 2023](#)

2.8. Other Issues

Our infrastructure faces many other issues that already have well-established responses but still require significant investment over the next 30 years. They are well understood as issues, and we know we need to invest in them, now and into the future, and potentially beyond the 30-year scope of this infrastructure strategy. Ultimately, for our investment strategy, if we do not spend money on these issues now, there is a detriment to the overall system. Action on these issues is happening at a national, regional, and local levels.

Public health and safety

Much of our infrastructure exists to support public health and safety, and the construction and operation of infrastructure systems presents health and safety risks for both staff and our communities. Health and safety policy and legislative drivers are well established across the whole council group, and individual infrastructure portfolio level.

Requirements for infrastructure investment are generally understood and embedded in investment decision-making (i.e. safety considerations in transport design, building safety requirements). Health and safety is therefore an ongoing driver of both capital and operational expenditure.

All seven significant issues for infrastructure (identified above) have an overlap with public health, safety, well-being, and prosperity in Auckland. For example, further investment in infrastructure and better partnership with communities is required to address health inequities and provide greater access to wider kaupapa Māori services for Māori communities.

Technology and innovation

Technology and innovation are playing an increasingly significant role in the infrastructure system. Technologies to improve productivity, increase performance and reduce long-term costs are constantly emerging. Technology can also support our infrastructure providers in their response to each of the significant infrastructure issues already mentioned.

The council's infrastructure providers have an ongoing financial and logistical challenge to identify-which tools to adopt and when. It is important that the council takes a 'whole-of-life' view of our technology platforms to understand where we can invest to provide better services and enable savings or get a better return.

Central government is currently reviewing the approach to critical infrastructure resilience at a national level⁴². This work recognises rapid technological changes that have occurred to make our infrastructure more efficient and providing a higher level of service to users, but also the increased interdependencies of our infrastructure and elevated risks such as cyber-attacks. Central government is developing an approach to these risks, and this will likely include a regulatory approach. Any centralised approach will need to be applied to the management of the council's infrastructure. This regulation is likely to only be applied to a sub-set of Council's infrastructure which will be defined as critical infrastructure.

⁴² The Department of the Prime Minister and Cabinet

Asset management maturity

There is scope across the council group to increase the strategic alignment of our asset management, including around building resilience, managing risk and evolving our infrastructure.

Progress has been made in recent years through the establishment of an Asset Management Policy (2023), a process for annual reviews of asset management data, and a Strategic Investment Framework for Infrastructure. These set us on a path towards more fit-for-purpose asset management consistent with international standards ISO 55000. Improvement is required in areas such as data quality, demand management, and the full costing of infrastructure. Delivery of these improvements will require focus on and resourcing for asset management planning.

Compliance with regulation

Auckland Council holds a large number of consents, ranging from very small and temporary, to those that influence a whole network – such as the stormwater network discharge consent. Close monitoring and forward planning is required to comply with the large number of consents held and meet changing standards. The requirements of our existing consents, new consents and changing standards are a trigger for infrastructure investment.

Section 3: Auckland Council’s approach to managing our infrastructure

Section 3 sets out the Auckland Council’s approach to managing infrastructure and includes a plan of action for the progress and improvement of the council’s infrastructure management over the next two long-term plan cycles.

This section is split into two sub-sections:

- Sub-section 3A presents our approach to asset management
- Sub-section 3B presents our response to the significant long-term issues for infrastructure that were identified in Section 2.

3.1. Section 3A: Approach to asset management

Figure 14 and Table 1 set out actions to improve the council’s asset management maturity. These actions were initially presented in the 10-year Budget (Long-term Plan) 2021-2031 and have since been updated based on the progress of the last three years. Further detail about the council’s approach to asset management follows the table.

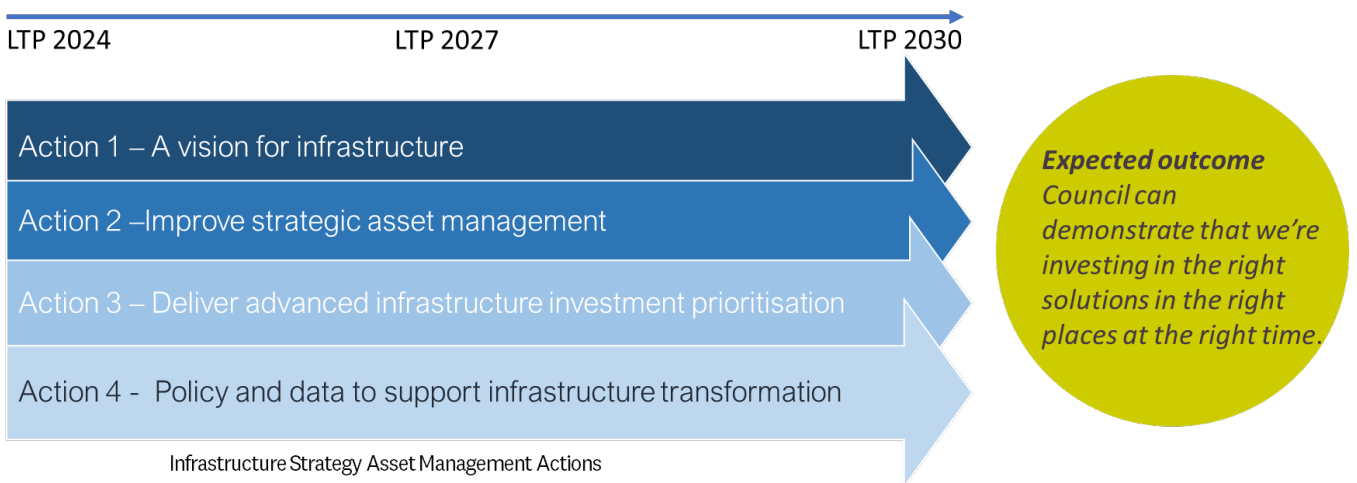


Figure 14: 2024 Asset Management Actions

Table 1: 2024 Asset Management Actions

Asset Management Action	Action Detail
Action 1: A vision for infrastructure	Building a vision for infrastructure in partnership with mana whenua and based on Te Tiriti.
	Continuing to provide regular updates of the long-term expectations of Auckland Council's infrastructure system (via the Strategic Investment Framework for Infrastructure).
	Supporting new and revised Auckland Council direction to provide simplified and specific direction for council infrastructure responses.
Action 2: Improve strategic asset management	Undertaking annual monitoring of Council Group asset management data, including reporting of asset data, strategic alignment (including with the Asset Management Policy), asset management maturity, and improvement plans. Report the results of this monitoring to elected members, Houkura (Independent Māori Statutory Board), iwi, and CCO (Council Controlled Organisations) Boards.
	Asset Management Plans reporting against the expectations set out in the Strategic Investment Framework for Infrastructure.
	Demonstrating continuous improvement of asset management practices through the adoption and implementation of the Group Asset Management Policy. Focus areas for improvement will include strategic alignment, criticality and data improvement planning, demand management, implications of acquisitions and divestments, and visibility of risk management.
	Embedding consistent use of the infrastructure investment hierarchy (see Figure 17) across the council-group AMPs and business case processes. Includes development of guidance and financial reporting expectations.
	Reviewing the use of Asset Management Plans (AMPs) in the development of the council's budgets. Review will include consideration of the relative timing of AMPs and budget-making, the role of AMPs investment demands as a basis for budget-making, the role of levels of service in budget processes and the role of the community in the Asset Management Plan/budget-making process.
Action 3: Deliver advanced infrastructure investment prioritisation	Iteratively improving the quality and efficiency of the assessments presented through the Investment Impact Assessment. For example, through review of criteria, further granularity, and embedding the assessment in business planning processes (data management automation).
	Improving the quality and strategic alignment of Levels of Service so that elected members are presented with a clearer link between investment and the services/outcomes provided.
	Embedding the Investment Impact Assessment further in the council's budget-making processes as a framework for understanding/making trade-off decisions.
Action 4: Policy and data to support infrastructure transformation	Establishing a consistent methodology for reporting of uncertainties related to long-term infrastructure decisions and investments.
	Adopting a consistent council approach to the full costing of infrastructure. This will address whole-of-life costing and broad accounting for costs and benefits (both financial and non-financial factors, like climate mitigation, resilience, etc.).
	Establishing a consistent council approach for prioritising and delivering multiple benefits (such as equity and increased resilience) from renewals investment. Includes review of funding and financial reporting requirements for renewals.
	Developing a council-group view of council infrastructure criticality and interdependencies, including any improvements to the data quality that are needed.

Approach to asset management

Asset Management Maturity

Since 2021, the council has made progress in its asset management maturity at a group level (see Table 2). This supports, and is supported by, work across the organisation to improve infrastructure management.

The maturity and strategic alignment of infrastructure planning currently varies across the council group (see indicative maturity in Figure 15). It is not necessary for all infrastructure portfolios to reach an advanced level of maturity, but it is important that the level of asset management maturity is appropriate for the assets and risks that are being managed.

Generally, the infrastructure portfolios that manage the largest asset bases and greatest levels or risk, are more mature in their asset management practices. We are working to improve our asset management maturity to ensure it is fit-for-purpose for the scale and significance of our infrastructure systems. This requires us to focus on, and resource, asset management across the council group.

The council's infrastructure providers track their asset management maturity using a variety of frameworks, assessors, and at different times. To illustrate the relative maturity of our asset management, we have carried out a high-level validation exercise using the Treasury's Asset Management Maturity framework.

Figure 15 provides an indicative view of the asset management maturity of our infrastructure providers. This was based on a high-level assessment carried out in December 2023 and updated with more recent maturity assessment information for the Transport and Community portfolios. The recently adopted Group Asset Management Policy commits to undertaking annual performance reviews and external audits at least every three years, to measure and report on the effectiveness of asset management systems in supporting the delivery of Council Group priorities.

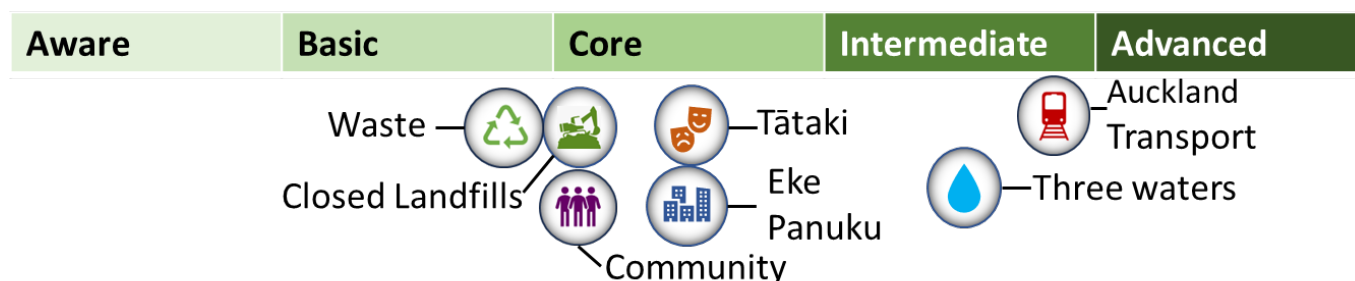


Figure 15: Indicative asset management maturity of Auckland Council infrastructure providers using the Treasury's Asset Management Maturity Framework

Indicators of maturity across the group include:

- Asset condition** – All of our portfolios hold information on the condition of their assets. Particularly for our most significant portfolios (transport and community), this data is accessible, regularly updated, actively tracked and has data improvement plans in place. Other infrastructure portfolios are in the process of updating their asset data information systems and will then start the data improvement processes. Work is required to ensure that this data is clearly linked to investment decision-making.

- **Asset data quality** - good asset and investment data underpins long-term planning. Our asset managers work continuously to optimise their asset management planning processes, such as improving data confidence, more sophisticated asset data and deterioration modelling, a particular focus for improvements is our most critical assets. The improvement of infrastructure information is a focus across Auckland Council group, with all its asset management plans requiring improvement plans⁴³.
- **Understanding need** – the council is progressing towards a 30-year view, particularly in relation to growth. This will be an ongoing process, as long-term forecasting requires detailed understanding of asset requirements (expenditure needed for growth, renewals, levels of service and operations) and an ability to explain the associated uncertainties. The costs of elements of this need, such as the cost to adapt our infrastructure to climate change, are not yet included in our financial forecasting.

Asset Renewals

Over the next 10 years, we plan to invest more than \$15.4 billion renewing council group infrastructure assets. Over the same period, wear and tear of our assets is forecast to result in depreciation of around \$16.7 billion (including City Rail Link). Over 30 years, renewals investment for the Council Group is forecast to exceed depreciation as shown in Figure 16.

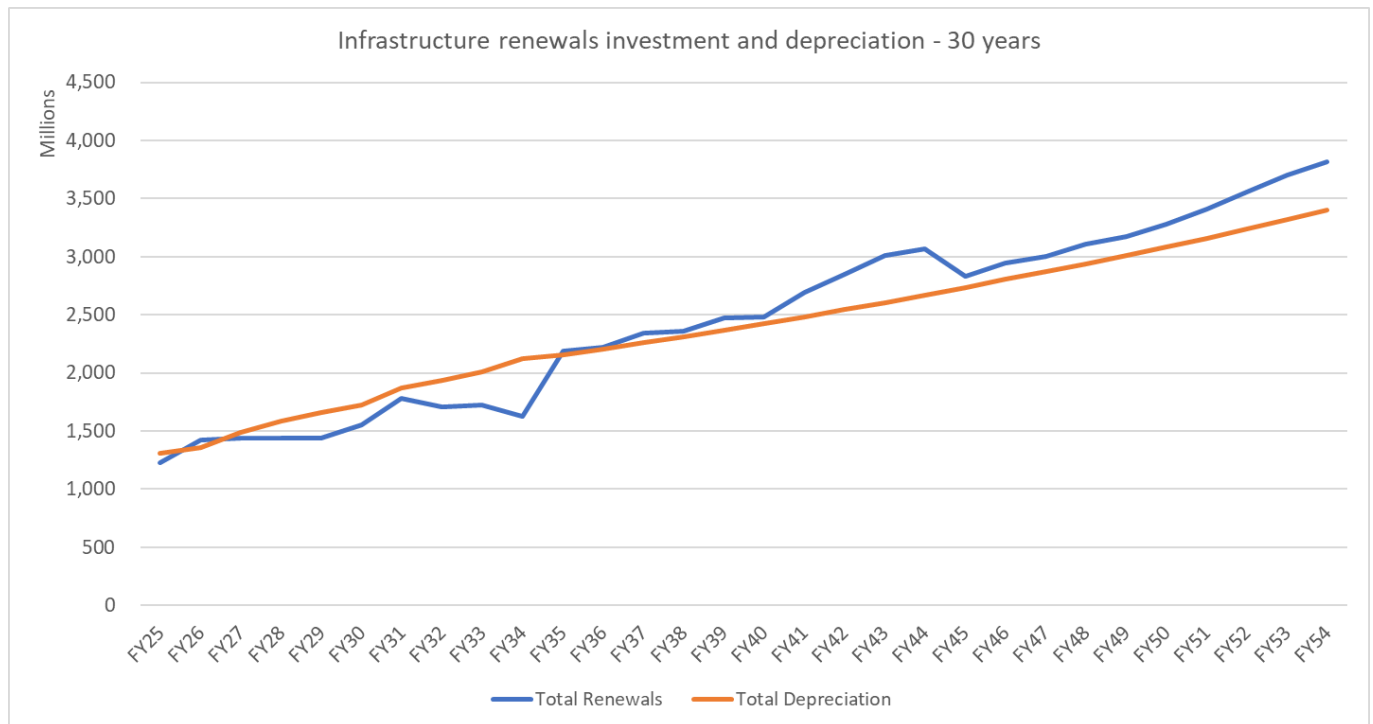


Figure 16: Infrastructure renewals investment and depreciation

Depreciation provides a useful comparison for understanding the sufficiency of a renewals programme.

To ensure that infrastructure assets are sustainable for future generations, renewal and replacement investment needs to be sufficient to offset depreciation on existing assets. If we expect to continue to need the infrastructure we have, then we need to spend enough to keep it in good condition.⁴⁴

⁴³ Auckland Council Asset Management Policy

⁴⁴ Te Waihanga, Build or maintain? New Zealand’s infrastructure asset value, investment and depreciation 1990-2022, February 2024

It is also important to acknowledge that renewals programmes do not precisely follow depreciation for several reasons:

- New assets start depreciating straight away, but don't require significant renewals for some time – both City Rail Link and our relatively young stormwater network are good examples of this.
- While renewals investment programmes for some types of assets (for example roads) can be expected to grow consistently year on year, other asset types (for example water treatment plants) will require significant renewals investment in some years and no renewals investment in others.
- Depreciation figures are modelled and come with uncertainty, for example assumptions about the timing of planned disposal of assets (as proposed through the transformation of the community portfolio).
- Renewals planning may not be able to factor in the management of new assets, such as when we acquire vested assets that are not known yet (future developments and redevelopments).
- There are also high levels of uncertainty around both projected depreciation and renewals in years 11-30.

Together these factors mean that in the short-term, we expect to see some variation between renewals and depreciation trends. However, in the long-term it is not financially sustainable to underinvest in renewals.⁴⁵

Written feedback received from the public consultation on the Long-term Plan 2024-2034 confirmed that looking after our infrastructure systems is a priority for our community. Renewals programmes for key infrastructure portfolios have been planned to manage the condition of the assets and are described in more detail in Section 4 of this Strategy. Full funding of renewals is not standard practise, as non-critical renewals are not all affordable (decided through the long-term plan budgeting process). Currently renewals are prioritised based on the condition and criticality of the assets. However, better renewals funding decisions are likely to be supported by the asset data improvements described in Section 3, and working towards full funding of depreciation. The Investment Impact Assessment (IIA) for the long-term plan shows that all critical renewals are funded in the long-term plan budget.

Maintaining the services of our existing infrastructure requires ongoing investment in renewing our assets. The council's Revenue and Financing Policy sets out our approach to funding depreciation and informs how we fund asset renewal. Implementation of this policy requires an understanding of the condition of our assets to plan for each infrastructure portfolio's renewal requirements.

The forecast for renewals investment over 30 years shows that Auckland Council is increasing its focus on investing appropriately to maintain and renew our assets. While asset renewals constitute 30-40 per cent of capital investment in the first five years of the long-term plan, this ramps up to 50-60 per cent in the second and third decades. Te Waihangā | New Zealand Infrastructure Commission suggests that "around 60 per cent of [capital] investment needs to go to renewing existing assets, not building more." While there is significant variation across infrastructure portfolios (see section 4), Figure 16 indicates that Auckland Council is working towards sustainable renewals investment.

⁴⁵ Te Waihangā, Build or maintain? New Zealand's infrastructure asset value, investment and depreciation 1990-2022, February 2024

Risk Management

Each of the infrastructure issues described in Section Two present significant risks and uncertainties for the council's infrastructure systems. Therefore, risk management and informed risk-taking will continue to be central to our infrastructure management. We must recognise those risks that could potentially become obstacles in delivering outcomes for Tāmaki Makaurau.

The council has an established approach to risk management which includes:

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

This risk management approach provides a solid foundation for informed infrastructure decision-making, for example through better and more consistent communication of the ties associated with asset management planning. A basis of quality risk information will also support the council to make good decisions and enables the council to take advantage of opportunities and innovation to deliver necessary change in our infrastructure systems.

Risk management is also built into the way that we manage our assets, particularly through our focus on critical parts of our infrastructure systems where failure poses significant risk. As a key member of the Auckland Engineering Lifelines Group, understanding the consequences and likelihood of failure, and the changing demands on our infrastructure systems, allows us to better manage risks to these networks. Critical parts of our infrastructure systems are prioritised in investment programmes and in emergency contingency planning, as they are essential for Tāmaki Makaurau to function. Further detail on our approach to managing our critical assets is contained in section 4 of the Strategy.

investment hierarchy and a focus on operational expenditure

When the Council group builds new infrastructure, or new infrastructure built by others is vested to Council, a commitment to pay operating, maintenance, and renewal costs into the future usually results (consequential opex and capex). When choosing whether and how to invest in new infrastructure, it's important to consider the full range of alternatives. Preference should be given to options with lower long-term costs according to the investment hierarchy (see Figure 17). This means we need to take a whole-of-life approach to costing infrastructure investments, including consequential opex and capex for all infrastructure spend.

This means that the 'cost of infrastructure' can be scrutinised across different options considered, particularly the money spent on new infrastructure. Over the first 10-years of the long-term plan, the forecast to operate our infrastructure assets (opex) increases from 42 per cent to 55 per cent of Auckland Council group's total infrastructure investment. We expect that operating expenses will continue to grow as a proportion of total investment over the long term. This will occur as Auckland Council services new growth through using existing assets more intensively and renewal, and reduces the proportion of total investment in new assets (Figure 17). Further work is required to understand the longer-term funding and financial implications of this shift.



Figure 17: Infrastructure Investment Hierarchy (Tāmaki – Whenua Taurikura, Auckland Future Development Strategy 2023-2053, adapted from Rautaki Hanganga o Aotearoa 2022 – 2052 New Zealand Infrastructure Strategy)

Investment prioritisation

For every long-term plan, Auckland Council is required to make difficult decisions about the level of investment appropriate to manage risks and deliver positive outcomes for Aucklanders.

Infrastructure investment prioritisation was initially presented as one action to improve council's asset management in the Long-term Plan 2021-2031 (Action 3: Deliver advanced infrastructure investment prioritisation). It aims to embed investment prioritisation in the council's budget-making processes through iterative improvement for understanding trade-off decisions (refer to Table 1: 2024 Asset Management Actions).

An investment prioritisation exercise, the Investment Impact Assessment (IIA), has been undertaken to test proposed group investment against 18 criteria⁴⁶ to assess the impact of group capital and operational expenditure budgets for the Long-term Plan 2024-2034 against council priorities. The purpose of the Investment Impact Assessment is to provide information to support decision-making with a centralised "apples with apples" comparison between investments across the group. The Investment Impact Assessment also supports council departments and Council Controlled Organisations (CCOs) to demonstrate alignment and relative value of planned investments with key council risk areas, strategic direction and long-term plan priorities.

The investment prioritisation exercise for this long-term plan has built on the process used for the 10-year Budget (Long-term Plan) 2021-2031, the 2022/2023 Annual Budget and the 2023/2024 Annual Budget. The development of the Long-term Plan 2024-2034 was the first time that operational expenditure has been included in this prioritisation exercise. The level of granularity for operational expenditure data was a lot lower than for the capital expenditure. The investment prioritisation exercise will continue to improve the detail around capital and operational expenditure in future budgets.

⁴⁶ Refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

To support the development of the Long-term Plan 2024-2034 the Investment Impact Assessment assessed the extent to which our investment demands across the group deliver on the following four categories of criteria:

- Service delivery criteria including those associated with health and safety, legal, contractual, maintaining existing levels of service and critical asset maintenance and renewals.
- Financial criteria testing revenue generation, funding arrangements and cost escalation of our investments.
- Well-managed local government criteria that reflect governance and efficiency requirements.
- Strategic alignment criteria associated with meeting commitments and/or targets associated with the Auckland Plan, equity, Māori outcomes, climate mitigation and adaptation, environment, Te Mauri o Te Wai and Auckland's spatial growth patterns.

To understand the trade-offs between investments, the Investment Impact Assessment tested two important factors:

- The extent to which programmes, projects and service areas that perform well would be impacted by a reduction in expenditure.
- The types of programmes, projects and service areas that would be considered “lower priority” against the mayor's priorities, as set out in the Mayoral Proposal.

The Investment Impact Assessment analysis indicated that most council group's planned capital investments perform well against the 18 criteria and mayor's priorities. See Figure 18 for the results of the assessment of the long-term plan across the 'investment areas', see Volume 2 Section 2: Group of Activities for more information on investment areas (for clarity stormwater is presented separately from Water and Wastewater). Only a very small amount of capital investments was assessed to be lower priority. This meant that any reduction in capital and operational investments would start to impact the delivery of our most important strategically aligned investments and result in significant reductions in level of service across the council group.

Staff also used the Investment Impact Assessment to evaluate performance of the proposed council group's capital investments within the 10-year budget, focusing on three specific outcomes: Māori outcomes, Climate change (emissions reduction and climate resilience), and Equity. This advice answered the question of “if there was an additional dollar available to increase Māori outcomes, Climate change and/or Equity, what existing programmes and projects should receive that funding to provide the best return?”. The advice informed elected members for trade-off discussions and funding allocations leading to final decision-making of the Long-term Plan 2024-2034 (see Figure 20 and Figure 21 for an example of the data produced from the Investment Impact Assessment for this advice).

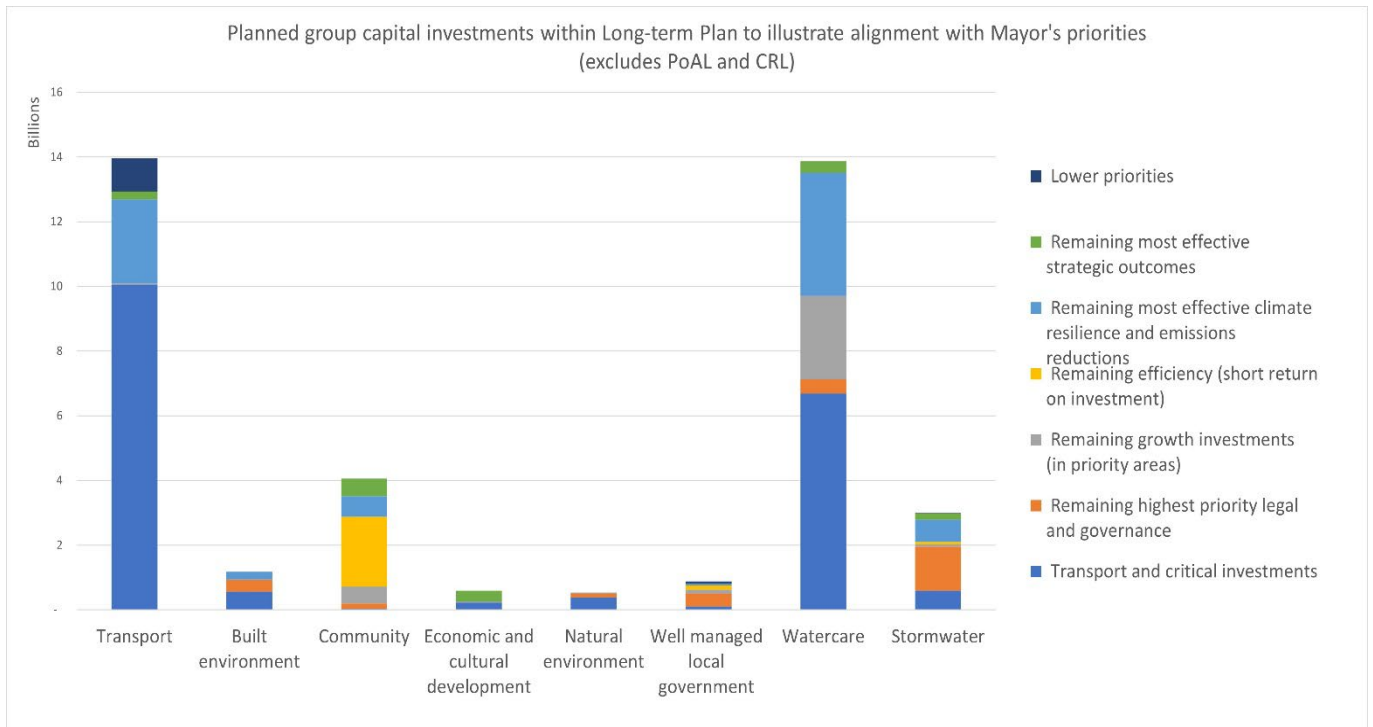


Figure 18: Planned group capital investments within long-term plan to illustrate alignment with Mayor's priorities⁴⁷

The council's investment prioritisation work will be built on in the coming annual asset management cycles to ensure we have better information about the trade-offs between our investments, and better strategic alignment of our investment (see Asset Management Action 2 in Figure 14).

Asset Management Actions

We require some systematic changes to our asset management approach to improve the ability of our infrastructure systems to respond to long-term challenges. The 2021 Infrastructure Strategy included a set of these 'asset management actions' for delivery over the next two long-term plan cycles (to 2027). The 2021 actions were intended to work together to improve our asset management maturity so that the council can better demonstrate that we are investing in the right solutions in the right places at the right time (see Figure 17).

⁴⁷ The investments within each investment area are stacked in the order of different Mayor's priorities, following the "waterfall" approach". The colours represent investments related to the priority that isn't already captured by the priorities below, except for the investments that fall under "Transport and critical investments". Refer to Attachment C: Investment Impact Assessment of the "[Staff Advice to Support the Mayoral Proposal](#)" for more information.

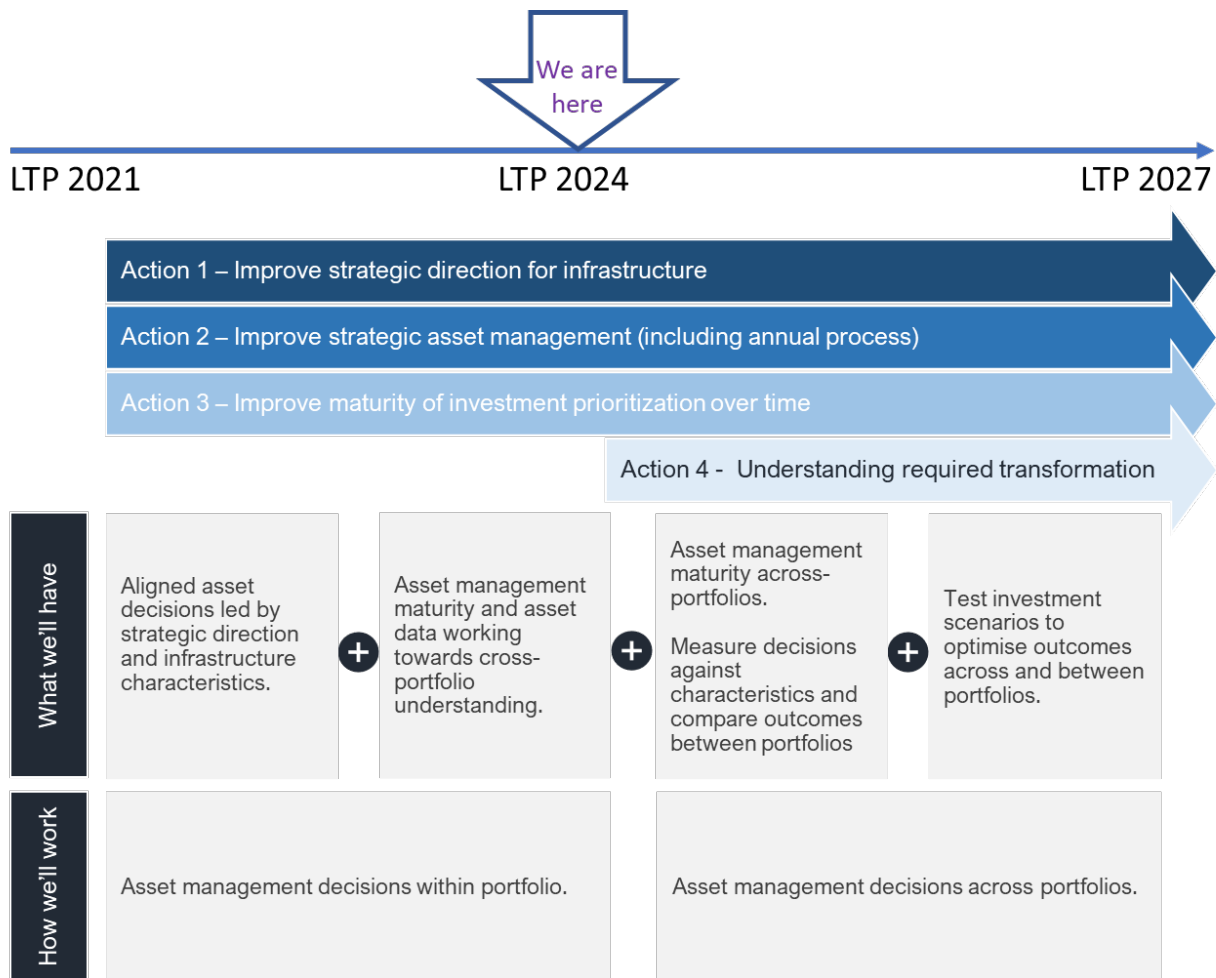


Figure 19: 2021 Infrastructure Strategy Actions

Three years on, the 2024 Infrastructure Strategy reports progress against those actions, and sets out a refreshed action-set to take the council forward to the 2027 and 2030 long-term plans.

Progress since our last Strategy

The council group has been busy implementing the actions of the 2021 Infrastructure Strategy. Table 2 summarises key areas of progress in each action, but in many cases the work contributed to more than one action.

Table 2: Progress on the 2021 Infrastructure Strategy Actions

Action	Complete	Underway	Planned
Action 1: Improve Strategic direction for infrastructure <i>Develop strategic direction for Auckland's infrastructure, including defining the characteristics that we want of our infrastructure systems.</i>	The Strategic Investment Framework for Infrastructure sets out the expectations of the infrastructure investment response to council's adopted strategic direction. The framework was issued to the group in 2022 with expectation to be updated annually. The Strategic Investment Framework for Infrastructure and the Investment Impact Assessment (see Action 3 below) have been used to provide a standardised strategic alignment section for all Asset Management Plans as they are updated. The Investment Impact Assessment data allows a measure of strategic alignment for the AMPs across multiple areas.	Work is underway to define and measure the characteristics of resilient infrastructure, and infrastructure that supports equitable outcomes.	Work is planned to partner with mana whenua to apply a Te Ao Māori view to infrastructure planning.
Action 2: Improve strategic asset management, including establishing an annual strategic asset management process.	Group-wide annual review of Asset Management Planning was established in 2022. Includes updates on asset data, and a focused set of strategic issues to enable high-level tracking of asset management maturity. Group-wide asset management policy, setting out expectations and commitment to asset management practice was endorsed in 2023.	Work is underway to embed a set of key principles for asset management including the development of 30+ year AMPs, presentation of full (as practical) investment needs, whole-of-life costing, and use of the investment hierarchy (see Figure 17).	Work is planned to coordinate approaches to key asset management functions, for example – criticality and data improvement planning, demand management and risk management.
Action 3: Improve maturity of investment prioritisation over time.	A whole of council-group prioritisation process (Investment Impact Assessment) was established in 2021 and is now used every year for capital prioritisation.	The Long-term Plan 2024-2034 is the first time operational expenditure was included in the whole-of-group prioritisation process.	This process is on-going and the assessment is reviewed and improved annually.
Action 4: Understanding required transformation. <i>Scope and develop</i>		Work is underway to improve communication of uncertainties related to long-term infrastructure decisions and investments.	

Action	Complete	Underway	Planned
<i>policy that removes barriers to, and supports, the transformation of our infrastructure systems.</i>		Work is underway to develop guidelines for embedding adaptive approaches such as DAPP (dynamic adaptive planning pathways) in infrastructure planning and consistent, quality GHG (greenhouse gas) accounting.	

In response to Actions 1, 2 & 3, three ongoing processes (annual Asset Management Plan reviews, Strategic Framework for Infrastructure Investment, and the Investment Impact Assessment) have been established to support the council in making evidence-based infrastructure investment decisions. Each of these processes requires ongoing work to run and embed deeply in the way that we approach asset management and budget-setting. Some of this work is already underway or planned. We need to continuously work on improvements to the processes and the quality of the data that feeds into them, to ensure that we have fit-for-purpose processes and information. That will support shaping council's response to the long-term infrastructure challenges.

Action 4 was planned for a later start, and as a result, less progress has been made on this action. This challenge/action remains relevant and further work is required to respond.

The progress recorded in Table 2 shows that the 2021 Infrastructure Strategy action framework (Figure 19) remains relevant and has been used as a basis for refreshed actions in the 2024 Infrastructure Strategy. The 2021 Actions have been refreshed for 2024 to reflect:


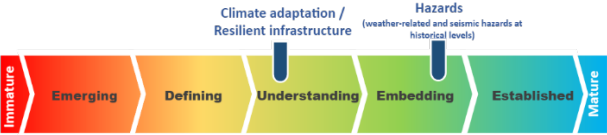

- progress to date
- learnings from the challenges of operating the three-processes (annual Asset Management Plan reviews, Strategic Framework for Infrastructure Investment, and the Investment Impact Assessment)
- learnings from the council's asset management practitioners
- actions that would support change in relation to multiple significant issues for infrastructure
- the updated Auckland Council Development Contributions Policy, and
- Te Waihangā | New Zealand Infrastructure Commission's Infrastructure Strategy.

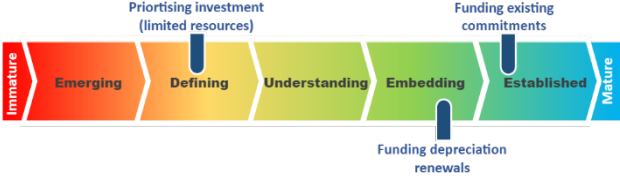


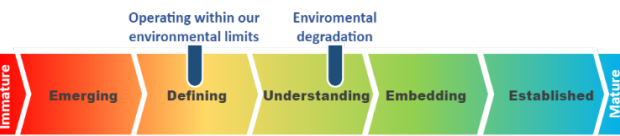
The refreshed set of asset management actions are summarised in Figure 14 and detailed in Table 1 above.

3.2. Section 3B: Response to the significant long-term issues for infrastructure

Table 3 shows our plan of actions to the significant infrastructure issues (identified in Section 2), followed by further details about our approach.

Table 3: 2024 Infrastructure Issue Actions

Issue and current level of maturity	Actions
<p>Greenhouse gas emissions</p> 	<p>Standardise and implement emissions accounting to measure lifecycle emissions across the Auckland Council group. Standards adopted for the Auckland Council group may draw on existing standards, such as PAS:2080:2023 'Carbon Management in Buildings and Infrastructure'.</p> <p>All Auckland Council group asset management plans will demonstrate how planned investment avoids and reduces whole-of-life greenhouse gas emissions. The initial focus will be on the most emissions-intensive and highest value assets/investments within these plans.</p>
<p>Resilience</p> 	<p>Identify those areas where natural hazards make it necessary to change the assumptions used for infrastructure planning. Define these areas spatially and establish levels of service (or triggers) based on consistent underlying hazard data sets and align with any setting of natural hazard risk levels following the proposed National Policy Statement: Natural Hazard Decision-making.</p> <p>Input into changes to financial systems to accommodate options related to future triggers and decisions, and to communicate uncertainty associated with the triggers and options.</p> <p>Infrastructure providers will respond to the requirements of Emergency Management Legislation in a coordinated and consistent manner across the Auckland Council group. Alignment will include use of consistent objectives, outcomes and risk appetite.</p>
<p>Growth</p> 	<p>Coordinate infrastructure investment and planning in the spatial priority areas to make the most of our infrastructure investment and drive regenerative, climate-positive, and innovative solutions. This could include the establishment of spatial priority area specific levels of service (if required).</p> <p>Develop consistent practices across the Auckland Council group for inputting into and using the results of growth and land-use modelling in infrastructure planning processes.</p>

Issue and current level of maturity	Actions
<p>Funding</p> 	<p>Use the investment hierarchy (Figure 17) as a basis for prioritising infrastructure funding, including understanding and testing the impacts of this on operational expenditure.</p> <p>Provide Auckland-based input to central government reform and improvement of infrastructure funding tools, including to advocate for a wider range of funding tools to generate funding and allow more efficient use of infrastructure.</p>
<p>Equity</p> 	<p>Further develop the Auckland Council group definition of equity. This should identify the characteristics of infrastructure and types of infrastructure investment that supports equitable outcomes and includes the consideration of Māori outcomes.</p> <p>Embed consideration of equity in infrastructure prioritisation processes, programmes and projects through the development of a decision-support tool.</p>
<p>Te Ao Māori</p> 	<p>Partner with Māori in direction-setting for Auckland Council's infrastructure, initially through the development of a vision for infrastructure that is based on mātauranga (knowledge).</p> <p>Develop an Auckland Council-group understanding of 'Te Ao Māori infrastructure' in partnership with Māori.</p>
<p>Environmental degradation</p> 	<p>Develop a consistent approach to assessing and incorporating environmental impacts within Auckland Council-group infrastructure decision-making.</p> <p>Embed the consideration of green infrastructure within the options analysis in Auckland Council business case processes, including making checks against green bond and loan eligibility criteria.</p>

Approach to the significant issues for infrastructure

Greenhouse Gas Emissions

Auckland Council's infrastructure approach to reducing greenhouse gas emissions in this long-term plan

The council's strategic direction in relation to greenhouse gas emissions is described in Section 2. The approach taken to deliver on our emissions reduction goals through this long-term plan is:

- incorporating whole of life GHG emissions into work programmes and decisions
- focussing on the most efficient ways to deliver significant emissions impacts. Prioritising areas with the greatest opportunity for impact (such as transport) and the lowest cost delivery of climate positive projects
- coordinating the achievement of savings targets with emissions reduction (so that savings reduce both cost and emissions)
- measurement and reporting on climate performance across the council group to ensure accountability
- considering how our assets can be leveraged to generate electricity (including solar) and reduce our emissions and energy costs.

Public consultation on the long-term plan confirmed that reducing greenhouse gas emissions is a focus for the community. Submissions highlight the need to achieve a zero-emissions, resilient and healthier region that is better connected to our environment and able to thrive in the face of ongoing change and disruption.

Greenhouse gas emissions reduction in the council's infrastructure planning

The council's goals around emissions reduction are beginning to influence all our infrastructure investment decisions. For example, reducing greenhouse gas emissions is a criterion in the Investment Impact Assessment (IIA) process that informs the development of the long-term plan and annual budgets. Emission reduction also has been weighted highly in the investment scenarios that have informed the council budget decisions since 2022 and is becoming a priority within the council business case development. It is also part of the sustainable procurement framework⁴⁸, and the procurement policies of council-controlled organisations, and should be considered as part of all of the council procurement decisions.

The council's approach to emissions reduction is resulting in deliberate planning to reduce emissions within our infrastructure portfolios. The council's infrastructure providers are at various stages in their planning for emissions reduction. Some are focussed on planning for the emissions that they directly control, or some of their assets classes. Others are working to extend this planning to cover all asset classes and the whole-of-life impact of their infrastructure on emissions reduction. Further work is needed to fully embed this planning in infrastructure management and investment.

All of the council's infrastructure providers are developing their reporting of greenhouse gas emissions, and are at varying stages in their carbon reduction journey. Some infrastructure portfolios have begun by

⁴⁸ [Our Sustainable Procurement Framework and objectives \(aucklandcouncil.govt.nz\)](https://aucklandcouncil.govt.nz/our-sustainable-procurement-framework-and-objectives)

focusing their reports on key programmes and projects. Several infrastructure providers have established systems for collecting and reporting on Scope 1 and 2 emissions.

No council infrastructure provider is currently reporting comprehensively on embodied emissions. Further work is needed to achieve consistent and comprehensive emissions reporting and to connect this reporting to asset management systems.

Investment in greenhouse gas emissions reduction

The Investment Impact Assessment for the long-term plan identifies investment that provides value relating to reducing greenhouse gas emissions. The assessment reflects the best information we have available on whether investments are delivering value across 18 criteria (more information on the Investment Impact Assessment can be found in section 3A of this Strategy). One of those criteria relates to greenhouse gas emissions. Also note the maturity level for greenhouse gas emissions (Table 3).

Approximately \$4.8b (around 13 per cent)⁴⁹ of the council’s 10-year capex on infrastructure investment was identified as delivering investment that is in line with the emissions reduction goals under Te Tāruke-ā-Tāwhiri Auckland's Climate Plan, and avoiding or minimising embodied and operational emissions as much as practicable⁵⁰.

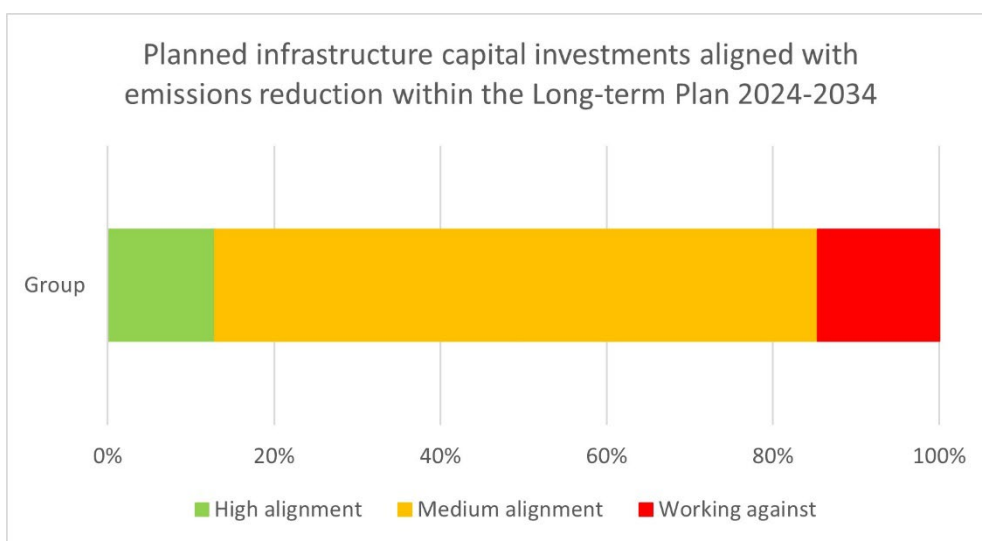


Figure 20: Alignment of planned infrastructure capital investment with emissions reduction goals under Te Tāruke-ā-Tāwhiri within the Long-term Plan 2024-2034

Figure 20 suggests a significant proportion of capital investment (largely within the Transport portfolio) emit or induce considerable amounts of Greenhouse Gas (GHG) emissions, which is not aligned with our goals in Te Tāruke-ā-Tāwhiri Auckland's Climate Plan. There are also investments that are highly aligned

⁴⁹ Investments scored 4s and 5s under the “GHG Emissions Reduction” criteria are counted, refer to the “[Staff Advice to Support the Mayoral Proposal](#)” for more information on the Investment Impact Assessment criteria and score definitions.

⁵⁰ Note that investment that delivers outcomes against a criteria in the Investment Impact Assessment may also deliver value against multiple other criteria. Therefore, this should be understood as indicative of the council’s investment aligned with this criterion and will overlap with the council’s investment in other outcomes.

with our goals, many from within the Transport portfolio such as investment in public transportation and active modes. Direct investment in reduction of greenhouse gas emissions includes:

- A focus on reducing transport emissions by promoting greater use of public transport. The Climate Action Transport Targeted Rate provides \$634 million investment over 10 years from 2024/2025 in buses, ferries, walking, cycling and our urban ngāhere (forest). This investment is already delivering outcomes for Aucklanders, such as new frequent bus routes, electric ferries, and tree planting services.
- A solid waste programme of \$125 million of capital expenditure over 10 years that focusses on diverting waste from landfill.
- Community investment of \$82 million over 10 years for climate and sustainability that includes projects delivering GHG reduction outcomes (such as boiler phase-outs, solar panel installations and urban ngāhere planting).
- Decarbonisation projects at the Auckland Art Gallery and Stadiums includes \$1.8 million of investment.
- Investigation of options for renewable energy generation on our assets.

Actions

The council's infrastructure response to the issue of greenhouse gas emissions is set out earlier in this section. This response confirms the greenhouse gas emissions challenges for infrastructure outlined in Section 2, these are:

- measuring and planning for emissions reduction
- the need for greenhouse gas emissions reduction to underpin investment decisions
- an equitable transition.

More work is needed to ensure that our infrastructure makes a positive contribution to meeting our emissions reduction targets.

Overcoming these challenges would enable us to take the next steps towards an established infrastructure response to emissions.

We have planned two key actions across all council's infrastructure over the next long-term plan cycle:

1. Standardise and implement emissions accounting to measure lifecycle emissions across the council. Standards adopted for the Auckland Council group may draw on existing standards such as PAS:2080:2023 'Carbon Management in Buildings and Infrastructure'.
2. All of the council asset management plans will demonstrate how planned investment avoids and reduces whole-of-life greenhouse gas emissions. The initial focus will be on the most emissions intensive assets/investments within these plans.

Resilience

Auckland Council's infrastructure approach to resilience in this long-term plan

The council's strategic direction in relation to resilience is described in Section 2. The approach taken to resilience in this long-term plan is through:

- the Making Space for Water programme (detailed below under 'investment in resilience').
- category 3 buyouts – the costs of which are shared with central government.
- continuing to fund activities that reduce the likelihood of stranded assets, support community resilience and review of the Unitary Plan, which also reduces long-term cost to council and community.
- Managing the seismic strengthening of assets through a contestable prioritised fund.

Public consultation on the long-term plan confirmed that resilience is important for the community. Submissions emphasised that resilience of infrastructure management, funding, and investment are essential for Auckland.

Resilience in the council's infrastructure planning

Across the council, we are putting significant effort into increasing the resilience of Tāmaki Makaurau. Our infrastructure portfolios have a key role to play in embedding this focus in their asset management planning. There is significant work occurring around the council group to deliver resilient infrastructure. For example, work is underway to develop flexible and adaptive approaches for our infrastructure response such as Dynamic Adaptive Policy Pathways (DAPP).

In accordance with the Aotearoa Climate Standards, the council group has identified group-wide climate-related risks that are likely to impact the group at both a business and financial level (see long-term plan Volume 2 section 1.1). Most of the council's infrastructure providers have a good understanding of the key hazards they face and are working to improve the detail of their understanding of risks to their assets.

Specific planning for resilience is in progress and varies in relation to hazards and infrastructure portfolios. We have invested significant planning effort in some hazards such as flood/stormwater management. Work has also been done in relation to other hazards such as land instability and coastal erosion. Some infrastructure providers have started adaptive approaches such as Dynamic Adaptive Policy Pathways (DAPP) in their planning.

Many of the council's infrastructure providers have an enhanced understanding of natural hazards and of how vulnerable their infrastructures are to flooding and land instability following the storm events of 2023. Many providers have also faced larger-than-expected capital programmes this year (financial year 2023/2024) because of the storms. They are considering how they can use renewals programmes to increase the resilience and adaptive capacity of their existing infrastructure. Currently, there is not a consistent approach to this, though coordination is being provided in some instances such as with Shoreline Adaptation Plans. Further work is needed to amend existing funding policy that favours like-for-like renewals. The experience of the 2023 storm events has also resulted in increased operational readiness to respond to future shocks.

Investment in resilience

The Investment Impact Assessment for the long-term plan identifies investment that is highly aligned to climate resilience and adaptation goals in Te Tāruke-ā-Tāwhiri Auckland's Climate Plan. Approximately \$14.1 billion (around 38 per cent)⁵¹ of the council's 10-year capex on infrastructure investment was identified as increasing the resilience of the surrounding existing community and/or ecosystems to natural hazards and climate change in the long-term (30+ years). The assessment reflects the best information we have available on whether investments are delivering value across 18 criteria (more information on the Investment Impact Assessment can be found in section 3A). One of those criteria relates to resilience and adaptation. Also note the maturity level is reasonably low for climate adaptation and resilient infrastructure (Table 3).

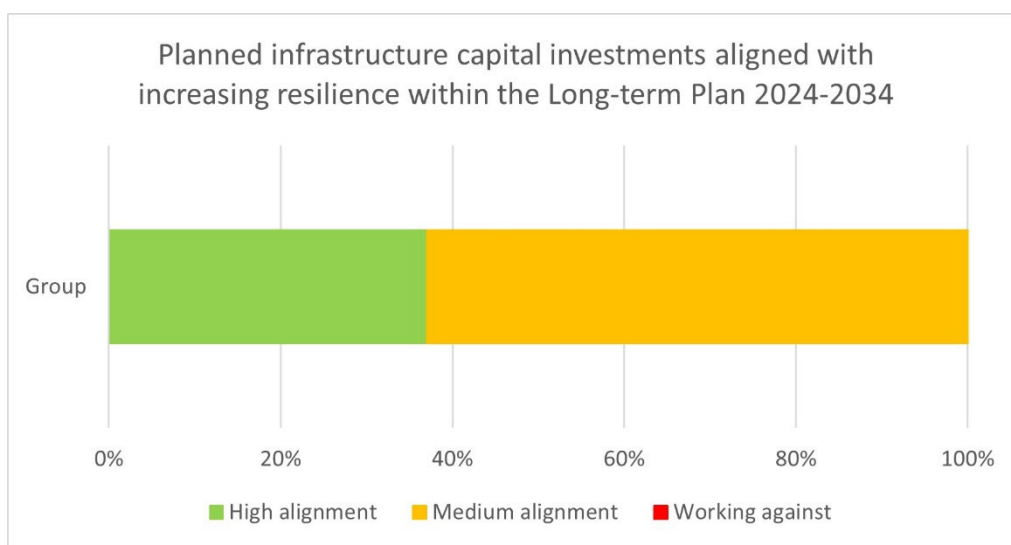


Figure 21: Alignment of planned infrastructure capital investment with increasing resilience within the Long-term Plan 2024-2034

Figure 21 shows the majority of capital investments have little or medium positive impact on the long-term (30+ years) resilience to natural hazards and climate change. There is a proportion of capital investments that will deliver increased long-term resilience, mainly in the areas of stormwater (making space for water), natural environment as well as urban regeneration.

The Planned and proposed investment in infrastructure resilience includes:

- the Storm Response Fund provides \$20m per year of operating funding for programmes to increase proactive infrastructure maintenance and monitoring, develop infrastructure resilience design standards, and spatial assessment of infrastructure resilience.
- Auckland Transport projects to invest \$2.3 billion over 30 years in a programme of network resilience and adaptation
- Tātaki Auckland Unlimited's \$3.6 million fund (over 10 years) for proactive infrastructure resilience

⁵¹ Investments scored 4s and 5s under the "Climate Adaptation and Resilience" criteria are counted, refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

- Making Space for Water programme with \$507 million of capital investment over 10 years. Comprised of seven initiatives, including blue-green networks in critical flood-risk areas, stream and waterway resilience, overland flow path management, and flood intelligence
- the Shoreline Adaption Plan Programme will provide \$34 million of funding (over the next 10 years) to implement coordinated adaptation planning for council-owned coastal land and assets, increasing resilience and adaptive capacity along our Shoreline.

Actions

The council's response to the resilience issue is set out earlier in this section. This response sets out important resilience building activities, but also confirms the challenges for infrastructure set out in Section 2, these are:

- prioritising resilience
- transforming the infrastructure system and taking a coordinated and proactive approach.

There is much more work required for our infrastructure resilience to match the scale of the hazards that it faces and the scale and frequency of damage to assets and infrastructure. We have identified two key actions for the next long-term plan cycle to help overcome these challenges.

- Identify those areas where natural hazards make it necessary to change the assumptions used for infrastructure planning. Define these areas spatially and establish levels of service (or triggers) based on consistent underlying hazard data sets and align with any setting of natural hazard risk levels following the proposed National Policy Statement: Natural Hazard Decision-making. Input into changes to financial systems to accommodate options related to future triggers and decisions, and to communicate uncertainty associated with the triggers and options.
- Infrastructure providers will respond to the requirements of Emergency Management Legislation in a coordinated and consistent manner across the council. Alignment will include use of consistent objectives, outcomes and risk appetite.

Growth

Auckland Council's infrastructure approach to growth in this long-term plan

The council's strategic direction in relation to growth in population, employment, and the built environment is described in Section 2. The approach taken in delivering growth goals in this long-term plan is presented to:

- Continue to advocate for better coordination, funding tools and support from central government.
- Support the Kāinga Ora brownfield growth programme (Auckland Housing Programme), renegotiation of funding agreements with the government is likely to be required.
- Focus spending on communities with growth.
- Prioritise growth investment in the spatial priority areas identified in the Future Development Strategy.

Public consultation on the long-term plan confirmed that the community wants to see a coordinated approach to how Auckland grows. This would include coordination of where growth happens, the type of development that occurs and how this development is services by infrastructure.

Growth in the council's infrastructure planning

The council's growth assumptions link our growth direction to asset management planning. The investment plan set out in this long-term plan was built using the growth assumption in Auckland Council's growth scenario⁵². We are also investing in strategic spatial modelling, including scoping out a new land use and growth model that should be developed in time to inform the 2027 long-term plan. This new model will significantly improve our capability to make regional land use and growth projections.

Responding to growth is well embedded in infrastructure providers' asset management planning. Population growth is a key assumption used in asset management plans. All council infrastructure providers use the council growth model as the baseline growth assumption, however, there is some variability about how infrastructure planning uses and inputs into growth projections. In addition to population growth, changes in the location and make-up of population and land use are also used in the council's asset management planning.

All infrastructure providers face the increasing expenses associated with growth programmes. The approaches that the council infrastructure providers use to prioritise and manage these expenses often align with the Tāmaki – Whenua Taurikura, Auckland Future Development Strategy, investment hierarchy shown in Figure 17. This hierarchy prioritises integrated planning and demand management as efficient investments. Demand management strategies vary for our different infrastructure portfolios, for example, the transport focus on mode shift to manage demand on roading assets, or the setting of water use targets to manage the need for new water supply sources.

Efficient delivery is also a driving factor for coordination activities between infrastructure portfolios. This coordination is particularly useful for managing complex areas that are undergoing rapid development.

⁵² The Auckland growth scenario 2023 v1 (AGS23v1) was issued in February 2024, this scenario has replaced the i11v6 growth scenario which was used to inform the Infrastructure Strategy and Asset Management Plans. The council group has confirmed that the updated assumptions made in AGS23v1 do not have significant impact on current investment planning (based on i11v6). It should be noted that any assumptions across the medium to long term come with a high level of uncertainty.

However, we need to apply this level of coordination across more of the investment programme including in existing urban areas, Spatial Priority Areas (SPAs), and including renewals and level of service projects.

Investment in growth

The Investment Impact Assessment for the long-term plan identifies investment that is aligned with the approach set out in the Future Development Strategy. Approximately \$11.6 billion (around 31 per cent)⁵³ of the council's 10-year capex on infrastructure investment was identified as providing infrastructure that supports development planned in Spatial Priority Areas in the next 10 years, or is of regional benefit (servicing live-zoned land or enabling bulk infrastructure).

Planned and proposed investment in growth includes:

- Taking a targeted approach through staged investment in the Auckland Housing Programme areas (in partnership with Kāinga Ora and the government) and the priority areas of Drury and the inner North-West Redhills, Westgate and Whenuapai.
- All infrastructure portfolios also report the growth component of their investment in Section 4 of the strategy.

Key growth investments planned for the 10-year period of this long-term plan are identified in Figure 22. This map shows the general area where council infrastructure providers have planned investment for growth related infrastructure (not an exhaustive list of projects).

⁵³ Investments that scored 4s and 5s under the “Development” criteria are counted, refer to the “[Staff Advice to Support the Mayoral Proposal](#)” for more information on the Investment Impact Assessment criteria and score definitions.

Key infrastructure growth projects to support development capacity (years 2024-2034)

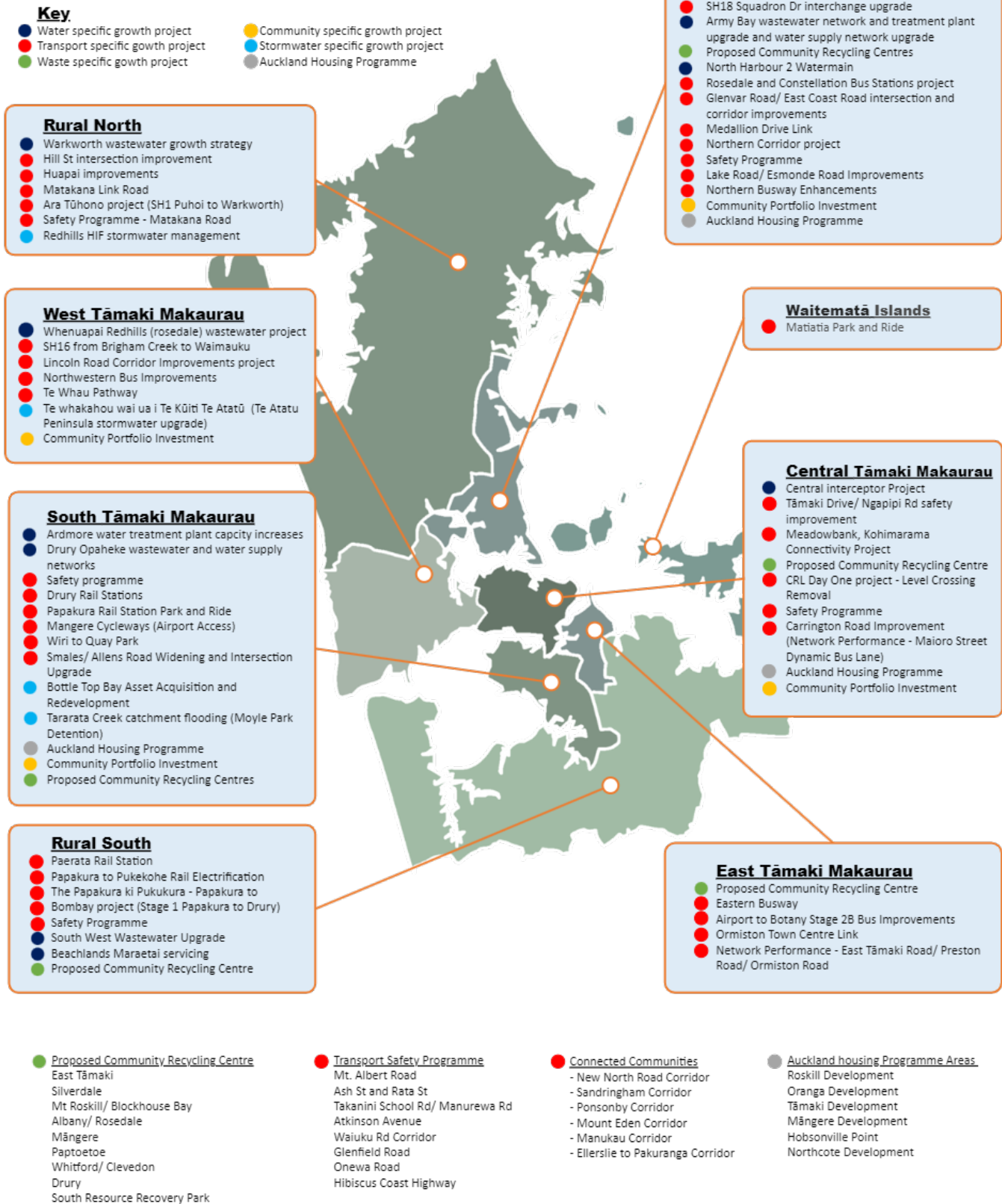


Figure 22: Key infrastructure growth projects to support development capacity (years 2024-2034)

Actions

The council's infrastructure response to growth is set out earlier in this section. This response confirms that the council's infrastructure providers have a robust response to growth and that there are still challenges around achieving a coordinated and efficient growth programme across the council. These challenges were set out in Section 2 as:

- responding to growth, market pressures and changing policy
- prioritisation in a constrained financial environment
- funding infrastructure to respond to growth in Tāmaki Makaurau.

We have identified two key actions for the next two long-term plan cycles to support the council in approaching growth in a more coordinated and consistent way.

1. Coordinate infrastructure investment and planning in the spatial priority areas to make the most of our infrastructure investment and drive regenerative, climate-positive, and innovative solutions. This could include the establishment of spatial priority area specific levels of service (if required).
2. Develop consistent practices across the council, for inputting into and using the results of growth and land-use modelling in infrastructure planning processes.

In addition to these actions, note that the funding actions below, and work proposed under asset management Action 3 (embedding the investment hierarchy), are intended to support an efficient infrastructure response to growth.

Funding infrastructure

Auckland Council's approach to funding the infrastructure that Tāmaki Makaurau needs in this long-term plan

The council's strategic direction in relation to funding the infrastructure that Tāmaki Makaurau needs is described in Section 2. The approach taken to funding infrastructure in the long-term plan is to:

- Prioritise investment, including a general rule that investment decisions should be informed by analysis of costs and benefits and that the council should not invest where the costs exceed the benefits.
- Work with the government on funding arrangements. This includes in relation to funding transport renewals, cost-sharing on property buy-outs following the 2023 storms, water investment, and the Auckland Housing programme.
- Progress time of use pricing, working with central government to confirm details around the ownership and operation of the scheme.
- Partner with community groups and other organisations to deliver investment required to transform the community portfolio.
- Prioritise capital and operational efficiency across the wider long-term plan.

Prioritising funding in the council's infrastructure planning

Infrastructure providers across the council understand the need to prioritise limited resources. They all take part in the Investment Impact Assessment (IIA) to inform budget-envelope setting. However, at a more detailed level, prioritisation is not applied systematically across the group because there are a variety of prioritisation frameworks being used. Prioritisation is also influenced by a range of broader considerations such as the sequencing and deliverability of investments, and the direction received from elected members and CCO boards. Multiple funding sources, such as funding from central government, also come with multiple conditions that are not always aligned and can make prioritisation difficult.

All of the council's infrastructure providers are committed to making efficient investments. This is demonstrated through investment in demand management and making the most of existing assets (aligned with the investment hierarchy shown in Figure 17).

The council makes use of a range of the available tools to fund its infrastructure services. These include general and targeted rates, fees and charges, and development contributions. The council recently decided in principle to include in the Development Contributions Policy projects planned for delivery beyond 2031, starting with Drury⁵⁴. By including these longer-term investments in the Contributions Policy, the cost will be spread over development occurring now and in the future. Implementing longer term (11-30 year and beyond) development contributions in parts of Tāmaki Makaurau will require detailed costing of and planning for long-term infrastructure investments. Long-term planning recognises the uncertainty around the scale and pace of growth and changes to the associated infrastructure requirements. As new information becomes available and financial forecasts are updated the council will review and update its infrastructure investment as part of future long-term plan cycles. Further, the council sees a need for different and more flexible funding tools for infrastructure that are more fit-for-purpose and easier to administer and enable fuller funding from infrastructure users and beneficiaries.

⁵⁴ Auckland Council Development Contributions Policy 2022 - Variation A

Actions

The council's infrastructure response to funding is set out earlier in this section. This response confirms that we have established processes to make informed funding decisions and effectively use the funding tools that are currently available. This also confirms that the challenges set out in Section 2 remain as areas where further maturity provides additional assurance in relation to funding the council's infrastructure. These challenges are:

- understanding funding requirements
- making informed trade-offs.

We have identified two key actions for the next long-term plan cycle to support the council develop a more mature response to issues related to funding infrastructure.

1. Use the investment hierarchy (Figure 17) as a basis for prioritising infrastructure funding, including understanding and testing the impacts of this on operational expenditure.
2. Provide Auckland-based input to central government reform and improvement of infrastructure funding tools, including to advocate for a wider range of funding tools to generate funding and allow more efficient use of infrastructure.

Additionally, the Infrastructure Strategy asset management actions include action 3 which is about improving the sophistication of investment prioritisation.

Equity

Auckland Council's infrastructure approach to equity in this long-term plan

The council's strategic direction in relation to equity is described in Section 2. The approach taken to deliver equity goals through this long-term plan is to:

- Establish fairer funding for local boards – more equitable funding of local boards to address legacy imbalances, and further empowerment of local board decision-making.
- Greater community-led decision making through local boards, with funding to provide advice to support this decision-making.
- Community-led flood resilience (part of Making Space for Water – see resilience, above), including advice for property owners in high-risk areas, industry-specific advice, public events, and awareness campaigns.

Public consultation on the long-term plan confirmed that equity is a focus for the community. Several submissions mentioned the need for an equitable approach to managing, maintaining, and upgrading infrastructure.

Equity in the council's infrastructure planning

The council uses sustainable procurement and local board funding to embed equity in its infrastructure investment. Across the council there are several frameworks to enable sustainable and social procurement. These frameworks emphasise the potential of our investment to deliver:

- multiple well beings in Tāmaki Makaurau
- set targets including for contracting services from Māori and Pasifika businesses
- enable local employment opportunities.

Local boards receive funding from the Governing Body based on the allocation formula set out in the Local Boards Funding Policy, which factors in the level of local social deprivation. This funding then flows into local infrastructure investment like community facilities. The recent Auckland Council Governance Framework Review increased local board decision-making in relation to community services. Local boards are also provided with information about deprivation and demographics to assist their decision-making on local infrastructure investment.

A number of the council's infrastructure providers are taking steps to embed equity in investment decision-making. The approaches taken are varied and include:

- using equity as a factor in funding decisions
- managing individual infrastructure facilities together with local communities
- prioritising investment
- developing a framework to identify, respond to and monitor equity outcomes within the transport system.

Though the council understands that infrastructure can deliver equity outcomes, the development of a common definition for the equitable provision of infrastructure services is yet to be finalised. Work is also underway to develop guidance on:

- prioritising communities of greatest need at an infrastructure programme level
- prioritising communities of greatest needs at a project level
- considering the role of levels of service in addressing equity.

Investment in equity

Equity considerations are not sufficiently embedded in infrastructure providers' asset management systems for the council to easily and consistently identify how much investment it takes to improve equity. However, some investment in equity between local boards has been made through implementation of the Fairer Funding model.

Additionally, the Investment Impact Assessment for the long-term plan provides two useful perspectives of the council's 10-year capex on infrastructure investment in equity. Approximately \$2.9 billion (around 8 per cent)⁵⁵ of the 10-year capex was identified as investment targeted to address disparities and serve the wellbeing of communities of greatest need and involving communities. Approximately \$5.5 billion (around 15 per cent)⁵⁶ of capex investment is also providing multiple community outcomes, defined as three or more of the following:⁵⁷

- community connection and resilience
- physical and mental health
- affordability of access to services for all Aucklanders
- skills for the future (e.g. workforce transition)
- business transformation for resilience and growth
- nature in the city (like urban forests, and parks that are locally accessible communities).

Actions

The council's infrastructure response to equity is set out earlier in this section. This response confirms the challenges for embedding equity in asset management as set out in section 2, these are:

- defining and measuring equity
- prioritising investment in addressing equity.

We have identified two key actions for the next two long-term plan cycles to support the council to develop a more mature response to equity.

1. Further develop the council group definition of equity. This should identify the characteristics of infrastructure and types of infrastructure investment that supports equitable outcomes and includes the consideration of Māori outcomes.
2. Embed consideration of equity in infrastructure prioritisation processes, programmes and projects through the development of a decision-support tool.

⁵⁵ Investments that scored 4s and 5s under the "Equity" criteria are counted, refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

⁵⁶ Investments that scored 4s and 5s under the "Community Wellbeing" criteria are counted, refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

⁵⁷ Note that investments may meet both equity and community outcomes criteria.

Te Ao Māori Infrastructure

Auckland Council's infrastructure approach to Te Ao Māori in this long-term plan

The council's strategic direction in relation to Te Ao Māori is described in Section 2. The approach taken to actioning this direction through this long-term plan is presented to:

- Invest the Māori outcomes fund in partnership with Māori, iwi, mataawaka and mana whenua.
- Leverage existing work that is underway to better outcomes for Māori.
- Use procurement to improve Māori outcomes.

Public consultation on the long-term plan confirmed that Māori outcomes are important to the community. Specifically in relation to infrastructure, submitters highlighted the value of council services in delivering cultural events and targeting vulnerable communities.

Te Ao Māori in the council's infrastructure planning

The council's strategies include commitments that can apply directly to infrastructure, such as investing in Māori-led and co-designed initiatives that tautoko kaitiakitanga (support stewardship).

These initiatives can deliver regenerative and mauri-enhancing infrastructure, and support marae with safe and compliant physical infrastructure. However, we need to do more work to understand the role of Te Ao Māori and Māori infrastructure in the council's asset management planning.

The council is proposing to increase the centralised Māori outcomes fund (first introduced in the 10-year Budget (Long-term Plan) 2021-2031) to \$171 million over 10 years. In addition to the central fund, delivering on Māori outcomes commitments also requires integration across the council's asset management planning. Te Ao Māori is not clearly or consistently included in the council's asset management planning and infrastructure investment, however, all infrastructure providers are taking steps to better include Te Ao Māori in their infrastructure planning.

Infrastructure providers primarily approach the role of Te Ao Māori in their infrastructure through mana whenua participation at a project level. A small number of projects have stepped further than participation, towards partnership. Some infrastructure providers are involving Māori more deeply in their approach to asset management planning by:

- working with mana whenua in the development of service levels
- direct investment in Māori infrastructure
- adopting a Te Ao Māori view in long-term planning through alignment with multi-generational timescales.

Investment in Te Ao Māori

The Investment Impact Assessment (IIA) for the long-term plan included an assessment of projects that deliver Māori outcomes. The Investment Impact Assessment identified approximately \$3.2 billion (around 9 per cent)⁵⁸ of capex investment on infrastructure over 10 years that has been developed with Māori partnership or participation, and delivers on at least three Māori outcomes as described in Kia Ora Tāmaki Makaurau.

Examples of investment in Māori outcomes include:

- Māori outcomes funding of \$171 million over 10 years.
- Auckland Transport’s targeted investments in safety improvements for marae and papakāinga.
- the community portfolio provides opportunities for service co-design with Māori such as through the development of Te Paataka Koorero o Takaanini community hub, which has set the direction for establishing more local community hubs with a focus on the wellbeing of Māori whānau (family) across Tāmaki Makaurau within the next five years.

Actions

The council’s infrastructure response to Te Ao Māori is set out earlier in this section. This response confirms the challenges to embed Te Ao Māori in asset management as set out in section 2. These challenges are:

- forming partnership with mana whenua;
- incorporating Te Ao Māori into infrastructure decision-making
- understanding Māori infrastructure.

We have identified two key actions for the next long-term plan cycle to support the council to embed Te Ao Māori in infrastructure decision-making:

1. Partner with Māori in direction-setting for the council’s infrastructure, initially through the development of a vision for infrastructure that is based on mātauranga (knowledge).
2. Develop a council wide understanding of ‘Te Ao Māori infrastructure’.

⁵⁸ Investments that scored 4s and 5s under the “Māori Outcomes” criteria are counted, refer to the “[Staff Advice to Support the Mayoral Proposal](#)” for more information on the Investment Impact Assessment criteria and score definitions.

Environmental Degradation

Auckland Council's infrastructure approach to environmental degradation in this long-term plan

The council's strategic direction in relation to environmental degradation is described in Section 2. The approach taken to deliver environmental degradation goals through this long-term plan is presented to:

- Deliver on the mayor's promise of making the most of our harbours and environment.
- Continue to deliver on the targeted rates funded programmes established for water quality, the natural environment and climate action.
- Deliver the Making Space for Water programme, which includes the development of blue-green networks and stream rehabilitation.

Public consultation on the long-term plan confirmed that addressing environmental degradation is important for the community. Submissions have mentioned the significance of protecting, restoring, and enhancing Auckland's physical and natural environment.

Environmental degradation in the council's infrastructure planning

Application of environmental direction in asset management planning is varied across the council and is generally not deeply embedded in this planning.

The council monitors and reports on the state of the environment, providing several consistent, longitudinal data sets that can inform infrastructure planning. State of the environment reporting recognises the role of infrastructure in degrading and supporting the environment. However, infrastructure providers generally have limited understanding of the impacts of specific assets or systems beyond resource consent requirements. Many infrastructure providers capture information about their use of resources like water and energy. Work is underway to improve what infrastructure providers understand about their environmental impacts, but until the infrastructure providers have a quality and consistent understanding of the impact of infrastructure on the environment, it will be difficult to embed environmental considerations into infrastructure investment decision-making.

Several infrastructure providers have policies and plans for reducing environmental degradation. These plans often establish higher standards for the most significant investments or set expectations around waste reduction and planning in infrastructure projects.

As a C40 signatory⁵⁹, the council is committed to raising most of its debt through sustainable finance mechanisms such as green bonds and sustainability-linked loans and bonds. Delivery on this commitment is dependent on having enough eligible assets that meet the applicable criteria. While green infrastructure forms part of the council's investment, it is not yet widespread enough to produce a sufficient pipeline of green infrastructure development to support the council's sustainable finance commitments.

Investment in the environment

The Investment Impact Assessment (IIA) for the long-term plan included the identification of investment in green infrastructure. Over 10 years, approximately \$3.3 billion (around 9 per cent) of the council's capex on infrastructure investment is in green infrastructure.

⁵⁹ C40 is a global network of mayors of nearly 100 leading cities taking urgent climate action.

Additionally, the Investment Impact Assessment identified approximately \$7.2 billion (around 20 per cent)⁶⁰ of capex investment that has significant or moderate positive impacts on the environment⁶¹.

Actions

The council's infrastructure response to environmental degradation is set out earlier in this section. This response confirms the challenges to embed environmental considerations in asset management as set out in section 2. They are:

- evaluating the environmental impacts of infrastructure investments,
- strategies and regulations do not set and enforce environmental expectations
- we are not prioritising investment in the environment.

We have identified two key actions for the next two long-term plan cycles to support the council to embed environmental degradation considerations in infrastructure decision-making:

1. Develop a consistent approach to assessing and incorporating environmental impacts within the council infrastructure decision-making.
2. Embed the consideration of green infrastructure within the options analysis in the council business case processes, including making checks against green bond and loan eligibility criteria.

Additionally, a number of asset management actions captured in Section 3A are relevant to environmental degradation, such as 'whole-of-life' costing.

⁶⁰ Investments that scored 4s and 5s under the Environment" criteria are counted, refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

⁶² Investments that scored 4s and 5s under the "Health and Safety" criteria are counted, refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

Other Issues

Public Health and safety

To a significant degree, an infrastructure response to public health is directed at a national level. Examples of a nationally coordinated response include:

- transport safety policies and actions
- sanitary conveniences requirements under the Health Act
- requirements for earthquake-prone buildings.

The council has shown commitment to infrastructure investment that prioritises the health and safety of our communities and complies with national direction.

The Investment Impact Assessment (IIA) for the long-term plan included an assessment of projects that are necessary to mitigate health and safety risks. The Investment Impact Assessment identified approximately \$7 billion (over 19 per cent)⁶² of capex investment on infrastructure over 10 years that would avoid considerable harm, illness, or fatality that may occur once in three years.

Approach to technology/ innovation

The council's use of technology within its infrastructure systems is constantly evolving. Increasing use of digital systems within our infrastructure can produce efficiencies. Ongoing work is also required to manage a technological shift without increasing the divide between accessibility.

Infrastructure providers look for opportunities to innovate and adopt new technologies where they would deliver a high return on investment. However, the cost of testing and adopting new solutions and the risk of failure is a barrier to innovation.

Compliance with regulation

Our infrastructure providers have systems in place for monitoring compliance and planning for consent renewals. These systems feed into our asset management planning. Significant legislative reform is underway, resulting in changing standards and approval requirements. Ongoing work is required to ensure that our infrastructure investment complies with and responds to regulation.

⁶² Investments that scored 4s and 5s under the "Health and Safety" criteria are counted, refer to the "[Staff Advice to Support the Mayoral Proposal](#)" for more information on the Investment Impact Assessment criteria and score definitions.

Section 4: Infrastructure Portfolio responses to infrastructure issues

The most likely scenario for capex and opex investment across the council's infrastructure portfolios is summarised in Table 4, Figure 23 and Figure 24. Over the next 10 years this Infrastructure Strategy covers approximately 96 per cent and 77 per cent of Auckland Council group's total capital investment and total operating expenditure, respectively. This scenario represents our investment response to the issues discussed in section two of this Infrastructure Strategy.

Table 4: Planned Auckland Council infrastructure investment over 10 and 30 years (includes City Rail Link)

		10-year capex (\$b)	10-year core opex (\$b)	30-year capex (\$b)	30-year core opex (\$b)
	Roads and footpaths	8.3	3.0		
	Public transport	6.3	14.2		
	Wastewater	8.1	2.9	28.1	10.8
	Water Supply	5.7	1.2	25.5	4.3
	Stormwater	3.0	1.3	9.9	6.2
	Community (including coastal)	4.4	8.3	22.1	33.2
	Solid Waste	0.2	2.4	0.7	11.9
	Cultural and economic infrastructure (Tātaki Auckland Unlimited)	0.6	2.1	2.4	7.9
	Urban regeneration (Eke Panuku)	0.9	0.9	2.5	3.2
	Closed landfills	0.1	0.1	0.2	0.3
Infrastructure Strategy total		37.6	36.4	145⁶³	148.7
Other council services		1.1	11		
Financial Strategy total		38.7	47.4		

⁶³ Please note that the total in this column of the table is consistent with the underlying financial data, but is not a total of the figures above due to rounding.

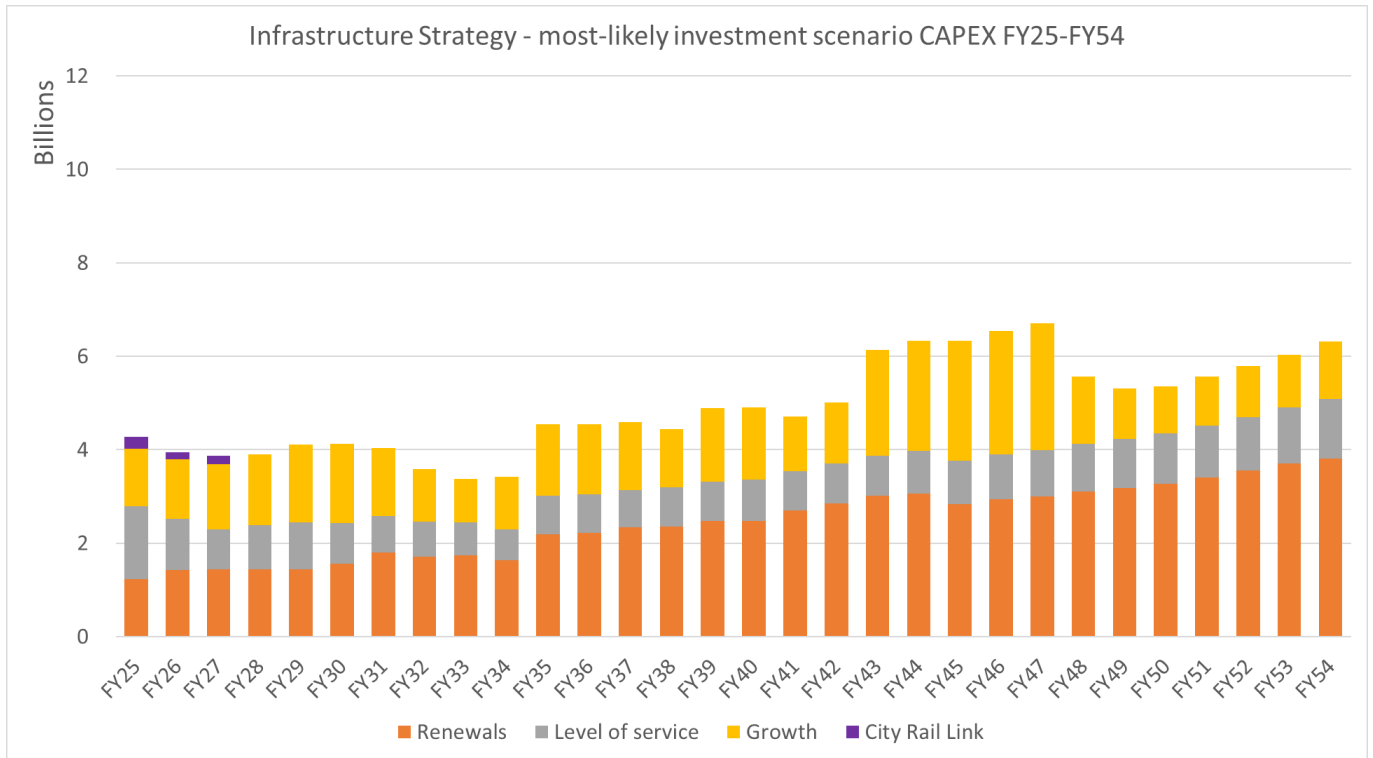


Figure 23: Auckland Council Infrastructure - most likely investment scenario CAPEX FY25-54 (including City Rail Link)

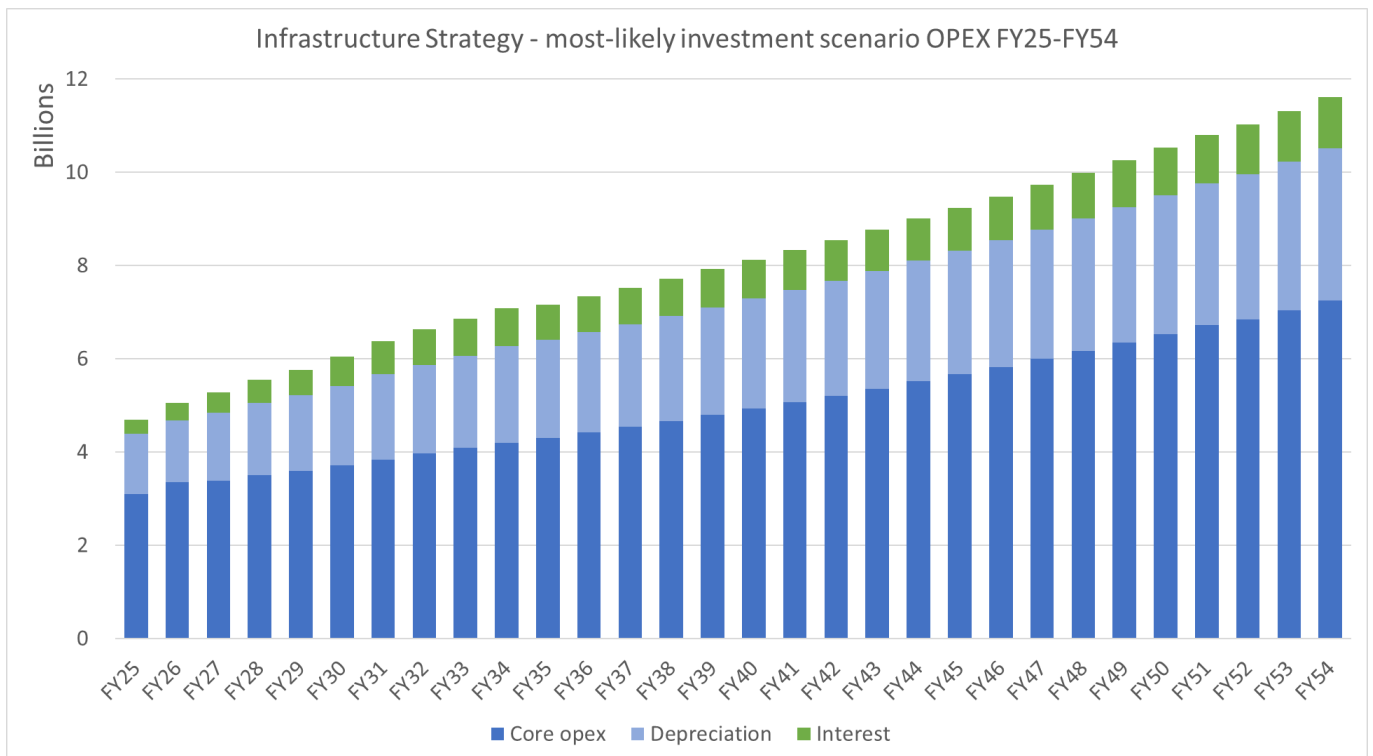


Figure 24: Auckland Council Infrastructure - most likely investment scenario OPEX - FY 25-54

Financial forecasts in the Infrastructure Strategy are in nominal dollars and account for inflation in capital and operating costs. Group financial assumptions, including significant forecasting assumptions such as inflation, can be found in long-term plan volume 1, section 2.2 Prospective Financial Statements and notes.

You can find more detail on the planned investment for each infrastructure portfolio (Transport, Waters, Community, Solid Waste, Cultural and economic infrastructure, Urban regeneration & non-service infrastructure and Closed landfills) over both the 1-10 year and 11-30 year timeframes in the following sub-sections.

Forecasting confidence and assumptions

Confidence in investment forecasts is higher in the short-term where many projects have detailed costings and have been awarded contracts. In the medium-long term there is less certainty of project costs as these are generally based on an 'order-of-magnitude' estimate.

In the longer-term, we also have less certainty around the assumptions that underpin the most-likely scenario. Specific sources of forecasting confidence for each infrastructure portfolio are addressed in the portfolio sub-sections below, and the overall impact of any uncertainties on infrastructure planning is summarised as follows.

Growth in demand for infrastructure services

The key growth assumptions that impact infrastructure planning are:

- projected growth – how much, when and where (investment planning based on the Auckland Growth Model i11v6, and tested against the the Auckland Growth Scenario v1)⁶⁴
- priority locations for growth (identified in Tāmaki – Whenua Taurikura, Auckland Future Development Strategy)
- funding for growth (as agreed through long-term and annual planning).

Each of these assumptions are made with greater certainty in the first years of this strategy compared with the outer years. Confidence in these assumptions increases our ability to address the growth and funding challenges described in Section 2 of this strategy.

Confidence in our growth assumptions is managed at an acceptable level when we can produce defensible growth projections and have agreed to prioritise growth through Tāmaki – Whenua Taurikura, Auckland Future Development Strategy. Where infrastructure portfolio growth assumptions differ from the council group assumptions, these are noted in the portfolio sections below.

Levels of service

Levels of service, performance measures and targets for each of our infrastructure in years 1-10 are set out in the long-term plan volume 2, section 2 our activities. The most likely scenario for investment in each of our infrastructure portfolios assumes the delivery of these targets.

Clarity and confidence around delivery of, or changes to, levels of service is highest in the short term (first 3 years) of this strategy compared to later years. The pressures that the issues will assert on our

⁶⁴ The Auckland Growth Scenario v1 was issued in February 2024 and replaced i11v6, the group has confirmed that the assumptions made in this scenario across the short to long term do not have significant impact on current investment planning (which was based on i11v6). It should be noted that any assumptions across the medium to long term come with a high level of uncertainty.

infrastructure (described in section two) are easier to predict in the first decade of the long-term plan, and we cannot easily predict the types of solutions that will be developed by year 30.

We consider that the assumptions we make around levels of service have high levels of uncertainty at the 30-year time horizon, particularly around issues like climate change. This uncertainty could impact the cost, priorities and very nature of our infrastructure systems. As a result, we are adopting more flexible and adaptive approaches to planning for our infrastructure.

The levels of service specific to each infrastructure portfolio and the assumptions around the delivery of, or changes to, are reported in their relevant sections which follow below. Climate-related performance measures for Greenhouse gas emissions are considered in long-term plan Volume 1, Section 1.1 Strategic direction on climate change, these are:

- Greenhouse gas emissions Scope 1 and 2
- Greenhouse gas emissions Scope 3
- Percentage of Group CAPEX spend:
 - aligned with priority locations as per Future Development Strategy (or equivalent)
 - where Whole of Life Carbon is quantified and mitigated

These measures have not been included as performance measures in the Statement of Performance, but they are part of mandatory reporting for all of the council's infrastructure providers as part of the council group's climate statement in the annual report. For Greenhouse gas emissions this will be reported as tonnes, per cent (%) change vs baseline, the CAPEX spend data will be collected and measured through the Investment Impact Assessment (IIA) process (see 3.1 section 3A, Investment prioritisation for further detail on the IIA process). Climate measures are also reported and monitored through the wider council reporting landscape including through the strategic outcome reporting (via the three yearly Auckland Plan monitoring report) and the CCO Statements of Intent. The long-term assumptions and trends associated with each of these measures will be reported accordingly. See long-term plan Volume 1, Section 1.1 Strategic direction on climate change for further detail on climate.

Asset life

The useful life of the relevant asset classes is defined in the summary of significant accounting policies (long-term plan Volume 1, Section 2.2 Prospective Financial Statements and notes).

The assumptions made around asset lifespan evolve slowly as pressures and technologies change. These changes can influence our infrastructure planning but are not a source of high uncertainty as our infrastructure renewals are generally managed using an optimised approach (rather than being replaced based on asset life) as described in each of the infrastructure portfolio sections below.

Asset life is one factor used in the council's renewals and maintenance planning. Other factors are also considered in deterioration modelling as described in the portfolios below). However, the current asset deterioration models generally only consider historical rates of deterioration. This means that the council may be underestimating the amount of funding required for asset renewals and recovery in future years and, in some cases, parts of the network may become economically unsustainable to maintain.

4.1. Transport

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

Overview of existing assets

Road Pavement, Street and Structures	\$22.71b	Public Transport (including bus, ferry, and rail facilities, rail rolling stock, some wharves, and ferries)	\$1.77b	Transport Infrastructure Portfolio Assets are worth \$27 billion Depreciated by \$544m in 2023
Parking and other (including parking, airfields, harbour master, and other plant and equipment)	\$2.60b	Other	\$0.12b	

Operating context unique to this portfolio

Transport infrastructure and services are planned, funded, and built by a mix of central and local government agencies. Auckland Transport, New Zealand Transport Agency (NZTA / Waka Kotahi) and KiwiRail provide the bulk of planning and delivery of land transport assets and services in Tāmaki Makaurau, with Auckland Council and the NZTA administered National Land Transport Fund (NLTF) being the primary providers of funding.

Auckland Transport must deliver its programmes in line with the direction set by the Council and central government (via the Government Policy Statement (GPS) on land transport). Central government is currently finalising its draft GPS which is expected to represent a significant shift in national strategy.

Auckland's draft Regional Land Transport Plan identifies the following strategic priorities for transport informed by the draft GPS and Auckland Council's long-term plan:

- faster, more reliable public transport
- network resilience and sound asset management
- support for the region's economic productivity
- improved safety and reducing deaths and serious injuries
- continued decarbonisation of the transport system towards the target to reach net zero by 2050.⁶⁵

Auckland Transport has many stakeholders, investment priorities, funding sources, and planning requirements and constraints that are not always fully nor easily aligned. This can make decision-making and investment prioritisation challenging. A systematic approach to asset management is critical to enable investment planning that balances risk, cost, and benefits (performance objectives) over the short, medium and long-term.

Efforts to align central government and Auckland Council priorities around an Auckland Integrated Transport Plan (AITP) will build on decisions made in the Long-term Plan 2024-2034 and Regional Land Transport Plan (RLTP) and set the direction beyond the scope of the long-term plan. Effective asset management for Auckland's transport services forms the basis for strategic planning to support the long-term plan and Regional Land Transport Plan statutory decision-making responsibilities of Auckland Council and the Auckland Transport Board.

Most of the activities (infrastructure and services) that Auckland Transport invests in are part-funded from the National Land Transport Fund (NLTF) with a funding assistance rate (FAR) of 51 per cent. The most likely scenario for investment assumes that NLTF funding will be available for the programme of investment put forward by Auckland Transport. There is, however, significant risk associated with this assumption.

⁶⁵ The transport pathway to support this target is outlined in the [Transport Emissions Reduction Pathway](#) (TERP)

Asset Data

Asset condition and criticality

The following graphs show the condition of the Auckland Transport portfolio. This is presented by major asset classes and the criticality of asset components.

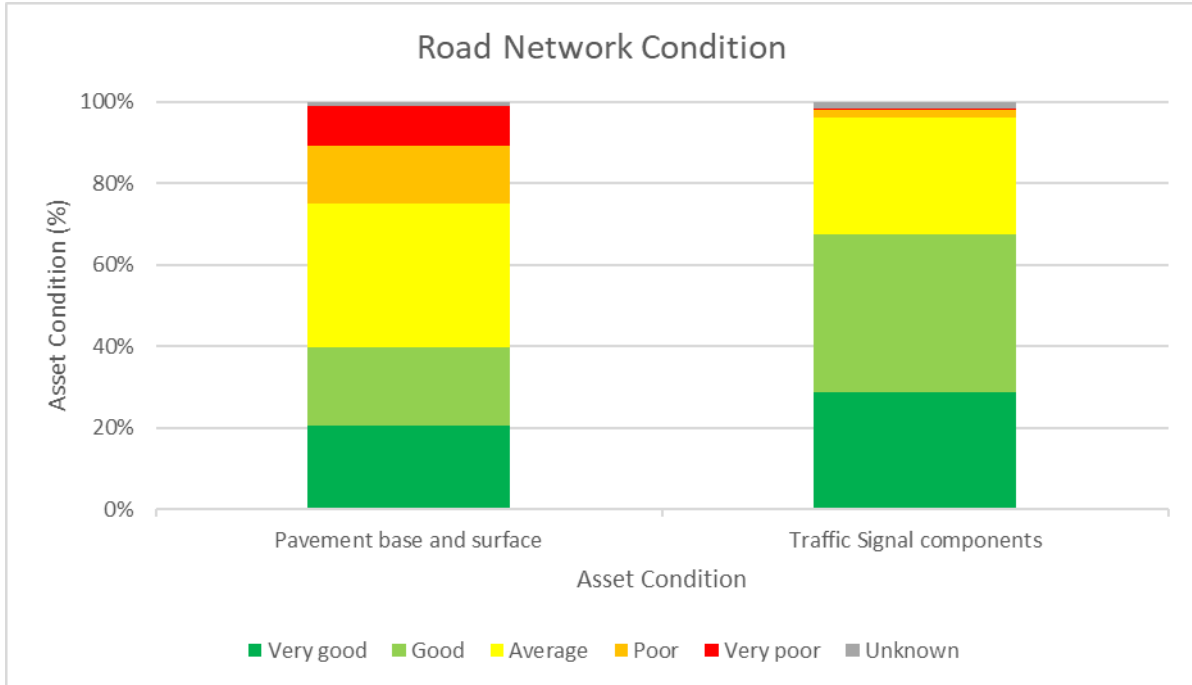


Figure 25: Road Network Condition (asset sub-classes), data at Sept 2023

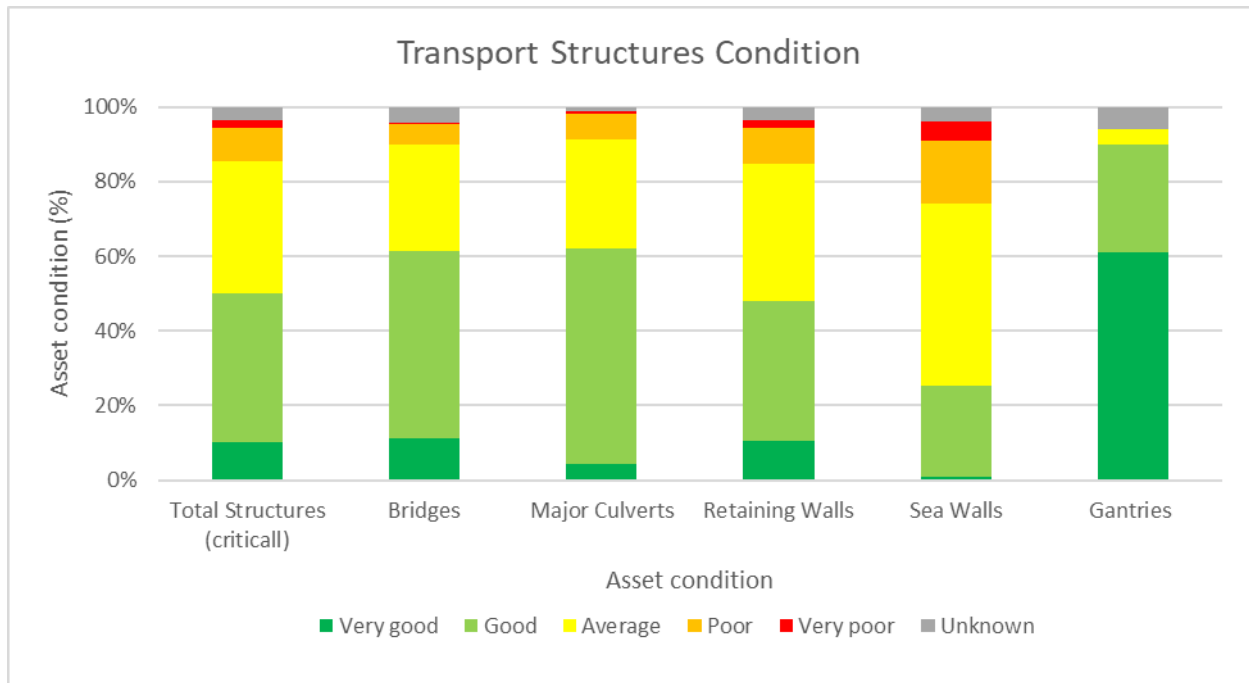


Figure 26: Transport Structures Condition (total and critical asset sub-classes), data at Sept 2023

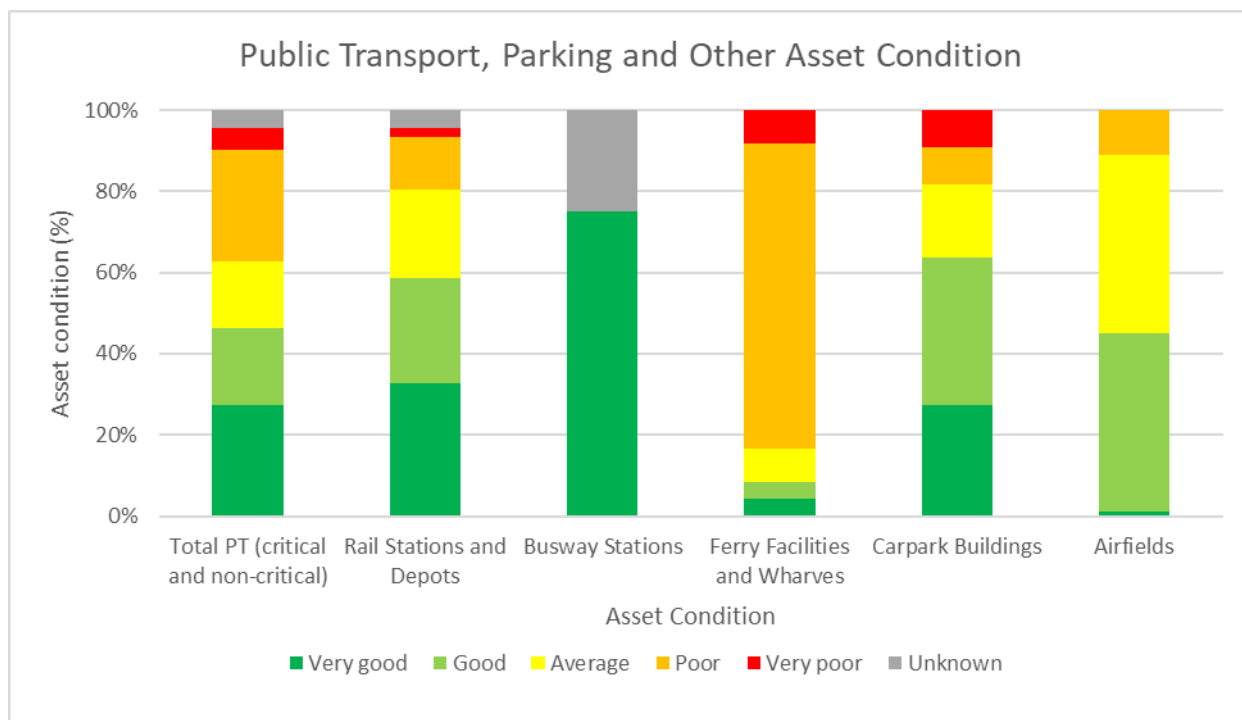


Figure 27: Public Transport Condition (total and critical asset sub-classes), data at Sept 2023

The condition data presented in Figures 25 to 27 show that Auckland Transport assets are mostly in average or better condition.

Auckland Transport has reported a trend of deteriorating condition of both road pavements and public transport structures over recent years (this excludes KiwiRail and NZTA assets). Assets in poor condition are particularly notable for ferry facilities and wharves Figure 27. This state of condition reflects wharves that are not associated with scheduled public transport services. Regardless of overall condition, all assets are maintained to be in safe working condition.

Managing asset condition is critical for managing safety and service risks and enabling the transport system to deliver required safety, productivity, and greenhouse gas emissions outcomes. The rate of asset deterioration is expected to increase, and the level of investment in renewals is planned to increase at a faster rate, such that asset condition is planned to improve over time. Increased services, cost escalations and weather events have brought further focus to this increasing investment need. Roads are now experiencing an increasing rate of deterioration due to a trend of heavier vehicles, especially from increasing levels of construction traffic, and heavy commercial vehicle usage (including heavier electric buses).

The charts above also identify a portion of Auckland Transport assets for which the condition is unknown. Work to improve asset data quality is ongoing.

Asset management maturity

Auckland Transport is continuously improving its asset management maturity to improve efficiency and transparency in its decision making and management of transport assets. To that end, it undertakes annual assessments of its asset management maturity. In April 2024, the latest external assessment of maturity was completed (see Figure 15). This assessment concluded that Auckland Transport has improved on the 2023 assessment and is at an 'upper-intermediate' maturity zone.

Auckland Transport is committed to aligning its asset management practices with industry good practice and the ISO 5500X International Asset Management Standards. Auckland Transport has progressively and systematically built its maturity over the past four years in these practices to best support the management of the long-life nature of land transport assets. Reviews have identified focus areas for improvement, these include training, awareness and competence, information management and corrective action. The 2024 external assessment noted that "Although Auckland Transport is now progressively improving the quality of its end-to-end management of infrastructure, there is still a maturity gap to reach good practice for this scale of portfolio."

Auckland Transport remains focused on continuing its infrastructure management improvement programmes, ensuring they align with the focus areas for improvement and will further enhance the maturity of Auckland Transport's processes and responses.

Data confidence

Auckland Transport is continuing to improve its data quality and has developed an asset management technology roadmap to support this outcome. Data quality is actively monitored and assessed through regular internal and external (NZTA) audits. The quality of asset data is linked to the criticality of assets; therefore, data quality standards are higher for data sets associated with more critical assets or components of assets. Asset deterioration modelling follows standard industry best practice and Auckland Transport is working to align its data quality systems in line with the NZTA national asset management data standard (AMDS) initiatives. Improvements to condition data will commence from July 2024. Auckland Transport's data quality is sufficiently robust to support investment planning, assumptions and approaches that underpin the most likely scenario for investment are outlined further below.

Most likely scenario for investment

The most-likely scenario presented in this section reflects the capex investment provided for in the Long-term Plan 2024-2034.

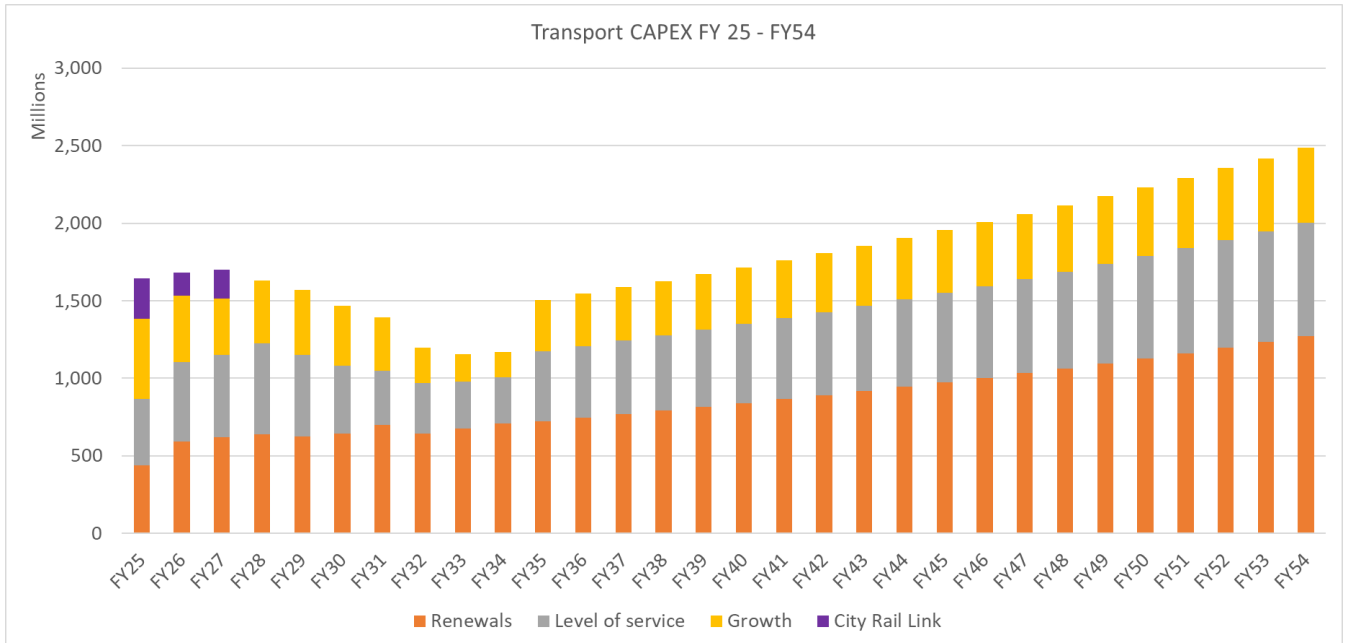


Figure 28: Auckland Transport - most likely CAPEX investment scenario FY25-FY54 (including City Rail Link)

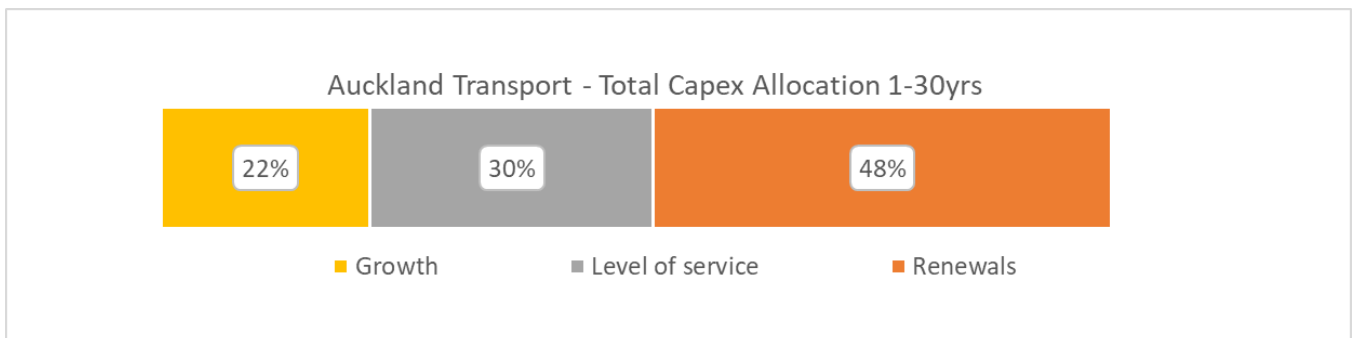


Figure 29: Auckland Transport - total Capex allocation 1-30years (FY25-FY54 excluding City Rail Link)

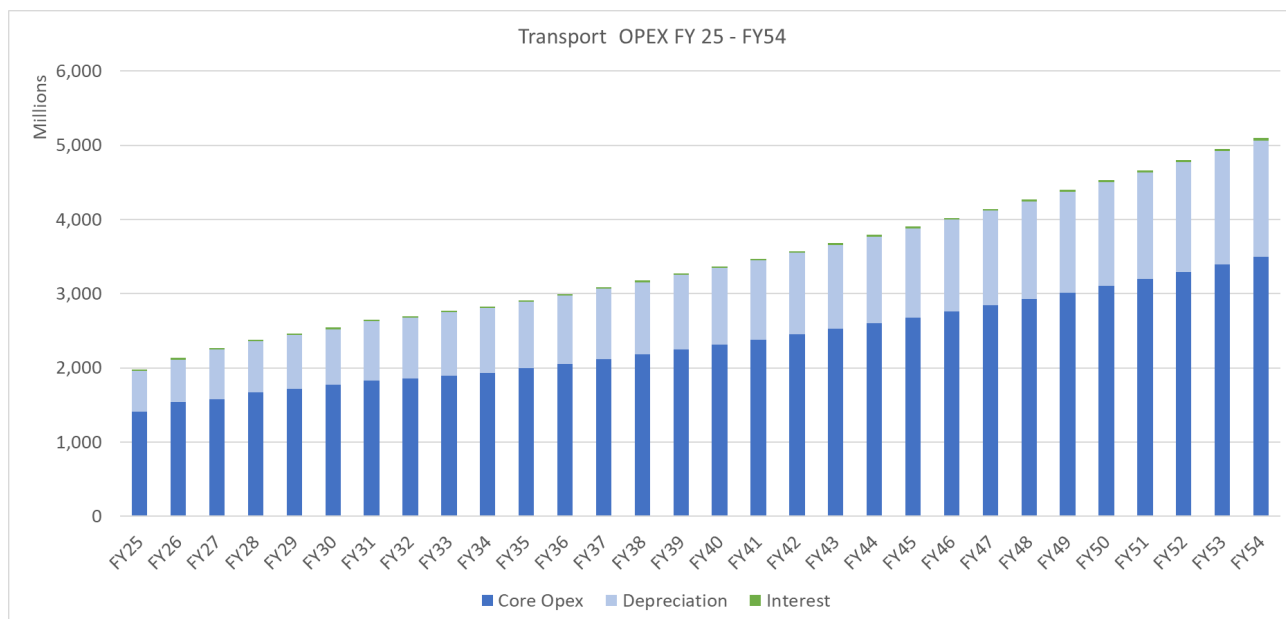


Figure 30: Auckland Transport - most likely OPEX investment scenario FY25-FY54

The most likely investment scenario presented in Figure 28 and Figure 30 shows that:

- Renewals of existing assets are planned to increase over the first decade of the plan, with a substantial public transport renewals programme from years 1 to 7. Renewals constitute approximately 50 per cent of the total Auckland Transport CAPEX budget through the 10- and 30-year forecast periods.
- The planned capex programme over years 1-10 is notable for a hump of investment in the middle years of the decade, reducing in the later years. This programme reflects a number of investments that are already planned, consented, or currently in progress. As the programme progresses, the development of greater detail may result in changes to the scheduling and spread of investment across the decade.
- Key operating costs in this long-term plan budget include public transport services (train, bus and ferry services), and the maintenance of the road network (including the costs of public safety measures and traffic management).
- The investment programme from FY25-FY34 includes investment in the Auckland Housing Programme (AHP). This does not include the potential investment from the government’s Housing Acceleration Fund (HAF). HAF funding could allow for significant acceleration of investment that would otherwise be spread over future decades. The council is working with Kāinga Ora and the government to enable further investment in the AHP areas.
- Growth investment is expected to continue to increase from FY35 onwards reflecting an increasing share of investment to support population growth, urban densification and expansion.

Key projects and programmes within the most-likely investment scenario are listed in Table 5

Table 5: Auckland Transport major projects and programmes

Major projects/programmes (Years 1-10)	Major projects/programmes (Years 11-30)	
\$millions		
Roads and footpaths		
Asset renewals	5,288	Asset renewals
Community response	374	Network optimisation
Local Board priority	279	Priority growth areas
Network optimisation	466	Resilience/adaptation
Priority growth areas	444	Road safety
Property for growth	326	
Resilience/adaptation	368	
Road safety	649	
Unsealed road improvements	125	
Public transport and travel demand management		
Asset renewals	479	Asset renewals
Bus city centre	242	Network optimisation
Bus projects	557	Rapid Transit Access
Community response	77	Rail projects
Customer Systems	448	Bus/Ferry projects
Cycleway projects	559	Cycleway and active modes networks
Eastern Busway	797	
Ferry projects	459	
Network optimisation	208	
Parking and other	244	
Priority growth areas	122	
Rail projects (includes CRL and Takānini level crossings removal)	925	
Rapid transit access	566	
City Rail Link	592	

Assumptions and approaches that underpin the most-likely scenario for investment

The following assumptions and approaches support the development of the transport investment plans set out above. These assumptions include any changes in levels of service, growth projections (and the subsequent impacts on demand for services), and the management of the asset lifecycle through the Transport portfolio's approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in Volume two, section two: Our activities. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

The long-term assumptions in relation to levels of service for Auckland Transport are signalled in Table 6. There are a number of measures that contribute to the levels of service. The proposed investment in the next 10 years aims to meet the targets set against these levels of service. The long-term trends for years 11-30 show that Auckland Transport assumes that measures relating to network operation will be maintained. Congestion is expected to decrease slightly as new initiatives planned to manage demand come into effect from around 2026.

Over the long-term, measures relating to the condition of the roading portfolio are assumed to be maintained. Over the past decade, investment in renewals has increased but since 2018 funding for the repairs to roads has not met the rate at which they are being worn out. The current cost increases and funding constraints create a significant challenge to maintaining asset condition and being able to withstand the impacts of recent weather events. Climate change will further exacerbate road deterioration and may impact maintenance activities over the short and long term. Asset management practices continue to mature and will best enable improved transparency and prioritising of the region's transport assets across the council's investment plans.

The measures that are assumed to improve include safety and the uptake of public transport and active modes. These measures are assumed to improve as Auckland Transport delivers programmes that align with strategic commitments and the anticipated uptake of mode shift occurs. For public transport there are a range of cost increases associated with providing better services and operating the existing and planned new infrastructure. Significant funding prioritisation decisions will be required to ensure public transport services are safe, frequent, and dependable and support the required reductions in greenhouse gas emissions from Auckland's transport system over the next two decades and beyond.

The long-term trends on levels of service are highly uncertain. There are several factors outside of the council's direct control, such as changing central government directives and investment priorities, rates and locations of population change and customer-driven step changes in mode shift. Uncertainties in long-term targets and investment may have implications for achievement of strategic goals such as Vision Zero and the Transport Emission Reduction Pathway. However, taking a longer-term view, coupled with maturing asset management practices, should help to manage and adapt to uncertainty.

Table 6: Auckland Transport levels of service statements and performance measures

Performance measures *see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures	Targets FY 2027- FY2034	Assumed trend to 2054
Level of service: Provide safe local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers		
Deaths and serious injuries on the road network	No more than 600	Improve (ongoing reduction towards vision zero)
The change from the previous financial year in the number of fatalities and serious injuries on the local road network, expressed as a number	Reduce by 9	Improve (ongoing reduction towards vision zero)
The average quality of ride on a sealed local road network, measured by smooth travel exposure	83%	Maintain
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed rural roads	92%	Maintain
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban roads	81%	Maintain
Percentage of the sealed local road network that is resurfaced	7.5%	Maintain
The percentage of footpaths within Auckland that fall within the level of service or service standard for the condition of footpaths that is set out in Auckland Transport's Asset Management Plan (AMP)	95%	Maintain
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes	85%	Maintain
Proportion of road assets in acceptable condition	95%	Maintain
Level of service: Provide public transport services and infrastructure		
Total public transport boardings (millions)	125.1	Improve
The percentage of services that start according to schedule	98%	Maintain

The percentage of public transport trips that are punctual	90%	Maintain
The percentage of passengers satisfied with public transport services	85%	Maintain
The percentage of the total public transport cost recovered through fares	32.5%	Improve
Average AM peak period lane productivity across 32 monitored arterial routes	32,000	Improve
Proportion of the level 1A and 1B freight network operating at Level of Service C or better during the inter-peak	85%	Improve
Number of cycle movements past 26 selected count sites	3.71 million	Improve
Operational greenhouse gas emissions, including public transport (baseline 2021/2022)	20% decrease	Improve

Growth

Transport asset growth projections are consistent with the council group assumptions as outlined earlier in section 4 of the Infrastructure Strategy. In addition, Auckland Transport also factors in other assumptions including the future development of areas beyond 30-years when planning and designing future infrastructure.

Auckland Transport also considers updates to the timing of large transport projects and investment in the council's spatial priority areas. As outlined in section 3, Auckland Transport also plans on the basis that supporting forecast population growth is not something that should be managed by the expansion of the road network but will require a primary focus on mode shift into public transport and active modes.

Management of asset lifecycle through approach to renewals

Auckland Transport has asset life assumptions set out in its corporate policies for each asset class. Examples of these assumptions are a lifespan of 7-20 years for road surfaces, 5-15 years for traffic signals, 50 years for pathways, and up to 110 years for bridges. In addition to understanding asset lifecycles, Auckland Transport also regularly monitors asset condition and captures performance data on its assets. This data is used to inform renewals planning and programmes.

The condition of transport assets is assessed through regular inspections specific to the asset type. Each asset type has an intervention level based on applying the fit-for-purpose level of service methodology. For example, Auckland Transport manages bridges and major culverts that have both critical transport and stormwater functions. These major culverts and bridges are subject to preventive inspections every two years, and mechanisms are in place to prevent deterioration beyond levels that would have unacceptable impacts on safety and their levels of service. Auckland Transport follows national guidelines from NZTA on the requirements and frequencies of inspection processes.

It is critical to invest adequately in transport asset renewals to manage safety and other risks, and to maintain levels of service. Auckland Transport seeks to prioritise the maintenance and renewal of its critical assets, across its network and has set a low risk tolerance for loss of service from critical assets.

The cost of asset renewals continues to rise due to increasing market costs, higher rates of asset wear often resulting from use of our roads by heavier vehicles, and Auckland’s increasing public asset base. It is generally accepted that to preserve the overall performance of long-life assets, the rates of asset depreciation over time should be equal to the value of asset renewal investment programmes. Total investment in asset renewals in recent years has not been matched to the average rate of asset depreciation.

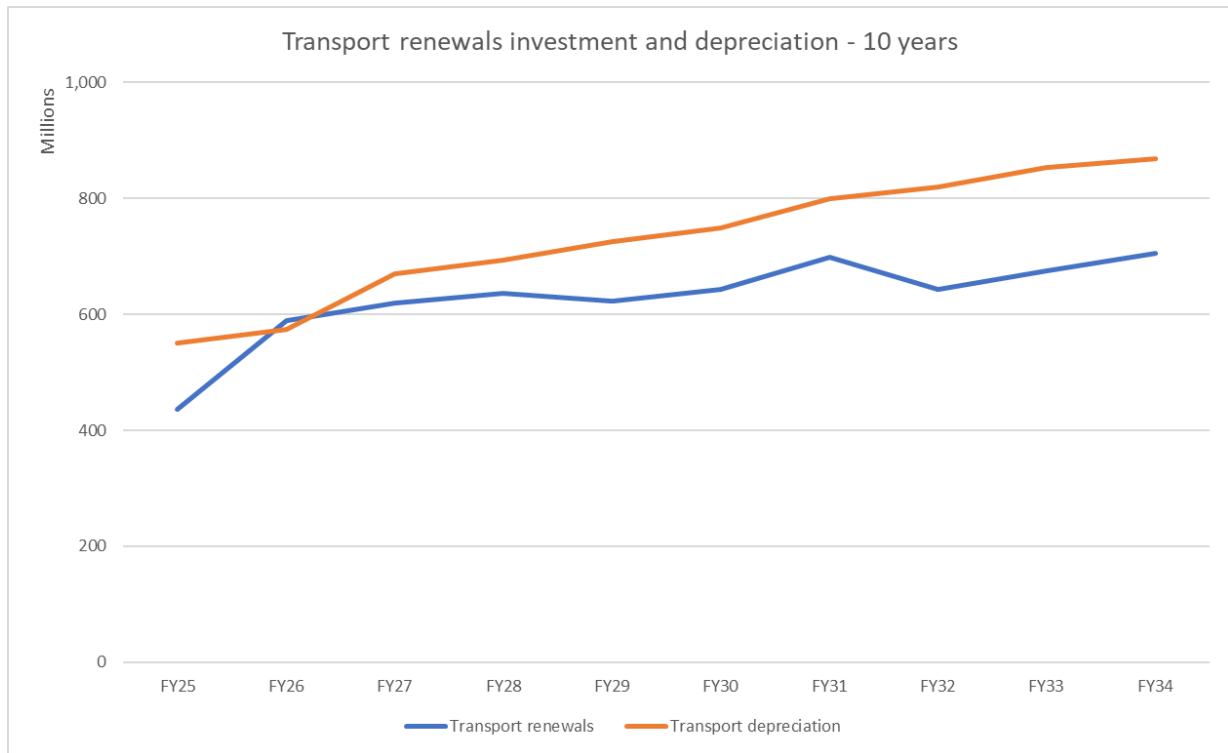



Figure 31: Auckland Transport - renewals and depreciation, most likely scenario - 10 years

The most likely scenario proposes sufficient renewals investment to manage assets such that the rate of asset deterioration does not increase. While renewals investment for the road network is expected to grow consistently year on year, renewals investment in other assets such as public transport stations will require significant renewals investment in some years and no investment in others.

Asset renewals will continue to be prioritised based on criticality which aligns with risk tolerances set by the Board of Auckland Transport. City Rail Link assets are due to be transferred to Auckland Transport in 2026 which is reflected in an upwards shift in the depreciation line for the chart above. As these assets are new and long-lived, renewals investment in City Rail Link assets is expected to be minimal over the next 30 years. City Rail Link depreciation is therefore part of the reason for transport depreciation tracking higher than renewals over the 10-year horizon.

In general, critical transport assets are not allowed to deteriorate to a very poor condition because of the risks to safety and network disruption. Additional risks include the costs of consequential damage and public confidence should critical assets be out of service. The cost of outages often exceeds any potential cost generated from postponing asset renewals. In general, Auckland Transport plans to replace critical transport assets before they fail, based on monitoring and proactive investment in asset renewals. Non-critical assets may be managed most efficiently by replacing them at the end of their useful life (or when they become unserviceable). Where appropriate, renewal of non-critical assets is generally planned to occur at the same time as other roading renewals investment, to reduce overall delivery costs.

4.2. Three waters

	THREE WATERS	Drinking water Supply	An interconnected system of sources, raw water network, treatment plants, treated water network, customer meters, that delivers public health, safety, well-being and prosperity to Auckland.
		Wastewater	A system of customer connections, built wastewater network, treatment plants and resource recovery systems that ensure public health, safety, well-being, prosperity, and environmental outcomes to Auckland.
		Stormwater	An interconnected system of primary stormwater networks, natural waterways, and overland flow paths that treats and conveys rainwater to the coastal receiving environments to deliver public health and safety, property and infrastructure protection and environmental outcomes.

Overview of existing assets

Drinking water supply (includes: Dams, Water treatment plants, Water pipes, Pump stations, Reservoirs and Abstraction points) ⁶⁷	\$6.6 billion (2023 valuation)	Water Infrastructure Portfolio Assets are worth \$22.2 billion <small>*depreciated value, land not included</small>
Wastewater (includes: Wastewater sewers, Pump stations, storage and Wastewater treatment plants)	\$9.0 billion (2023 valuation)	
Stormwater (includes: Stormwater pipes, Channels, Pump Stations and Treatment and detention facilities and water quality devices)	\$6.6 billion (2022 valuation)	

⁶⁷ The [Watercare asset management plan](#) contains more detail on Auckland’s major water and wastewater assets.

Operating context unique to this portfolio

The period since the adoption of the 10-year Budget (Long-term Plan) 2021-2031 has been dominated by water services reforms. As part of the government's water infrastructure policy 'Local Water Done Well' the government and council have agreed a new model for Auckland, with Watercare to have financial separation from the council. Watercare will remain within the Auckland Council group and is included in the long-term plan and Infrastructure Strategy. This model is the basis for the investment plans detailed below, and is expected to be formalised through legislation introduced in the coming months. Further aspects of the new model, including economic regulation will be known prior to the 2027 long-term plan and would impact on the management and funding of water services. Any further impacts of reforms are excluded from our infrastructure planning as they are not yet known.

The integrated management of our water resource is essential to facing the issues identified in section two of this Infrastructure Strategy. The council is a partner with mana whenua for the protection, management, and enhancement of natural resources. Council is also an environmental and land-use regulator and infrastructure provider. Te Rautaki Wai ki Tāmaki Makaurau; The Auckland Water Strategy was adopted in 2022. The Strategy provides eight strategic shifts required by the council to increase Te Mauri o Te Wai (the wellbeing of water) including targets and reporting requirements for the council group to guide decision-making. This includes guidance relevant for the production of asset management plans, which need to show how they prioritise Te Mauri o Te Wai.

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

Some small-scale water and wastewater services, for instance those associated with regional parks, are provided by Auckland Council's Healthy Waters department and funded by the council's general rates. Additionally, the council's rural customers manage their own water and wastewater needs.

Auckland's stormwater systems are a connected network of built structures, natural waterways, overland flow paths, and coastal receiving environments. The system is managed by both Healthy Waters department (the network collecting and treating stormwater runoff from properties, roads, parks and reserves) and by Auckland Transport (the network collecting and treating stormwater from road corridors). Much of the network is also located on private property. Healthy Waters is our stormwater department delivering water quality, stormwater collection and conveyance, and flood management. Stormwater is funded through general rates and a Water Quality Targeted Rate introduced in 2018. For information on the Auckland Transport-managed stormwater assets, see the Transport section above.

Asset data

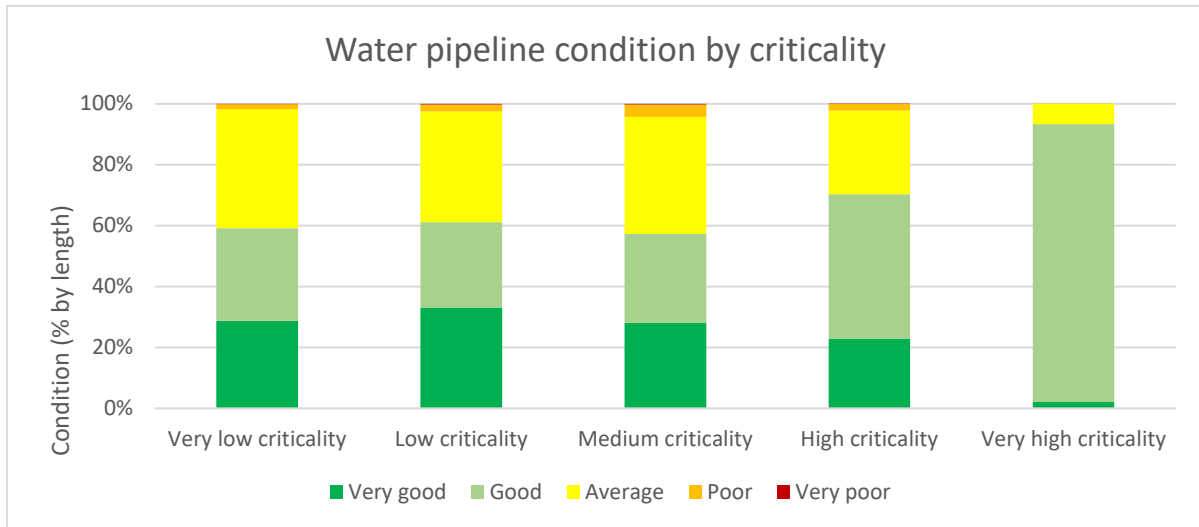


Figure 32: Water local and transmission pipe network condition

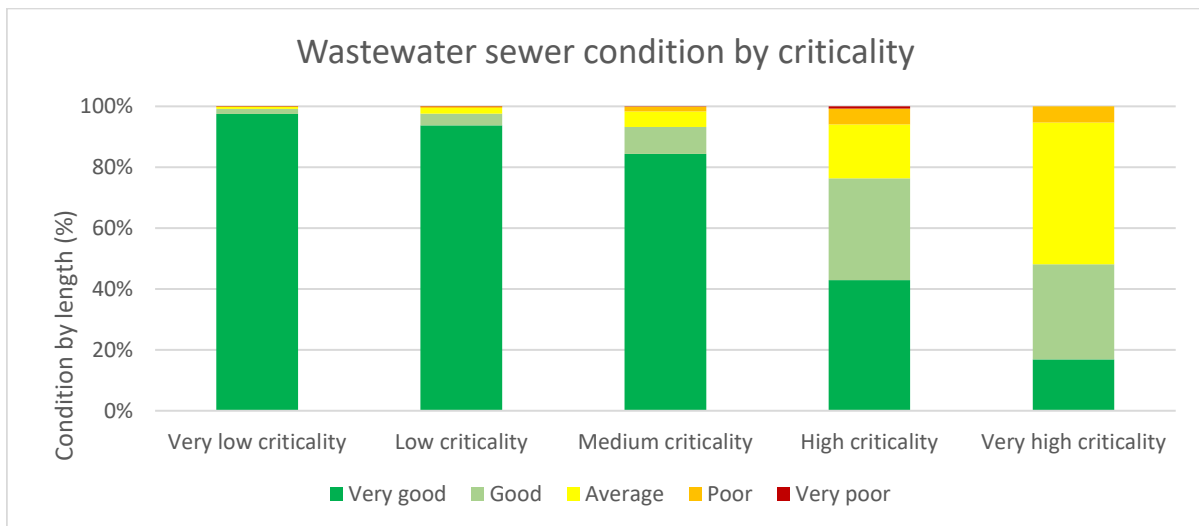


Figure 33: Wastewater local and transmission sewer network

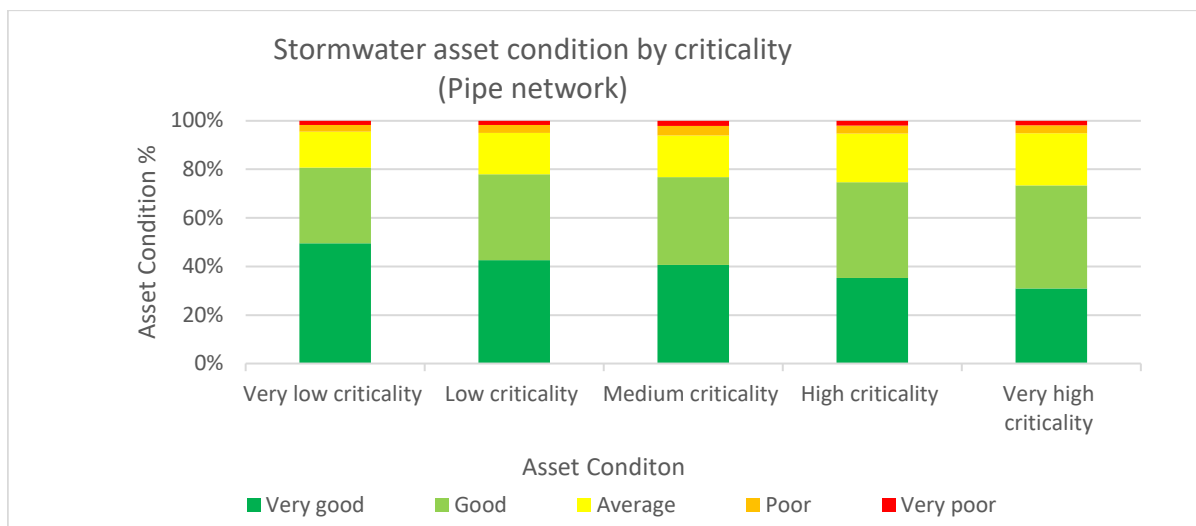


Figure 34: Stormwater pipe network condition by criticality

The piped networks for drinking water, wastewater and stormwater are generally in very good to average condition. The Stormwater network is generally good to very good condition, with approximately 6 per cent in poor condition. Watercare is in the process of refining its approach to derived, and evidence-based condition data. Modelling is being undertaken in phases, with critical elements of the network being prioritised. Phase 1 of the modelling is complete and has prioritised critical assets (leveraging more than 560km of CCTV evidence), the data shows that these are generally in average-good condition, with less than 2 per cent⁶⁸ in poor condition. Condition data relating to the lower criticality asset has a higher level of uncertainty and will be improved through phase 2 of the modelling project.⁶⁹

The condition of the above ground plant and equipment that contribute to these Drinking Water and Wastewater systems is also average to very good⁷⁰. Critical assets and components within all drinking water, wastewater and stormwater systems are identified and managed proactively to a higher standard than non-critical components.

⁶⁸ Results from risk modelling Phase 1, based on historic retrospective performance analysis. Results will be updated as further proactive evidence is gathered and this will inform maintenance and renewal priorities.

⁶⁹ Current CCTV inspection evidence which has been leveraged in risk modelling covers 7% of total sewer length, and further work is ongoing to increase network coverage as part of our Critical Asset monitoring.

⁷⁰ WSL has a proactive above ground asset condition assessment programme underway, and as of 30 April 2024, 64% of assets had been visually inspected.

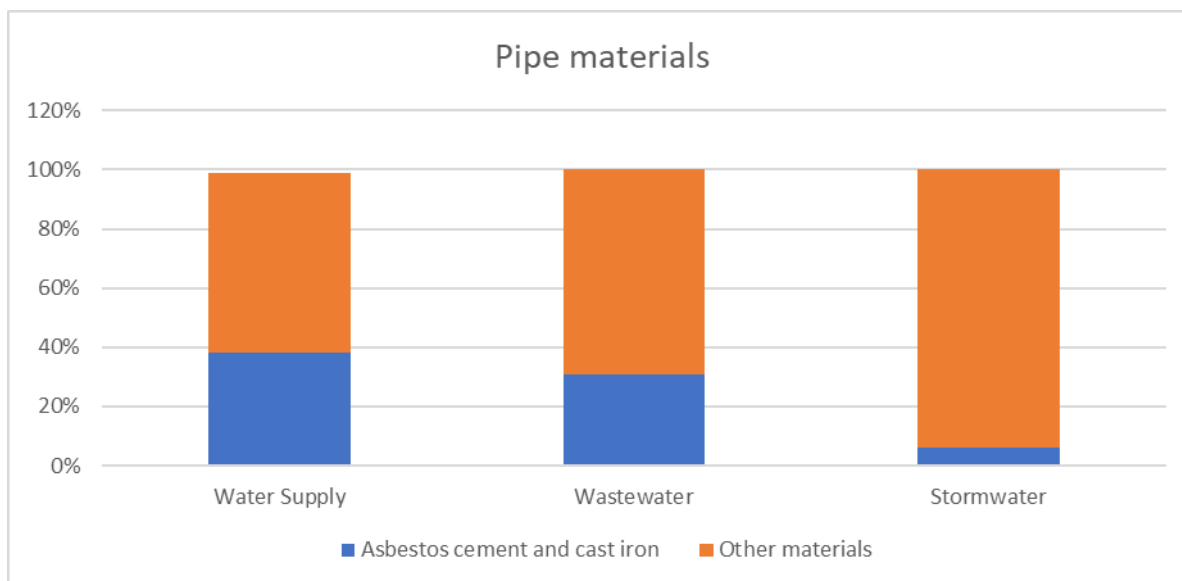


Figure 35: Materials used in pipe networks

A large portion of drinking water network pipelines (more than 2,800 km) and wastewater sewers (more than 2,400 km) are constructed asbestos cement (AC) pipelines - a common material in New Zealand from the 1960's to 1980's. AC pipelines have a limited service life so the systematic renewal of these pipes over the next 30 years based on a risk approach is vitally important.

The primary stormwater conveyance system is supported by the pipe network (Figure 34), of which 18 per cent by length are identified as critical. Healthy Waters takes a risk-based approach to stormwater management; therefore, criticality is central to the management and renewal of pipes.

Detention ponds regulate downstream stormwater flows to provide flood protection. Water quality ponds are the main means for removing pollutants from the stormwater runoff in the suburban areas and green field developments. Further work is required to understand the condition of these ponds by function, however, in general a higher proportion of stormwater ponds (>30%) are in poor or very poor condition. In part, this is a result of poor sediment management during building activities, and results in a decrease in the ability of water quality ponds to treat stormwater runoff, and potential risks to compliance with resource consent conditions.

Forming the secondary stormwater system, waterways receive stormwater from the built network and land surface and convey it to the coast. They are affected by the waterborne pollutants and extreme flows received through the built stormwater system and the overall flows. Waterways show sign of degradation as outlined in the 'State of the environment' report.

The issues in the built stormwater system are addressed through monitoring and intervention using risk-based approach. Stormwater asset risk and criticality concepts are outlined in the Healthy Waters Asset Risk Strategy 2019 and earlier Healthy Waters Asset Criticality Framework 2015. For significant asset classes, pipes and ponds, we maintain asset criticality models at asset level. The level of monitoring and intervention in the secondary stormwater system is inconsistent due to lack of clarity in custodianship and responsibilities.

The condition of the assets is also linked with the performance measures which include compliance with health and safety standards, consent conditions and customer satisfaction. More applicable to water supply and stormwater, these metrics are measured regularly to inform network performance, the level of performance can indicate which intervention and or remedial action is required. The devastating effects of recent flooding events have highlighted the need for ongoing improvement in both the primary and the secondary stormwater systems to mitigate the impacts of extreme events.

Asset management maturity

In December 2023 an indicative assessment of maturity was carried out across the council infrastructure providers (see Figure 15). This assessment indicated that the three waters portfolio is in the middle of the 'intermediate' zone.

Key focus areas for improvement for Watercare across its asset portfolio include informing asset risk assessment programmes with greater coverage and granularity of condition assessment evidence, and ensuring asset information enhancement. Healthy Waters' improvement planning is focussed on redefining levels of service, stormwater master-planning for growth, and performance monitoring.

Data confidence

Watercare's Asset Management Maturity programme includes a priority on improving levels of data confidence across the portfolio. The above ground asset condition assessment programme allows visual validation of asset records, while risk models of the buried drinking water and wastewater sewer network is largely based on material attributes, fault information and limited condition assessment information, and confidence is traced across all data inputs.

The drinking water and wastewater risk models are also used to identify priority zones and catchments where performance indicators such as water network leakage and inflow and infiltration parameters suggest poorer network performance than expected. Renewal and replacement programmes are initiated based on prioritisation within overall capital funding envelopes.

Healthy Waters has a high level of confidence in the asset data collected since 2015, resulting from the change in processes and practices of asset register maintenance. A programme of data improvement is underway based on the criticality of the assets, and on this basis data confidence and associated renewals forecasting will continue to improve.

The condition of stormwater assets is well understood, especially for pipes and ponds. These are monitored through established condition survey and inspection programs. Stormwater data is of good quality and completeness. Data for critical assets is validated continually through the preventive inspections that we carry out periodically. Critical pipes are inspected in accordance with the Healthy Waters Condition Monitoring Framework and ponds are subject to monthly operational inspections. The quality of our stormwater data provides a sufficient basis for investment planning. Investment planning does have uncertainties, however, associated with external factors such as climate change, see 'assumptions and approaches that underpin the most-likely scenario for investment' below.

Most-likely scenario for investment

The most-likely scenario presented in this section reflects the investment plan set out in the long-term plan.

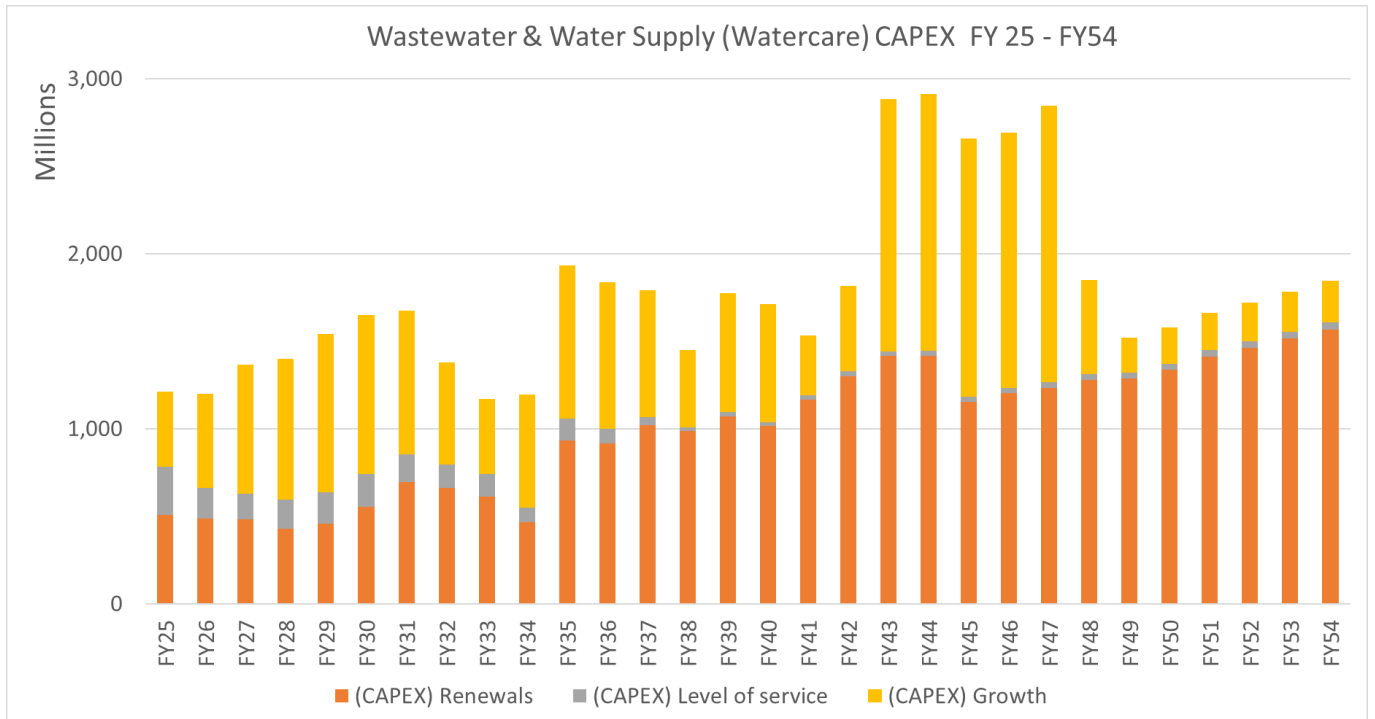


Figure 36: Most likely CAPEX investment scenario for water supply and wastewater (Watercare)

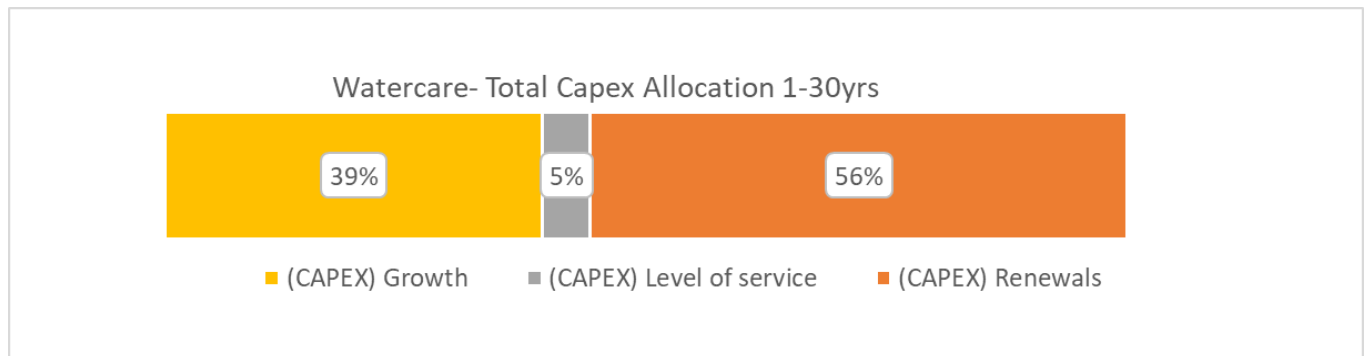


Figure 37: Water supply and Wastewater (Watercare) total Capex allocation FY25-FY54

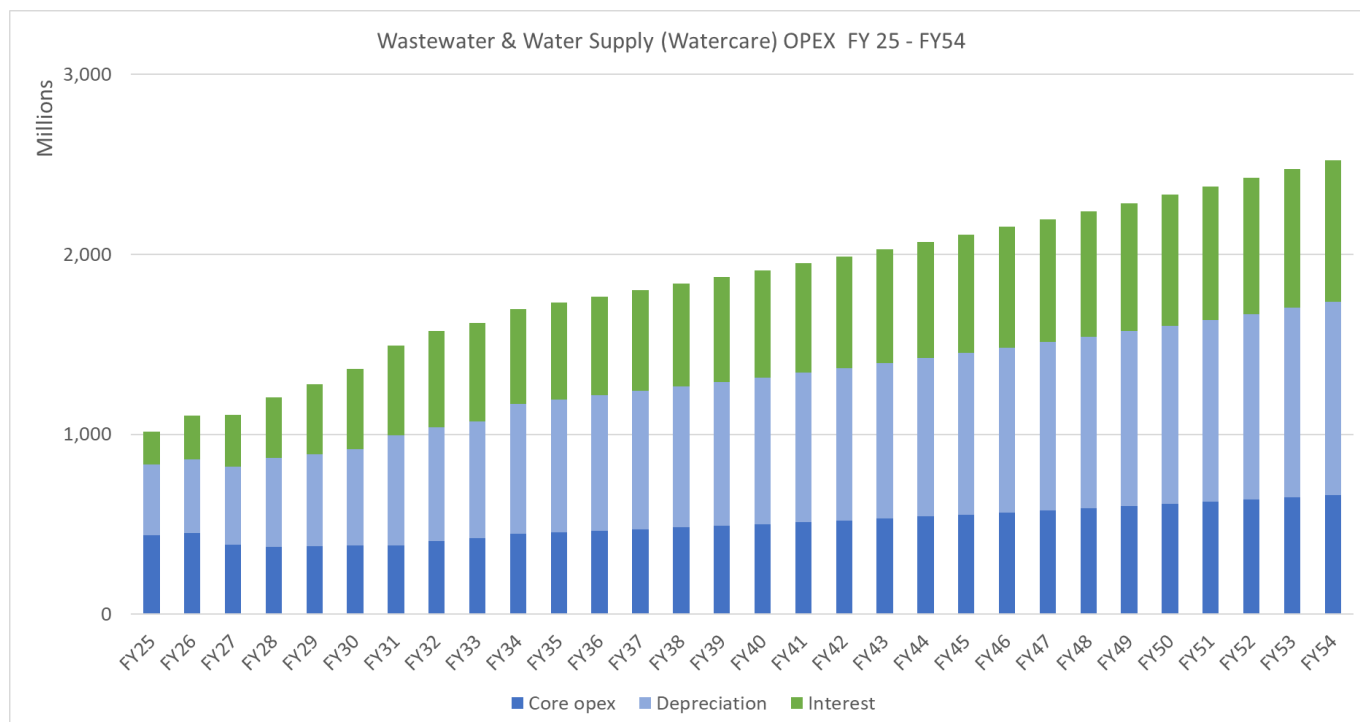


Figure 38: Most likely OPEX investment scenario for water supply and wastewater (Watercare)

The most likely investment scenario presented for water and wastewater shows that:

- Operations at Watercare accounts for a significant portion of the total budget for each year in the early years and increases over time. Key drivers of this budget are depreciation and interest costs.
- Asset renewals constitute 39 per cent of capital investment in the first 10 years and 62 per cent of capital investment in years 11-30. As part of an increasing focus on renewals, the Watercare board has established an Statement of Intent measure to identify the proportion of proactive vs reactive renewals. During discussions around economic regulation for the water industry, it has been identified that funding for renewals has been lower than required. Investment in renewals increased significantly in the 10-year Budget (Long-term Plan) 2021-2031, and further increases to the renewals programme (particularly for water supply) have been included in this investment programme. In alignment with economic regulator discussions and initial assessments, Watercare is forecasting renewals to increase to an average \$1.2 billion per annum in years 11 – 30. As part of that investment, the Māngere wastewater treatment plant will be upgraded in FY34-37 to meet increased consent conditions and in FY42-44 there is a significant investment signalled to protect the entire treatment plant from sea level rise.
- Growth has a significant impact on Watercare’s budget. The growth investment is based upon the Council’s growth projections. Watercare then utilise this information to develop a plan for investment to meet these growth projections. The majority of investment in growth is in large transmission pipelines and treatment plants. The peaks in capital investments FY43-FY47 is for the next water source and associated investments.
- The investment programme from FY25-FY34 includes Watercare’s contribution to the Auckland Housing Programme as set out in established funding agreements with Kāinga Ora.
- The planned capital investment varies over the 30 year horizon. There is a tailing off of construction from the middle of the first decade as some large construction spend finishes, this including the completion of the Central Interceptor, the western isthmus programme, the Huia water treatment plant renewal and major Rosedale waterwater treatment plant upgrades. There is significant

construction spend scheduled to start in FY35, with the planning and design starting during the last few years of the first decade. These projects are largely wastewater projects including the Māngere wastewater treatment plant continuous discharge, investment to meet the Māngere wastewater treatment plant consent conditions, continuation of the Northern Interceptor and the Hobsonville to Rosedale duplication.

Watercare is on target to deliver over \$1 billion of capital works in the 2024/2025 financial year and is working with our partners within our programme to ensure that we can deliver the outcomes required. Resources to deliver remains a risk, to mitigate this risk Watercare uses a programme approach that sets the foundation for Watercare and their delivery partners to recruit, train and retain staff with the appropriate skills to deliver their work portfolio.

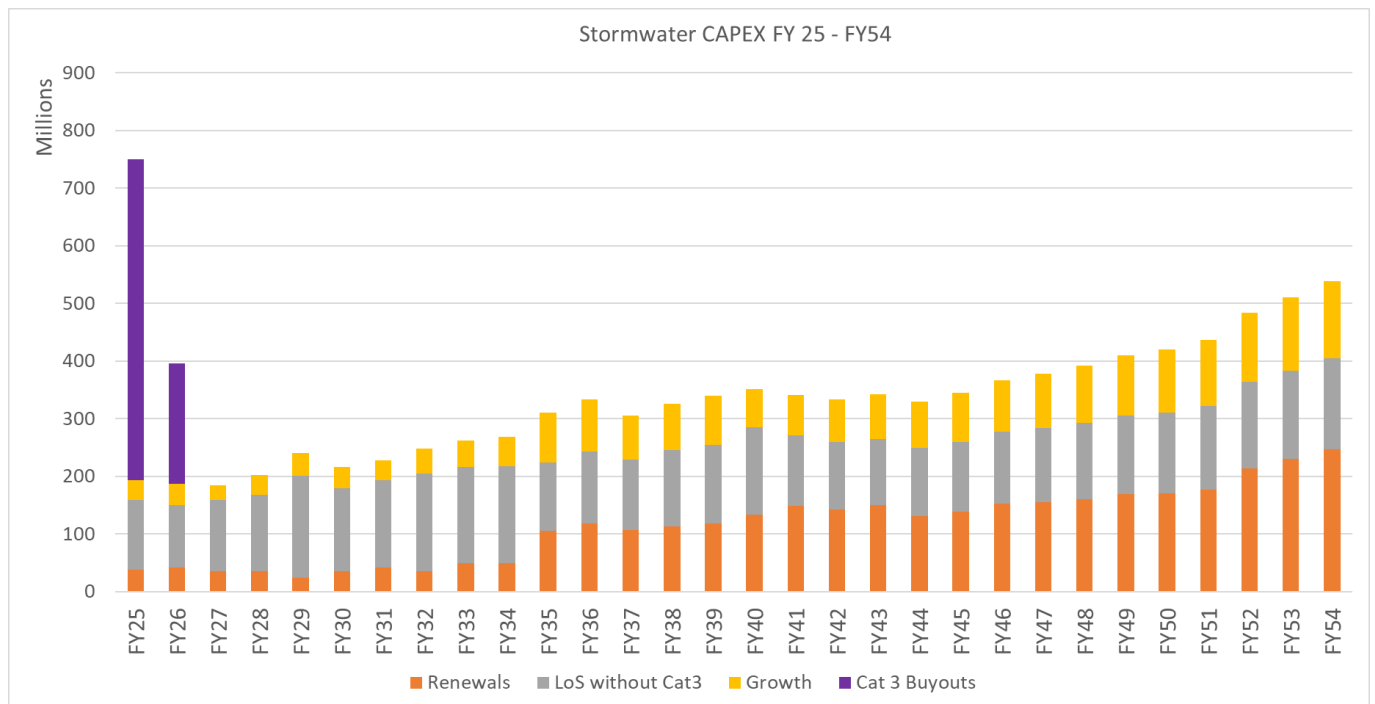


Figure 39: Most likely CAPEX investment scenario for stormwater (Healthy Waters plus Category 3 buy-outs managed via the Recovery Office)

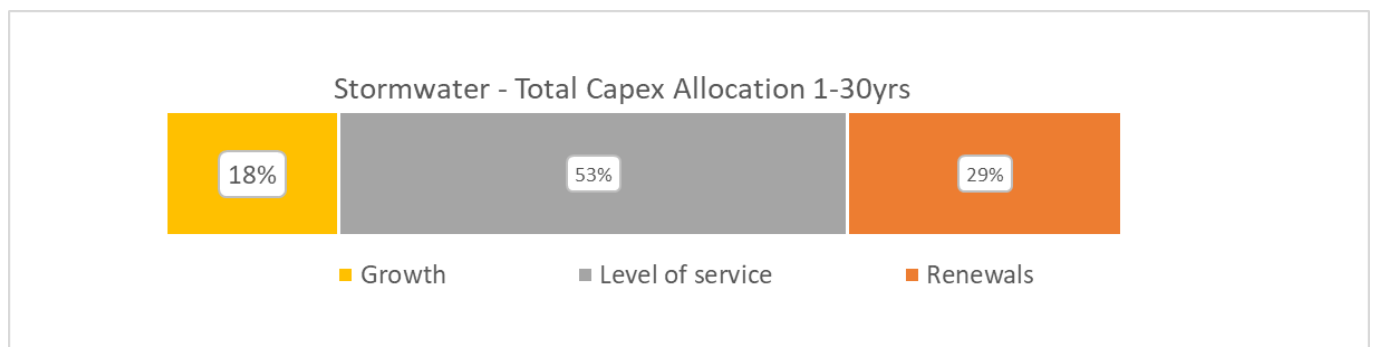


Figure 40: Stormwater total Capex allocation FY25-FY54 (Healthy Waters plus Category 3 buy-outs managed via the Recovery Office)

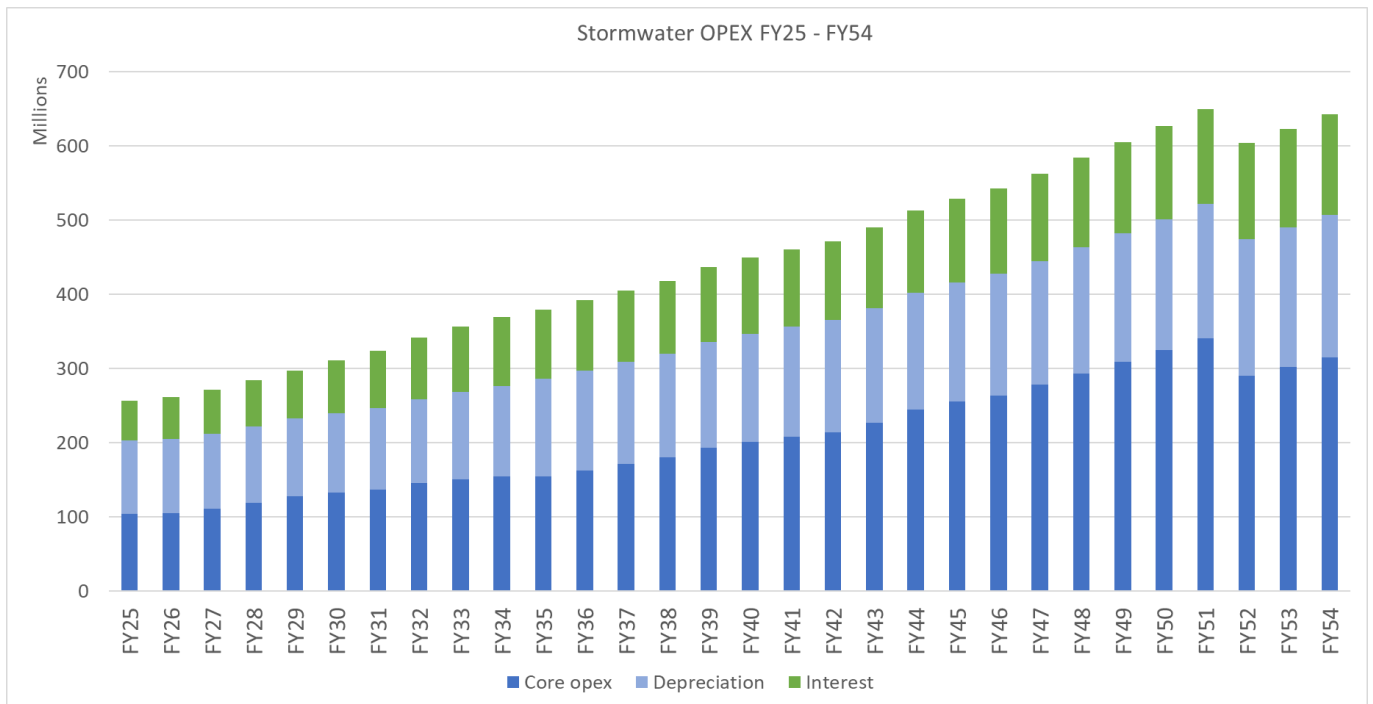


Figure 41: Most likely OPEX investment scenario for stormwater (Healthy Waters)

The most likely scenario presented for stormwater shows that:

- Operations are a significant expense for Healthy Waters. A key driver of this budget is asset depreciation. Level of service investments associated with addressing flooding and water quality issues are a significant driver of Capex costs.
- In FY25 and FY26 there is a significant spike in the level of service CAPEX related to the council’s Category 3 buyouts, delivered through the Recovery Office and the. The capex budget related to the Category 3 buyouts is \$556 million in FY 25 and \$208 million in FY 26. This investment sits outside of the Healthy Waters department investment plan.
- There is a proportionally larger level of service component within the first decade compared to later decades for Healthy Waters, related to the Making Space for Water programme. This programme is approximately (a combined OPEX and CAPEX of) between \$57 million to \$105 million per year. Currently, Making Space for Water is not budgeted for beyond FY 34. Decisions about flood management and adaptation to climate change beyond FY 34 are discussed in section 5.
- The investment programme from FY25-FY34 includes investment in the Auckland Housing Programme (AHP). This does not include the potential investment from the government’s Housing Acceleration Fund (HAF). HAF funding could allow for significant acceleration of investment that would otherwise be spread over future decades. The council is working with Kāinga Ora and the government to enable further investment in the AHP areas.

The basis of the stormwater investment scenario is generally consistent with what has been delivered in previous years. The Making Space for Water programme and Category 3 buyouts have introduced a significant addition to this programme. The spike in capital expenditure in FY25 is a result of the property purchase required for the Category 3 buyouts. Further, there is uncertainty associated with the delivery of the Making Space for Water programme that will become clearer as the business cases are developed.

Key projects and programmes within the most-likely investment scenario are listed in Table 7 and Table 8

Table 7 Three Waters major projects and programmes years 1-10

Major Projects/Programmes (Years 1-10) \$Millions		
*see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of capex program		
Wastewater	Water supply	Stormwater
Mangere Wastewater Treatment Plant \$1,114	Ardmore Water Treatment Plant \$61	Making Space for Water \$507
Central Interceptor \$433	Flood Recovery Works \$35	Flooding remediation \$214
Flood Recovery Works \$24	Huia Water Supply \$1,117	Enabling growth \$276
Orakei Main Sewer \$63	North Harbour 2 Watermain \$785	Major and critical asset renewals \$383
Otara Wastewater Network \$136	Projects supporting Kianga Ora \$95	Environmental improvements \$44
Projects supporting Kianga Ora \$111	Waikato Water Supply \$760	Catchment and asset planning, safety and modelling \$145
Pukekohe Wastewater Scheme \$342	Waiuku Water Supply \$76	Water Quality Targeted Rate (including Eastern Isthmus, Waterview Separation, Point Erin extension, Point Chevalier separation, Lower Khyber separation) \$661
Queen Street Wastewater Network \$71	Water Collection & Treatment Assets \$416	
Rosedale Wastewater Treatment Plant \$663	Water Network Assets \$2,111	
Southwest Wastewater Scheme \$583		
Waitematā Water Quality Improvement \$876		
Warkworth Wastewater Scheme \$176		
Wastewater Network Assets \$2,812		
Wastewater Treatment Plant Assets \$317		
Whenuapai & Redhills Wastewater Scheme \$174		
And other growth investment supporting the development of spatial priority areas, including:		
<ul style="list-style-type: none"> the Auckland Housing Programme (Mt Roskill, Mangere and Tāmaki regeneration area) the North-West (Westgate, Red Hills and Whenuapai) Drury 		

Table 8 Three Waters major projects and programmes yrs 11-30

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

Assumptions and approaches that underpin the most-likely scenario for investment

The following section outlines the assumptions that are specific to managing our water assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2054, growth assumptions relevant to water, and the management of the asset lifecycle through our approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in long-term plan Volume 2, Section 2 Our activities. The proposed investment in the long-term plan is sufficient to deliver all Level of Service targets in the short to medium term.

Funding constraints require the maintenance of our level of service approaches with respect to resourcing. As the condition of assets deteriorates over time, this will also likely lead to an incremental deterioration of level of service measures like response times. This has been signalled in the latest statement of intent metrics with median target time increases for attendance at urgent water and wastewater response events. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

There is a moderate-high level of uncertainty about levels of service in the coming decades due to anticipated water reform and regulation change. Additional uncertainty also exists for stormwater levels of service as the system is 'open', meaning that its performance is impacted by land-use, and by the nature of waterways, both of which are significantly influenced by parties outside of the council.

It is assumed that future systems of water services management will ensure sufficient investment to maintain or replace critical water, wastewater and stormwater assets. However, changes in the assumed trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

In terms of water supply and wastewater management it is assumed that measures relating to water quality and management will be maintained as these are critical service provision and assets that have a high priority for investment. Target response times may become increasingly challenging to maintain, due to the anticipated increase in storm events.

Key investment programmes such as Making Space for Water and the Western Isthmus Water Quality Improvement Fund support the achievement of Auckland’s stormwater performance measures in the medium to long-term. However, it is acknowledged that an increase in extreme weather events and climate change are likely to cause more exposure to flooding across the region. It is assumed that investment in our stormwater system will enable its performance to be maintained. However, this is highly uncertain, and both funding decisions and climate pressures could result in a reduced performance.

Specific possible changes to levels of service include introducing targets for drinking water demand management, water quality and flooding. These will be developed following the adoption of the Long-term Plan 2024-2034 as part of on-going policy work (both national and regional).

The performance measures include consumption targets that were set through the development of Te Rautaki Wai ki Tāmaki Makaurau; The Auckland Water Strategy. These targets are currently being met with gross per capita consumption around 240L per person per day compared with a 2025 target of 253L per person per day. Watercare’s programme of investment, supported by work with the community to institute behavioural changes for water use, sets us on a path to achieving longer-term targets. The Watercare capital programme assumptions around future water supply needs has scheduled the development of an additional water source in the early 2040’s, however this investment may be able to be delayed if customer behaviours change consumption patterns.

More information on the significant infrastructure decisions the council will likely need to make in the water space over the coming decades can be found in Section 5.

Table 9: Three Waters levels of service statements and performance measures

Performance measures	FY 2027- FY 2034	Assumed trend to 2054
* see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures.		
Water Supply		
Level of service: We provide Auckland with a reliable supply of safe water		
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	≤60mins	Maintain
Median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	≤5 hours	Maintain
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	≤5 days	Maintain

Performance measures	FY 2027- FY 2034	Assumed trend to 2054
* see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures.		
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)	≤6 days	Maintain
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	≤10	Maintain
The percentage of real water loss from the local authority's networked reticulation system	≤13%	Maintain
The average consumption of drinking water per day per resident within the territorial authority district (litres)	247 litres	Improve (target is <225 litres by FY2051)
Compliance with Taumata Arowai Quality Assurance Rules– Bacterial Water Quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022	100%	Maintain
Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 – Bacterial water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Standards for New Zealand 2022	100%	Maintain
Compliance with Taumata Arowai Quality Assurance Rules– Protozoal Water Quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022	100%	Maintain

Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022- Protozoal water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Standards for New Zealand 2022	100%	Maintain
Compliance with the Drinking Water Quality Assurance Rules 2022 from its Small Waters 'network' systems measured by the number of non-compliance notices received from Taumata Arowai	0	Maintain
Compliance with Taumata Arowai Quality Assurance Rules T3 – Chemical water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 T3	100%	Maintain
Compliance with Taumata Arowai Quality Assurance Rules T3 – Cyanotoxins water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 T3	100%	Maintain
Compliance with Taumata Arowai Quality Assurance Rules D3 – Residual disinfection (chlorine) water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3	100%	Maintain
Compliance with Taumata Arowai Quality Assurance Rules D3 – Microbiological water Quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3	100%	Maintain
Compliance with Taumata Arowai Quality Assurance Rules D3 – Disinfection by-products water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3	100%	Maintain
Compliance with Taumata Arowai Quality Assurance Rules D3 – Plumbosolvent metals water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3	100%	Maintain

Wastewater		
Level of service: We collect and treat Auckland’s wastewater in a safe and sustainable way		
The number of dry weather overflows from the territorial authority’s sewerage system, expressed per 1000 sewerage connections to that sewerage system	≤5	Maintain
Compliance with the territorial authority’s resource consents for discharge from its sewerage system measured by the number of:	a) ≤2 b) ≤2 c) ≤2 d) 0	Maintain
a) abatement notices		
b) infringement notices		
c) enforcement orders		
d) convictions		
received by the territorial authority in relation to those resource consents		
Compliance with the territorial authority’s resource consents for discharge from its Small Waters onsite wastewater systems measured by the number of:	a) ≤3 b) ≤3 c) ≤3 d) 0	Maintain
a) abatement notices		
b) infringement notices		
c) enforcement orders		
d) convictions received by the territorial authority in relation to those resource consents		
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	≤75mins	Maintain
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	≤5hours	Maintain
The total number of complaints received by the territorial authority about any of the following:	≤50	Maintain
a) sewerage odour		

- b) sewerage system faults
- c) sewerage system blockages
- d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system

Stormwater

Level of service: Manage stormwater network to minimise risks of flooding and improve water quality

The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works program or long-term plan).	Equal or greater than 90%	Maintain
Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> a) abatement notices; b) infringement notices; c) enforcement orders; d) convictions; received in relation those resource consents	a) 0 b) 0 c) 0 d) 0	Maintain
The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	< 3 per 1000 properties	Maintain
The percentage of response time during storms to close stormwater manholes within three hours	90%	Maintain
The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network	< 1 per 1000 properties	Maintain
The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site (hours)	< 2 hours	Maintain

The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)* this measure is also supported by the measurement of the actually experienced result)	87% increasing to 90%	Improve
--	-----------------------	---------

Growth

Watercare and Healthy Waters infrastructure growth projections are consistent with the council group assumptions, as outlined in the beginning of section 4 of the Infrastructure Strategy. In addition to the growth projections, other data is also considered:

- Watercare use customer consumption data for water supply to further understand population and economic growth across the region.
- For stormwater the Auckland Unitary Plan regulates the development of additional impervious surface and mitigation of flood impacts. Healthy Waters also use patterns in growth type to inform stormwater growth planning (e.g. greenfields, brownfields, infill). These growth types are assumed based on historical trends, identified projects, and agreements with developers.

Management of asset lifecycle through our approach to renewals

Water supply and Wastewater

The general approach to Watercare’s maintenance and renewal programmes is to focus on high-risk assets that affect the level of service and the community. The criticality of assets and their history of failures are taken into consideration.

Watercare currently applies a combination of proactive and reactive renewals. Over the course of this long-term plan, Watercare is transitioning towards a more proactive approach. Discussions with the Commerce Commission around economic regulation has also already highlighted increasing expectations around renewals expenditure for any regulated entity.

There has been a corresponding rise in investment in renewals since 2021. Renewal of treatment plant assets is undertaken based on the observed performance of the assets in operation and regular inspections. For local network assets which are currently subject to a ‘run-to-failure’ philosophy, a probable failure rate is applied based on the diameter, pipe material and expected life. Current capital forecasts for Watercare renewals reflects the significant volume of asset replacement. This supports the transition from a run-to-failure approach for local network assets to a more proactive, risk-based approach to renewals prioritisation in keeping with recommendations by economic regulators.

Depreciation Vs Renewals

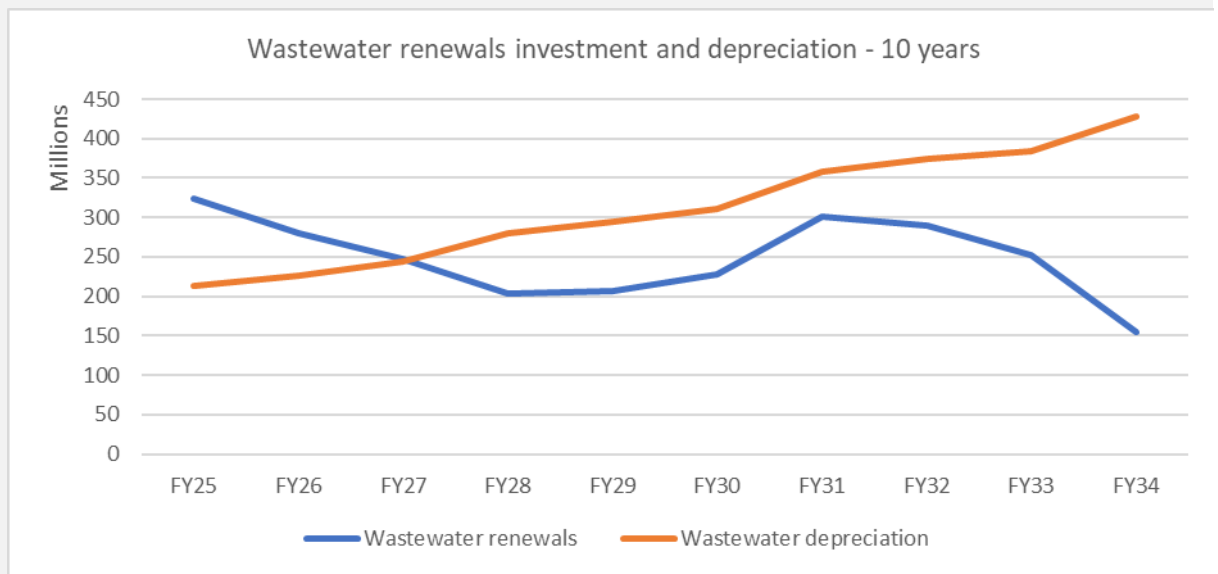


Figure 42: Wastewater (Watercare) most likely renewals investment against depreciation over the period FY2025-2034

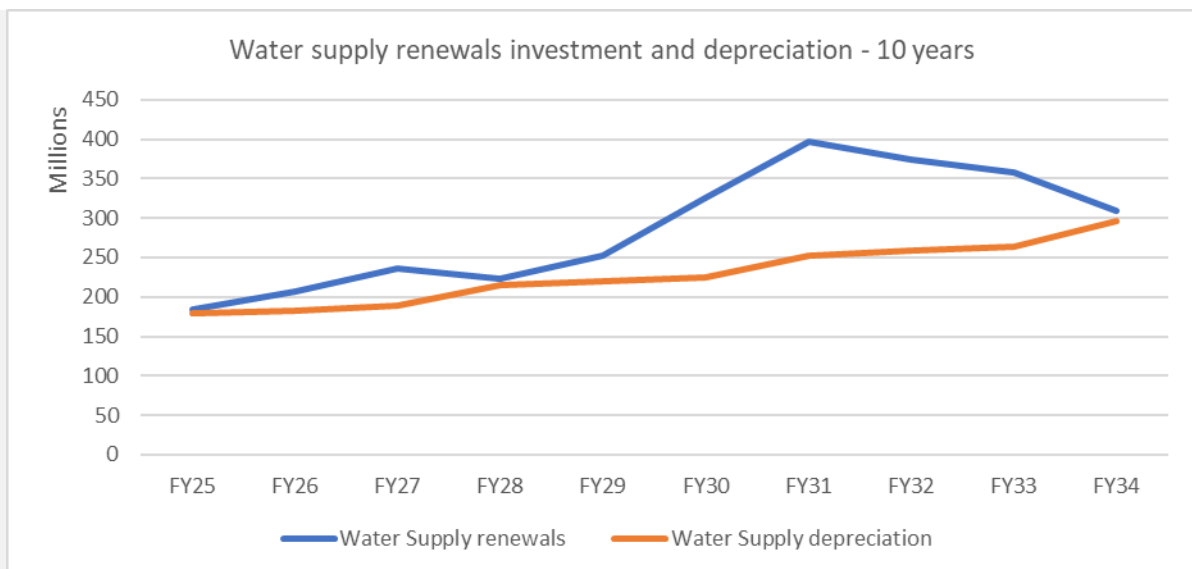


Figure 43: Water supply (Watercare) most likely renewals investment against depreciation over the period FY2025-2034

Figure 42 shows the most likely wastewater renewals investment against depreciation over the period FY2025-2034. While renewals investment is significantly lower than renewals depreciation by 2034, from 2034 major investment (growth, levels of service and renewals) is scheduled related to the Māngere wastewater treatment plant which serves almost 90% of Auckland’s population. This will see renewals investment increase above the rate of depreciation over the 30-year horizon.

Figure 43 shows the most likely water supply renewals investment against depreciation over the period FY2025-2034. The profile reflects the increased investment in network renewals including the Huia water treatment plant which is a significant renewal investment (with a growth component) programmed for FY29-31.

Storm-water

The Healthy Waters approach to lifecycle management reflects the nature of the stormwater system and is driven by the need to minimise the risk of asset and system failure. The primary stormwater network is young (65% is less than 30 years old). Due to the intermittent regime of work (dependant on the intensity and duration of the rainfall) the performance of the stormwater systems is not indicative of their overall state; typically it can perform even when assets are in poor condition.

Therefore, the focus is on the proactive renewal of critical assets – network assets, water quality and detention facilities, large dams, etc. Pipes of vulnerable materials are also proactively replaced. Non-critical assets; approximately 80% the network; are reactively maintained and renewed, and this is supported by condition monitoring. There is significant probability that ground movement resulting from the Anniversary Floods and Cyclone Gabrielle has affected the integrity of underground pipes, and the scope of the predictive pipe condition monitoring programme is planned to increase to reflect this.

The stormwater renewals programme included in the long-term plan is based on a mix of identified projects and generic programmes. Renewals for years 11-30 reflect our understanding of asset deterioration and renewals trends. This programme is considered sufficient to maintain the performance of the network in relation to the Levels of Service.

The lifecycle management of the secondary stormwater systems is more complicated and is provided by multiple parties – private owners, Auckland Transport, KiwiRail and the council. The management model needs improvement in responsibilities and coordination to build future proof service at optimal cost. Healthy Waters maintains streams on council land, but stream maintenance on private land is in the hands of the property owners. The council does not have sufficient legal instruments to enforce a particular maintenance standard.

It has been recognised that some parts of our urban waterways are integral to the region’s stormwater conveyance system and play a pivotal flood protection role. The program ‘Making Space for Water’ is planned to address the most pressing issues around stream management and flood protection. This will inevitably include some renewal and rehabilitation of selected urban streams.

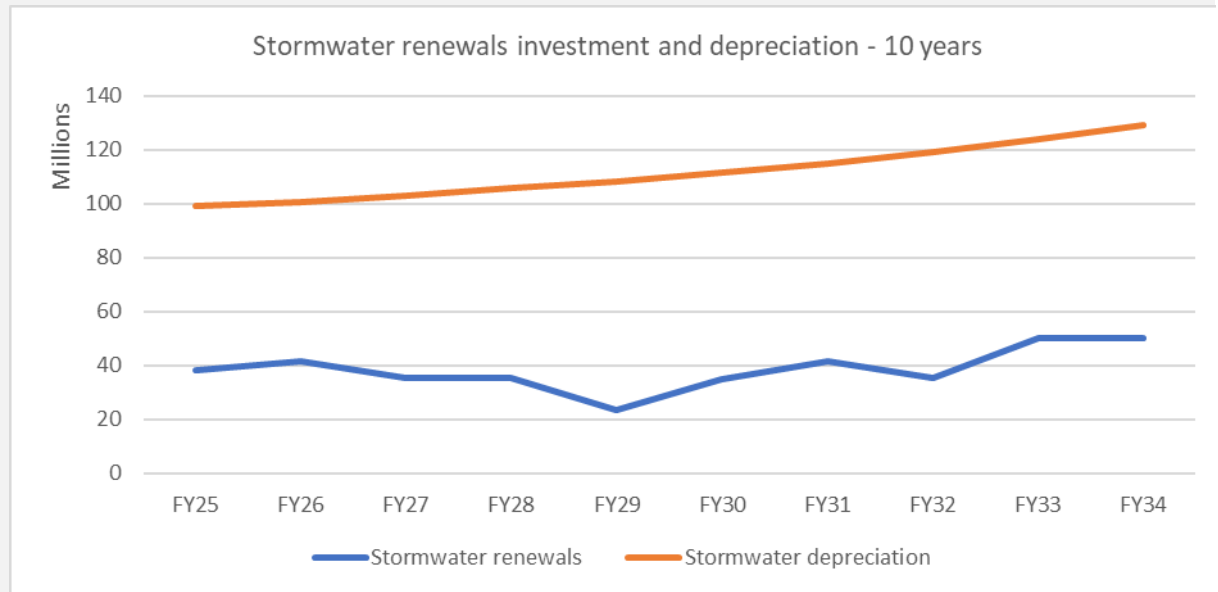


Figure 44: Stormwater renewals investment and depreciation - FY25-34

Figure 44 provides a comparison of stormwater renewals and depreciation over the next 10 years (see Section 3A for a 30-year council-group view). Both lines follow the same general upwards trend. The notable difference in quantum between depreciation and renewals is primarily due to the young age of the stormwater system; 60% of the network is less than 40 years old, so will not require renewal in the next 30 years. Additionally, the depreciation calculated has used conservative useful life assumptions for the assets.

4.3. Waste

	WASTE	<p>Waste infrastructure supports people and businesses by providing collection services (for food scraps, recycling, inorganics and rubbish) and facilities that support waste diversion opportunities, resource recovery and managed disposal. Doing better with waste is an opportunity to make the most of the resources we have, create jobs, stimulate innovative design and economic development, and protect our communities and our environment.</p>
---	-------	--

Overview of existing assets

Kerbside wheelie-bins	\$22.4m	<p>Waste Infrastructure Portfolio Assets are worth</p> <p>\$115 million*#</p> <p><small>*depreciated value, land not included</small></p>
Resource Recovery Network: includes Community Recycling Centres, and Waitākere, Waiheke Island and Aotea Island Transfer Stations	\$41.1m	
Digitisation Software for Waste Services	\$2.2m	
Onehunga Materials Recovery Facility (estimated value, excluding land value - transfers to council ownership 1 July 2024)	\$49.1m	

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

Operating context unique to this portfolio

Waste Solutions is the council team responsible for managing the Waste Portfolio including delivering council waste services and developing and implementing the strategic direction as set out in the Auckland Waste Management and Minimisation Plan 2018⁷¹. This is currently being reviewed as part of the council’s statutory requirement under the Waste Minimisation Act 2008 (the Act), with a new plan expected in 2024. Currently, the Act requires local authorities to produce a waste assessment followed by a review of their Waste Management and Minimisation Plan at least every six years. Waste management and minimisation planning legislation is mainly provided by four Acts:

- the [Waste Minimisation Act 2008](#)
- the [Litter Act 1979](#)
- the [Local Government Act 2002](#)
- the [Resource Management Act 1991](#).

The Health Act 1956 also requires local authorities to take steps to ensure that the deposit of waste does not become a nuisance or injurious to public health.

Most of the waste in Tāmaki Makaurau (approximately 80 per cent) comes from commercial activity and is managed by private sector services and facilities. Auckland Council seeks to be a leader in relation to the

⁷¹ [Auckland Waste Management and Minimisation Plan 2018](#)

20 per cent of waste the council is directly responsible for (largely generated by households) by providing resource recovery services and infrastructure and working with the private sector.

Asset data

Asset condition and criticality

Table 10 lists council’s major waste assets, details of the asset components, and the condition assessment grade. In December 2023 an indicative assessment of maturity was carried out across the council infrastructure providers (see Figure 15). This assessment indicated that Waste Solutions are within the upper end of the ‘basic’ zone. Waste Solutions does not yet have an asset condition assessment framework. This data gap is documented in Waste Solution’s risk register in its Asset Management Plan.

Though not informed by a framework, asset condition data is held by Waste Solutions in the form of Asset Assessment Reports. These underpin the condition summary in Table 10, which shows the condition of key assets to be generally in moderate or above condition. The Waste portfolio's current understanding of asset criticality is basic. Assessing asset criticality is an area of improvement identified in Waste Solution’s Asset Management Plan.

Table 10: Waste Solutions Asset Condition

Waste Asset	General description of key assets	Year of assessment	Condition assessment grade
Community Recycling Centres (CRCs) (13 CRCs currently make up Auckland’s Resource Recovery Network and these are in: Aotea, Devonport, Helensville, Warkworth/Wellsford, Manurewa, Onehunga, Tāmaki, Waiheke, Waiōrea, Waitākere, Wairau, Waiuku, Whangaparāoa).	Varies at each site and can include: buildings (offices, shop/education spaces, storage areas, pay-stations); pavements/fencing, services; storage facilities; weighbridges.	8 CRCs assessed in 2022 Other sites are not assessed as assets owned and/or operated by external parties or are new facilities.	Majority of sites have assets that are of ‘very good’ (new), or ‘good’ and ‘moderate’ condition. A couple of the sites have assets that are assessed as ‘poor’.
Waitākere Refuse and Recycling Transfer Station	Includes: buildings, storage areas, pavements/services, plant, and equipment such as weighbridges.	2017/2023	Ranging from ‘moderate’ to ‘poor’. Some ‘poor’ assets have since been removed and others will be upgraded as part of current site redevelopment.
Waiheke Community Resource Recovery Park (Transfer Station)	Includes: buildings (offices, pay-station, storage); pavements/fencing; and weighbridge.	2022	‘Moderate’ condition
Aotea Transfer Station (at Claris Landfill)	Includes: weighbridge, sheds, pay-station, container shelter, septic tank.	N/A	N/A - as recently upgraded facility
Onehunga Materials Recovery Facility (MRF)	Building (including hard surfaces); and MRF equipment (including	2022	‘Moderate’ condition

Waste Asset	General description of key assets	Year of assessment	Condition assessment grade
	recently upgraded equipment, as well as older assets such as weighbridge, sorting equipment).		
Kerbside bins	Refuse Bins - 584,000 Recycling Bins - 541,500 Food Scraps - 500,000 (approx.)	There is limited certainty on the condition of all bin assets in use. The life-expectancy, age of bins, field observations, and requests-for-service, are used to determine asset condition (and renewals requirements). Ages range from new (food scraps bins) to over 20-years-old (refuse bins in central Auckland area).	

Asset management maturity

Waste Solutions is at the beginning of its asset management journey, the maturity level can be considered within the upper end of the ‘basic’ zone (see Figure 15). Waste Solution’s Asset Management Plan was developed in 2020 to recognise the increasing profile and relevance of the council’s waste and resource recovery infrastructure and assets within Tāmaki Makaurau, especially relating to climate change resilience and as a driver for in support of systems change towards a circular economy.

Data confidence

Asset management improvements, particularly those that relate to interactions with other asset groups are planned to be improved at a council-wide level scale to leverage efficiency. Work is underway within the Waste portfolio to improve asset condition and performance information to assist with investment planning. An example of this is the Waste Digitisation project which delivers improved system data to manage waste bin assets. Another example is better defining the roles and responsibilities relating to managing and investing in council-owned waste and resource recovery infrastructure, given Waste Solutions and other council departments and external parties are involved with ongoing waste asset management.

Data quality on waste/resource recovery assets is sufficiently robust to support investment planning in the early years of the long-term plan, however further information and data confidence is required to support long-term investment planning. Improving data confidence will help to address uncertainties relating to the development of CRC assets, the provision of kerbside bin assets to accommodate regional growth, and future upgrade requirements for waste/resource recovery assets such as the Waitākere Transfer Station, or the Materials Recovery Facility. Assumptions and approaches that underpin the most likely scenario for investment are outlined further below.

Most likely scenario for investment

The most-likely scenario presented in this section reflects the investment plan set out in the long-term plan.

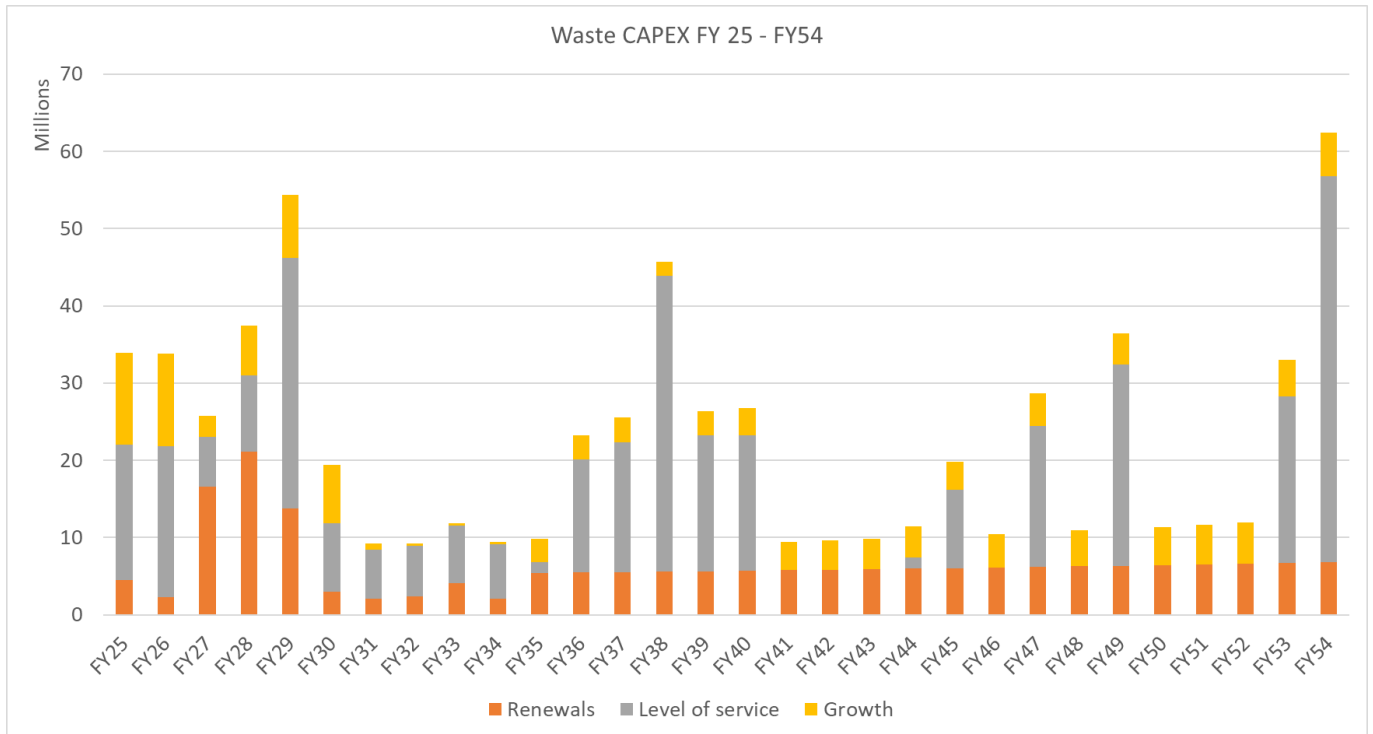


Figure 45: Waste Solutions - most likely CAPEX investment scenario FY25-FY54

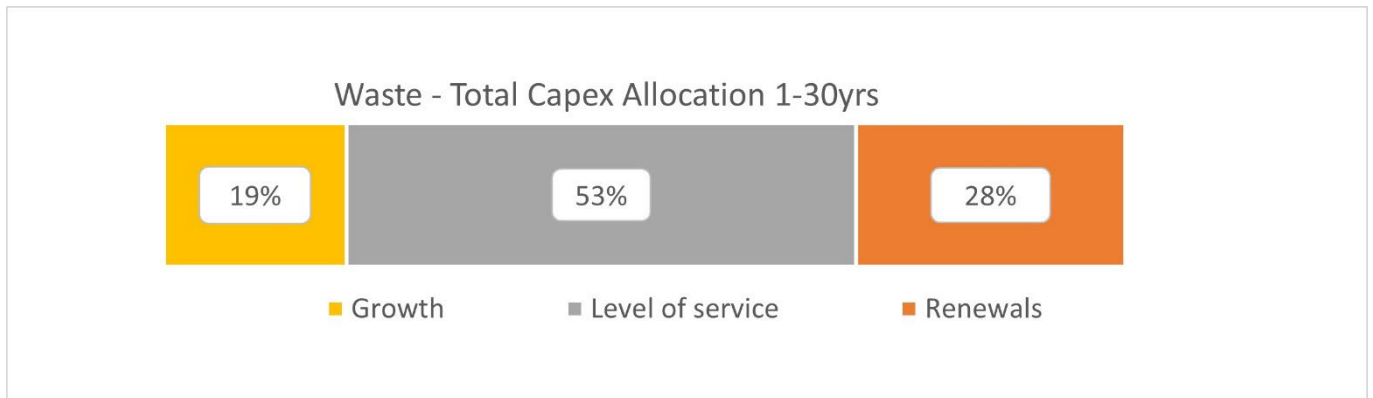


Figure 46: Waste solutions - Total Capex Allocation 1-30 years (FY25-FY54)

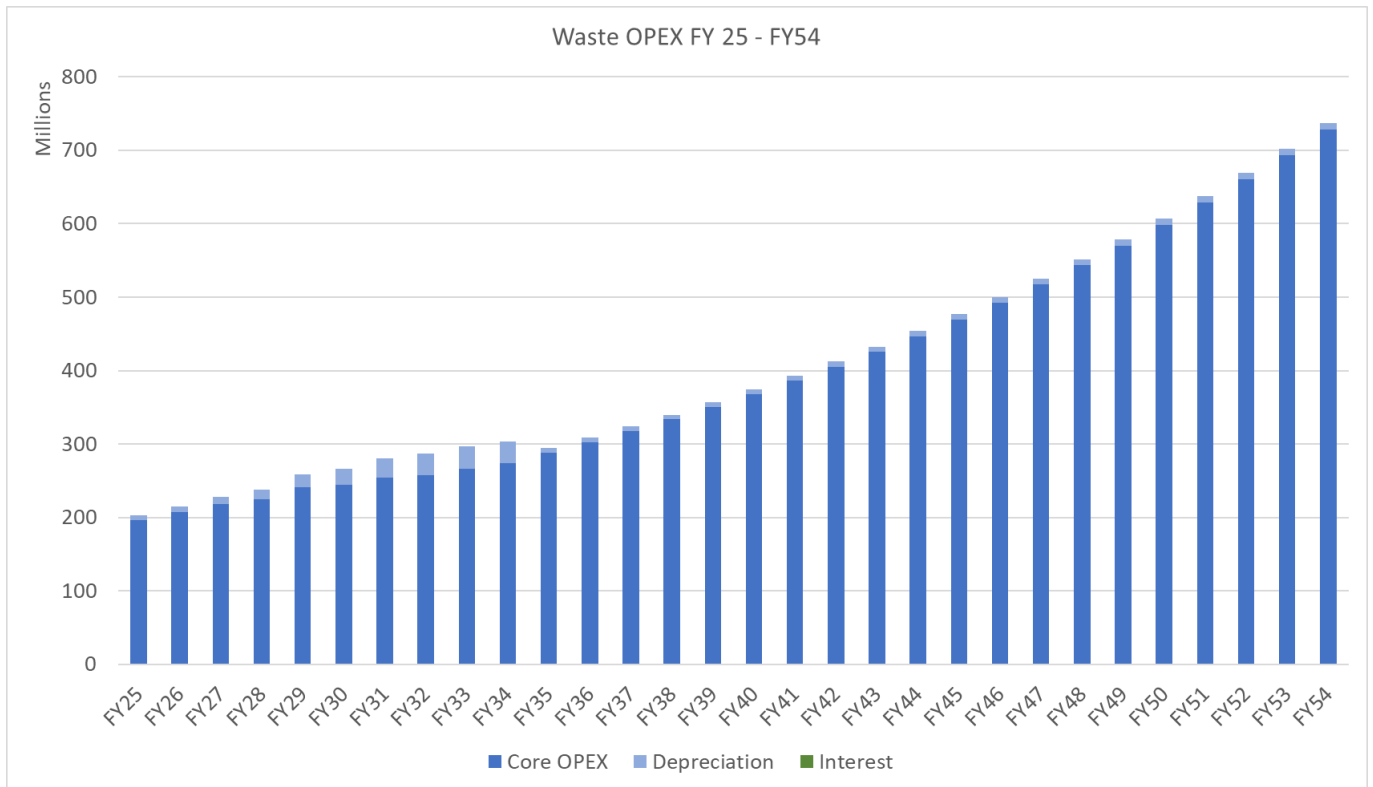


Figure 47: Waste Solutions - most likely OPEX investment scenario FY25-FY54

The most-likely investment is presented Figure 45 and Figure 47

- Operating expenditure is the bulk of investment from years 1-30 for Waste Solutions. This reflects the significant waste collection and Resource Recovery Network services and infrastructure that are primarily funded by the council through targeted rates and Waste Disposal Levy funding. These services also use other privately owned resource recovery and landfill facilities and assets.
- Operating Expenditure is expected to increase to approximately three times the existing operating expense over the next 30 years at a steady rate in anticipation of increasing population and housing across the region, alongside other factors (such as increased cost of waste disposal, and the region’s growing resource recovery network).
- There are some additional demands in key years (FY25-FY34) because of the need to replace end-of-life wheelie bins or provide new wheelie bins in areas where council user-pays refuse collection services are currently provided or in new growth areas, as well as providing for the expansion of the Resource Recovery Network and renewals of Materials Recovery Facility assets. End-of-life bin replacements and renewals of waste assets are also key demands in later years (FY35-54). Phasing work has not yet been done for end-of-life kerbside bin replacements. This would typically be spread over a five-year period.

Key projects and programmes within the most-likely investment scenario are listed in Table 11

Table 11: Waste Solutions major projects and programmes

Major projects/programmes (Years 1-10)		Major projects/programmes (Years 11-30)	
Waste	\$millions	Waste	
New community recycling centre developments at eight locations	52.0	Improvements to Resource Recovery Network We expect to develop satellite sites around the network, that will be funded commercially or with other support.	
Upgrade Waitākere Refuse and Recycling Transfer Station	17.4	Improvements to Waitākere Resource Recovery Park	
Improvements at Onehunga Materials Recovery Facility	45.6	Upgrade of Materials Recovery Facility	
Replacement of end-of-life refuse/recycling bins in specific areas	37.0	Replacements for end-of-life kerbside bins (recycling, food scraps, refuse)	
Renewals/replacements of kerbside bins and to provide for growth	63.8	New kerbside bins to provide for growth	
New refuse bins for rates-based kerbside service	8.3	Renewals of kerbside bins	
Renewals at Community Recycling Centres	10.3	Renewals at Community Recycling Centres	
Renewals at Waitākere and Aotea Island Transfer Stations	9.3	Renewals at Transfer Stations	

Assumptions and approaches that underpin the most-likely scenario for investment

The following assumptions and approaches supported the development of the Waste investment plans set out above. These assumptions include any changes in Levels of Service, growth projections (and the subsequent impacts on demand for services), the council’s Waste Management and Minimisation Plan and its current review, and the management of the asset lifecycle through Waste’s approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in long-term plan Volume 2, Section 2 Our Activities. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

The long-term assumptions in relation to levels of service for Waste Solutions are signalled in Table 12. There are a number of measures that contribute to the levels of service. The proposed investment in the next 10 years aims to meet the targets set against these levels of service. For years 11-30 Waste Solutions assumes that they will improve or maintain measures relating to the reduction of waste to landfill and provision of services.

Investment in the resource recovery network, the Materials Recovery Facility and food scraps programme is anticipated to support greater customer usage and improve waste diversion from landfill. The national Waste Disposal Levy and other regulatory interventions tackling commercial waste will also provide opportunities for greater reduction in total waste to landfill (beyond 698 kg per capita). Long-term trends and the anticipated waste reductions are currently highly uncertain. There are several factors outside of the council’s control, such as waste sector investment, population and economic growth, and financial, political and societal changes. Uncertainties in long-term waste targets have implications for achievement of the zero waste 2040 aspirational goal and the cost to Tāmaki Makaurau to manage its waste.

Table 12: Waste Solutions levels of service statements and performance measures

Long-term plan measures	Targets FY2027 - FY2034	Assumed trend to 2054
* see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures.		
Levels of service: Manage the collection and processing of household waste and minimise waste to landfill		
The quantity of domestic kerbside refuse per capita per annum (kg per capita)	120kg	Maintain
The total waste to landfill per year (kg per capita)	698	Improve
Number of customer interactions per annum at Resource Recovery Facilities	300,000	Improve
Food scraps diverted from landfill (tonnes per annum)	50,000 (tonnes per annum)	Improve
The total number of Resource Recovery Facilities	17	Maintain

The percentage of customers satisfied with overall waste collection services.

75%

Maintain

Growth

Waste planning follows the council group assumptions for assuming population demand (as set out earlier in this section). Waste Solutions must also align with central government policy and commitments. The Auckland Waste Management and Minimisation Plan is a key strategic tool which sets out infrastructure requirements and system responses. The 2021 Revised Resource Recovery Network Strategy also includes consideration of growth projections and growth areas.

Management of asset lifecycle through approach to renewals

The Waste Solutions asset base includes kerbside bins, facilities and other components with a range of expected asset lives, such as 15-20 years for kerbside bins and an anticipated 25-year renewal period for new buildings. Assumptions around asset life contribute to the planning for renewals of the bin assets which are managed using a combination of ‘run-to-failure’ and replacement based on the expected life of the asset.

Maintenance and renewals of large waste facilities such as the Resource Recovery Network and the Materials Recovery Facility are being planned more proactively using the expected life of the assets and condition assessments. Long-term planning for future renewals needs will be better supported by improving condition and asset life data, as well as through central government involvement in regional planning of waste infrastructure as indicated the 2023 NZ Waste Strategy.

4.4. Community

	<h1>COMMUNITY</h1>	<p>Community infrastructure supports the essential services in helping people to participate in society, promote health and wellbeing and create a sense of belonging.</p>
---	--------------------	--

Overview of existing assets

Open Space (Land)	\$10,806m	<p>Community Infrastructure Portfolio Assets Capitalised Value</p> <p>\$14.7 billion</p> <p><small>*depreciated value of assets, also includes land (open space)</small></p>
Community Facilities	\$1,819m	
Open Space Assets	\$1,553m	
Collections	\$216m	
Digital Assets & ICT	\$202m	
Mobile Delivery Assets	\$0.6m	

Community assets contribute to the liveability of the urban environment and enable the delivery of regional and local customer-facing community services including:

- active recreation
- passive recreation
- accommodation
- arts and culture and events
- cemetery services
- community development
- libraries and information services and community centres
- litter and sanitation utilities
- complementary services (such as cafes that raise revenue to offset costs)

Some assets, notably open spaces, also perform non-customer facing functions such as stormwater management and protection of biodiversity.

Operating context unique to this portfolio

The council owns and operates a large and complex portfolio of community assets. The council funds both initial capital investment, renewal costs and ongoing operational costs to maintain the portfolio (including staff where investment relates to direct service delivery). The community portfolio also includes coastal assets where associated with open spaces and other community facilities. Given the attributes and specific management implications for each asset category within coastal open space assets, open space and community assets a specific strategic asset management approach for each category is outlined in this section.

As the portfolio of assets has grown over time to deliver services for Auckland's growing and more geographically distributed population, so too has the level of investment needed to support the portfolio. At the same time, many assets are ageing and require increasing investment to keep them in a satisfactory condition.

Affordability challenges are now being faced in meeting the level of investment required to keep pace with rapid population growth and current policy settings. These affordability challenges have been compounded by impacts on the resilience of the asset network to the recovery from weather events, mitigate and adapt to climate change, and address inequity. Meanwhile, council operates in an environment of constrained investment capacity due to a fall in revenue, existing spend commitments, increased interest rates and supply chain costs.

This calls for a transition away from the traditional way of delivering community services towards a more affordable, sustainable, and resilient investment practice focused on looking after priority assets, overall reduction of the existing portfolio, and making use of alternative service delivery models such as partnerships, grants and digital channels.

Making changes to the portfolio is complex because decision making is made at both a local and regional level. Increased decision making alongside a move to a new fairer funding model for local boards will mean there is a shift to more local asset management responsibility and planning tailored to local boards, and different community requirements. Further detail on the changes proposed can be found in the long-term plan Volume 2, section 3.4 Local Board Funding Policy.

Asset data

Asset condition and criticality

The following graphs show the condition of the Community portfolio, this is presented by major asset classes and the criticality of asset components.

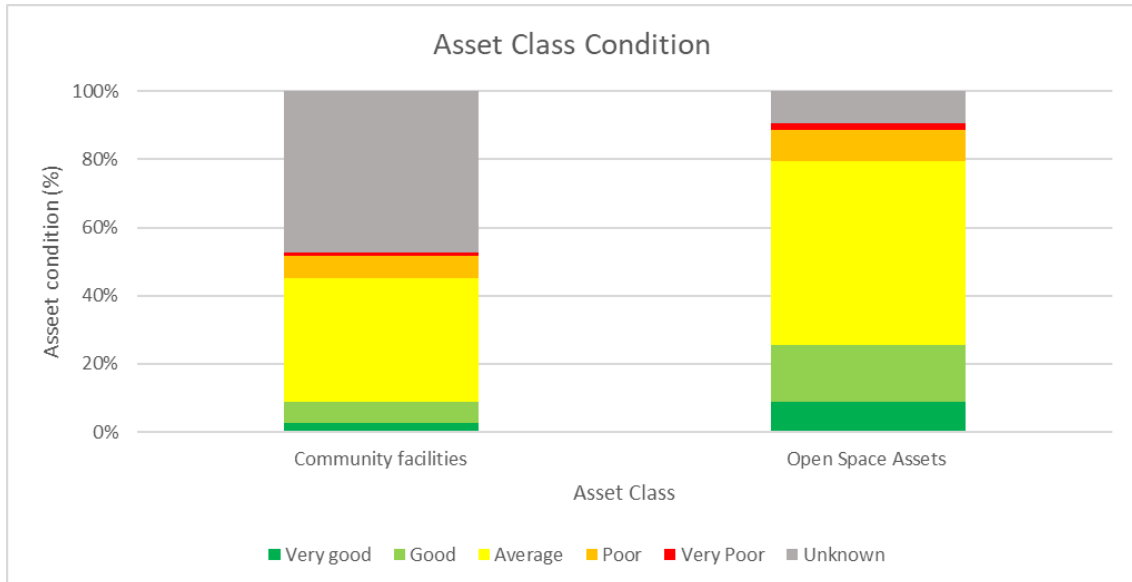


Figure 48: Asset condition profile for key asset classes

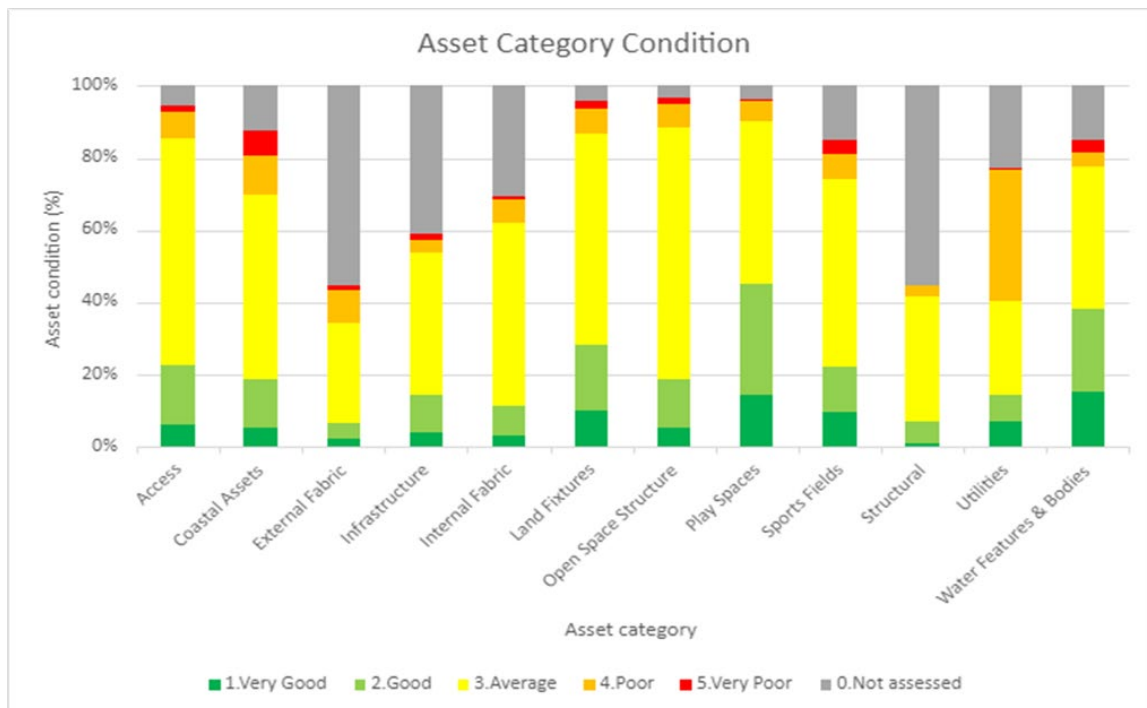


Figure 49: Asset condition profile for key asset categories

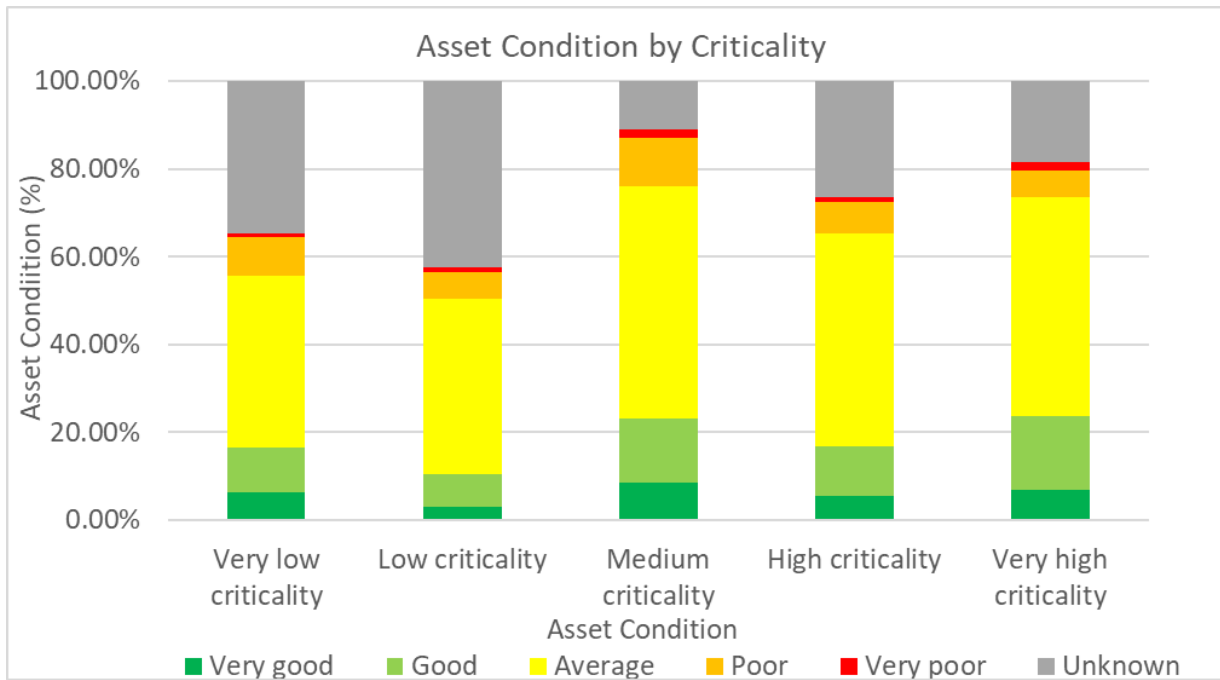


Figure 50: Asset condition profile by criticality

The charts above present the known condition data and acknowledges that there are parts of the community portfolio where asset condition is unknown. As shown in Figure 49, this is a particular issue for community facilities, which includes the structure and fabric of buildings where condition assessment would often require invasive techniques, or where access is difficult. The condition of assets with unknown condition is managed based on the criticality of the asset components: where low criticality components can be ‘run-to-failure’, and asset age is used as a proxy to manage the renewals of critical components.

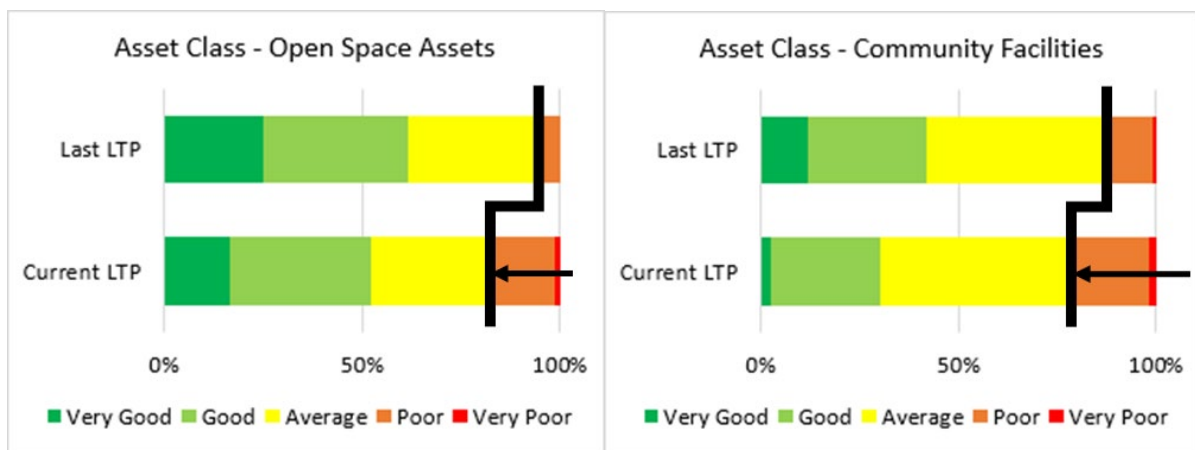


Figure 51: Overall change in condition for open space and community facility assets

At current funding levels it is not sustainable to maintain the extensive community portfolio and the share of condition 4 and 5 assets has increased over past three years. The renewals gap is growing exponentially. Should there be no change, deterioration of the portfolio (as shown in Figure 51) will continue at an accelerated pace and will likely lead to a need to reduce service levels over time. In response to this, the community portfolio has a planned transition model. Over time ageing council-owned community assets that aren't fit-for-purpose will either be decommissioned and / or divested and critical asset renewal prioritised. This will enable asset maintenance to be financially sustainable over the long term to maintain the condition of community assets.

Asset management maturity and data confidence

The community portfolio is committed to ongoing improvement of its asset management approach. In December 2023 an indicative assessment of maturity was carried out across the council infrastructure providers (see Figure 15). This assessment indicated that the community portfolio is at the lower end of a ‘core’ zone.

A further detailed assessment was completed for the 2024 Community Strategic Service and Asset Management Plan (SAMP). This assessment involved benchmarking current asset management maturity for each asset category against the International Infrastructure Management Manual (IIMM) and then setting maturity targets for these asset categories. The assessment on Open Space Assets and Facilities (95 per cent of the community portfolio’s built asset value) confirmed current maturity is high- basic.

The maturity profiles will be used for determining future asset management improvements and for Open Space Assets and Facilities. Improvements are underpinned by the development of robust data quality audits. Generally, across the portfolio the data quality is higher for critical assets (e.g. pool plant, roof cladding, lifts, building management systems). Generally, across the portfolio the data quality is higher for critical assets (e.g. pool plant, roof cladding, lifts, building management systems).

Overall confidence in data quality is good at the facility level and there is high level of confidence in investment planning through the long-term plan. As outlined in the ‘asset condition and criticality’ section, there is unknown asset data at a component and asset equipment level. Uncertainty in data to inform investment planning is managed through additional considerations in the data model. This includes factoring in age of components, more frequent assessments of higher criticality assets and pricing assumptions that are reflective of the asset criticality. Assumptions and approaches that underpin the most likely scenario for investment are outlined further below.

Most likely scenario for investment

The most-likely scenario presented in this section reflects the investment plan set out in the Long-term Plan 2024-2034.

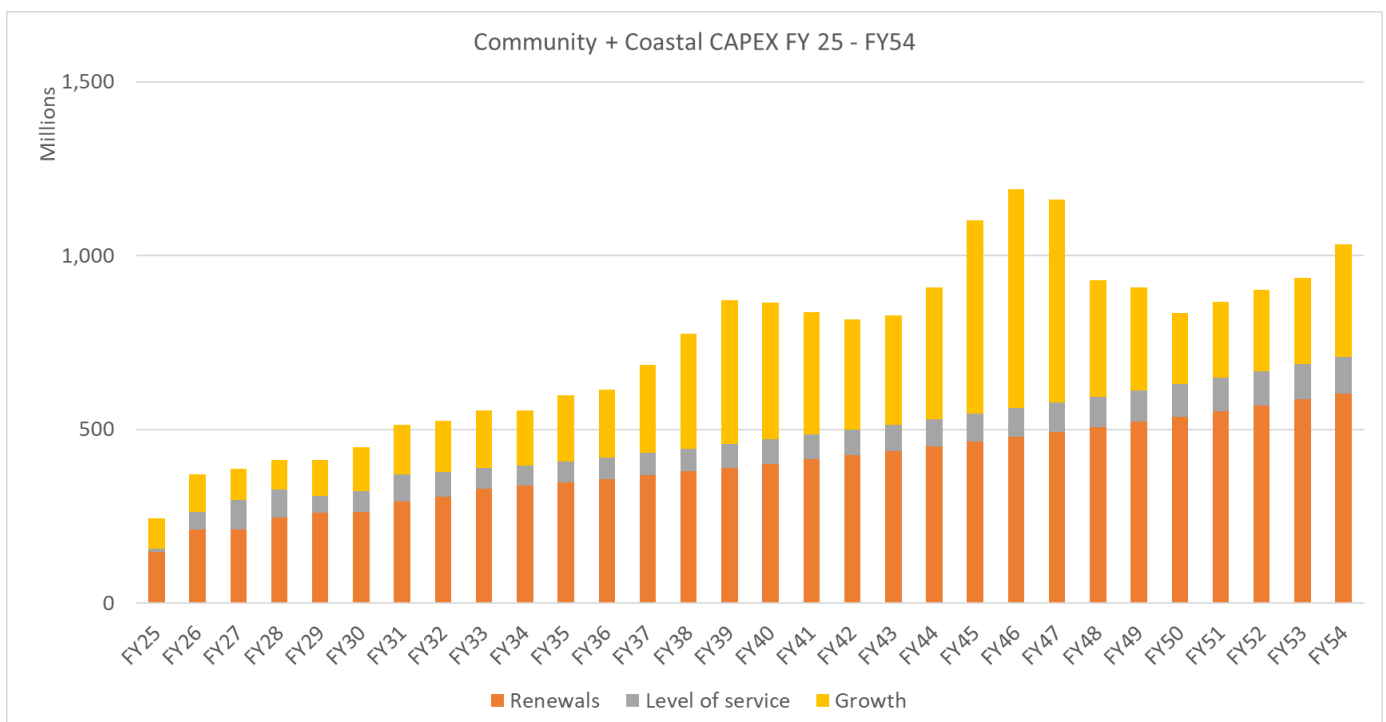


Figure 52: Community Portfolio (including coastal) - most likely CAPEX investment scenario FY25-FY54

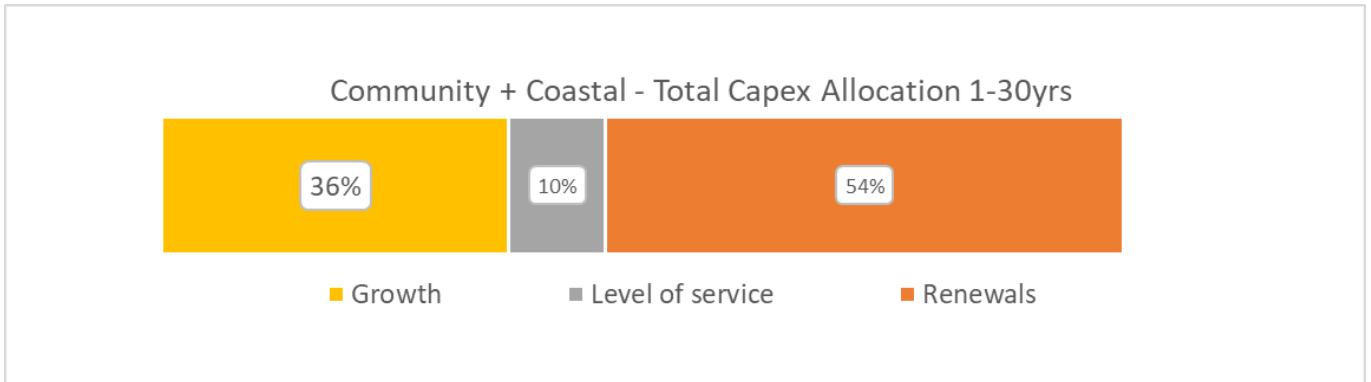


Figure 53: Community Portfolio (including Coastal) - Total CAPEX Allocation 1-30yrs (FY25-FY54)

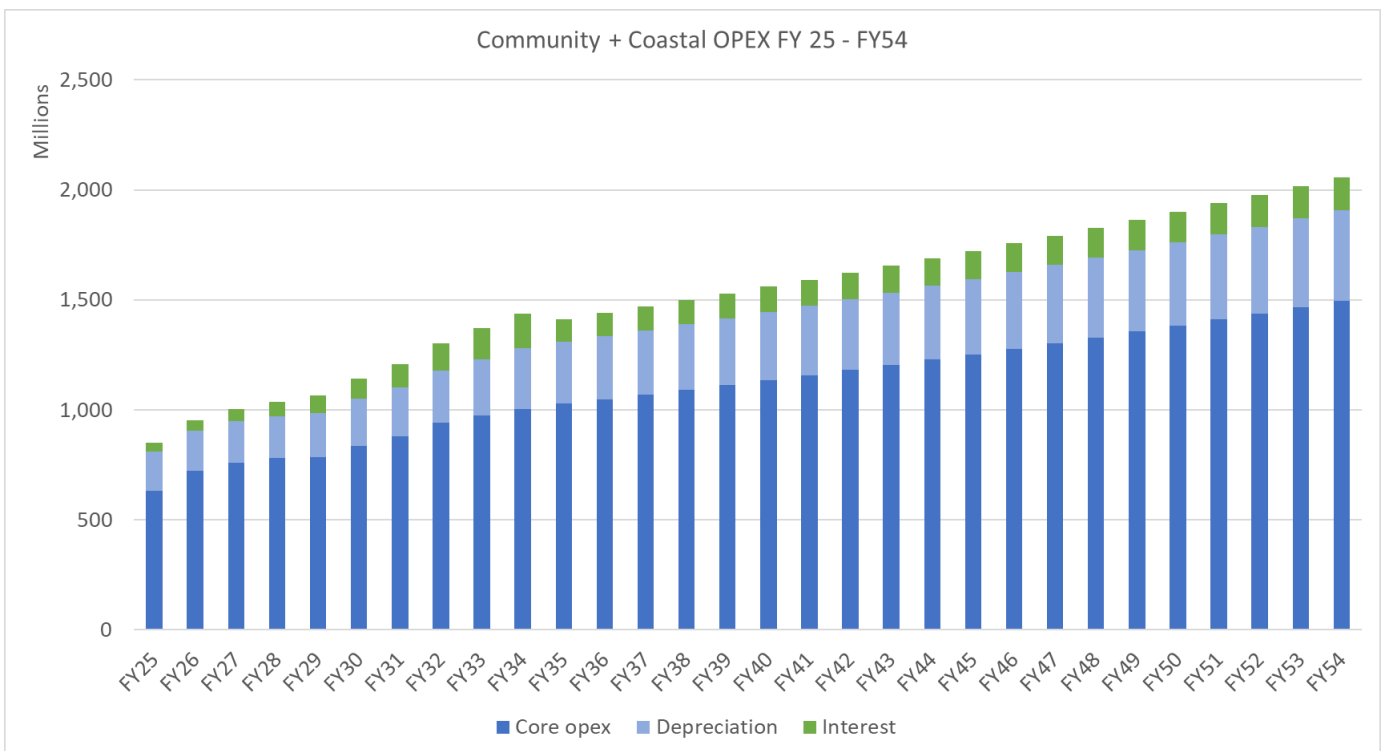


Figure 54: Community Portfolio (including coastal) - most likely OPEX investment scenario FY25-FY54

The most-likely scenario shown in Figure 52 and Figure 54 is based on community and coastal investment scenarios, approximately the total capital investment is \$4.4 billion and core operational investment is \$8.3 billion for financial year 2024/2025 to 2033/2034. The following commentary relates to the community portfolio, see ‘Spotlight on Coastal Assets’ for further detail on coastal assets.

In the first 10 years the scenario funds the renewal of all existing critical category 5 and critical category 4 assets and some existing non-critical category 5 assets. The scenario funds some growth in the first 10 years, but below the currently modelled land acquisition budget against the Open Space Provision Policy 2016 guidelines and ability to provide for growth-related development on open space. As the amount of funding under this scenario is less than is needed (as indicated in the current Open Space Provision Policy), alignment with the programme schedules in the Development Contributions Policy is required.

The first 4 years of the budget includes both capital and operational investment to achieve equity of funding for local boards, otherwise know as Fairer Funding. Fairer Funding investment includes \$231 million

of capex that is currently allocated to the renewals budgets. However, local board decisions on how this is allocated will be made through the coming annual budget cycle between renewals, level of service and growth. From financial year 2026/2027 Local Boards will have autonomy in allocating their budgets between renewal, level of service and growth. Phased funding level changes over the financial years 2025/2026 to 2027/2028 will continue at this level for financial years 2028/2029-2023/2034 of this long-term plan. The first 10 years also includes the provision of “delivering differently” opex of \$637m to support the transition of the community portfolio to a more affordable, sustainable, and resilient investment system. Delivering the \$4.3b programme for community will require increased council and market capacity to achieve full programme spend.

The investment programme from FY25-FY34 also includes investment in the Auckland Housing Programme. This does not include the potential investment from the governments Housing Acceleration Fund (HAF). HAF funding could allow for significant acceleration of investment that would otherwise be spread over future decades. The council is working with Kāinga Ora and the government to enable further investment in the AHP areas.

The proposed investment levels in years 11-30 reflect projected requirements for renewals and the long-term requirements anticipated for growth (spikes in growth modelling are driven by expected timing for development in specific areas of the city). Levels of service and core-opex are also funded to provide for staff, repairs and maintenance, outsourced works and services and other expenditures. The most-likely scenario for opex assumes that funding to transition the community portfolio in years 1-10 will need to be continued into years 11-30. Modelling includes a per annum percentage increase to all budgets to account for inflation and alignment with current budget trends.

The most-likely scenario for investment presents implications for managing our current asset portfolio. Required changes will include a shift of service delivery to reduce reliance on fixed built assets and provide services that allow for easier change and responsiveness (opex investments have been identified to help achieve this, although it is difficult to forecast what the impact will be in terms of reducing opex investment that is currently tied to capex). The scenario assumes an overall decrease of the asset portfolio and demand management responses that make best use of the current asset network and services provided by partners, alongside, more local asset management responsibility and planning tailored to local boards, and different community requirements.

Programmes under the most likely scenario

Key programmes within the most likely investment scenario are listed in Table 13

Table 13: Community portfolio major programmes based on the most likely investment scenario

Major programmes (Years 1 – 10) *see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of capex program		Major programmes (Years 11-30)
Description	\$ millions	
Local community Services Renewals including Jubilee bridge,	\$1,601	Local renewals
Local community services Local parks/ Sports field development (growth)	\$543	Local development
Local community services -Discrete Local Projects	\$357	Regional renewals
Local community services development – specific developments and funds including Albany Library, Te Hono Community Centre, Purchas Hill, Lowtherhurst, Ponsonby Park and Te Whau Pathway	\$102	Land acquisition
Regional community services Land Acquisition - Growth & Cemeteries	\$430	
Regional community services Library - Collection, Technology, Digital & Mobile renewals and development	\$249	
Regional community services Renewals - regional parks, wintergardens, Botanic Gardens, cemeteries and crematoria, residential and commercial leases	\$233	
Regional community services Renewals - Multi-year including seismic, sustainability and climate	\$184	
Regional community services Development including regional parks, cemeteries and crematoria, and slip prevention	\$179	
Regional community services Co-Governance - Te Maunga Authority, Te Poari o Kaipatiki, Ngati Whatua Orakei	\$137	

The budget forecasts in Table 13 are based on provisional investment budgets at programme level. Several projects have been identified based on various planning exercises, but these are not included as many of these projects have not been formally considered for funding or +phasing. At the same time, a move to a less council-owned asset dependent service model means there is a level of uncertainty regarding specific future projects.

Assumptions and approaches that underpin the most likely scenario for investment

The following sections outline the assumptions that are specific to managing community assets that form the most likely scenario. These are the assumptions that have supported the development of 1-10, and 11-30-year investment planning.

These assumptions include:

- levels of service to 2054
- growth assumptions relevant to community
- the management of the asset lifecycle through our approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in long-term plan Volume 2, Section 2 Our Activities. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

The long-term assumptions in relation to levels of service for Community Portfolio are signalled in Table 14 and Table 15. The community portfolio is in a transition from reliance on a council-owned asset-based delivery model supporting direct service provision, to a model that provides more digital and partner-led services at fewer integrated service points. Most levels of service and associated performance measures continue to reflect the current state of operation. The proposed investment in the next 10 years aims to meet the targets set against these levels of service. There is significant uncertainty about these levels of service in the coming decades as the transition is rolled out and assets and services are adapted to best deliver for the community in a more financially sustainable way.

Local community services measures are based on trends from recent data and it is assumed these measures will be maintained. However, population growth, changing consumer behaviour and local demography, when combined with a transitioning service model, are likely to affect visitation over the long-term. As this transition occurs, trends will need to be closely monitored and reviewed. Over time new levels of service and performance measures may need to be introduced to better reflect service provision.

It is assumed that regional service measures will also be maintained. The current cost pressures and budget constraints are significant challenges to maintaining asset condition (including regional parks) and the impacts of climate change could further exacerbate deterioration and maintenance across some asset groups over the short and long term.

For open space and community assets rated as “Poor” or “Very Poor” in condition, the decision to divest or decommission older, or not fit-for-purpose assets, is more actively triggered. The disposal decision should improve the feasibility and financial sustainability of the portfolio and in the long-term it’s overall asset condition.

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

The Local Community Services measures represent the portion of assets in the community portfolio that are governed by local boards. The targets reported are the regional totals for financial year 2024/2025. The council’s 21 local boards review their performance measures and targets every year as part of their annual local board agreements and therefore targets beyond financial year 2067/2027 are not supplied as part of the long-term plan. See long-term plan Volume 3 for individual local board targets.

Table 14: Local council services levels of service statements and performance measures

Performance measure *see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures	Indicative Targets FY 27-FY34 *See long-term plan Volume 3 for local board specific targets. Local council services targets are subject to the decisions made through annual local board agreements for the 2026-2034 years.	Assumed trend to 2054
Level of service: Enable a range of choices to access community services and recreation opportunities		
The number of visits to Pool and Leisure Centre	8 million	Maintain
The percentage of time main Pool and Leisure Centre services are accessible to the community	95%	Maintain
The customers' Net Promoter Score for Pools and Leisure Centres	37	Maintain
The percentage of time physical library services are accessible to the community	100%	Maintain
The number of visits to library facilities	7.3 million	Maintain
The percentage of local community facility components that are not in poor or very poor condition	81.2%	Improve
Percentage of customers satisfied with the quality of library service delivery	87%	Maintain
The percentage of users who are satisfied with the overall quality of sports fields	76%	Maintain
Level of Service: Provide urban green spaces (local parks, paths and ngahere) and access to the coast		
The percentage of local open space asset components that are not in poor or very poor	93%	Improve
The percentage of local parks, facilities and spaces meeting maintenance quality standards	90%	Maintain
The percentage of users who are satisfied with the overall quality of local parks	77%	Maintain

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

The Regional Community Services measures represent the portion of the community portfolio that is governed by Auckland Council’s Governing Body.

Table 15: Regional Community Services levels of service statements and performance measures

Performance measure	Targets FY2027- FY 2034	Assumed trend to 2054
Level of service: Protect and provide access to distinctive and unique environments through regional parks		
The percentage of regional parks, facilities and spaces meeting maintenance quality standards	80%	Maintain
Level of service: Enable a range of choices to access community services and recreation opportunities		
The percentage of soil based sporting and recreational facilities available	90%	Maintain
The number of library items checked out (including renewals and e-items) (millions)	17.4M	Maintain
The percentage of regional park visitors satisfied with the overall quality of their visit	92%	Maintain

Growth

Population growth projections are consistent with council group growth modelling. Auckland has seen sustained year on year population growth with communities becoming more diverse and spatially varied. Provision guidelines for growth set out in the 2015 Community Facilities Network Plan and 2016 Parks and Open Space Provision Policy are beyond the funding that is available in years 1-10 (see most-likely scenario Figure 52). In the event the full amount of required funding for land acquisition was available, under the current development system capacity it could not be provided for within this 10-year period.

The current asset portfolio requires a significant proportion of total capital and operating budget to remain operational, a requirement that will continue to increase over time under current operating practices. This leaves very little flexibility or capacity to cater for service offerings that are a direct response to growth.

Management of asset lifecycle through approach to renewals

The extensive community asset portfolio uses an asset deterioration model to calculate the full renewals budget requirements and timing for community facilities and open space assets. Asset life assumptions vary across the portfolio and are an input to this deterioration model. The deterioration model, together with verified asset state data, is also used to help prioritise asset renewals within the budget available.

Further work is in progress to better reflect the actual life expectation and assumptions and to factor the ‘whole of life’ cost of new assets in renewals planning. ICT, mobile assets, collections and open space are not included in this rating system and therefore are subject to different renewals approaches.

The most-likely scenario for investment assumes funding the renewal of all existing critical (category 4 and 5) assets and selected non-critical category 5 assets based on assumptions and costings that apply today. The proposed investment prioritises the maintenance of critical assets against delivering new services across the region and does not reflect renewal requirements for new or vested assets.

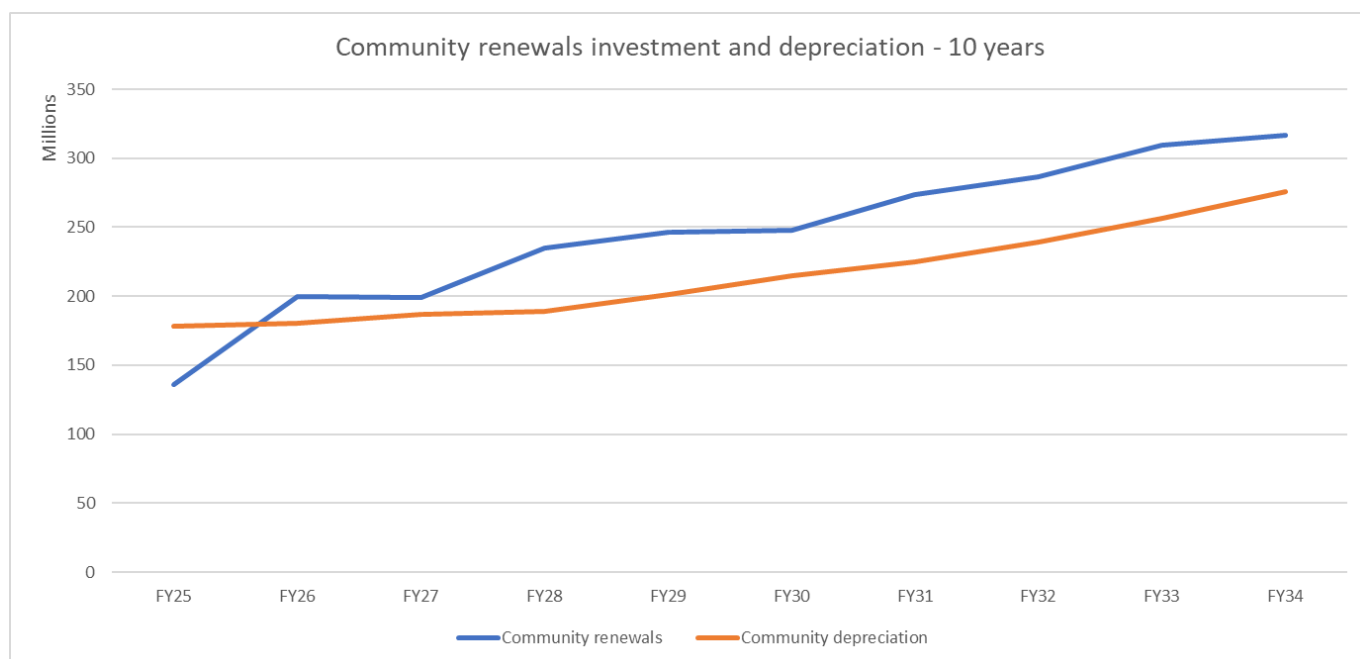


Figure 55: Community renewals investment and depreciation - 10 years

Figure 55 provides a comparison of community renewals budget and depreciation over the next 10 years (see Section 3A for a council-group view). Both lines follow the same general upwards trend. It is notable that the renewals programme for community exceeds depreciation. This reflects the current aging and asset-heavy portfolio (many current assets have already been fully depreciated). The transition to ‘deliver differently’ is not yet reflected in the renewals or depreciation projections and is likely to result in closer alignment between these lines over the medium to long term.

The compounding costs of deferred renewals, limited deliverability capacity, inflationary pressures, and increasing climate change obligations means there is significant pressure to reduce renewals requirements to make the community portfolio more affordable and sustainable. The complexity of decision-making (local boards decide on investment for their assets within network priorities set by the Governing Body) can result in decisions about change of services or divestment of assets taking a long time (often years), which can add further cost. Responding to this challenge will require aligned decision-making by local boards.

Local boards were allocated increased decision making over the provision and delivery of local community services from 1 July 2022.⁷² This enables local boards to exercise greater power in the choices of provision

⁷² This followed a 2021 decision [GB/2021/137] arising from the Governance Framework Review.

levels between different services, and the methods for this service provision. The primary vehicle for considering and agreeing service changes is through the Local Board Plan process.

A new Fairer Funding model for local boards was agreed through the Long-term Plan 2024-2034 which serves to address historic inequities in funding levels between local boards. It shifts from funding allocation based on the level of asset-based services within each board to funding on a split between population, deprivation and land mass. A transition to funding within 1% of equity across all boards will be achieved within 4 years for both operating and capital investment.

Local boards will no longer be allocated renewal funding and Locally Driven Initiative (LDI) funding. Instead they will receive bulk funding and have autonomy over the degree to which they fund renewals or other capital investment in their board area.

Local boards will be required to manage their assets and services within the funding envelopes they are allocated, and their decision-making will be supported by advice on optimal asset management practice. There are risks that the choices local boards make in prioritising investment may not favour overall asset network sustainability. Decision-making will be dependent on the quality of information and accompanying advice necessary to consider trade-offs between community use, the ongoing availability of safe, accessible and operable assets. There will also be a requirement for advice to include options on different procurement choices, service delivery models, and best investment value. Community portfolio improvements to address this include the development of advice at a local portfolio level (rather than a focus on individual assets).

Spotlight on Community Coastal Assets

Tāmaki Makaurau is a coastal region, with a large number of coastal assets. The community portfolio includes coastal assets which are associated with open spaces and other community facilities. The asset base includes over 500 sea walls, 400 boat ramps, 264 revetments and 186 wharves. These assets are a particular focus for management within the community infrastructure portfolio due to the specific needs of coastal assets, and the associated risks to safety, property and other infrastructure which are exacerbated by climate change.

The most-likely scenario for investment in our coastal assets is included in the community portfolio investment presented in Figure 52 and Figure 54. Investment in our coastal assets is heavily weighted towards the renewal of these assets.

Asset Condition

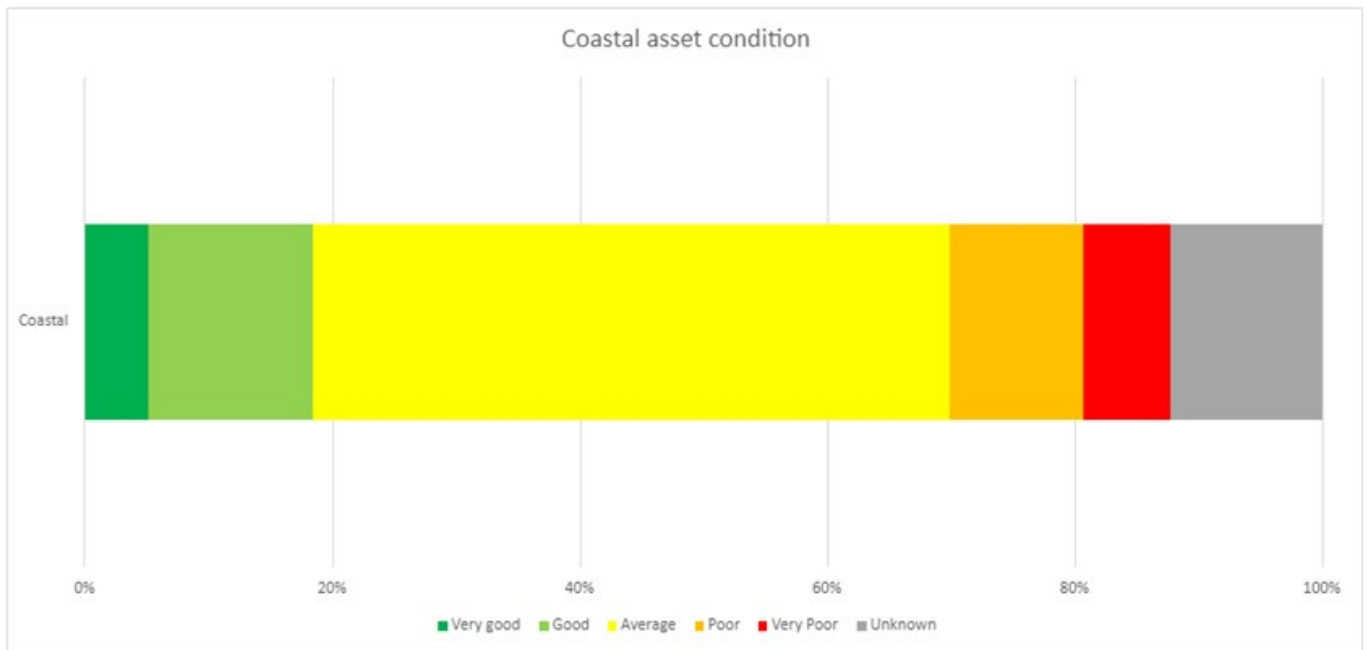


Figure 56: Condition profile of community coastal assets

The condition profile of community coastal assets is shown in Figure 56. This condition profile helps to identify and prioritise assets that require urgent renewals. However, current asset data does not provide sufficient information for a detailed understanding of the condition, and results in 62 per cent of assets identified as being in ‘average condition’ which makes prioritisation difficult.

Condition data identifies wharves and piers as necessary areas for renewals and maintenance focus, with up to 45 per cent of them known to be in poor condition or worse. There is an improvement plan for the coastal asset program, key focus areas include data quality improvements such as detailed asset classification, improved methodology for condition assessments, and supporting report streamlining. These improvements will provide a more accurate representation of criticality and enable a data confidence rating to be added during the condition assessment.

Approach to renewals

For coastal assets, renewals is the primary component of the proposed capex programme. We anticipate that a significant increase in funding is needed for future renewals, particularly as the effects of climate change start to reduce the ‘useful life’ of coastal assets. At present, deterioration models do not fully quantify these impacts and further analysis is underway to better calculate risk. In addition to this, capital investment is required for managed retreat and environmental protection. See section 5 of the Strategy for further detail on the decisions required to establish a response to this issue.

4.5. Cultural and economic infrastructure

	CULTURAL AND ECONOMIC	Economic and cultural experiences contribute to making Tāmaki Makaurau a desirable place to live, work, visit, invest and do business.
---	------------------------------	--

Overview of existing assets

Theatre & Performance venues	\$628m	Cultural and economic (Tātaki Auckland Unlimited) infrastructure portfolio \$1.45 billion <small>* depreciated value, land included where TAU owns the land, all other land excluded.</small>
Museum and Gallery	\$244m	
Stadiums	\$226m	
Zoo	\$202m	
Other assets* <small>*excludes loose equipment, collection, technology</small>	\$151m	

Cultural and economic assets are managed by Tātaki Auckland Unlimited (TAU) to support a co-ordinated, region-wide programme to deliver cultural, social and economic benefits for Tāmaki Makaurau.

Operating context unique to this portfolio

Tātaki Auckland Unlimited refers to the two substantive council-controlled organisations (CCOs), Tātaki Auckland Unlimited Limited and Tātaki Auckland Unlimited Trust. Both organisations are committed to enabling and facilitating economic and cultural opportunities and experiences. Tātaki Auckland Unlimited manages a portfolio of assets they inherited from the 2020 amalgamation of Regional Facilities Auckland (RFA) and Auckland Tourism, Events and Economic Development (ATEED).

The Tātaki Auckland Unlimited collective asset base includes some of the most regionally significant arts, cultural and sporting facilities in Tāmaki Makaurau. Services are provided through these facilities and through partnerships with the arts and cultural sectors.

Limited funding, an ageing asset portfolio and changing needs of Auckland’s population put pressure on the portfolio and the ability to manage these assets, while maintaining a quality customer experience. Tātaki Auckland Unlimited is taking a balanced approach to ensure that these regionally significant assets remain reliable and meet the required customer experience.

There is limited scope to adapt some of these assets in response to changing demand, especially where heritage protections are assigned. There may be opportunities to enable asset recycling in some areas, which will require further investigation, additionally Tātaki Auckland Unlimited is looking at the potential to consolidate its stadium network, further detail can be found in Section 5 of the Strategy.

Asset data

Asset Condition and Criticality

The following graphs show the condition of the Tātaki Auckland Unlimited’s portfolio, this is presented by major asset classes and the criticality of asset components.

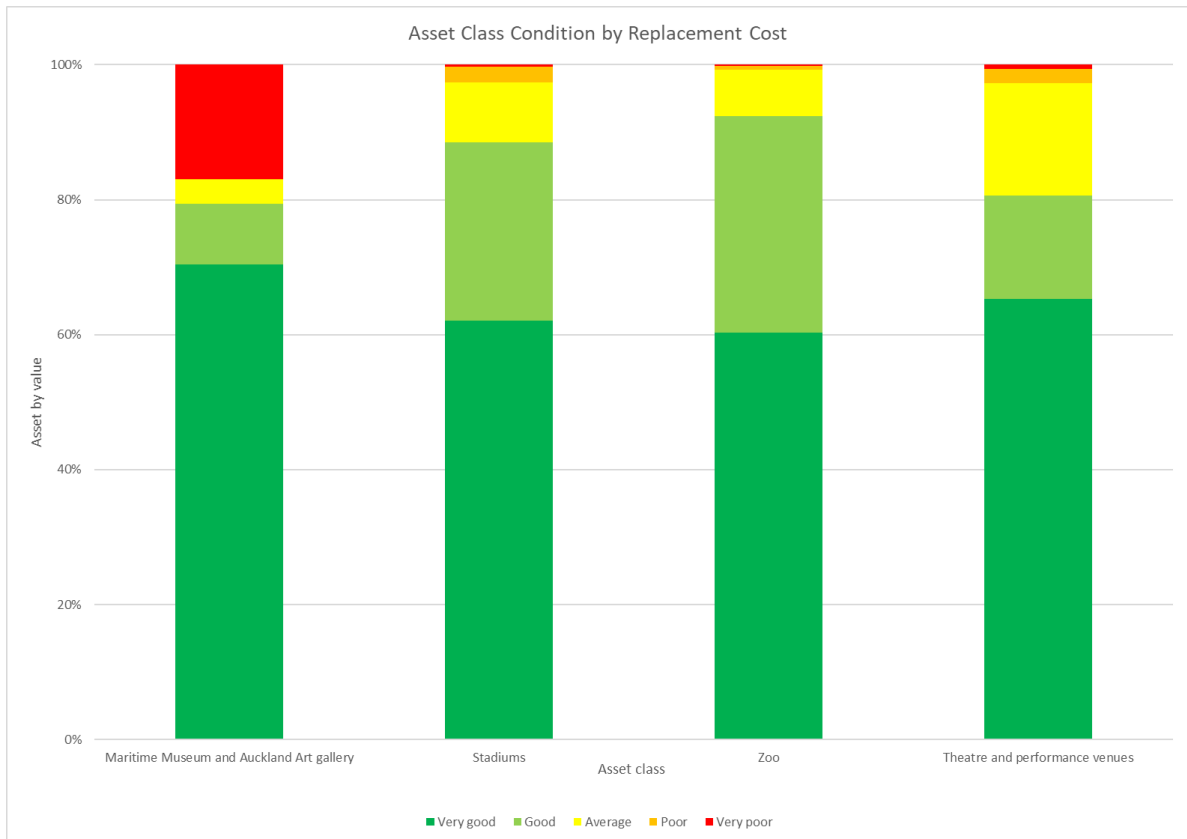


Figure 57: Tātaki Auckland Unlimited – Condition of key asset classes by replacement cost

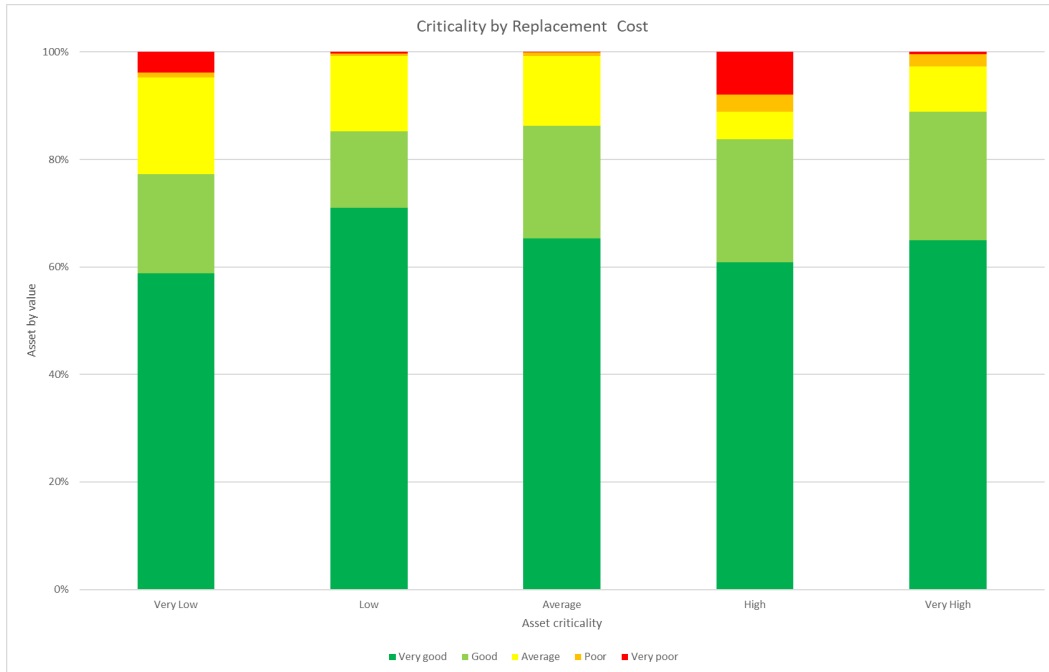


Figure 58: Tātaki Auckland Unlimited – Condition of assets presented in relation to component-level asset criticality by replacement cost

Whilst Figure 57 and Figure 58 show that the assets included in Tātaki Auckland Unlimited’s combined asset register are mostly in good condition, these do not fully represent the current state. The charts above include components currently captured in Tātaki Auckland Unlimited’s asset register and exclude key infrastructure, such as underground services, uninterruptable power supply (UPS) units and structural elements. Therefore, the combined asset register replacement cost profile currently only represents around 40 per cent of its total building valuation. Tātaki Auckland Unlimited’s asset register is likely to be expanded in the future, however this is subject to business need and resource availability.

The charts also highlight some material issues of condition, such as the Auckland Art Gallery roof which is shown in poor condition in Figure 57 and is being addressed through Tātaki Auckland Unlimited’s renewals programme. Tātaki Auckland Unlimited will continue to undertake regular asset condition assessments and is planning to improve the quality and frequency of these assessments by utilising its maintenance suppliers’ datasets.

Asset management maturity

In December 2023, an indicative assessment of maturity was carried out internally across the council infrastructure providers (see Figure 15). This assessment indicated that Tātaki Auckland Unlimited are within the mid-range of the ‘core’ zone. An independent assessment of Tātaki Auckland Unlimited’s asset management maturity has previously been completed in June 2021. A future target maturity rating of ‘core’ to ‘intermediate’ was considered appropriate and achievable for Tātaki Auckland Unlimited to achieve within the next three to five years.

Since 2021, several improvement measures have been implemented, including a review the current state of Tātaki Auckland Unlimited’s Asset Information Strategy and the development of a future state model. The journey to achieving an ‘intermediate’ rating is underway and an updated maturity assessment will take place around financial years 2024/2025 and 2025/2026 to confirm progress and refresh priorities.

Data confidence

As part of increasing the overall asset management maturity, Tātaki Auckland Unlimited aims to keep its asset register condition information up to date by various methods including, conducting regular condition assessments, and receiving regular updates on assets from its suppliers as well as improved process to update data on the completion of capital renewal projects and maintenance activities.

Tātaki Auckland Unlimited have reasonable confidence in the data quality for financial planning within the first 10 years of this plan based on maintaining the existing portfolio in its current form. This confidence is low when it relates to potential growth expenditure, especially until long term decisions have been made around the Stadium network. For years 11-30, the plan comes with a higher level of uncertainty as the financial model relies upon a moderated lifecycle cost forecast from Tātaki Auckland Unlimited’s asset register. Assumptions and approaches that underpin the most likely scenario for investment are outlined further below.

Most likely scenario for investment

The most-likely scenario presented in this section reflects the investment plan set out in this long-term plan.

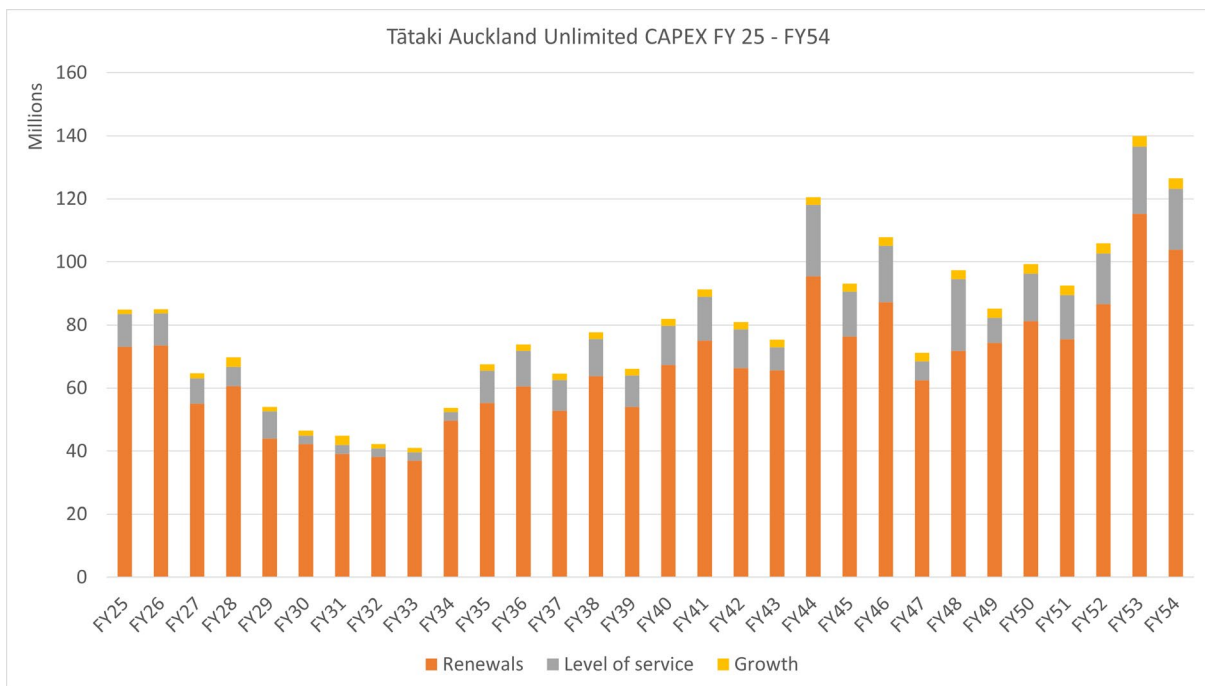


Figure 59: Tātaki Auckland Unlimited - most likely CAPEX investment FY25-FY54

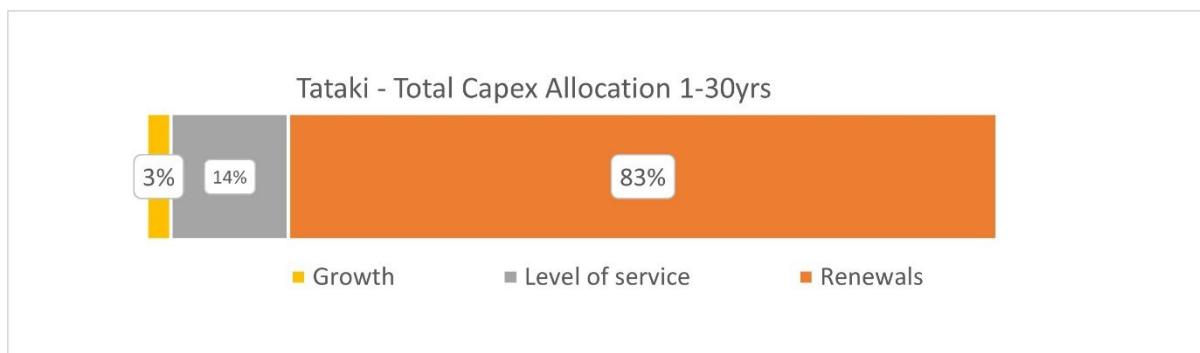


Figure 60: Tātaki Auckland Unlimited - Total CAPEX Allocation 1-30yrs (FY25-FY54)

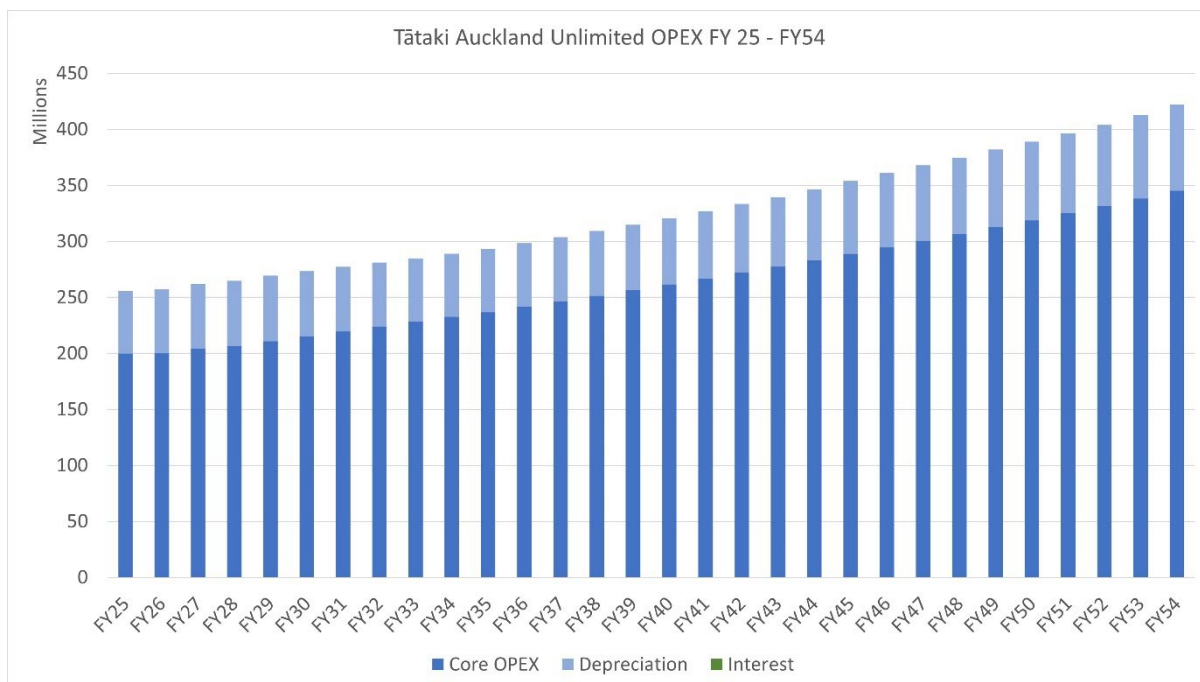


Figure 61: Tātaki Auckland Unlimited - most likely OPEX investment FY25-FY54

The most-likely investment displayed in Figure 59 and Figure 61 shows

- That the bulk of investment for cultural and economic infrastructure will be on operational expenses with the next highest investment on renewal of assets.
- The rate of increase in operational expense is expected to keep in line with the rate of inflation.
- Tātaki Auckland Unlimited’s venues are long-established regional destination facilities. Due to the nature of the facilities, growth is not a driving factor in the approach to infrastructure planning and investment.
- Levels of service are maintained at a steady rate across the 30 years with some small peaks within FY35-FY54 in conjunction with larger renewals in the same year.
- Assumes the introduction of a bed night visitor levy to fund destination, marketing and major events costs from FY26.

The profiles in Figure 59 and Figure 61 assume maintaining Tātaki Auckland Unlimited’s current asset portfolio. Changes to the portfolio due to divestment, or the addition of new venues, will result in changes to the investment levels.

Key projects and programmes within the most likely investment scenario are listed Table 16: Tātaki Auckland Unlimited major projects and programmes.

Table 16: Tātaki Auckland Unlimited major projects and programmes

Projects and Programmes (years 1-10) *see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of capex program		Major Projects/Programmes (years 11-30)
	\$ Millions	
Critical infrastructure renewals	123	Venue renewals programme
Venue renewals	186	Infrastructure resilience programme – Climate Adaptation
Auckland Zoo masterplan progression	123	Long Term Masterplan for the New Zealand Maritime Museum
Security Infrastructure renewals	40	
Digital	33	
Auckland Art Gallery Heritage Restoration Project	22	

Assumptions and approaches that underpin the most likely scenario for investment

The following assumptions and approaches support the development of the cultural and economic investment plans set out above. These assumptions include any changes in levels of service, growth projections (and the subsequent impacts on demand for services), and the management of the asset lifecycle through Tātaki Auckland Unlimited’s approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in long-term plan Volume 2, Section 2 Our Activities. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

The long-term assumptions in relation to levels of service for Tātaki Auckland Unlimited’s are signalled in Table 17. The proposed investment in the next 10 years aims to meet the targets set against these levels of service. In the long-term, the trends indicate the assumption that the attendance at Tātaki Auckland Unlimited’s programmes will continue to grow and a shift in funding to include greater funding from non-rates sources. Uncertainty around these predicted changes in service measures over the coming decades relates primarily to changing customer demands and dependency on tourism growth. The expectation to raise more revenue through other sources may also present challenges in the future, particularly as cost-of-living pressures continue to rise. The delivery of levels of service also assumes that the funding will be available at the required level. Over 30 years these factors result in a high level of uncertainty that could impact the cost, priorities and nature of assets and services provided by Tātaki Auckland Unlimited.

Table 17: Tātaki Auckland Unlimited levels of service statements and performance measures

Performance measure	Target FY 2027-FY 2034	Assumed trend to 2054
* see Long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures		
Level of service: Provide access to regional facilities		
The net promoter score for Tātaki Auckland Unlimited’s audiences and participants	45	Maintain
Ticketed attendance at Auckland Live, Auckland Zoo, Auckland Art Gallery, NZMM, and Auckland Stadiums venues and events.	2.25 million	Improve
The number of programmes, initiatives and events contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	50	Improve
The percentage of operating expenses funded through non-rates revenue	61%	Improve
Level of service: Facilitate economic development opportunities and promote Auckland as a destination		
The contribution to regional GDP from major events and business events attracted or supported	60 million	Improve

Growth

The core of Tātaki Auckland Unlimited’s asset management and service is built around several long-established regional destination facilities. Therefore, the focus of any growth assumptions used is on changing customer needs more than changing population numbers. As a result, the council group’s population assumptions are not a key input to the development of Tātaki Auckland Unlimited’s investment. Instead, the focus is on adapting to the changing customer needs and demand through offerings and experience that are tailored to the community and to visitors.

Uncertainty around changing needs is moderate and is being worked through. A comprehensive review of asset venues is planned to determine whether the portfolio requires divestment, or investment in terms of the number and type of facilities to ensure it is optimised for current and future needs.

Management of asset lifecycle through approach to renewals

The Tātaki Auckland Unlimited asset base includes buildings, equipment, and other components with a range of expected asset lives, from five to over 100 years. Assumptions around asset life, however, are not the basis of planning for asset maintenance and renewals. Tātaki Auckland Unlimited instead uses condition data as the basis for a more cost-efficient renewals and maintenance programme with greater levels of certainty.

Tātaki Auckland Unlimited’s asset condition and component-level criticality data is increasingly used to underpin renewals forecasting. Tātaki Auckland Unlimited is moving from a ‘run-to-failure’ approach to a mix of proactive (planned renewal of assets before they fail) and ‘run-to-failure’ approach for asset renewals. The assets are assessed through regular inspections specific to the asset type. Maintenance or renewal intervention points are established to ensure that the assets deliver the agreed level of service.

Tātaki Auckland Unlimited recently set ‘property importance’ and ‘minimum condition grade’ levels for its asset base and is planning to use this data as an input when prioritising asset renewal. This adjustment will impact Tātaki Auckland Unlimited’s approach to its renewal cycle as minimum condition grades are refined even further, and the asset management maturity increases.

The proposed investment in the most likely scenario represents the level of funding required to maintain the existing portfolio. This includes addressing legacy renewals backlog, completing visitor safety and security upgrades, critical ICT upgrades, improving venue resilience and completing major projects such as the Auckland Art Gallery Heritage Restoration Project.

4.6. Urban regeneration and non-service infrastructure

	<h3>Urban Regeneration and Non-Service infrastructure (Eke Panuku)</h3>	<p>Planning neighbourhoods and improving buildings to strengthen communities and the economy to make an even better place to live.</p>
---	---	--

Urban Regeneration and Non-service Infrastructure (Eke Panuku) Portfolio overview

Auckland Council's Urban Regeneration entity Eke Panuku manages the council group asset portfolios.. These asset values are formally accounted for as part of other Auckland Council portfolios including Community and Auckland Transport.

There are 935 assets in the Urban Regeneration (Eke Panuku) portfolio. They are widely diverse in both the nature and in the roles fulfilled by the underlying properties, and they are not acquired for investment purposes or to make a market return. Properties located in 'Priority Development Locations' are a crucial enabler of the urban regeneration function that Eke Panuku is responsible for. The main category of properties includes commercial, retail, and residential properties, some types of properties in these categories include hospitality, homes, landfills, quarries, and forestry.

Overview of existing assets - Non-service Portfolio

Future Use 180 assets held for future Council services	\$291m	Transport 316 Commercial, Residential and land assets	\$296m	Urban Regeneration (Eke Panuku) infrastructure Portfolio Manages assets that are worth \$2.6 billion
Business Interest 74 properties held for commercial returns.	\$202m			
Commercial 149 Commercial, Residential and land assets	\$140m	Marinas 3 City centre marinas - Westhaven, Viaduct, and Silo	\$168m	

Overview of existing assets - Priority Development Location Portfolio

Waterfront 74 assets managed for the ongoing	\$842m	Town Centre 144 assets held for the regeneration of specifically	\$422m
--	---------------	--	---------------

programme for the long-term development of the city centre waterfront		identified town centres		
		Regional 32 assets identified for urban redevelopment, outside of the town centres (\$236M)	\$140m	

Operating context unique to this portfolio

Eke Panuku is a Council Controlled Organisation and the regeneration agency for Auckland Council. Eke Panuku has two core functions, they are:

- to lead urban regeneration across Tāmaki Makaurau with a focus on town centres and locations agreed by the council.
- to manage the council property and assets that are not being used to provide a council service (as outlined in the table above ‘non-service portfolio overview’) this includes the management and operation of the Westhaven, Viaduct and Silo marinas.

As a regeneration agency for Auckland Council, it is critical to get the best value from non-service assets in parallel to meeting future development objectives.

Asset data

Asset condition and criticality

The following graph shows the condition of the Urban Regeneration (Eke Panuku) portfolio, this is presented by major asset class.

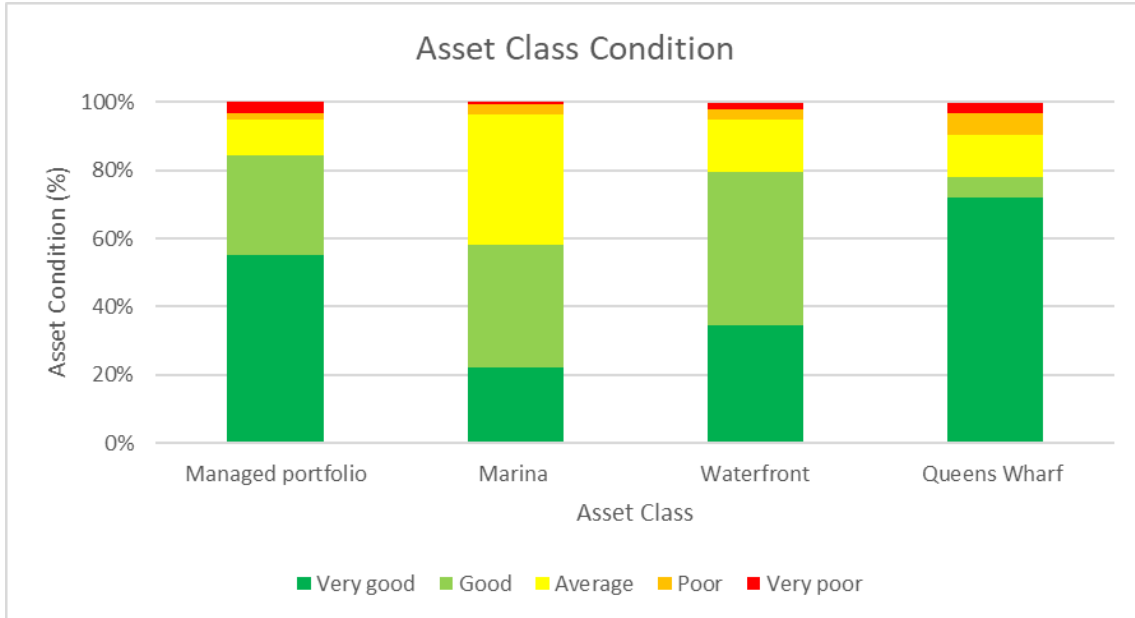


Figure 62: Asset condition for Urban Regeneration (Eke Panuku) key asset classes

Figure 62 shows that assets are mostly in good condition across the range of asset classes. The condition of assets is assessed through regular inspections specific to the asset type. Maintenance or renewals intervention points are established to ensure that the assets maintain the agreed standard level. In line with the Eke Panuku Asset Management Strategy, asset criticalities are identified against a range of criteria. Both the condition and component-level criticality data are used in planning for future investment and subsequent investments.

Asset management maturity

Eke Panuku is developing its asset management maturity. In December 2023 an indicative assessment of maturity was carried out across the council infrastructure providers (see Figure 15). This assessment indicated that Eke Panuku are within the mid-range of the ‘core’ zone. An updated Asset Management Plan is also being developed with scope for further improvements.

Asset improvement priorities are set out in the Eke Panuku Asset Management Framework and include improving data quality, continuing condition assessment and monitoring and to integrate condition data into a central database.

Data confidence

Eke Panuku uses confidence levels for base life, condition and quantity as part of developing and implementing asset investment planning. Where the data rating is low or missing, a survey is arranged to improve the confidence rating. Eke Panuku is also continuing to review and standardise the Asset Management component library and condition rating. Eke Panuku is committed to improving confidence ratings. Improved data quality will build towards the next step in investments feasibility assessments, and total value analysis which will support Eke Panuku to build the pipeline of the Asset Renewal Programme.

While overall confidence in data is good, there is uncertainty around component replacement cost, and asset hold periods. These data quality issues create some uncertainty around investment planning, this is managed through data validation and ongoing work to increase the quality of the data. Assumptions and approaches that underpin the most likely scenario for investment are outlined further below.

Most likely scenario for investment

The most-likely scenario presented in this section reflects the investment plan set out in this long-term plan.

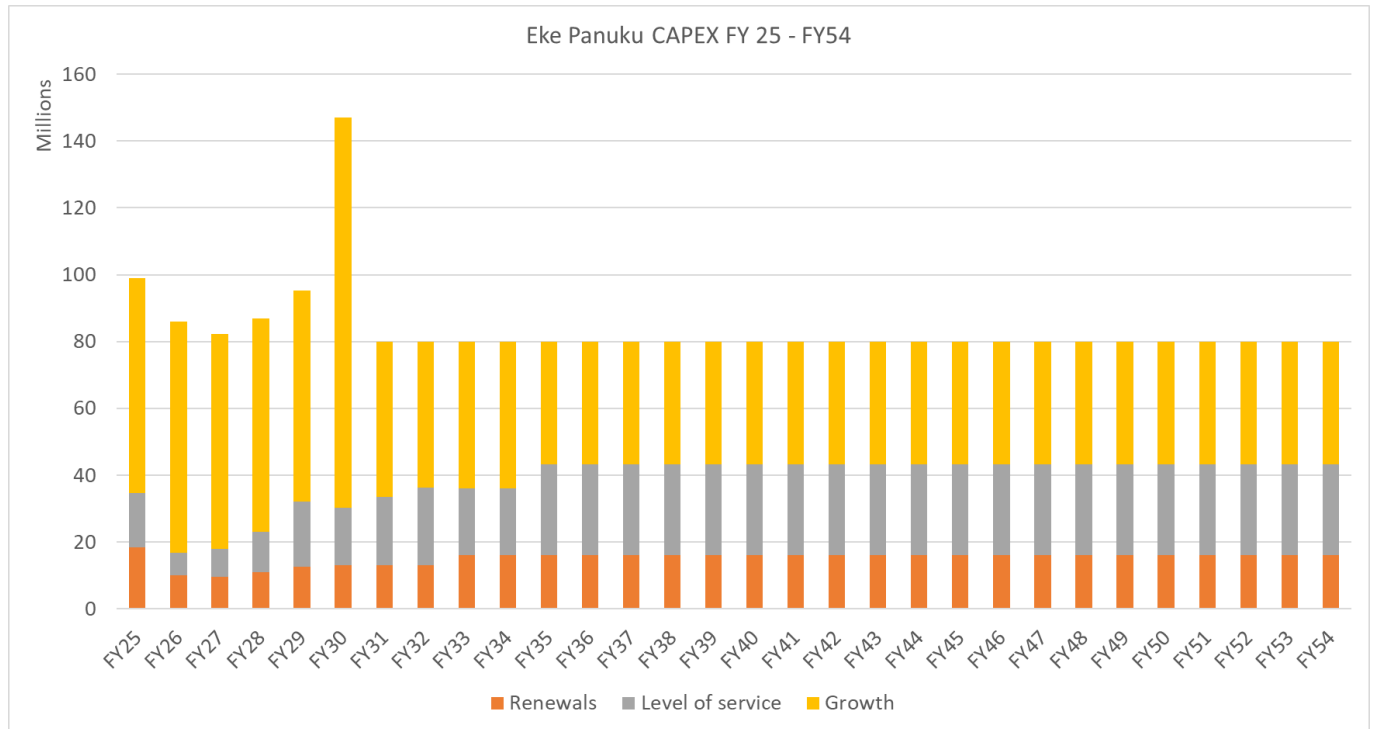


Figure 63: Urban Regeneration (Eke Panuku) - most likely investment FY25-FY54

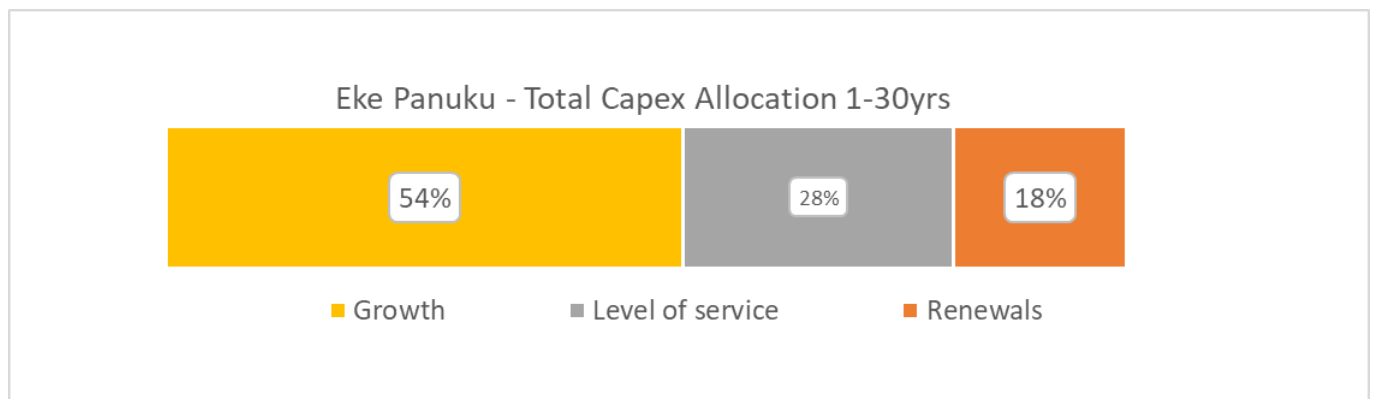


Figure 64: Urban Regeneration (Eke Panuku) - Total CAPEX Allocation 1-30yrs (FY25-FY54)

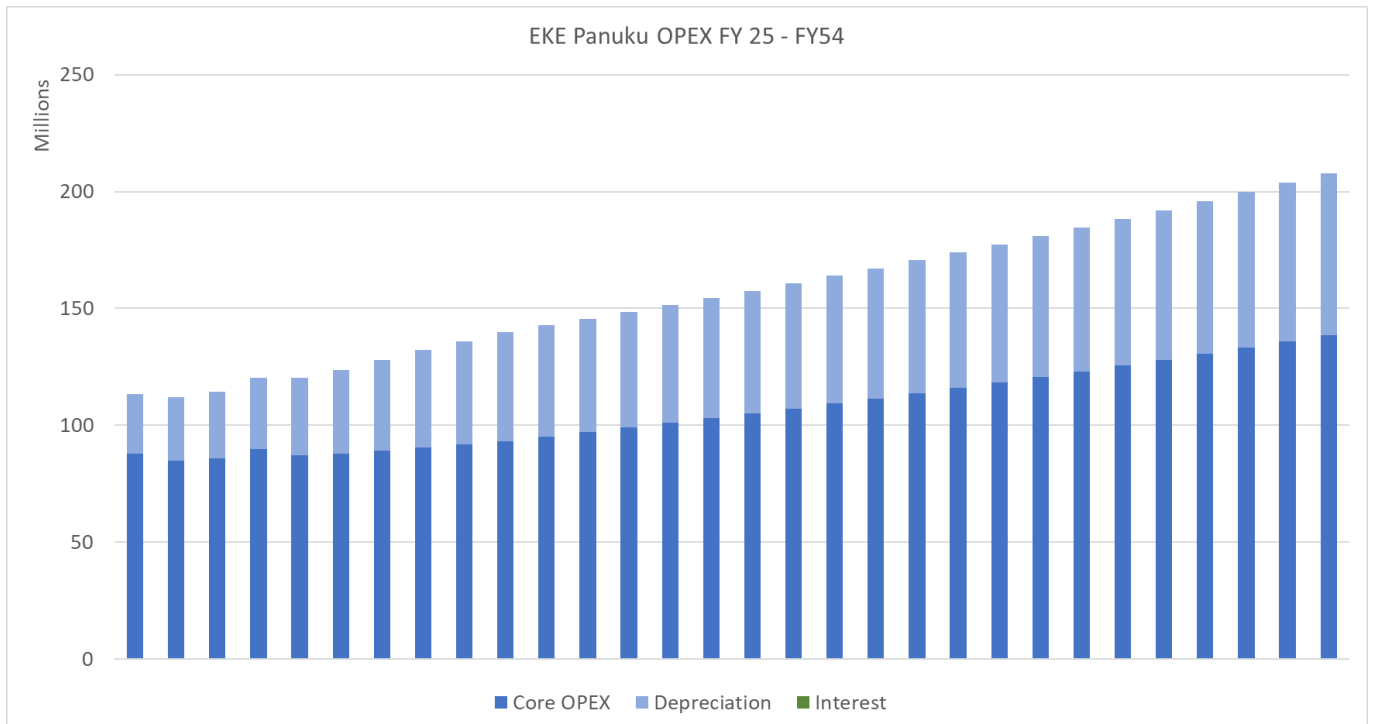


Figure 65: Urban Regeneration (Eke Panuku) - most likely investment scenario OPEX FY25-54

The most likely investment scenario presented in Figure 63 and Figure 65 shows that:

- Growth is a significant influence on the Urban Regeneration (Eke Panuku) budget in proportion to council’s other infrastructure portfolio providers. Reflecting the lead role Eke Panuku plays in urban regeneration across the region.
- Growth is expected to be more consistent and steadier across FY35-FY54 with any unexpected spikes in any given year balanced across subsequent financial years.
- The significant OPEX proportion is an outcome of Eke Panuku managing high value assets over the long term such as waterfront/marina. OPEX costs are expected to increase gradually over the first 10 years and then plateau.
- The spike in FY30 reflects the anticipated disposal of \$60m of assets brought using the Strategic Development Fund, this receipt is not shown in the table above. This sale enables the reinvestment of this fund through further strategic asset purchases, and these are shown in the table above making a spike in growth expenditure in FY30. A detailed plan for the investment of this strategic development fund become more certain as we get closer to the receipt of the funds and will be developed as opportunities arise.

Key projects and programmes within the most-likely investment scenario are listed in Table 18

Table 18: Urban Regeneration (Eke Panuku) major programmes and projects

Major Projects/Programmes (Years 1-10) *see long-term plan Volume 2, Section 2 Groups of Activities for full reporting of capex program		Major Projects/Programmes (Years 11-30)
	\$Millions	
Renewals Programme	92	Renewals Programme FY24-34
Transform and unlock regeneration (including Manukau, Onehunga, Northcote, Papatoetoe)	522	
Waterfront	164	Waterfront
Other development	41	Regional
Reinstatement of strategic development fund	97	New Programmes

Assumptions and approaches that underpin the most-likely scenario for Urban Regeneration infrastructure

The following assumptions and approaches have supported the development of the Urban Regeneration investment plans set out above. These assumptions include any changes in levels of service, growth projections (and the subsequent impacts on demand for services), and the management of the asset lifecycle through Eke Panuku’s approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in the Volume 2, Section 2 Our Activities. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

The long-term assumptions in relation to levels of service for Urban Regeneration (Eke Panuku) are signalled in Table 19. The proposed investment in the next 10 years aims to meet the targets set against these levels of service. The table indicates the assumption that over the long term these levels of service will be maintained or improved. These level of service trends are predicated on funding being available to invest in urban regeneration at a similar rate and to enable the management of its asset portfolio to support ongoing use (through tenancies etc).

Long term assumptions are highly uncertain, primarily due to the changing financial environment, market demands and climate impacts. In the long-term these factors could affect priorities and impact the nature of assets and services that are provided by Eke Panuku.

Table 19: Urban Regeneration (Eke Panuku) levels of service statements and performance measures

Performance measure	Target FY 2027-FY 2034	Assumed trend to 2054
* See Long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures		
Level of service: Transform City Centre and regenerate urban centres in locations with significant land holdings		
Net new dwellings (housing units)	688 (housing units)	Maintain
Capital project milestones approved by the board achieved	80%	Maintain
Level of service: Manage long-term finances sustainably and maximise returns on the council's investment		
Annual property portfolio net operating budget result agreed with the council achieved	\$17m	Improve
The monthly average occupancy rate for tenantable properties	Commercial 90% Residential 95%	Maintain

Growth

Where applicable, Urban Regeneration (Eke Panuku) follows the council group assumptions for assuming population demand (as set out earlier in this section). Eke Panuku's regeneration investment enable and support growth in the priority locations approved by the council.

Management of asset lifecycle through approach to renewals

Asset lifecycle assumptions and the approach to renewals for assets managed by Eke Panuku are strongly influenced by whether the asset is part of the council's long term ownership portfolio or part of the short to medium term ownership portfolio that supports and enables regeneration activity. The renewals and maintenance programme for these assets is built on a risk-based approach which considers the condition and performance of these assets and is proactively managed. The proposed investment in renewals is sufficient to maintain the condition and performance of these assets. Specific assets that will require decision making in relation to their long-term renewals have been identified in section 5 of the Strategy.

Eke Panuku's property management activities covers a diverse range of services, including residential and commercially leased properties, commercial activities such as marina operations, and public spaces and infrastructure. The renewals and maintenance programme for these assets is planned in accordance with the council group asset management policy and standards and is proactively managed.

Assets being managed by Eke Panuku for the short to medium term are held for a range of purposes before being either sold to third parties for development or transferred to other parts of the council group to manage.

This short to medium term hold portfolio is relatively dynamic, with assets being acquired and disposed of on a regular basis. Renewals investment decisions for these assets are more strongly influenced through consideration of asset hold period, alongside asset condition and current asset use. Renewal investment in some assets in this portfolio may not be undertaken, with preference given to short term increase in maintenance cost or disposal of the asset.

The mix of specific assets in this portfolio will change over time, and the characteristics of any assets that are to be added to this portfolio in the future are unknown. For the purposes of long-term financial planning, it has been assumed that the short to medium term hold portfolio will continue to be broadly similar in scale and character over time, and the current level of renewals investment will be required into the future.

4.7. Closed landfills

	CLOSED LANDFILLS	Management of closed landfills to address ongoing risk to people and the environment
--	-------------------------	--

Overview of existing assets

<p>200 Closed landfills, many of which are parks or reserves. 20 of the sites have infrastructure controlling leachate and landfill gas collection and disposal or destruction.</p>	<p>\$15.7m</p>	<p>Closed Landfill portfolio assets</p> <p>\$15.7 million</p> <p><small>*depreciated value, land not included (Nov 2023)</small></p>
--	-----------------------	--

Closed landfill infrastructure is used to manage the council’s closed landfill sites, including the stability and discharges from the sites.

Operating context unique to this portfolio

Closed Landfills manages sites to reduce risk and liability, both in relation to people and the environment.

The Closed Landfills portfolios adopted an ageing asset base from the predecessors of Auckland Council and assets are being replaced gradually as they reach the end of their useful life. The Closed Landfills team manage and monitor approximately 200 sites which have been managed to varying standards under historical private and public ownership.

Management of each site aligns with legislation and level of hazard potential. Significantly, there are an estimated 80 landfills which are vulnerable to sea level rise and erosion. Investigation has started on these sites but the risks that these sites pose will require further consideration and response in the coming years.

Asset data

Asset condition and criticality

The condition of closed landfill assets is managed in relation their risk to people and the environment. None are currently high-risk; however some have hazards that could cause sites to become high-risk if not managed adequately.

All sites are allocated either a high, medium or low priority rating as per Ministry for Environment guidance. This highlights the sites that require more attention and is the basis for the frequency and magnitude of monitoring in the environmental monitoring programme.

Many of the assets in particular leachate systems are aging and failing. There is a programme of investment to address these on an ongoing basis, together with a rolling programme of monitoring and maintenance where applicable.

Ongoing Site Management Plans (OSMPs) are used for all high and medium priority sites. Low-risk sites have a generic management plan to recognise the more benign nature (like cleanfill sites) and cover issues such as accidental discovery.

Asset Management maturity

In December 2023 an indicative assessment of maturity was carried out across the council infrastructure providers (see Figure 15). This assessment indicated that the Closed Landfill portfolio is at the lower end of a ‘core’ zone. The current approach relies on basic asset condition rating, monitoring effects at the sites and reacting accordingly.

An improved asset management system is currently under development which will include better data management and will support better forward-planning and decision-making around issues such as remaining asset life, condition, performance and deferred maintenance. This will enable better costing and planning to be integrated into current processes.

Data confidence

Condition data is managed in relation to asset risk. Higher hazard sites are those with hard infrastructure assets such as pipes and pumps. Condition data for these sites is based on regular assessments undertaken at weekly-monthly intervals. Softer assets such as landfill caps and slopes are monitored via an environmental monitoring programme.

Data confidence is an ongoing area of improvement identified for the Closed Landfills portfolio. Work underway includes a condition rating exercise to establish ‘useful life’ to help inform future investment planning. An asset audit will also take place every year until the new asset management system is in place to better address condition assessment frequencies.

Data quality is sufficiently robust to support investment planning, particularly in the early years of the long-term plan. Assumptions and approaches for long-term planning include estimates based on recent projects. Climate change related projects and changes in landfill behaviour are monitored and reprioritised within the existing budgets where possible, however there is naturally some inherent uncertainty until projects are fully scoped and designed. Assumptions and approaches that underpin the most likely scenario for investment are outlined further below.

Most likely scenario for investment

The most-likely scenario presented in this section reflects the investment plan set out in this long-term plan.

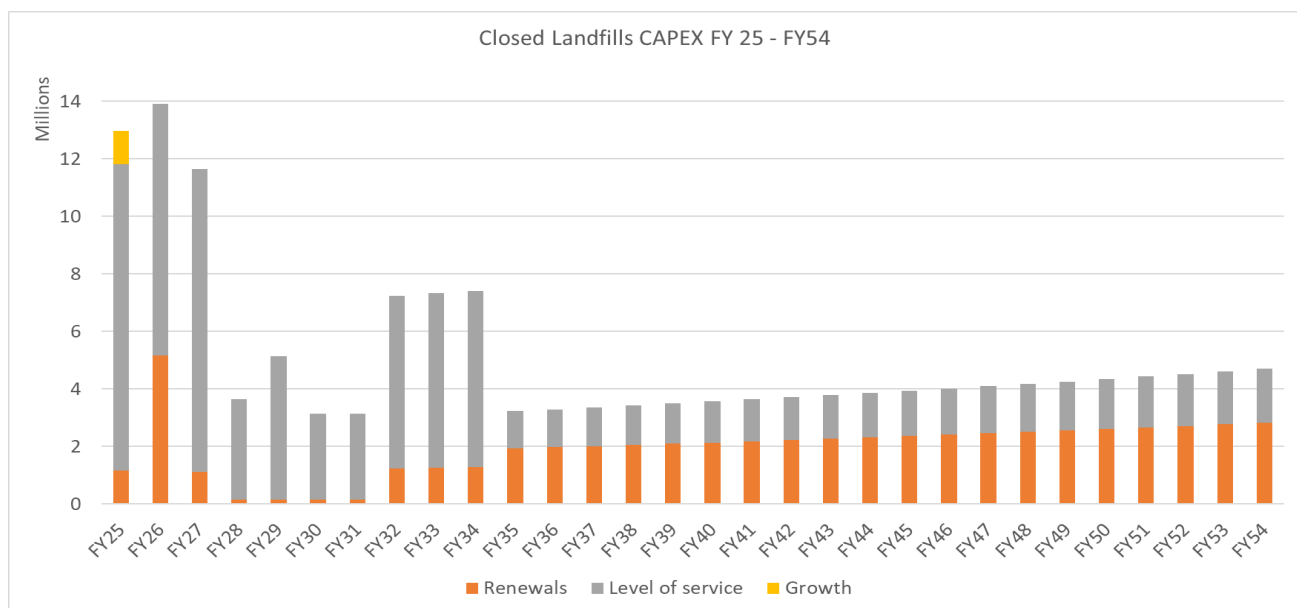


Figure 66 :Closed Landfills - most likely CAPEX investment scenario FY25-FY54

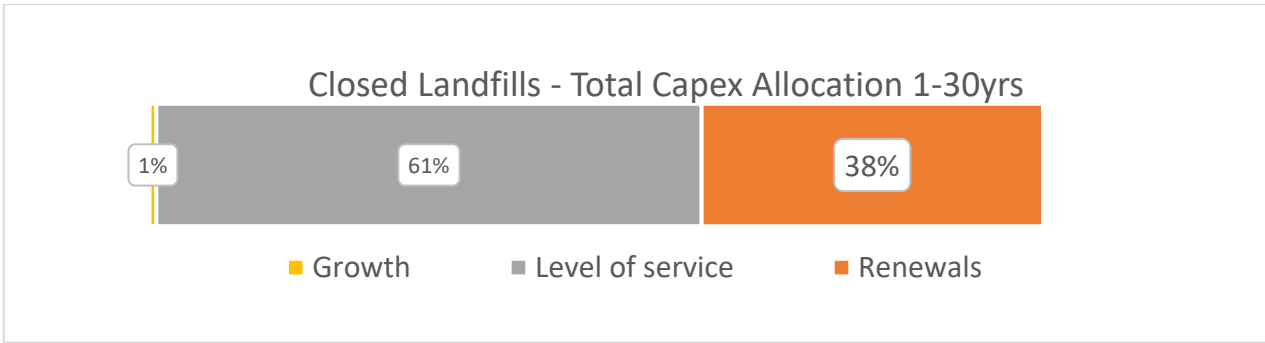


Figure 67: Closed landfills – Total CAPEX Allocation 1-30years (FY25-FY54)

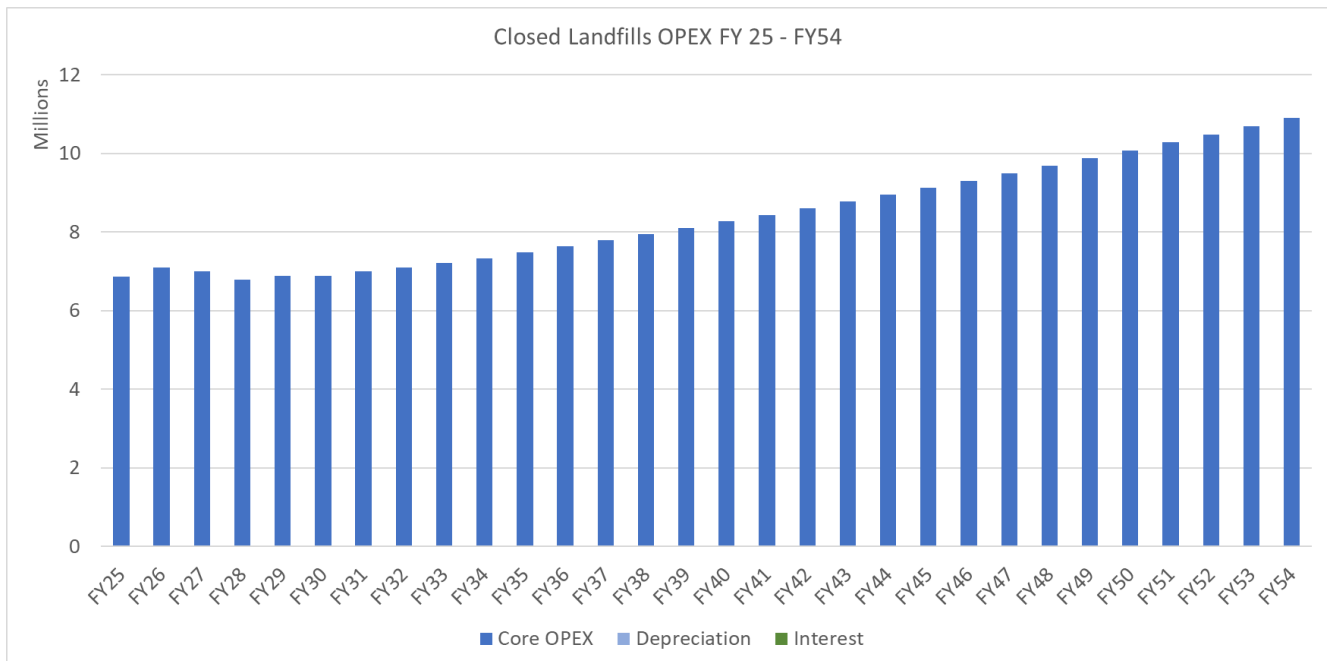


Figure 68: Closed Landfills - most likely OPEX investment scenario FY25-FY54

The most likely investment presented in Figure 66 and Figure 68 shows:

- The bulk of investment from years 1-30 for Closed Landfills is operating expenditure. With an increasing proportion of investment in renewals in FY35-FY54. This reflects the primary focus of closed landfills in operating and maintaining existing assets and managing the deterioration of these assets.
- Within the first 10 years there are two periods of high level of service investments required. These relate to remedial works and upgrade projects that have been brought forward from later years. Some of this expense is related to closed landfills taking back ownership of large landfills and the demand it places on closed landfills to investigate and potentially develop these spaces back to public spaces. E.g Greenmount, East Tāmaki.
- Growth generally does not feature for closed landfills as there is no plans to expand the landfill network in line with Auckland Council’s waste minimisation plan. Small amounts of growth investment are included in the programme where closed landfills are being rehabilitated to support urban growth.
- The increases in years 1-10 are a reflection of the requirement to investigate and develop strategies for coastal closed landfills, which is an emerging climate change related risk for council.

- In relation to the coastal closed landfills years 1-3 will comprise a climate change resilience pilot that may need to be scaled in the next long-term plan round; where additional capex funding for acquisitions may need to be made.

Key projects and programmes within the most likely investment scenario are listed in Table 20

Table 20: Closed Landfills major projects and programmes

Major Projects/Programmes (Years 1-10)		Major Projects/Programmes (Years 11-30)
	\$Millions	
Closed Landfill Remediation Programme	31	Ongoing management, remediation and renewal of closed landfills
Greenmount CL Remediation	26	Coastal landfill interventions to manage the impacts of coastal erosion and inundation
Leachate Upgrade and Renewal Programme	12	
Rawene Landslip Remediation	4	

Assumptions and approaches that underpin the most likely scenario for investment

The following assumptions and approaches support development of the Closed Landfills investment plans set out above. These assumptions include any changes in levels of service, growth projections (and the subsequent impacts on demand for services), and the management of the asset lifecycle through Closed Landfills' approach to renewals.

Levels of service

The Long-term Plan 2024-2034 performance measures are included below. Full reporting of targets over the first 10 years of the long-term plan can be found in long-term plan Volume 2, Section 2 Our Activities. Levels of service have been assessed to determine the most likely trends (improve, maintain or reduce) over years 11-30 of this infrastructure strategy (2035-2054).

Closed Landfills is currently meeting or exceeding the levels of service target shown in Table 21. The proposed investment in the next 10 years aims to meet the target set against this level of service. In the long-term compliance with discharge consents is highly uncertain due factors outside of the council's control such as extreme weather events and climate change. A pilot study in years 1-3 is planned to address resilience of costal closed landfills, significant funding could be required to maintain this level of service, this is described in more detail in Section 5 of the Infrastructure Strategy.

Table 21: Closed Landfills levels of service statements and performance measures

Performance measure	Targets FY2027 - FY 2034	Assumed trend to 2054
see Long-term plan Volume 2, Section 2 Groups of Activities for full reporting of measures		
Level of service: Protect, improve and minimise risks to the natural environments and cultural heritage		
Percentage of council controlled closed landfill discharge consents achieving category one or two compliance rating.	100%	Maintain

Growth

Closed Landfills work does not currently use population growth assumptions. This is because growth in the Closed Landfill portfolio is not driven by population growth.

Management of asset lifecycle through approach to renewals

The Closed Landfill asset base includes structures, equipment, and other components with a range of expected asset lives. Assumptions around asset life, however, are not the basis of Closed Landfill planning for asset maintenance and renewals. Condition data forms the basis of the Closed Landfills renewals and maintenance programmes. This data is used to inform a mix of a 'run-to-failure' approach and a more proactive approach (planned renewal of assets before they fail). These are applied depending upon the nature and criticality of the asset. 'Useful life' is entirely assessed through condition monitoring. A more formal assessment will be developed in the new asset management system.

Section 5: Significant Decisions

This section outlines the significant infrastructure investment decisions that the council can foresee in the next 30 years. These are additional to the planned responses set out in our infrastructure portfolios in section 4.

These decisions span the 30 years of this Infrastructure Strategy and beyond. Identifying these decisions now will support investment responses that are timely and that create the most benefit for Aucklanders within funding constraints. There are high levels of uncertainty associated with these significant decisions. The decisions described below, represent the council’s current understanding of the options available and corresponding implications.

As we come closer to the decision points, and get a better understanding of the solutions, these decisions will become clearer.

Approximate costs are indicated for each of the decisions identified. These costs are presented in Figure 69 in addition to the council’s most likely investment scenario to illustrate the possible scale of these investments when all considered together. These significant decisions could require an ‘order-of-magnitude’ change to the council’s capital spend. However, it is also important to note that the costs identified have high levels of uncertainty in relation to the likely investment demand and the scale of associated costs, and who will bear those costs. Funding and financing may be by other parties such as central government. Many of the issues identified will also be addressed through a combination of approaches (not simply capital investment) including regulatory or demand management options.

The potential cost of significant infrastructure investment decisions

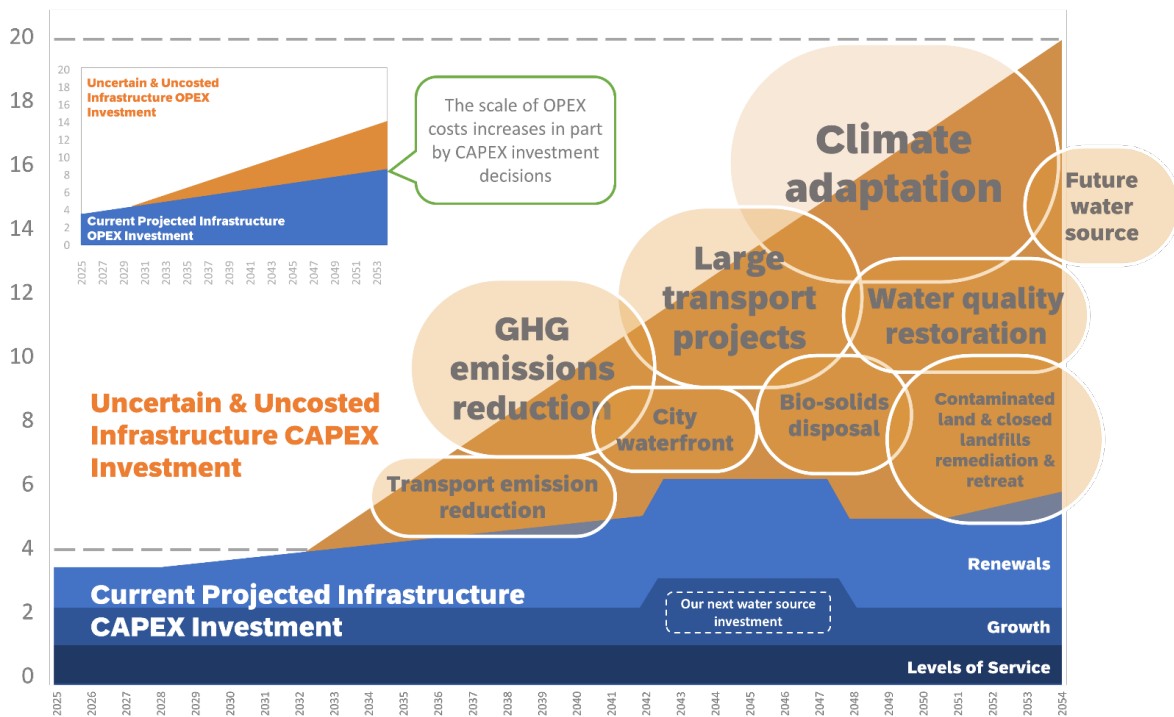


Figure 69: Illustrative 30-year distribution of infrastructure investment for Auckland Council group

5.1. Defining 'significant decisions'

The council has considered the following attributes when assessing significant decisions in addition to the definition of 'significant' and 'significance' as set out in the LGA 2002 to ensure clarity and alignment across all decisions.

All significant decisions would require at least a substantial financial commitment or allocation of resources, with the potential to have a profound impact on the council's finances, along with one other attribute below.

- **Impact on community:** Could a significant decision have the potential to significantly affect the lives, wellbeing, and interests of our communities?
- **Long-term consequences:** Is there a potential notable and enduring impact that may set precedents, impact policies, or shape the course of the council for future generations?
- **Strategic importance:** Is the decision integrally linked to the strategic direction of the council? Is the decision in alignment with our vision, goals and priorities, as set out in our strategic plans?
- **Interconnectedness:** Does the decision relate to and impact other aspects of the council group, the wider community, and the environment?
- **Public interest:** Would the decision have a significant degree of public interest?

Understanding the costs

Each significant decision identified has a corresponding cost estimate that has been developed with input from across the council group. The cost estimate has six ranges to reflect the uncertainty of these significant decisions. This approach provides an overview of the potential financial impact that the council along with other funding partners (such as Central Government) are likely to face for a specific significant decision.

The example below demonstrates a range between \$1 billion and \$5 billion based on the information collected from across the council group.

Indicative cost (\$ Billions)	<1	1-5	5-10	10-25	25-50	50+
-------------------------------	----	-----	------	-------	-------	-----

Understanding the decision point

Each significant decision identified has a corresponding required decision point (measured in years from 2024). The decision point is an estimate based on current information and may change as understanding of the decision develops.

Some decision points are likely to occur well before any investment is required for the issue. This may be, for example, to allow for policy or regulatory changes to occur before any capital investment can proceed.

An example of the timeline:

Timeline	Over the next 10-20 years
Decision Point	Within the next 5 years

5.2. All of Auckland Council - Adaptation to Climate Change

Decision: How will the council plan, fund and respond to the impacts of climate change on infrastructure, communities, and the natural environment?

Funding was allocated in the 2023/2024 Annual Budget to accelerate work on risk assessment and community adaptation planning which will integrate infrastructure, community, and environmental planning. There is a lot of work still to do to define an approach to adaptation for Tāmaki Makarau.

The approach requires specific decisions on:

- who will pay (central or local government, private landowners, insurers), and how we will fund adaptation over time using different financing mechanisms and considering the need to avoid maladaptation or path dependency that limit the choices for future generations.
- the interaction of risks and responses and how a potential mitigation in one area may affect or even increase other risks in adjoining areas or further away.
- locating and securing new land now and into the future for moving assets and services from areas no longer suitable due to increased risks from natural hazards, especially rising sea levels and flood risk areas. Notable examples include sports and recreation areas along the coast or wastewater treatment plants near the shoreline (low points in the wastewater network).
- when the council does not relocate assets and services or reduce levels of service because replacement is too costly, and/or ineffectual and/or is an intolerable risk to the community and therefore must consider abandonment.
- how to manage assets and networks which traverse or are partially exposed to natural hazards.
- the receipt and management of land following planned relocation or in response to a natural hazard event (reactive relocation).
- how to approach adaptation concerning whenua Māori (Māori land).
- how the council, mana whenua, communities, central government, infrastructure providers and other stakeholders (including the insurance and banking sectors) should develop and implement adaptation plans.
- The combination of investments that will be taken, for instance whether the council will take a strengthened regulatory approach, choose to be more or less interventionist in relation to flood management, or invest more/less heavily in capital solutions.

High-level options for adaptation of our infrastructure are described in the table below. Notes on the options presented:

- A ‘do-nothing’ option (other than abandoning assets or removing services) has not been considered as general remedial work responding to the effects of climate change and delivery of current flood response programmes is required to meet agreed minimal functional requirements and safety outcomes.
- It is assumed that the council will likely undertake a combination of the options presented below to appropriately respond to the issue as relevant to its geographical, social, legislative and chronological context.

- Costs related to this significant decision are expected to vary depending on the mix of the options chosen and the timing of the investment.
- Interventions taken to adapt communities and infrastructure to climate change across Tāmaki Makaurau also have a significant overlap with the council’s emissions reduction goals, commitments to Te Mauri o Te Wai and regenerative/mauri-enhancing water infrastructure. It is important that we coordinate action to deliver these outcomes efficiently.

<i>In general, the following OPTIONS could form part of Auckland Council’s decision-making process for climate adaptation.</i>		<i>In general, the following IMPLICATIONS occur in relation to each of the options listed for climate adaptation across the Auckland Council group.</i>
A	<p>Avoid</p> <p>Prevent the construction of buildings and other infrastructure in areas of intolerable risk from natural hazards, both within the current urban environment and within future urban areas.</p>	<ul style="list-style-type: none"> • This option is cost efficient and effective in terms of risk management. • The council may have to downzone or remove urban or future urban zoning from various parcels and land through plan changes or through central government direction. • There may be significant community resistance both within the existing urbanised areas and in growth areas affecting future development plans by others. • There is an increased risk of litigation from private landowners in response to actions that may reduce or remove existing private property rights.
B	<p>Protect</p> <p>Protect existing communities, land, and infrastructure from the effects of climate change including sea level rise and flooding.</p>	<ul style="list-style-type: none"> • Protection may incur significant costs, including potential land acquisition costs to create space for solutions (the timeframes for protection as an appropriate and reasonable option will vary). • Prioritising protection of infrastructure for communities and deciding levels of investments, including for communities with greater needs, will be difficult. Not all areas can be protected at once, due to cost and implementation resources, nor would it be appropriate to invest in protecting all areas to the same level as others. • In some areas, protection may be a good short-term solution while other options are considered and actioned (e.g. relocation). However, protection is unlikely to be a good long-term solution, particularly from coastal hazards due to design and ongoing cost limitations. • Protecting some communities and infrastructure can have negative environmental and social impacts (e.g. ecosystem squeeze, loss of amenity).
C	<p>Accommodate</p> <p>Modify existing infrastructure, assets and communities to accommodate the real and</p>	<ul style="list-style-type: none"> • Prioritising which infrastructure, assets and networks to modify and deciding on levels of investment will be difficult. It is not possible to modify all infrastructure, assets and areas simultaneously and to the same level of risk reduction/accommodation due to cost and

<p><i>In general, the following OPTIONS could form part of Auckland Council's decision-making process for climate adaptation.</i></p>		<p><i>In general, the following IMPLICATIONS occur in relation to each of the options listed for climate adaptation across the Auckland Council group.</i></p>
	<p>potential effects of climate change.</p>	<p>implementation resources. It is also not appropriate to invest in modifying all areas to the same level.</p> <ul style="list-style-type: none"> • There will be challenges with land use change in existing urban areas. • There is likely to be significant land cost implications especially when land acquisition is required to create flood basins or similar. • In some areas, accommodation may be a good short-term solution while other options are considered and actioned (e.g. relocation). However, accommodation is unlikely to be a good long-term solution, particularly from coastal hazards due to design and ongoing cost limitations. • Protecting communities and infrastructure can have negative environmental and social impacts (e.g. ecosystem squeeze, loss of amenity). • Accommodation of the effects of climate change might also include temporary and localised acceptance of a lower level of service (i.e. where a road is down to one lane for an extended period of time or reduction in sporting field areas to accommodate wetland or flood basins). This would need input from affected communities.
<p>D</p>	<p>Planned Relocation</p> <p>Proactively relocate infrastructure and communities away from areas of high-risk-based triggers within local adaptation plans.</p>	<ul style="list-style-type: none"> • Planned relocation will likely incur high upfront costs. However, the costs to do proactive relocation will likely be less over the long-term compared to disaster recovery and reactive relocation. • Prioritising infrastructure and locations that need to undergo planned relocation ahead of others including how remediation and demolition is managed, and what level of investment the council should make, will be difficult. • The costs and implications for Auckland Council may also vary depending on the approach taken for: <ul style="list-style-type: none"> • land acquisition, should it be required • changing levels of service provided by infrastructure to at-risk areas and communities during relocation • Land use change in existing urban areas • Whenua Māori (Māori land) and if it is treated differently to other privately or publicly-owned land

<i>In general, the following OPTIONS could form part of Auckland Council's decision-making process for climate adaptation.</i>		<i>In general, the following IMPLICATIONS occur in relation to each of the options listed for climate adaptation across the Auckland Council group.</i>					
E	<p>Reactive management and/or relocation</p> <p>If a large natural hazard event takes place without a central plan or a local plan for adaptation options including planned relocation, the council will deal with relocation from hazard-affected areas case-by-case and face increased costs for infrastructure to reduce further risks.</p>	<ul style="list-style-type: none"> • The key implication to the council of reactive management/relocation is that the costs of retreat, changes to levels of service and receipt of land no longer able to be occupied will be unplanned and likely to result in budget and community shocks. • The council together with central government will require an agreed approach/process to manage the outcome from each event as it occurs and any land that council may receive from that event. • The council is currently undertaking reactive management because of the storm events in early 2023. 					
Timeline		1- 30+ years					
Indicative cost (\$ Billions)		<1	1-5	5-10	10-25	25-50	50+
Decision Point		Within the next 1-2 years and ongoing					

5.3. All of Auckland Council– Greenhouse Gas Emissions Reduction

Decision: How quickly will the council meet its Greenhouse Gas (GHG) emissions reduction goals?

The impact of reducing GHG emissions in relation to the council's infrastructure are described in section 2 of the Strategy. The council's policy and direction of implementation are also described in section 3 and planned actions are described in Table 3.

Emissions need to rapidly decline to move onto a decarbonisation pathway that meets our stated climate goals. We need significant, bold action across all sectors. The longer we delay our climate action the more severe (steeper) our emissions reduction pathway will need to be to meet our emissions reduction targets and stay within our carbon budget. There is no singular action required to meet climate targets, rather, the actions that we take to reduce emissions are likely to be a combination of the following options.

<i>Auckland Council should consider the following OPTIONS to reduce emissions across the council group.</i>		<i>In general, the following IMPLICATIONS occur in relation to each of the options listed for emissions reduction across the Auckland Council group.</i>					
A	All activities and investments consider the 'whole of life' carbon and we prioritise the fastest transition to a low carbon Auckland.	<p>We may incur higher costs in the early years which will be offset by more cost-effective solutions later, due to early investment.</p> <p>This may result in a more affordable outcome in the long-term as meeting of global climate goals will impact GDP significantly less than not meeting those goals⁷³.</p> <p>There may be potential opportunity to create additional revenue streams by leading the path towards a low-carbon economy.</p>					
B	All activities and investments consider the 'whole of life' carbon and we deprioritise investment that doesn't deliver on climate goals.	<p>As we make trade-off and savings decisions, we also avoid the investments that would not advance work towards our emissions reduction targets.</p> <p>This could result in a change in investment patterns, with some larger capital projects being deprioritised in favour of smaller more localised projects.</p>					
C	Look for our greatest emissions impacts and prioritise work to change how we do those and reduce emissions.	<p>A focus on changing those areas with the greatest opportunity for emissions reductions is an efficient pathway to meeting emissions reduction targets. This will mean a focus on transformation within portfolios such as transport.</p>					
Timeline		1- 30+ years					
Indicative cost (\$ billions)		<1	1-5	5-10	10-25	25-50	50+
Decision Point		Within the next 1-2 years and ongoing					

⁷³ <https://www.swissre.com/dam/jcr:e73ee7c3-7f83-4c17-a2b8-8ef23a8d3312/swiss-re-institute-expertise-publication-economics-of-climate-change.pdf>

5.4. All of Auckland Council – Reducing vehicle kilometres travelled (VKT)

Decision: To what degree will Auckland Council invest to reduce VKT?

Reducing Aucklanders’ need to use cars for most daily travel is required to solve our ongoing congestion problem, achieve more efficient use of our transport network, and meet our regional emissions reduction targets. Transport is Auckland’s largest source of emissions.

Auckland Council and Auckland Transport have developed a programme that would reduce light vehicle VKT (vehicle kilometres travelled), a proxy for car use, in Tāmaki Makaurau by 29 per cent by 2035 as part of central government’s Emission Reduction Plan. The VKT reduction programme would see substantial investment in public transport, active modes, and urban development, alongside road charging, parking management and incentives to motivate people to travel differently.

In December 2023, the incoming Minister of Transport provided direction to NZTA to stop work on VKT reduction programmes. Therefore, the VKT reduction programme is unlikely to be implemented in its current form in the near term. Auckland Council, however, resolved at the [April 2024 Transport and Infrastructure Committee meeting](#) that the findings of the Auckland VKT reduction programme should be used to inform future transport and land-use programme development.

The Governing Body or delegated committee needs to decide if, when and how to implement either elements of the programme or the programme in full. The following table describes the conceptual options available to Auckland Council.

In general, the following OPTIONS should be considered by Auckland Council.	In general, the following IMPLICATIONS occur in relation to each of the options listed.
<p>A</p> <p>Implement the VKT reduction programme in full.</p>	<p>The VKT reduction programme would deliver significant benefits from faster journey times, emissions reductions, and safety improvements compared with what the transport network currently provides.</p> <p>Full and integrated delivery of the programme would be needed to achieve substantial benefits as the cumulative effectiveness of VKT interventions is greatly amplified if combined.</p> <p>Widespread public and political support is necessary to achieve the VKT reduction programme’s large-scale change. Legislative and policy changes, including road pricing, would need to be implemented to enable the programme.</p> <p>The programme is costed between \$25 billion and \$34 billion over 11 years, the majority of which is currently unfunded. However, this investment could represent an alternative to more expensive investments in large scale projects such as additional state highway and</p>

In general, the following OPTIONS should be considered by Auckland Council.		In general, the following IMPLICATIONS occur in relation to each of the options listed.					
		rapid transit projects (see the 'major transport projects' decision below).					
B	<p>Prioritise the progress of demand management elements of the VKT reduction programme, such as time of use pricing.</p> <p>Progress other elements of the VKT reduction programme as available funding allows.</p>	<p>Public support for time of use charging will be necessary in addition to political support.</p> <p>Without legislative and policy changes, many aspects of the programme cannot be delivered, and benefits won't be realised.</p> <p>Partial implementation of the VKT reduction programme would deliver benefits, however the collective and amplified impact of all interventions working together would be significantly reduced.</p> <p>The VKT reduction programme would be used as a counterfactual that alternative transport infrastructure investment is compared with.</p> <p>Upfront costs would be lower than implementing the programme in full.</p>					
C	Continue to deliver planned public transport and transport efficiency programmes, without the additional investment proposed in the VKT programme.	<p>The VKT programme could help the Auckland region to meet the climate goals as outlined in Te Tāruke ā Tāwhiri.</p> <p>Congestion will not be solved by road expansion and the growing population will increase the strain on the existing network. Without a step change in how we get around, it will be difficult for the Auckland region to meet its climate goals.</p>					
Timeline		Over the next 20 years					
Indicative cost (\$ billions)		<1	1-5	5-10	10-25	25-50	50+
Decision point		Within the next 10 years					

5.5. All of Auckland Council – Seismic Strengthening

Decision: How will Auckland Council respond to seismic strengthening requirements across its property portfolio?

Within the council group there are a large number of buildings that require seismic strengthening works before 2050 to bring each building up to required compliance safety levels set by legislation.

The type of buildings/assets range widely from utility structures to car parking buildings and community facilities such as halls and other civic buildings. These have varying levels of importance and criticality in terms of their function for Tāmaki Makaurau. Seismic strengthening of any building or structure has started only if critical public safety issues are associated with doing this work.

Buildings that achieve the minimum 34 per cent New Building Standards (NBS) are currently not being considered for any future strengthening. Although all strengthening is required to be fully completed before 2050 as stipulated in the current legislation, Auckland Council is aware that central government is investigating amending the seismic strengthening requirements, and therefore no further seismic strengthening work is being progressed unless already commenced. However subject to central government direction, delays can influence the cost of work required due to inflation or other market constraints such as labour and material supply and will need to be considered as part of any strengthening programme.

Seismic strengthening is generally coordinated and managed by each infrastructure provider.

Auckland Council should consider the following OPTIONS across the council group for Seismic Strengthening.		In general, the following IMPLICATIONS occur in relation to each of the options listed for Seismic Strengthening across Auckland Council group.
A	Upgrade ALL of the council’s existing property to exceed minimum seismic standards.	<p>Achieving full legal compliance and safety of the entire property portfolio above the minimum 34 per cent NBS standard will come at a significant cost.</p> <p>This needs to be managed across the coming decades to avoid financial shocks to the council’s budgets.</p> <p>This option will have the greatest effect in minimising the risk and liability exposure for the council.</p>
B	<p>Upgrade only SOME properties to exceed minimum seismic standards (prioritised based on criticality and ability to divest).</p> <p>[note central government is currently conducting a review of the current earthquake-prone building system was put in place in 2017. This may impact the requirements for seismic strengthening. While this review is underway, all current remediation</p>	<p>Full legal compliance and safety of the property portfolio of those buildings that are critical to the infrastructure network and function to the city.</p> <p>Any buildings that are retained and not upgraded may be legally non-compliant, but risk and safety would be managed with a monitoring programme. This option would be less costly than option A and the divestment programme may allow it to be partially self-funded.</p>

Auckland Council should consider the following OPTIONS across the council group for Seismic Strengthening.		In general, the following IMPLICATIONS occur in relation to each of the options listed for Seismic Strengthening across Auckland Council group.					
	deadlines will be extended by four years] ⁷⁴						
C	<p>Divest buildings.</p> <p>Where properties are not upgraded divestment may be required so that others can utilise the asset more appropriately through private investment.</p> <p>[note central government is currently conducting a review of the current earthquake-prone building system was put in place in 2017. This may impact the requirements for seismic strengthening. While this review is underway, all current remediation deadlines will be extended by four years]⁷⁵</p>	<p>Properties that are not prioritised for upgrade may be divested where possible. Divestment decisions will need to be coordinated with planning for delivery of the services that are currently provided by these assets. This may be through consolidation of services etc.</p> <p>Any buildings that are retained and not upgraded may be legally non-compliant, but risk and safety would be managed with a monitoring programme. This option would be less costly than option A and the divestment programme may allow it to be partially self-funded.</p> <p>This option may be used in combination with the other options listed.</p>					
Timeline		Before 2050					
Indicative cost (\$ billions)		<1	1-5	5-10	10-25	25-50	50+
Decision point		Framework for decision-making needed within the next 2-5 years					

⁷⁴ <https://www.beehive.govt.nz/release/earthquake-prone-buildings-review-brought-forward>

⁷⁵ <https://www.beehive.govt.nz/release/earthquake-prone-buildings-review-brought-forward>

5.6. All of Auckland Council – Major transport projects

Decision: To what degree will Auckland Council invest both directly and indirectly in major transport projects alongside central government

There are several major transport projects proposed by central government as part of the draft Government Policy Statement on land transport that could significantly affect Auckland Council and Tāmaki Makaurau. These major projects could either be funded in partnership with, or funded solely by, central government. Regardless of who funds them, the ongoing impacts from these projects are broader than transport and impact on the wider urban environment including critical public infrastructure, land use, densification, and intensification. Auckland Council expects to have significant influence in the oversight, planning and design of these projects.

Some of the funding arrangements for pre-construction phases of the currently proposed projects are being considered through the Regional Land Transport Plan 2024. However, prioritisation of new major transport projects to be delivered in the longer term and the funding arrangements for them, still need to be agreed with central government. For new major projects where Auckland Council is a funding partner, new funding sources and mechanisms will be required to meet Council’s share.

Shared funding arrangements with central government will need to recognise the highly constrained availability of revenue for local government as well as the revenue challenges facing the wider transport system.

Auckland Council and central government must also plan for the ongoing costs to manage and maintain existing assets, and assets that may get vested in Auckland Transport or Auckland Council (for example, the operating costs of running new public transport services and to maintain new infrastructure). Auckland Council needs to be part of decision-making to ensure consequential maintenance and operating costs arising from these projects are affordable. The resulting land use change and housing growth induced through the provision of these major transport projects may also impose broader infrastructure costs on Auckland Council, for example the need for new or additional stormwater assets.

The following table describes the strategic decision-making options available to Auckland Council. In practice, the options available may vary and could be a combination of options depending on the arrangements for each major project.

In general, the following OPTIONS should be considered by Auckland Council.	In general, the following IMPLICATIONS occur in relation to each of the options listed.
<p>A</p> <p>Auckland Council proactively invests directly in major transport projects that have clear net benefits to Auckland’s transport system as well as broader outcomes agreed through Council’s plans and strategies.</p> <p>Auckland Council only invests in major transport projects where funding arrangements enable integration into the existing transport network and sustainable ongoing funding of</p>	<p>Auckland Council investment in major projects may mean that:</p> <ul style="list-style-type: none"> • there are high upfront costs, and on-going debt servicing costs, that could deliver long-term net benefits for Aucklanders. Upfront capital costs will also entail an increase in ongoing operating expenditure, and this may place significant financial pressure on the council and community. • major projects delivered by central government can be integrated with council infrastructure

In general, the following OPTIONS should be considered by Auckland Council.		In general, the following IMPLICATIONS occur in relation to each of the options listed.					
	transport (including ongoing costs) in Auckland.	<p>and optimised to realise greater benefits to Auckland Council and the community.</p> <ul style="list-style-type: none"> the more Auckland Council invests, the more influence council will have on projects to ensure it gets the best and broadest outcomes. investment in major projects may result in other Auckland Council infrastructure investments being reprioritised and/or deprioritised to a significant scale and with impacts on the services provided to the community. Auckland Council will need to examine other potential capital and/or revenue-raising programmes to achieve the investment requirements to offset impacts from prioritising funding and/or contributing to these major projects. 					
B	Auckland Council avoids committing substantial funding towards major transport projects and related projects to integrate major projects with the existing transport network.	<p>Auckland Council's investment in major projects is minimal. This may mean that:</p> <ul style="list-style-type: none"> Auckland Council may not be able to realise land use outcomes adjacent to central government delivered large projects. Auckland Council will likely still face operational costs associated with major projects. the transport network may not be optimised, congestion may increase, and accessibility decrease, as mode shift may not occur to the same degree. Auckland Council will be able to focus investment on other priorities such as the renewal and optimisation investments in our existing infrastructure systems. 					
Timeline		Over the next 10-30 years					
Indicative cost (\$ billions)		<1	1-5	5-10	10-25	25-50	50+
Decision point		Within the next 2-30 years					

5.7. All of Auckland Council– Waterfront

Decision: How will the council coordinate, plan, manage and fund several discrete waterfront actions in a cohesive manner?

Auckland's waterfront area between the Harbour Bridge and Ōkahu Bay is a multifaceted urban landscape of significance for the city. The area is a key element in the city and plays an important role in the cultural and economic aspects of the region. From its potential for urban renewal and economic growth to its relevance in preserving maritime heritage, this waterfront zone holds considerable relevance and demands careful consideration. The Waterfront Plan was developed in acknowledgement on the importance of this area to Auckland. The Waterfront Plan was subsumed into the City Centre Master Plan (CCMP).

This significant decision is in relation to several discrete and key waterfront actions matters (there are potentially others not yet identified) that collectively could present significant financial challenges and impact the delivery of each other actions to varying degrees beyond their spatial planning outcomes as identified in the CCMP. Because if of this, these key actions need to be considered together.

More generally, progressive and continual investment will be required to improve the condition of wharf assets, land and infrastructure to support existing uses and to achieve any future urban development in context of other risks and challenges affecting the waterfront area including climate change, sea level rise and coastal erosion. The impacts of climate change are likely to be significant in some areas if not for all of the area areas identified along the waterfront within the CCMP.

As the premier area within the city, significant investment has been made over the years (as guided by the Waterfront plan and CCMP) and will likely continue to maintain the 'premier' title and function that the waterfront provides to the city. However, decisions around the waterfront will also need to be carefully considered with regard to the vulnerability of the area to climate change (see Climate Adaptation decision above) and scale and speed of investment decisions will need to change to ensure appropriate actions occur in a timely manner. These key discrete actions and their related challenges are described below.

Effects of second Waitematā Connection

Auckland Council is aware that central government is investigating a second Waitematā crossing. An additional crossing will likely impact the Wynard Quarter and will need significant attention. Additionally, the integration of any crossing proposals into the existing transport network will be challenging and likely to significantly impact adjacent infrastructure and land holdings both within council ownership and privately.

Ports of Auckland reallocation of land and potential relocation

The potential reallocation of some of the land currently used for Port of Auckland operation for public use will need to be carefully considered and managed as part of the wider waterfront area and framework plan.

The potential long-term relocation of the Port of Auckland represents a complex issue that requires careful evaluation and consideration of its implications for the city's economy, environment, and long-term sustainability. Reallocation of the ports land, and/or relocation of the Port operations in the long-term, will open opportunities to relocate or create new public assets. It will also trigger other large challenges such as impacts on the transport network and the investments made in relation to logistics traffic movement that will extend beyond the Auckland region.

Queens Wharf

Queens Wharf has several structures that require decisions around their long-term future. For example, the Cloud only has Building Consent until the end of 2024 and Resource Consent until the end of 2026. There is no plans to extend either the Resource Consent or Building Consent therefore the Cloud will be removed when those consents expire, and Auckland will be left without a similar-sized venue on or near the

waterfront. The wharf structure itself is also operating beyond its design life (noting that design life is separate from functional life and/or safe operation and the condition of the wharf is continually monitored to ensure the safety of the structure is maintained). The council needs to consider the replacement of the entire wharf (or other option) in the coming decades. This has consequences on the planning for existing ferry infrastructure and any future cruise infrastructure.

New Zealand Maritime Museum Hui Te Ananui a Tangaroa

The New Zealand Maritime Museum’s current buildings are not of sufficient quality nor fit for purpose in the long term. There is the potential to create a museum-quality building, acting as a key asset for the city and an appropriate home for its nationally significant collection - creating a National Maritime Museum for the next century. There are multiple options under consideration, both on the current Hobson Wharf site or potentially a new location, with the additional benefit of generation of greater revenue through a reorganisation of the Hobson Wharf site or freeing the current location for new endeavours through relocation.

Wynyard Crossing Bridge replacement

The current Wynard Bridge crossing has an estimated life expectancy of 7-10 years with preventative maintenance. A replacement bridge may incorporate other transport initiatives if coordinated appropriately and effectively or just for increased pedestrian capacity due to increasing foot traffic.

Te Ara Tukutuku (Wynyard Point)

Te Ara Tukutuku is the plan to guide the development of Wynyard Point. This plan focuses on the works required to continue the transformation of Wynyard Quarter in accordance with the vision and goals of the Waterfront Plan (now contained within the City Centre Master Plan 2020). This builds on the regeneration over the last 10 years to provide significant mixed-use development and the first new park for the city centre in over 100 years. Funding and programming with other waterfront initiatives will need to be considered together to ensure the appropriate delivery of this area.

In general, the following OPTIONS should be considered by Auckland Council across the council group for the Waterfront.	In general, the following IMPLICATIONS occur in relation to each of the options listed for the Waterfront across the council group.
<p>A</p> <p>Council develops a long term phased infrastructure investment programme for the waterfront, including timing of renewals to align with the CCMP.</p>	<p>Continued development of the waterfront will require a long term phased investment programme that considers climate change triggers. A phased investment programme which includes renewals is likely to be efficient and effective as:</p> <ul style="list-style-type: none"> • This would enable funding plans to be understood across the entire planned area including any central government contribution and its timing. • it would support the council to address large integration challenges (i.e. transport) that may not be captured within the remit of any of the discrete projects.
<p>B</p> <p>The council manages each discrete item on an individual basis.</p>	<p>Siloed infrastructure investment into the development of the waterfront will likely require significantly more investment. The absence of a long term phased</p>

In general, the following OPTIONS should be considered by Auckland Council across the council group for the Waterfront.		In general, the following IMPLICATIONS occur in relation to each of the options listed for the Waterfront across the council group.					
		<p>investment programme could result in less efficient and effective investment as:</p> <ul style="list-style-type: none"> • central government funding may be required at multiple points – reducing the certainty of timing and commitment. • there is the potential for work and cost duplication. • there is potential for renewal of one type of infrastructure to lock other infrastructure types into a sub-optimal solution, or to lock a location into a land-use contrary to the aims of the CCMP. • there is potential lack of cohesion across the waterfront leading to a piecemeal appearance and performance counter to the outcomes set out in the CCMP. • potential of unexpected or budgetary spikes if not well coordinated. 					
Timeline		Over the next 10-20 years					
Indicative cost (\$ billions)		<1	1-5	5-10	10-25	25-50	50+
Decision point		Within the next 5 years					

5.8. Contaminated Land and Closed Landfills

Decision: How will the council manage closed landfills and general contaminated land from degradation and potential contamination spread?

The council manages 200 closed landfills across Tāmaki Makaurau. Additionally, the council group has other significant land holdings that may have contamination issues not yet properly identified that support the delivery of infrastructure and services across Auckland.

The management of both closed landfills and broader issues of contaminated land is a large challenge because of the number of sites and related community and environmental hazards. The council is required through legislation to 'Identify and assess the risks to communities and the environment posed by vulnerable landfills and other contaminated sites'⁷⁶.

There are two categories of contaminated land:

Closed landfills

Closed landfills are a specific, managed, subcategory of contaminated land. The council manages approximately 200 closed landfill sites. Many of the sites are very old, were created with little consideration for the environment and are serviced by ageing infrastructure.

Approximately 90 of our closed landfills are coastal sites which are vulnerable to climate change and weather-related hazards, and/or are in sensitive locations next to watercourses. The hazards (including sea level rise and greenhouse gas emissions) associated with managing closed landfills will increase with climate change and are likely to become a significant issue in coming years if they are not managed or addressed within an appropriate timeline. These pose significant financial risk for the council. Our vulnerable sites have many similarities to the closed landfill site that failed on the Buller/West Coast. Remedial costs for this site were approximately \$20 million for Westland District Council.

General contaminated land

General contaminated land mostly refers to urban land that is contaminated by previous use. For example, a site previously occupied by a building that contained asbestos, was on historical uncontrolled reclamation/fill, or was previously home to a polluting land use (e.g. timber yard).

The scale and extent of contaminated council-owned land is difficult to determine as it is not currently managed centrally. A shift towards centralised management is planned for the next two years.

Like closed landfills, some of the council's contaminated land is likely to be vulnerable to hazards. These hazards will get worse with climate change. However, as much of the contaminated land is not currently managed centrally, it is less able to be managed proactively, and may only become known through storm events, and projects that uncover it.

⁷⁶ Ministry for Environment, Te rautaki para, Waste Strategy - Getting rid of waste for a circular Aoteroa New Zealand (Mar 2023). Priority 8.2

In general, the following OPTIONS should be considered by Auckland Council.		In general, the following IMPLICATIONS occur in relation to each of the options listed.					
A	Protect and defend all closed landfills against increasing hazards, prioritising those that are most vulnerable and/or in highly sensitive locations.	<p>This will incur lower capital costs in the medium term.</p> <p>Protecting and defending sites might not remove all the risk and some sites might still be at risk from erosion and future weather events.</p> <p>This option requires long-term maintenance and may only defer the requirement to remediate sites.</p>					
B	Remediate and retreat closed landfills from the most vulnerable and/or sites in most sensitive locations.	<p>Remediating and retreating from sites is likely to have a higher upfront cost and will likely take longer to achieve. However, it is the most likely to eliminate any future risk and will be particularly relevant for our most vulnerable sites.</p>					
C	The council continues to manage landfills to the current standards while hazards increase	<p>Low costs in the short term. However, potential for significant closed landfill erosion/discharge incidents (like the Fox River site) with associated social and environmental damage and significant retrospective costs to manage.</p>					
Timeline		Over the next 30 years					
Indicative cost (\$billions)		<1	1-5	5-10	10-25	25-50	50+
Decision point		Within the next 2-5 years					

5.9. Water – Te Mauri o te wai and Te Mana o te wai

Decision: How will Auckland Council deliver Te Mauri o te Wai/Te Mana o te Wai?

The Auckland Water Strategy, the Essential Freshwater Programme, and (the potential) Water Services Reform are separate initiatives that share a common goal of protecting and enhancing the life-sustaining capacity of water in Tāmaki Makaurau and across New Zealand. The visions of “Te Mauri o Te Wai” and “Te Mana o Te Wai” are both centered around the health and well-being of water, and the importance of taking a strategic approach to water management.

Together these programmes represent a step-change in expectations and requirements for the quality of fresh and coastal water in Tāmaki Makaurau. How these expectations will be met is an important decision for the council and will likely require significant investment.

Additionally, several key resource consents for the three waters system (including the discharge consent for the Māngere Wastewater Treatment Plant) will require renewal in the next decade. Through the renewal process, these facilities will be subject to the increased expectations.

Notes:

- A do-nothing option has not been considered as increased water quality expectations are requirement of regulation.
- Costs related to this significant decision are expected to vary depending on the mix of the options chosen and the timing of the investment.

In general, the following OPTIONS should be considered by Auckland Council.		In general, the following IMPLICATIONS occur in relation to each of the options listed.
A	Focus on improvements to physical water infrastructure only.	<ul style="list-style-type: none"> • By investing in physical infrastructure approach only to deliver te Mauri o Te Wai, there will be significant upfront capital costs and ongoing costs to manage the infrastructure. • This investment will be necessary to support some of the longer-term changes across the council group. • Te Mauri o te Wai that cannot be fully achieved with a physical infrastructure solution only.
B	Focus on regulatory, land use and soft engineering solutions only.	<ul style="list-style-type: none"> • This is likely to be more cost efficient in the long-term through managing the effects on Te Mauri o te Wai at the source. • This option delivers a long-term solution, however, delivery of outcomes can be slower than other potential pathways. Therefore, interim measures may be required to achieve short- and medium-term outcomes.

In general, the following OPTIONS should be considered by Auckland Council.		In general, the following IMPLICATIONS occur in relation to each of the options listed.					
		<ul style="list-style-type: none"> Soft engineering solutions may require more land area to work effectively e.g. wetlands and dry basins. Regulatory changes may take time to achieve and implement. 					
C	Focus on a combination of physical, land use and regulatory solutions.	<ul style="list-style-type: none"> This is a more balanced approach that makes the most of cost-efficient and enduring solutions, while requiring some big infrastructure investment in key locations for greatest impact. There may be some equity challenges that may need to be addressed through a mixed approach. 					
Timeline		Over the next 10-15 years					
Indicative cost (\$billions)		<1	1-5	5-10	10-20	20-50	50+
Decision point		Within the next 2-10 years					

Biosolids Management

Decision: How will the council manage future bio-solids when the central interceptor comes online and when Puketutu Island reaches capacity?

The current method for disposal of the majority of Auckland’s biosolids is the convenient and cheap use of an old quarry on Puketutu Island. This is a very cost-effective method of biosolids disposal; however, Puketutu Island is predicted to reach capacity between 2030 and 2032. The speed at which Puketutu Island reaches capacity is influenced by the central interceptor coming online in the mid-2020s which will increase biosolids from the Māngere Wastewater Treatment Plan as a consequential effect. The need for a new method of managing biosolids from Māngere will result in a step change in disposal method and costs.

<i>In general, the following OPTIONS should be considered by Auckland Council.</i>		<i>In general, the following IMPLICATIONS occur in relation to each of the options listed.</i>
A	Incineration (or similar processes such as pyrolysis or gasification)	<p>A new incineration plant will be required and might be able to be located close to the existing water treatment plant reducing transport costs and the requirement of land elsewhere. This could be Aotearoa’s first large scale incineration facility with associated construction and operational challenges due to local lack of expertise / experience</p> <p>Air discharge consents would be required for a unique project.</p> <p>No net energy is gained through the incineration process; it is all used in the drying phase.</p> <p>The incineration process is likely to generate greenhouse gas emissions, release pollutants into the air, affecting local air quality depending on the technology used.</p>
B	Landfill	<p>Landfill costs have risen significantly over the previous few years and are expected to continue to rise as land for landfills becomes scarce and difficult to consent.</p> <p>The next nearest landfill able to accept biosolids is Hampton Downs, which is 64km away. Transportation to Hampton Downs will significantly increasing OPEX costs. Use of landfills for biosolid-disposal would also accelerate the need for more landfill capacity for the region. It is expected that over time it will become increasingly difficult, if not impossible, to access private landfills.</p> <p>A new location for a landfill facility will need to be identified, designated, consented and constructed before the capacity of Puketutu is exceeded.</p> <p>There may be an opportunity to identify a site / quarry for rehabilitation like Puketutu.</p>

<i>In general, the following OPTIONS should be considered by Auckland Council.</i>		<i>In general, the following IMPLICATIONS occur in relation to each of the options listed.</i>					
		<p>This option provides a high level of resilience and security of service.</p> <p>The landfill process generates greenhouse gas emissions, release pollutants into the air, affecting local air quality depending on the technology used.</p>					
C	Land application as fertiliser	<p>The demand for fertiliser is seasonal and therefore this option may not provide complete solution on its own across the year.</p> <p>Land application requires significant land area, and the quantum of which may be influenced by what is grown on the land (eg food, bio-energy crops etc).</p> <p>Sites for land application are numerous in rural areas adjacent to urban land, and there are already small scale operations occurring across the country.</p> <p>There is an opportunity to create circular economy solution for returning nitrogen, phosphorus and carbon to soil.</p> <p>There are currently no accepted standards and market to support the beneficial reuse of biosolids in agriculture as it exists in other countries like the United Kingdom for the volume of biosolids produced in Auckland.</p> <p>Bio-solid reuse will require investment in new technology and development of new national standards in collaboration with Central Government.</p> <p>Consents are likely to be required to consider potential contaminant loads and associated guidelines and regulatory frameworks.</p> <p>There is the opportunity to offset greenhouse gas emissions with carbon sequestration in the crops grown.</p>					
D	Combinations of the above	A portfolio approach to disposal may provide increased resilience for the security of service, providing opportunities to alternate approaches as regulations or perceptions change.					
Timeline		Over the next 10 years					
Indicative cost (\$ Billions)		<1	1-5	5-10	10-20	20-50	50+
Decision Point		Within the next 2 years					

Auckland’s future water source

Decision: How will Auckland source drinking water when demand exceeds the approved Waikato water take?

Auckland will experience difficulties with its drinking water in future years due to factors such as a higher probability of droughts and a rapidly growing population, which will strain the existing water infrastructure. Tāmaki Makarau currently relies on a combination of takes from the Waikato River, the Hunuas and Waitakere dams, and some ground water sources for its water needs. Watercare has consent to take more water from the Waikato which was activated in 2023 but beyond that, under current projections, in the early 2040s an additional major water source will need to be developed and in service to meet increasing demand for drinking water as the population grows.

The challenge for the council is how to diversify its water sources and improve water conservation measures to meet the growing demand for water.

<i>In general, the following OPTIONS should be considered by Auckland Council.</i>		<i>In general, the following IMPLICATIONS occur in relation to each of the options listed.</i>					
A	<p>Demand Management and Water Reuse</p> <p>Implementing robust demand management strategies and prioritising water reuse will help address demand for water</p>	<ul style="list-style-type: none"> • This option involves promoting water-efficient technologies, enforcing conservation measures, and actively treating and reusing wastewater for water supply purposes. • Over the long term there are potential significant cost savings through reduced strain on current sources, and a more sustainable water cycle. • Social and cultural implications will need to be worked through, however direction from deliberative democracy exercise was that this was the direction Auckland should be going in. • legislative change is required to support water reuse. 					
B	<p>Desalination</p> <p>Investing in desalination plants provides a direct means of generating freshwater from seawater, reducing dependence on freshwater sources.</p>	<ul style="list-style-type: none"> • Desalination can offer a reliable and drought-proof water source. • There are high initial capital costs with high ongoing operational expenses. • There are potential adverse environmental effects that will need to be managed related to brine disposal. Additionally, the current technology is emissions intensive. 					
Timeline		20-30 years					
Indicative cost (\$ Billions)		<1	1-5	5-10	10-20	20-50	50+
Decision Point		Within the next 2 years					

5.10. Other potential significant decisions

There are several potentially significant decisions that have not been identified above because the associated costs are not as large as the decisions above, or we don't yet have a sufficient understanding of the decision that the council will face. However, it is sensible to acknowledge these as they may become significant decisions in the future.

Onehunga Wharf

Onehunga wharf is made up of three wharves with the oldest being 100 years old. The oldest of the three structures is operating beyond its design life (noting that design life is separate from functional life and/or safe operation and the condition of the wharf is continually monitored to ensure the safety of the structure is maintained). This part of the wharf structure has an estimated 15-year life expectancy with preventative maintenance before a substantive solution is required. The council will likely have to consider the replacement of the entire wharf or alternative options in the coming decades. Any regeneration can only proceed once a solution for the structure has been resolved. There is no provision for this cost within the existing long-term plan budgets.

Approximate future costs range up to \$150 million.

Stadium Network and a National Stadium

There are a total of four major stadiums in Tāmaki Makaurau. Three are owned and operated by the council: Mt Smart Stadium, North Harbour Stadium and Western Springs Stadium. The fourth is the independent Eden Park. Auckland region faces substantial costs to maintain and operate the stadia in their current configuration and the current operating models are considered to inhibit optimal utilisation and decision making.

A future decision around Auckland's National Stadium may affect how the regional stadia network work collaboratively in the future. As it stands now Auckland Council has decided to retain North Harbour Stadium and Domain Precinct as is, and has requested that the Chairs and Deputies (or their nominees) of the Upper Harbour Local Board and Hibiscus & Bays Local Board co-lead a locally-led working group to progress – clarity, future vision and role of North Harbour Stadium and Domain Precinct and report back to the Governing Body by 31 August 2024.⁷⁷

Resource Recovery Relocation Facilities

New facilities are likely to be required to enable the council to support the minimisation of waste to landfills and the achievement the zero-waste target. The scale, number, location, and ownership model of facilities required is currently unknown. Land acquisition and construction are the large capital investments that the council will need to consider and there will be associated operational costs relating to how waste is collected and managed.

⁷⁷ GB/2024/45

1.4 Financial Strategy

1. Executive summary

This financial strategy seeks to help improve Auckland’s physical and financial resilience over the next decade. This means putting Auckland Council onto a sustainable financial path where we can affordably deliver the basic infrastructure and services expected by Aucklanders to help them live their lives better.

A combination of past council decisions, aging and unfit-for-purpose infrastructure and underperforming major investments mean that the council is struggling to cope with rapid changes in economic and climate conditions.

In some areas, central government has provided substantial support to deal with key challenges, but in other areas it has imposed additional costs. A different relationship is required with central government which provides regional leadership and delivers better outcomes for Aucklanders through an approach of true partnership and mutual respect.

We also face persistent challenges in earning public confidence and trust, especially around our spending. This financial strategy seeks to address this by promoting greater transparency and introducing new guidelines to improve the quality of our spending decisions.

The actions in this strategy to better control expenditure, improve returns on our financial investments and reform our relationship with central government will enable the council to better fulfil its role for the region while limiting the levels of rates increases and maintaining prudent levels of debt.

2. Our goals

Auckland Council has outlined a comprehensive financial strategy that encapsulates a number of interrelated goals. It serves as a strategic roadmap, guiding fiscal decisions and resource allocations, to achieve not only **short-term financial stability** but also **long-term sustainable growth and development**. These interrelated goals combine the need to manage current challenges with the broader vision of building a resilient and vibrant Auckland for future generations.

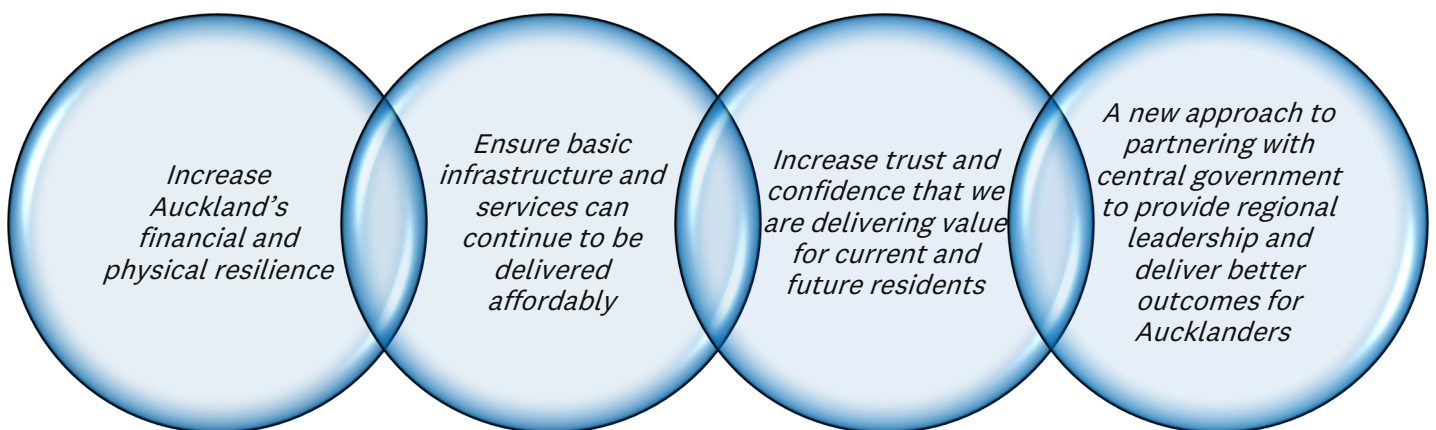


Figure 1 - Our goals

3. Financial challenges and opportunities

Internal and external factors are presenting the council with significant financial challenges that need to be addressed through this long-term plan (LTP). The financial strategy needs to provide direction for current and future decision-making that enables the council to affordably meet these challenges and make the most of any opportunities presented.

3.1. External factors

The key external factors to consider as part of developing the council’s financial strategy include:

- Global economic factors with the re-emergence of high levels of inflation and interest rates leading to significant pressure on the costs to maintain existing assets, deliver existing services and new services.
- Rising inflation and interest rates also contribute to affordability challenges for Auckland ratepayers and residents. Cost of living pressures impact the acceptability of increases to council rates and charges.
- Differing recovery rates of revenue streams from the impacts of the COVID-19 pandemic.
- The devastating storm events that hit Auckland in early 2023 causing significant damage to council assets and impacting Aucklanders’ lives and homes. The council is considering the increasing impacts of climatic events and how it responds to climate driven natural hazard planning and builds both physical and financial resilience to address these impacts (refer to the Infrastructure Strategy).
- Alongside adaptation to lessen the effects of climate change on our assets the council also needs to continue progress on reducing greenhouse gas emissions, both for the council and for the Auckland region.
- Auckland’s population continues to grow, and this drives a requirement for additional supply of housing and employment. Our Future Development Strategy expects this supply to be accommodated through both intensification in existing urban areas and managed expansion into rural areas. Infrastructure will be required to support both expected land use changes.

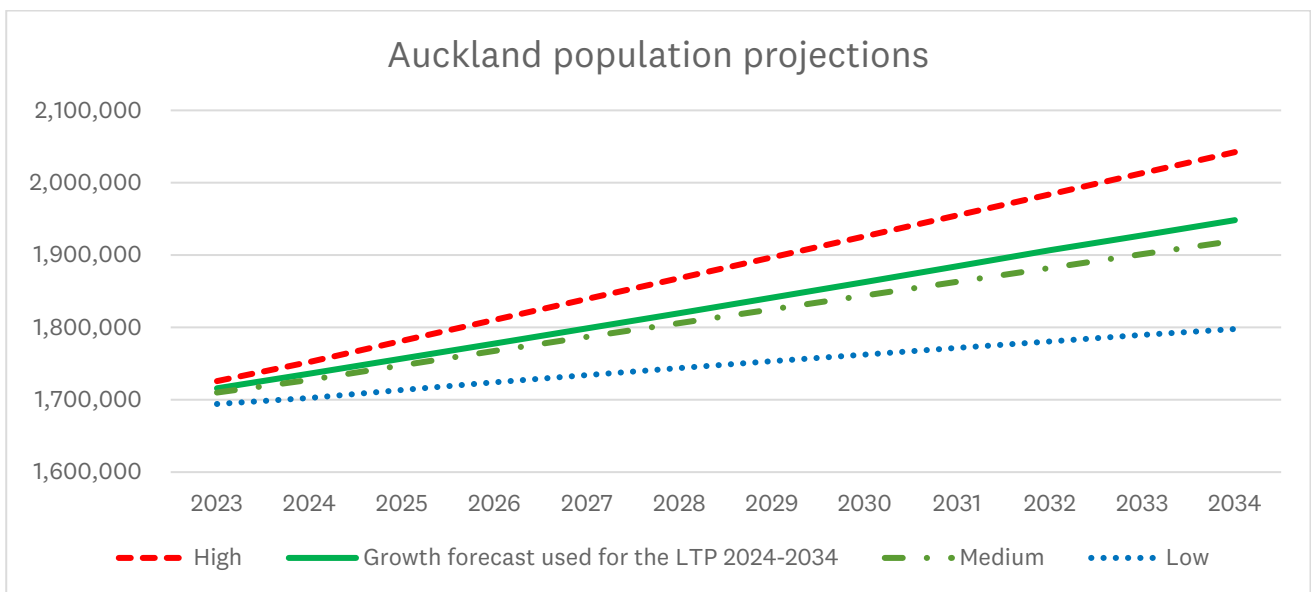


Figure 2 - Auckland Council projection to 2033

- As well as growing, Auckland’s population continues to change, and so do the needs and expectations of the community. Auckland is rich with diversity – it’s one of the most diverse cities in the world. It is a mix of different ethnicities, sexualities, gender identities and age-groups. It also includes those that face accessibility issues. Different groups demand different services of the council and many of the services and facilities we currently provide, while relevant to the communities of the time, are not keeping pace with the changing demand.
- Traffic congestion and road safety continue to be major challenges for Auckland.

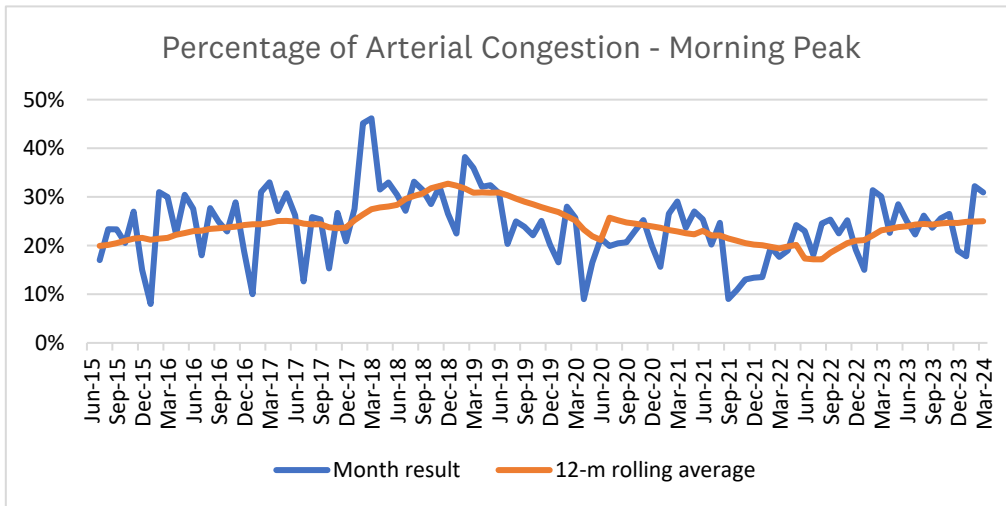


Figure 3 - Percentage of aerial congestion

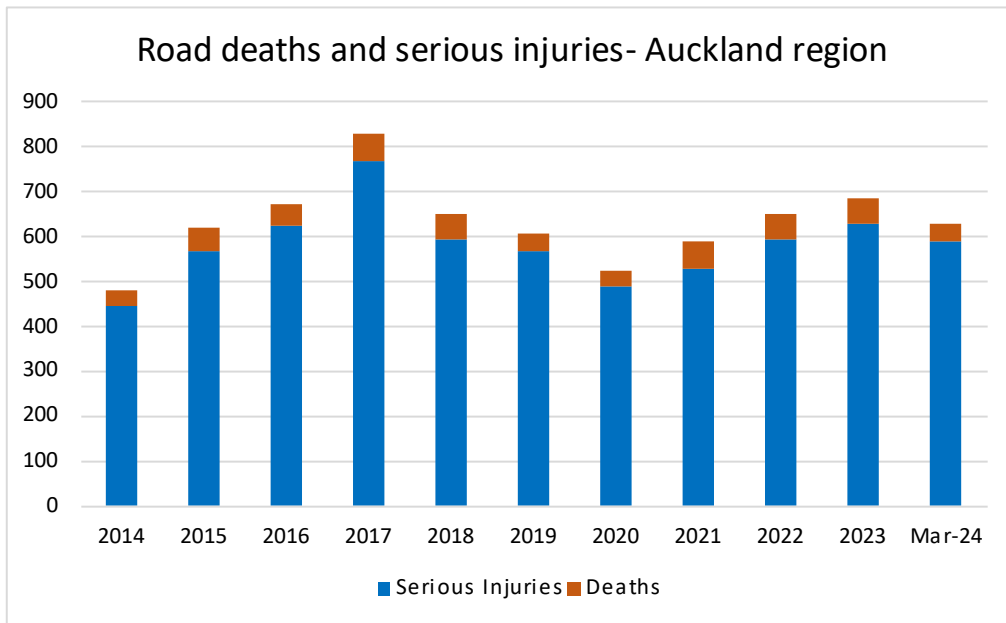


Figure 4 - Road deaths and serious injuries

- Substantial investment has been identified to address the issues of traffic congestion and road accidents causing serious injuries and deaths, to provide more transport choices to Aucklanders and contribute to our climate change goals.

- Regular legislative changes that look to restructure or reform our activities have caused significant disruption, risked service delivery, and added cost. Alongside these has been the imposition of unfunded central government mandates where the council is required to deliver additional services without any funding or additional funding tools.
- The recent general election and change of government has heightened the level of uncertainty around several key budget factors, including water reform and the removal of the Regional Fuel Tax (RFT). The new government presents the council with an opportunity to reset the relationship and work differently with the Crown to find structural fixes for the concerns we share.
- Auckland Council grapples with challenges related to how the public perceives spending quality and transparency. This includes concerns about funds being poorly allocated and a lack of openness in financial matters. Addressing these issues is crucial for fostering trust and ensuring public confidence in the council's financial practices.

3.2. Internal factors

The key internal factors to consider as part of developing the council's financial strategy include:

- Decisions in the 2023/2024 Annual Budget to use temporary measures to address a structural, long-term budget gap. These included the use of \$85 million of extra borrowing for our capital programme, and the use of existing reserves to fund natural environment and water quality programmes enabling a temporary reduction in targeted rates. The structural budget gap remains, and the additional debt now needs to be serviced.
- The City Rail Link (CRL) is forecast to be completed and open in 2026. Once open, the council's share of the full operating costs will need to be funded from operating revenue, including maintenance costs, interest on the debt to fund construction, depreciation, running facilities such as new stations, track access charges from KiwiRail, and the operational costs of running the increased services that the project will enable.
- Decisions made to support homeowners severely impacted by the 2023 storm events through the voluntary buy-out scheme, the property level risk mitigation scheme (Category 2P grant scheme), and the investment in community infrastructure. Despite co-funding from central government this will still result in significant costs for council.
- The council has a large asset base (over \$70 billion) and many of these assets are aging and requiring increasing annual maintenance costs. Deferred renewals have created a significant backlog.
- Highly specified and bespoke designed council assets and facilities have led to high maintenance and ownership costs for the council.
- Auckland Council inherited a situation where some legacy councils did not fully fund depreciation costs from operating revenue sources. This meant that the council has been relying, over the long term, on borrowing to cover the costs of asset replacement. The one-off impact on ratepayers of moving to full funding of depreciation was deemed too much and the council has been gradually increasing the share funded with a target of full funding by 2028. This means additional operating funding pressure in each year as we increase the level of depreciation funding.
- Many investments have been made or received (e.g. from legacy councils or developers), without consideration of the overall return they deliver (both financial and non-financial). Capital is therefore tied up in low-returning assets, while investments that could deliver better outcomes cannot be afforded.

- The council initiates new services in response to specific situations in the community, or a perceived lack of action by central government agencies but is not good at stopping these when circumstances change.

3.3. Key problem

The council is facing significant demands for investment as a result of both external and internal factors.

These are large, long-term, structural issues. Too often the council has responded through short-term measures such as borrowing, one-off government grants, deferred investment, and setting incremental efficiency targets. This has led to a growing misalignment between our expenditure and the most appropriate funding sources, leading to an unsustainable financial model.

To build its financial and physical resilience, Auckland Council needs to leverage the opportunities it has. These include the relationship with the new government, an under-optimised balance sheet, the capacity for enhanced expenditure control, including clarity around the services that the council should deliver, and affordable increases in sustainable revenues.

A restructured financial model will set the council up for long-term financial sustainability, all else being equal.

The following figure summarises the key challenges that the financial strategy needs to respond to for this LTP:

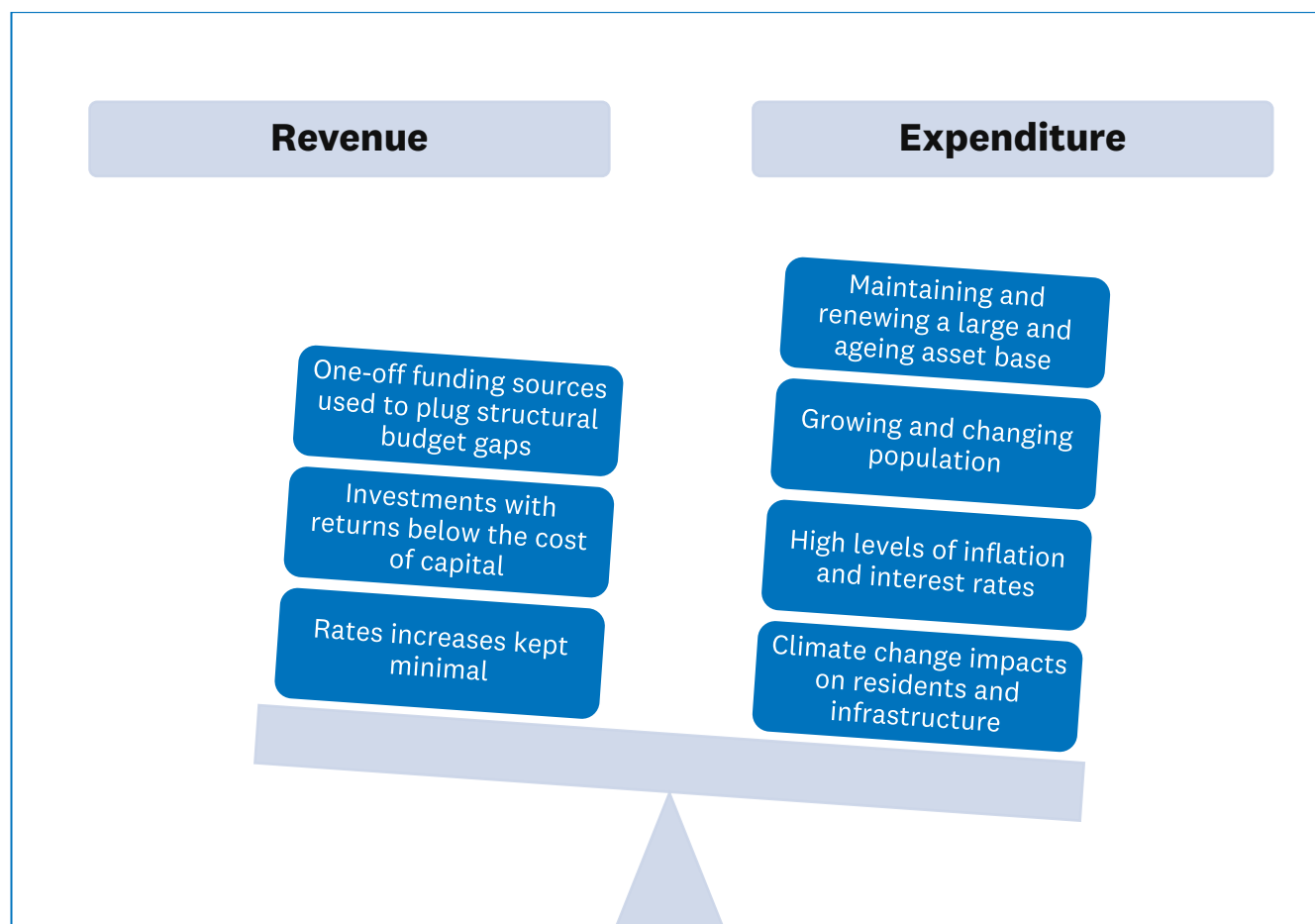


Figure 5 - Key challenges

4. Investment responses

This financial strategy seeks to help improve Auckland’s physical and financial resilience over the next decade. This means putting Auckland Council onto a sustainable financial path where we can affordably deliver the infrastructure and services expected by Aucklanders to help them live their lives better.

Our financial plans and strategies seek to progress our broader plans and strategies, including working towards the outcomes of the Auckland Plan 2050. However, given the challenging financial context described above, we need to do this in a pragmatic way and do a few things differently compared to what we have always done in the past.

This strategy supports a total of \$39.3 billion of capital investment, which includes CRL investment of \$592 million over the next decade, and \$75.9 billion of operational spending. This spending will deliver what Auckland needs to maintain existing levels of service currently provided and to respond to the challenges identified in the infrastructure strategy.

The planned capital investment levels are summarised in the following chart:

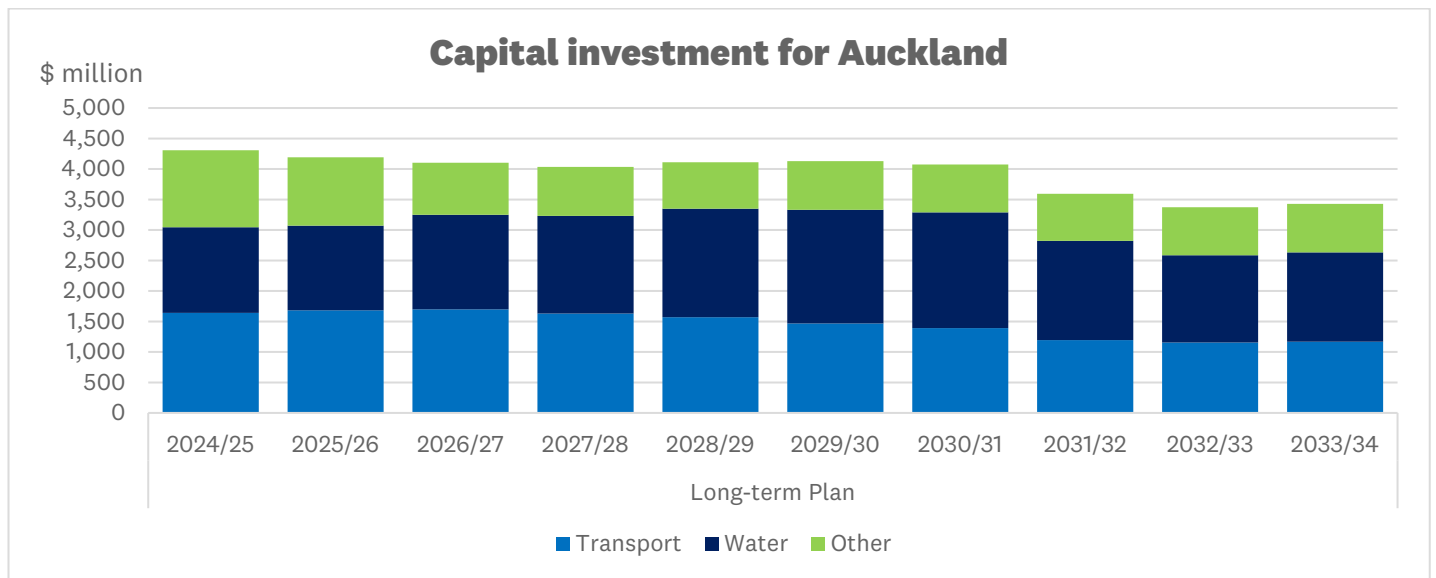


Figure 6 - Capital investment for Auckland

4.1. Renewals

Many of our assets are aging and while we have had a strong focus on ensuring we are doing enough to look after our most critical assets, our overall spending on asset renewals has not always kept pace with what is needed to keep all our assets in good shape.

For example, each year we should ideally be renewing 8-10 per cent of our road surfaces and 1-2 per cent of our road base, but we are currently only renewing 6 per cent of road surfaces and 0.1 per cent of the road base. This has resulted in a backlog of over 1,400 sealed roads that now require urgent resurfacing.

We target to spend \$6.3 billion over the next decade on transport renewals, to get us on a path to appropriately managing transport renewals by the end of the decade. This does not mean that all renewals will be funded or that the condition of all assets will be acceptable. But, by year 10, the trend will be of maintaining condition rather than accelerating deterioration.

Watercare and our Healthy Waters teams have prepared thorough asset management plans that provide for performance-based and condition-based renewals programmes, especially for critical assets. This includes the prioritisation of projects to catch up on renewals that have been previously deferred. The planned investment of \$5.7 billion over the decade in renewals for Water supply, Wastewater treatment and disposal, and Stormwater will ensure current service levels can be maintained.

The council currently owns a large portfolio of community infrastructure assets which are not all well suited for the changing needs of Auckland's diverse communities. Many of these assets are in a poor and declining state and the whole of life cost of owning these assets is rapidly increasing. Decisions were made in the 10-year Budget 2021-2031 to take a different approach to how the council delivers community services. In this financial strategy we will continue this transition away from a large, aging asset base. We will start to reduce the overall number of these assets and integrate services into fewer assets to avoid renewal costs and adapt to climate change. We would still add parks and facilities where needed in priority locations, while shifting service delivery to other models where appropriate. We need to partner with community groups and other organisations so that we can transition to a different community investment model focussed on multi-use services, partnerships, and digital services. This will mean not fully investing in the modelled asset renewals but instead spending around \$637 million over the next 10 years on operating costs to support this new delivery approach.

We will continue to review and optimise other asset classes to ensure our investments are focused on where they can deliver best value for Aucklanders and where we are not burdened with unnecessary renewal costs.

More detail is available on the 30-year renewals profiles for our asset portfolios in the Infrastructure Strategy. This includes a detailed outline of the most-likely scenario and uncertainty we face of over this horizon.



4.2. Service levels

Auckland Council continues to invest in improving and sustaining the levels of service we provide to the region. Some examples of things we are aiming to improve are set out in the following table:

Table 1 - Service levels

Activity	Interventions	Service level targets
Water supply, Wastewater and Stormwater	<ul style="list-style-type: none"> Provide reliable supply of safe water Collect and treat Auckland's wastewater safely and sustainably Manage stormwater network to minimise risks of flooding 	<ul style="list-style-type: none"> The total number of complaints received by the local authority about drinking water will be less than 10 in a given year The percentage of real water loss from the local authority's networked reticulation system will remain under 13 per cent Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)" under 60 minutes
Public transport	<ul style="list-style-type: none"> Finish existing rapid transit network projects including CRL and Eastern Busway Improvements to bus, rail and ferry services to including faster and more reliable services. Weekly cap of \$50 covering bus, rail, and inner harbour ferry services. Expanding Fareshare 	<ul style="list-style-type: none"> Total annual public transport boardings to increase by over 50 million (from 71 million in 2022/2023 to 123.8 million by 2034)
Environmental protection	<ul style="list-style-type: none"> Pest Free Auckland Programme Implementation of the Regional Pest Management Plan 2020-2030 Implementation of the Auckland Indigenous Biodiversity Strategy 	<ul style="list-style-type: none"> Increase the proportion of rural mainland Auckland under sustained management for possums from 28 per cent to 50 per cent Increase the number of indigenous plants and animals regionally vulnerable to extinction under active management from 98 in 2023/2024 to 106 in 2027-2034
Waste management	<ul style="list-style-type: none"> Implementation of Waste Management and Minimisation Plan Rollout of rates-funded waste collection across urban area Food scraps service embedded 	<ul style="list-style-type: none"> Total waste to landfill per capita reducing by 18% (from 848kg in 2022/2023 to 698kg by 2034) Domestic kerbside refuse per capita reducing by 12% (from 137kg in 2022/2023 to 120kg by 2034) Food scraps diverted from landfill each year to increase from 1,872 tonnes in 2022/2023 to 50,000 tonnes by 2034

4.3. Housing and growth

This financial strategy continues the focused approach to investment of growth infrastructure adopted in the 10-year Budget 2021-2031. Given the council group's capacity to support growth is not unlimited it has needed to prioritise. We have identified a few key locations to focus our limited resources, and they include the growth areas being redeveloped by Kāinga Ora (known as the Auckland Housing Programme), the inner North West (Westgate, Whenuapai, and Redhills), and Drury.

Infrastructure investment in Drury and the North West will take place over a 30-year horizon, with our Development Contributions policy being updated to reflect this. The longer-term investment is included in our Infrastructure Strategy, with the LTP allowing for investments in both the first decade and over the 30-year horizon.

Without additional funding, our investment in infrastructure to support the Auckland Housing Programme will be limited to around \$620 million over the next decade. This is less than the indicative package of growth investment that has been developed between council asset groups and Kāinga Ora. The council's strategy is to continue to work with Kāinga Ora and central government to enable further investment using tools such as the Housing Acceleration Fund, additional National Land Transport Funding, and development contributions. Collaboration here could enable additional investment in transport, stormwater, parks, and community infrastructure in the Auckland Housing Programme areas over the decade.

4.4. Transport

The financial strategy includes \$14.6 billion of capital investment in our transport networks, including \$592 million of investment required to complete the City Rail Link project. This programme will be focused on making the most of what we have, finishing existing projects and improving our public transport network.

A key funding source for this capital programme is the National Land Transport Fund (NLTF). The 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 some transport initiatives. The council will limit its funding to Auckland Transport, particularly for renewals, to only those projects where NLTF or other transport funding is committed by the government.

Another funding tool that the council continues to work with government on is the introduction of time-of-use charging for parts of the transport network. This could support the funding of some transport spending but remains highly uncertain at present.

This LTP also provides funding for key initiatives to make public transport easier and safer such as introducing a weekly cap of \$50 which will cover bus, rail, and inner harbour ferry services, expanding 'Fareshare' and a one-off capital grant of \$3.25 million to increase bus driver safety with safety screen installations.

Operating costs for transport activities in this strategy is around \$28.2 billion over 10 years. This includes significant increases due to the rising costs of public transport provisions. Key drivers for higher public transport operating costs are an increase in maintenance costs to better align with asset management plan requirements, investment into the 'Open loop' and National Ticketing System (NTS) transition costs, information technology costs to move to cloud based services and increase network optimisation.

Significant costs will also be incurred in the third year of this long-term plan when the CRL is expected to begin operation and the council will begin funding it. This will include an increase to operating costs for the

new line, stations, and the enhanced train frequency, and also the interest associated with the project and depreciation of the new assets.

While impacts of these cost pressures will flow to the overall rates funding requirement, they are being partially mitigated through cost reductions within Auckland Transport.

4.5. Storm response and resilience

The council has committed to a multi-faceted response to the impacts of the storm events in early 2023. This includes repairing our assets, supporting affected residents, and improving resilience to future events.

Repairing the significant damage to council assets, including the transport network, water networks and community infrastructure will take a number of years. This is primarily being funded through a reprioritisation of renewals expenditure, expected insurance payments, and specific funding from central government for transport infrastructure (both through the NZ Transport Agency Waka Kotahi and from the National Resilience Plan through our agreement with the Crown).

Support for affected residents has been provided, alongside central government partners, by the Recovery Office which continues to be funded through operating expenditure budgets for the first two years of the LTP. This long-term plan provides continued funding towards completing the voluntary buy-out scheme for residential properties where there is an intolerable risk to life from continued habitation (Category 3). Grant schemes to support property owners where on-site investment could reduce this risk (Category 2P), as could progress on blue-green networks with category 2C Risk Mitigation projects. These schemes are co-funded by the Crown from the National Resilience Plan.

Improving our resilience to climate events is a key part of our financial strategy. This includes both financial and physical resilience.

A \$20 million budget per annum to operating expenditure was agreed in the 2023/2024 Annual Budget which is a sustained fund to increase Auckland's resilience to future events including improving our emergency management response, undertaking proactive monitoring and maintenance of our assets, supporting our communities to respond, and speeding up adaptation planning. In this LTP, we commit to improving the financial resilience over the longer term through the creation of the Auckland Future Fund.

Physical resilience to the impacts of climate change is becoming a core part of our asset management plans and incorporated into both new builds and renewals investment (refer to the infrastructure strategy for more detail). Additionally, the council has committed significant additional investment to specifically address flooding risk. The 'Making Space for Water' programme includes seven initiatives with a proportion to be co-funded from the National Resilience Plan.

While this expenditure and investment provides for recovery from the 2023 storm events and provides a level of resilience to similar future events, it is not sufficient to fully protect us from all the impacts we will see from our changing climate. There is a need for central and local government to take a coordinated approach to the assessment of risk from natural hazards and the effects of climate change. Managing risks from hazards requires a broader range of planning and funding tools than is currently available to local government.



4.6. Climate change

We are taking a data-led approach to decisions around continued reduction of our carbon footprint and improved resilience of the council group and of the region. This includes assessing the alignment of capital projects, operating expenditure, and savings initiatives with those outcomes to support prioritisation decisions. As a group we will encourage climate initiatives in areas that will deliver the best return in terms of emission reductions, while avoiding and challenging investments and expenditures that are not aligned with positive climate outcomes. This will become a key part of the council's expectations around cost-benefit analysis going forward.

Operational and capital expenditure will be directed to target areas where both cost and whole-of-life greenhouse gas emissions can be reduced with further efforts and savings required for projects that are not aligned with these outcomes. Generally, these would not target well-performing emissions reduction projects or investments.

The investment in this strategy also includes specific and ambitious investments and expenditures in operating spend towards our public transport network. A faster, more reliable, and easier to use public transport system will be more attractive to Aucklanders and this will be key to reducing regional emissions.

Renewable energy will also play a key part in a low emissions future and strengthen the climate and economic resilience of the region. Amongst other initiatives, the council group will look at where its land and assets can be leveraged to generate electricity and reduce our emissions and energy costs.

4.7. Environmental degradation

The council has a number of programmes in place that look to address challenges in our natural environment.

The Natural Environment Targeted Rate and Water Quality Targeted Rate were temporarily reduced in the 2023/2024 financial year with the associated programmes being continued with funding from accumulated reserves. This strategy includes that these programmes are continued with the Natural Environment Targeted Rate reinstated at its full level. Through this long-term plan, the Water Quality Targeted Rate has been adjusted so that the programme is funded in the same way as other council capital expenditure (from borrowing so that the cost is spread over the generations that benefit), reducing the impact of resuming the full Water Quality Targeted Rate programme on ratepayers in 2024/2025.

The Waste Management and Minimisation Plan (WMMP) outlines the council's adopted approach to delivering waste services in the most efficient and effective way. This strategy moves towards standardisation of waste charges across urban Auckland in line with this plan. This is projected to provide benefits in terms of cost to ratepayers, waste reduction, and emissions reduction.

5. Key settings that build increased sustainability

5.1. Key principles

To help us decide on the best plan for improving physical and financial sustainability, we have focused on the below principles, which are informed by our Revenue and Financing Policy and legislative requirements:

- *A focus on long-term financial sustainability and prudence*
- *Improved transparency and accountability to the people of Auckland*
- *Consideration of the overall impact on community outcomes and the four well-beings*
- *Costs to the community are fair and acceptable*

5.2. Foundations

We are adopting a foundational approach to construct a robust plan for achieving improved financial sustainability. Each of these are discussed separately in the following sections, however they also need to be considered as an integrated whole.

Foundations of long-term financial sustainability:



Figure 7 - Foundations

5.3. Sustainable revenue

A balance of revenue streams that will fund our activities

The Auckland Council group maintains a highly diversified revenue base for a local authority, with only around 41 per cent of its revenue coming from rates. While this provides for more targeted charges for certain services, particularly water services and public transport, recent history has illustrated that many of these revenue streams are simultaneously susceptible to shocks (such as COVID-19) and economic cycles. The council needs to continue to work to find a sustainable balance between revenue sources.

General and targeted rates

To provide certainty and predictability to ratepayers around general council expenditure, Auckland Council will set a limit on overall average rates increases for residential ratepayers which is based on the projected level of inflation (based on the Consumer Price Index (CPI)), noted in the below table. This limit would be that average rates increases for existing residential ratepayers should not exceed 1.5 per cent per annum above inflation.

Table 2 – general and targeted rates

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Projected inflation	4.7%	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Margin	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Annual average rates increase limit	6.2%	4.2%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Despite the long-term policy limits, below are average rates increases above this limit due to the need to reset our financial position over the first three years of the plan:

- 2024/2025 – an average rates increase of 6.8 per cent as a result of the home buyouts and resilience work needed as a result of recent storms,
- 2025/2026 – an average rates increase of 5.8 per cent primarily driven by the council’s moves to fairer funding for local boards, and
- 2026/2027 – an average rates increase of 7.9 per cent to cover the first full year of additional operating costs from the City Rail Link project commencing operations

A limit on increases based on inflation reflects the impact of changing prices on the council’s cost to deliver services to the community and provides a measure of affordability for ratepayers over time. For this purpose, inflation could be based on the Consumer Price Index (CPI) or the Local Government Cost Index. The CPI is widely recognised, reported, and forecasted. It also most closely links to movements in other costs ratepayers are facing and their affordability considerations.

Under this approach, we would set the annual limit (expressed as a percentage from the provided table) based on the projected inflation for each year. If actual inflation exceeds the projection, our rate increase would surpass the limit, requiring explanation or disclosure in the relevant annual report.

If the council were to continue to provide the same service levels and assets then a limit at, or even just below, inflation could be possible once the council is fully funding depreciation. However, this long-term plan provides for continued significant levels of capital investment and notable increases in service levels (for example in public transport) and therefore a limited margin above projected inflation is included.

Noting that an increase in capital investment leads to faster growth in operating expenditure costs due to the related impact on interest, depreciation, operating and maintenance costs of assets.

The above limits, and exceptions to the limits, are based on the council's approved budget as provided for in this long-term plan.

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

This limit on overall average rates increases for residential ratepayers, includes general rates and targeted rates that apply generally across Auckland. Targeted rates that apply to specific groups of ratepayers are excluded.

The rates included within the limit are:

- General rates (including both the Uniform Annual General Charge and the value-based charge)
- The Natural Environment Targeted Rate
- The Water Quality Targeted Rate
- The Climate Action Transport Targeted Rate
- Waste management targeted rates (that will apply across most of the region within the first two years of the plan)

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

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

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

Charges to recover growth costs

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

The council has a Development Contributions Policy to enable a fair and appropriate proportion of the costs of capital expenditure necessary to service growth over the long term to be recovered from those undertaking development. The council is undertaking a process to update its Development Contributions policy to recover the costs of growth more fairly. This includes moving from looking at a 10-year investment

horizon to matching the full costs of infrastructure required (which usually takes much longer – up to 30 years) with the full development anticipated in the area serviced. These updates are focused on the priority infrastructure areas identified in the Future Development Strategy, with investments planned for Drury over the next 30 years added to the Development Contribution Policy.

Additionally, the Watercare board have resolved to increase Infrastructure Growth Charges by 14.4 per cent each year for the first three years of this long-term plan, and then by 18.4 per cent each year for the rest of the decade. These increases will ensure that the costs of growth investment in water infrastructure are recovered more fairly.

Fees and charges

A number of council activities are funded, in full or in part, through direct fees and charges to users or beneficiaries.

Adjustments to these charges consider a number of factors including:

- Inflationary pressures on associated costs,
- The balance between private and public benefit (e.g. licencing and compliance fees),
- Ensuring broad-based accessibility to some services (e.g. aquatic and community facilities),
- Encouraging specific behaviour change (e.g. child discounts on public transport),
- Policy settings or legislative requirements (full cost recovery for consenting activities)

5.4. Expenditure control and prioritisation

Setting sustainable levels of council spending and prioritising within them

In an environment where we cannot afford to match the full demand for investment it is essential that we make sure that every dollar we do spend provides value for money. Operating budget reductions and structured prioritisation processes will support this.

To support long-term financial sustainability the council has now changed the way it sets budgets and the way in which it makes investment decisions within those budgets. Additionally, we need to clearly communicate to Aucklanders the value of our activities.



Operating budget reductions

To ensure we are continuing to make the best use of all our funding, we have committed to target permanent on-going savings of \$27.8 million in year one of this budget, rising to almost \$67 million in year three, which are over and above the existing operating expenditure cost reductions already included in the budget. Achieving this will come from a combination of service changes and efficiency savings.

Service changes would need to include the council stopping some services and activities. Like most organisations, over time we will have started services or activities in response to circumstances that existed at that time. It is important, particularly in the current situation of financial constraint, that we continue to review their current relevance and requirement, and how they are provided.

Since its establishment Auckland Council has continued to set savings targets in its budgets with a view to improved efficiency and value for money. The council continues to believe that further efficiencies can be realised and is focused on identifying these, particularly through greater shared services across the group, improved use of technology, alongside improved value from group procurement.

However, because operating costs are primarily a function of the quantity and quality of services provided, any further operating cost reductions beyond those already achieved and those planned in this LTP, will be very challenging to achieve without significant impacts on services delivered to the community.

Investment prioritisation

Delivering best value within constrained fiscal envelopes requires discipline around prioritisation. While specific prioritisation requires expert understanding of project interrelationships and network infrastructure, the council is working on tools that can be used to inform high-level resource allocation to best deliver on different sets of priorities. The infrastructure strategy outlines how these tools have been used in this LTP and shows how the LTP budget performs against council priorities.

More detailed analysis of projects and their benefits can also support improved prioritisation with benefit-cost ratios and similar metrics assisting in the allocation of scarce resources. These improvements are included in the infrastructure strategy.

New group budget responsibility and transparency rules

Fixed nominal baseline budgets

Auckland Council has moved to a budget process based on an initial assumption of no increase to operating budgets from the preceding year. This encourages council departments and CCOs to continue to seek out savings to offset the inflationary cost pressures they are facing.

Exceptions apply for spending increases that are unavoidable due to contractual or similar commitments, or where the costs are necessary to implement specific council decisions or new Central Government legislation. Proposals for new discretionary expenditure, or requests for inflationary adjustments to avoid undesirable service reductions, are subject to scrutiny and trade-off decisions through each year's annual plan process. This process provides both elected members, and the public, with greater visibility and oversight of the year-on-year operating budget changes.

Advice on new expenditure

All advice to Elected Members on spending decisions will involve some effort to weigh costs and benefits, including some contestable advice (i.e. advice provided to Elected Members which is separate from the department asking to spend the money). This will require considering how we can understand and assess non-financial benefits.

For higher-value expenditure commitments a full cost-benefit analysis of the relevant options will be required. Generally, decision-makers would not approve investment where the benefit/cost ratio (BCR) is lower than 1.

All advice will need to take a "whole of life" approach to both costs and benefits. For capital investment this would need to include clear information on the consequential operating costs and depreciation.

Operational initiatives need to be clear about whether the service is to be permanent or is addressing a specific, current issue. It may be appropriate for decisions to include sunset clauses or review periods.

Transparency and financial accountability

Service profiles will be generated regularly which provide the basic financial and non-financial information for each service area of the council group necessary for elected members to effectively carry out their governance oversight responsibilities. These are accompanied by granular (line-by-line) financial information.

The service profiles will be supplemented by a programme of regular reviews of the service and financial performance of individual departments. This will provide an opportunity for elected members to focus on individual service areas in exercising their oversight roles.

5.5. Prudent debt management

Maintaining prudent and responsible use of borrowing

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

When considering prudent and sustainable levels of borrowings we must consider the costs of these borrowings both now and in the future. We must also consider how much capacity we leave to deal with future shocks. Higher borrowings can mean higher levels of financial risk and with this comes associated increases in interest and servicing costs.

In setting a prudential limit on our borrowing Auckland Council looks at the relationship between our debt and our revenue. This limit is an indicator of the ability of council to cover its borrowing costs from its different revenue sources.

This financial strategy sets a prudential limit of group debt being less than 270 per cent of group revenue. When assessing our debt to revenue ratio against this limit, a number of adjustments are made which are consistent with S&P Global's approach when they undertake their credit rating assessment¹. To maintain debt headroom to allow capacity to address future shocks, the council will set a long-term target of maintaining debt-to-revenue levels below 250 per cent.

Given that interest costs are the key link between debt levels and the cost charged to ratepayers the council will introduce a limit on debt servicing cost. The limit on group debt servicing costs will be 15 per cent of group revenue.

Local Water Done Well

Due to the long-life nature of water networks, it is most appropriate that investment is funded over a very long term. Historically, the ability of the council group to do this has been limited by the need to consolidate debt and to hold a single group credit rating. This has resulted in water charges higher than they needed to be and/or reductions in capital investment.

As part of its Local Water Done Well policy the government asked Auckland Council to propose a solution for Auckland. Following work by officials from Auckland Council and central government, a legislative solution was identified that would mean Watercare's ability to borrow for intergenerational investment would no longer be constrained by the council's prudential debt limit.

Given the endorsement by the Governing Body, the Cabinet decision, the joint public announcement, and the commencement of legislative process, it is appropriate that the Long-term Plan 2024-2034 includes an assumption that the necessary legislative changes are made to effect the separation by 1 July 2025.

Based on this assumption Watercare have updated their financial projections to reflect a new price path (with agreed price increases of 7.2 per cent per annum for the first three years, and projections of 9.2 per cent per annum for the remainder of the LTP), interest costs, and debt levels.

This will enable Watercare to include their full, required capital programme, including renewals, and to complete the Central Interceptor project, including extending it to Point Erin, and replacing the 100-year-old Huia Water Treatment Plant.

¹ The main adjustments are the exclusion of revenue related to capital expenditure, development contributions, vested assets and the sale of assets to total revenue and inclusion of the present value of lease commitments to debt. Based on our assumption around legislative change the approach will also exclude Watercare revenue and expenditure from 1 July 2025.

Prudent management of Watercare's debt is crucial for ensuring long-term financial sustainability. As the sole shareholder, the council will maintain oversight, primarily through its Revenue and Financing Policy Principles. Additionally, under the new legislation, this oversight will be supported by the introduction of a financial regulator and the appointment of a Crown Monitor.

The council will consider whether changes in the future to its prudential limits are appropriate to take into account this new situation.

Treasury management

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

In a similar way to how you might fix your mortgage, we protect the council from rises in interest rates using hedging to fix interest rates. This locks in the council's future borrowing cost for a certain period to largely protect us from rising interest rates.

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

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

Sustainable finance

Growing our sustainable finance programme is one of the ways the council can respond to the risk of being unable to access debt capital and other financial products affordably and easily as a result of climate change.

Auckland Council has been issuing green bonds since 2018 and expanded its sustainable finance programme in 2022 to include the use of sustainability-linked financial products.

As a signatory to the C40 Divest/Invest declaration, the council has committed to issue most of its debt through sustainable finance mechanisms.

As a growing part of debt capital markets, sustainable finance products give access to a wider pool of investors and pricing can be more attractive.

To meet the growing demand for these financial products, the council should ensure that as many as possible of the assets we invest in meet our green bond and loan eligibility criteria set out in Auckland Council's Sustainable Finance Framework 2023.

The eligible asset criteria are in line with applicable market standards and are amended regularly to reflect evolving science and policies. Currently we do not have enough assets on our books that meet the applicable criteria to enable council to raise all our debt in a green format.

The council has made public commitments around sustainability and our need to focus on adapting to climate change. If our capital investment programme is not delivering sufficient assets that meet the green bond criteria, we will not be able to continue to offer green bonds and other sustainable finance products in our key financial markets. This creates a risk that access to the financial markets becomes more restrictive and expensive and we suffer reputationally.

Balancing the budget and funding depreciation

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

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

Fully funding depreciation from rates and current revenue would mean that on average we are not relying on borrowing to fund asset replacement expenditure over the long run. This represents a sustainable approach, as it ensures that operating expenditure is covered by operating revenues and borrowing is only used to finance new asset investment that will deliver enduring benefits. Prior to the formation of Auckland Council, the legacy councils only funded 63 per cent of depreciation and our policy is to progressively move to 100 per cent by 2028.

5.6. Maximising return on our investments

Ensuring our assets and financial investments are delivering the best returns

Auckland Council holds assets worth over \$70 billion for the benefit of Aucklanders. It is crucial we ensure all these assets are delivering best value. To do this, we will continue our current programme of asset recycling and to leverage our financial investments to deliver improved financial and physical resilience through the establishment of the Auckland Future Fund.

Asset recycling

Balance sheet optimisation is an important lever for the council to release capital from poorly performing and/or non-service assets to allow greater investment in more strategically aligned activities without taking on additional debt.

The council will continue to optimise the use of its balance sheet and this LTP includes a target of selling \$300 million of surplus property assets over the next 10 years.

For this target to be achieved, a decision-making framework and balance sheet optimisation principles have been agreed. Examples of assets that will be sold to achieve this target include the sale of non-strategic property and residual property from infrastructure projects or the sale of business interests that are not core to the delivery of council services. Refer to section 3.7 – Asset Recycling Policy for more information.

Investment management

A key priority in the financial strategy is to improve the resilience and returns from our financial investments, allowing Council to be protected from shocks that impact Council's other assets.

Due to a range of commercial factors and the impact of the COVID-19 pandemic, the council's current investment in Auckland International Airport Limited is delivering dividend returns below the council's cost of capital. It does not give us any geographical spread of risk with those of the council and its other CCOs. This means that the investment is neither providing ratepayers best value for money, nor does it constitute somewhere we could turn to access funds in a disaster.

We will establish a regional wealth fund (the Auckland Future fund) designed to improve the council's financial and physical resilience. The resilience would partly be through a higher and steadier expected rate of return, that at least meets the council's long-term cost of debt and provides a diversified asset portfolio. The purpose of the fund is to protect the real value of Council's intergenerational assets, to continue to benefit future generations, and to provide consistent returns to council to fund services and infrastructure. The full Auckland Future Fund policy can be found in the Auckland Future Policy, section 3.10.

The other major focus has been to optimise returns from the Port and waterfront area. Port of Auckland Limited has committed to deliver more than \$1.1 billion in profits over the 10-year period, working in conjunction with the Maritime Union of New Zealand and other relevant unions.

The table below details our current financial and equity investments and our targeted returns:



Table 3 - Investment, objective and target returns

Investment	Objectives	Target returns
<p>Auckland Future Fund</p> <p>Further information on the Auckland Future Fund can be found in section 3.10</p>	<p>To provide both financial and physical resilience for Auckland Council and future generations.</p>	<p>The council has set a targeted average annual returns of at least 7.24 per cent per annum.</p> <p>Of this 5.24 per cent will be returned to the council as a cash distribution each year with the remainder retained to provide for growth of the fund.</p>
<p>Port of Auckland Limited (POAL)</p> <p>The council is a 100% shareholder with 156,005,192 shares.</p>	<p>The council's objective is to receive a commercial return on its investment to reduce the reliance on rates income.</p>	<p>POAL has committed to deliver at least \$1.1 billion in profits over the LTP period.</p>
<p>Auckland International Airport Limited (AIAL)</p> <p>The council is a 11.03% shareholder with 163,231,466 shares.</p>	<p>In the short term, the council's objective is to receive a commercial return on its investment to reduce the reliance on rates income.</p> <p>This LTP provides for the council's shareholding in AIAL to be transferred to the Auckland Future Fund with decisions around whether the fund continues to hold AIAL shares or diversify sitting with the fund managers.</p>	<p>Prior to the transfer into the Auckland Future Fund, the council has set a return on investment target of dividend growth at a rate at least equivalent to the increase in the Consumer Price Index (CPI).</p>
<p>New Zealand Local Government Funding Agency Limited (LGFA)</p> <p>The LGFA was established to provide funding facilities for local government. We hold 4,000,000 shares (including uncalled capital). The LGFA is owned by the Crown and 67 local authorities. We are a minority shareholder.</p>	<p>Obtain a return on the investment.</p> <p>Ensure that the Local Government Funding Agency has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.</p> <p>Access loan funding at lower rates.</p> <p>Due to the overall benefit of these multiple objectives, we may invest in shares when the return on that investment is potentially lower than the return with alternative investments.</p>	<p>The company's policy is to pay a dividend that provides an annual return to shareholders equal to the LGFA cost of funds plus 2 percent.</p>
<p>Trusts and reserves</p> <p>The council administers several trusts and reserves that fund specific activities, mainly through endowments from private sources.</p>	<p>Returns generated are used to support the defined, specific activities.</p> <p>For this LTP, trust and reserve revenues are allocated to specific activities in the year received, and no changes in balances are projected.</p>	<p>The council has a target for the trust and reserve portfolio to outperform the Official Cash Rate (OCR).</p>

5.7. A new deal for Auckland

Developing a fundamentally different relationship with central government

Auckland Council continues to look to work with central government to improve our long-term financial sustainability. The key difference in this financial strategy is that we are moving away from a 'hand out' approach, which includes the replacement of funding for critical projects previously relied upon such as the Regional Fuel Tax, towards a partnership approach where structural change is required, to enable alignment with Auckland's goals. This structural change will involve the provision of new funding tools, joint prioritisation work, and governance changes.



Growth funding tools

The council is seeking changes to the law relating to development contributions and targeted rates to enable councils to adequately recover the costs of growth. This includes allowing us to charge development contributions based on an estimate of average infrastructure costs.

The council is also working with the Department of Housing and Urban Development and Kāinga Ora to support the intensification of priority areas with significant Kāinga Ora landholdings. This work may lead to the acceleration of infrastructure investment enabled by the Housing Acceleration Fund.

Funding major events and visitor attraction

The council is working with the government to seek legislative change that would enable a 'bed night visitor levy' to fund destination marketing and major events costs. The council has assumed that this levy will be in place by 1 July 2025.

Rating Crown property and GST on rates

Crown properties continue to be non-rateable despite the Crown benefiting from the services the council provides. Removal of this status would improve the fairness of the rating structure.

Additionally, GST is charged on top of council rates. The Future of Local Government review recommended the removal of this 'tax on a tax' and Auckland Council supports for central government returning the GST collected on rates, to enable Auckland's cost of growth.

Control over local fees, fines and penalties

A number of charges the council is empowered to use are prescribed strictly in legislation which limits the ability of the council to adjust them to incentivise and deliver key outcomes. For example, the council (or Auckland Transport) cannot adjust parking fines to levels that would better incentivise good behaviour and create more equitable transport access.

An integrated transport plan and a review of transport governance

The council is advocating for a reform of how planning and governance for transport in Auckland is structured. This includes an Auckland Integrated Transport Plan which would provide an aligned and integrated policy and investment strategy. An aligned investment strategy would be supported by Crown commitments to levels of co-funding for transport investment through the National Land Transport Fund.

This should be accompanied by legislative change to enable Auckland Council to exercise greater democratic authority and strategic oversight of transport planning functions – in line with other councils around the country.

Improved transport funding

Empowering Auckland Council to introduce road pricing or ‘time of use charging’ would enable the council to deliver more progress on key transport outcomes. This includes reducing congestion and improving public transport patronage and emissions reductions, through behaviour change without necessarily relying on additional investment.

Governance of regional amenities

Legislation set up to ensure fair allocation of funding for regional amenities across councils prior to amalgamation in 2010 is still in place. This mandates a funding approach that is not accompanied by democratic accountability to Aucklanders. The council advocates for a review of this approach.

Joint initiatives for our environment and social development

The council is seeking a more structured, joint approach between local and central government towards environmental and social priorities of national concern. The council recognises that some communities experience intergenerational poverty and inequity of outcome which need to be addressed for the development of Auckland as a whole.

Major biosecurity threats, such as the exotic caulerpa outbreak, present serious threats, and siloed approaches to addressing them will be less successful. The council also continues to work with central government, including through funding from the Climate Emergency Response Fund (CERF), to reduce the region’s carbon emissions. Continuation of this and/or similar funding initiatives will be key to delivering in line with Auckland’s plans to reach net-zero by 2050.

6. Bringing it all together

By prioritising prudent fiscal measures and long-term planning, the financial strategy seeks to ensure the city's economic prosperity while maintaining environmental and social equilibrium. Bringing together the responses to external and internal factors and the key financial strategy settings, we have presented a budget that sets the council up for long-term financial sustainability and resilience.

The key measures of this are our ability to continue to invest in assets and services, our projected rates requirements, and our forecast debt levels.

This strategy advocates for collaboration with central government, emphasising a regional leadership approach that promises improved outcomes for the people of Auckland.

6.1. Investing in assets and services

While we have increased cost control and prioritisation in both operating and capital spend, we still support record levels of investment in new or renewed assets for the city, and significant spending on delivering services that Aucklanders value. Over the 10-year period 2024-2034 we are committing to a capital investment programme of around \$39.3 billion (including CRL).

Investment is substantially focused on our core transport and water networks.

We intend to channel our capital expenditure towards completing ongoing projects, addressing maintenance needs, and optimising existing assets. As shown below, the profile of the program's composition underscores this strategy, with nearly 41 per cent of our projected investment dedicated to renewals, which is set to increase from 31 per cent in 2024/2025 and to nearly 49 per cent by 2033/2034.

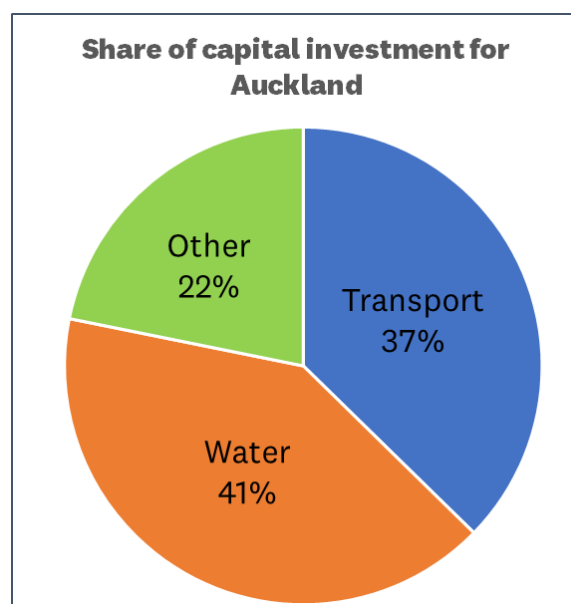


Figure 8 - Share of capex

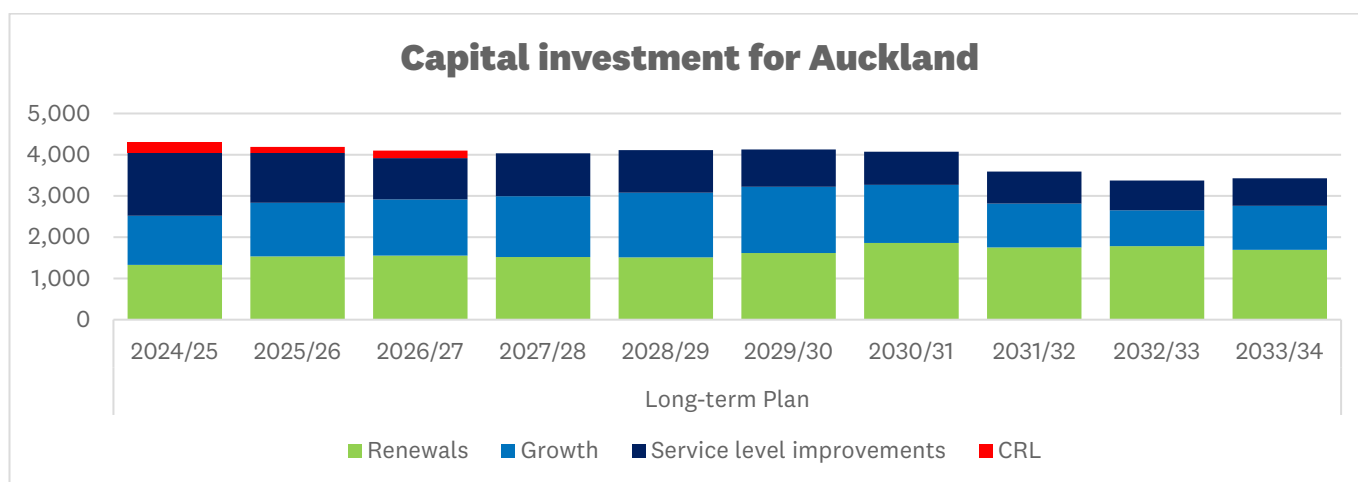


Figure 9 - Capital investment

The substantial capital investment remains a pivotal factor contributing to the expansion of our operating cost base.

Despite facing notable cost pressures, the council aims to keep a check on essential direct operating costs, targeting an average annual growth rate of 3 per cent. Notably, costs linked to capital investment, such as interest and depreciation, are anticipated to increase by approximately 6 per cent annually.

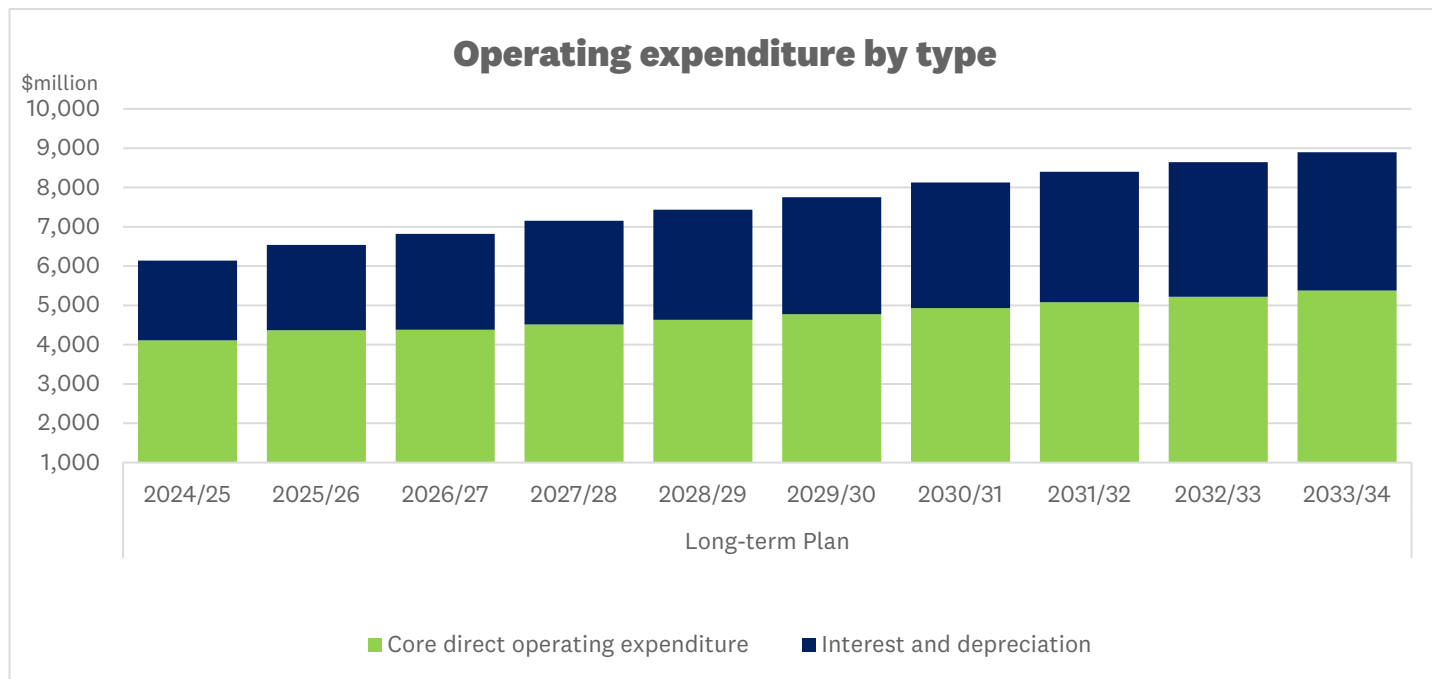


Figure 10 - Operating expenditure

6.2. Rates increases

In order to establish stability in rates and ensure a sustainable revenue stream capable of supporting the specified investment levels, the council has a cap on overall average rate increases for residential ratepayers, linked to projected inflation (based on CPI). This limit is set at 1.5 per cent above the reported inflation level, based on the projected level of inflation (refer to section 5.3 General and Targeted rates).

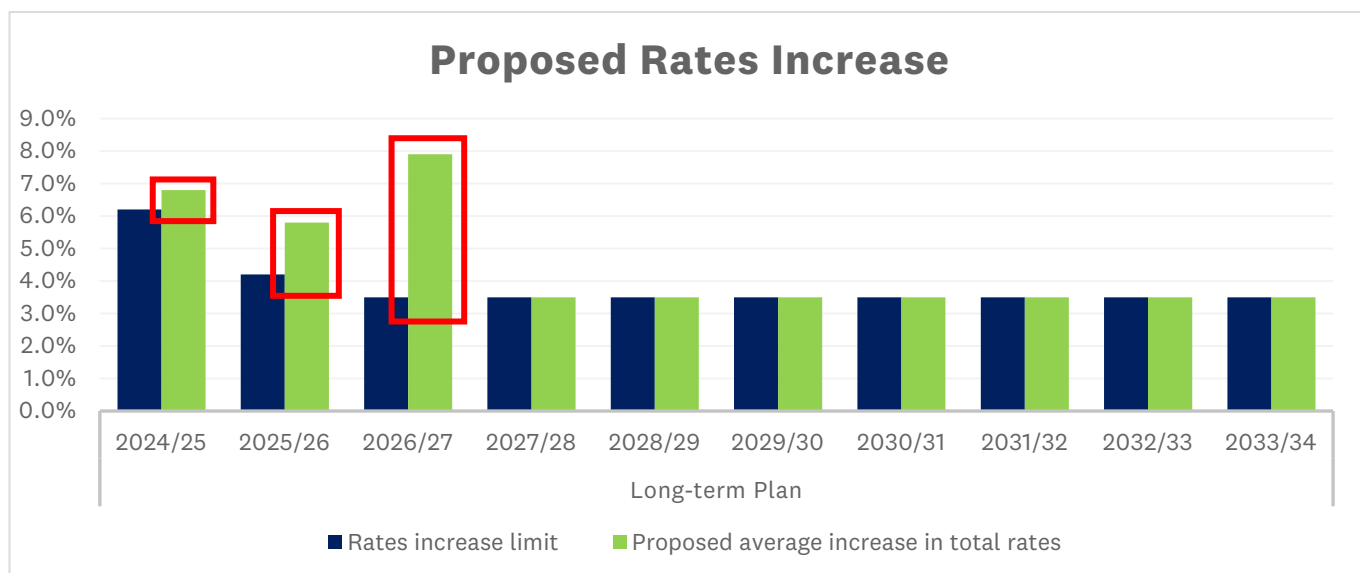


Figure 11 - Projected rates increase

Despite these predetermined long-term policy constraints, below are average rate increases surpassing this limit for three years within the plan (see highlighted boxes in the below graph).

- Year one – an average rates increase of 6.8 per cent as a result of the first tranche of home buyouts and resilience work needed as a result of recent storms, and
- Year two – an average rates increase of 5.8 per cent primarily driven by the council’s moves to fairer funding for local boards, and
- Year three – an average rates increase of 7.9 per cent to cover the first full year of additional operating costs from the City Rail Link project commencing operations

6.3. Debt projections

Borrowing is a crucial means of creating capacity for investment, allowing the expenses associated with investment to be distributed across various generations that benefit from it. This LTP provides for group debt to grow from \$11.9 billion in FY24 to \$21.3 billion over the 10-year period of the LTP.

To establish a prudent limit on borrowing, Auckland Council evaluates the correlation between its debt and revenue, and between its interest costs and revenue. The limits signify the council’s ability to meet its borrowing costs using diverse revenue sources. The council’s limits on borrowing are that group debt remain below 270 per cent of group revenue (with a target of being below 250 per cent), and that group interest remain below 15 per cent of group revenue.

The first chart below shows that (Watercare’s revenue and debt excluded from 1 July 2025) the ratio is significantly below the target and even falls below 200 per cent in the last three years of the LTP.

The second chart shows a similar story for the group interest to revenue ratio.

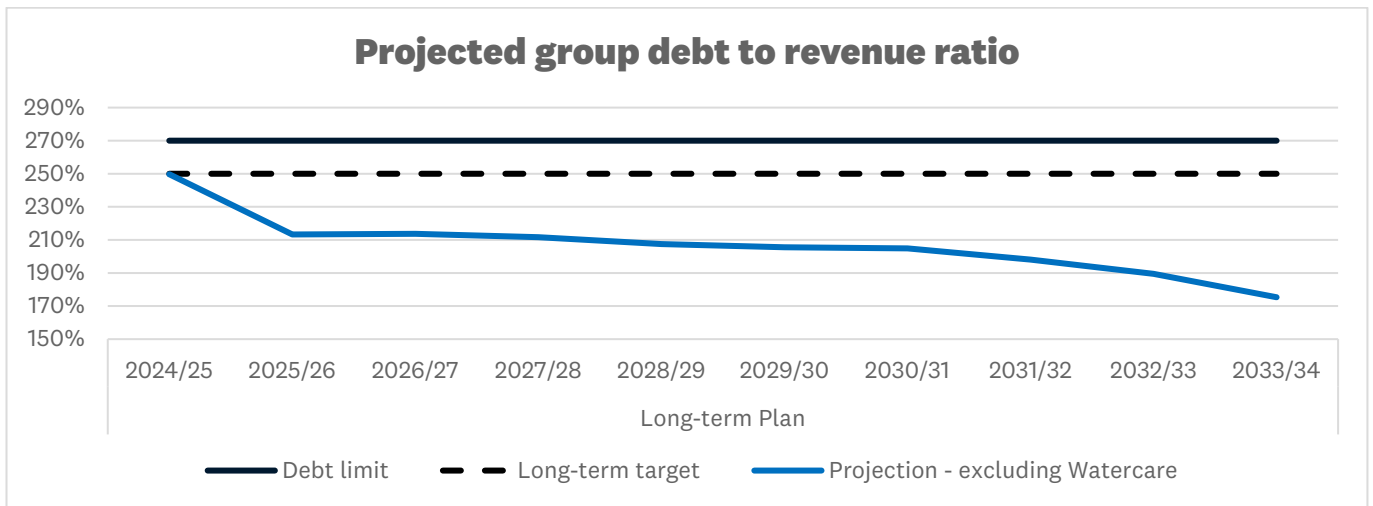


Figure 12 - Projected group debt to revenue ratio

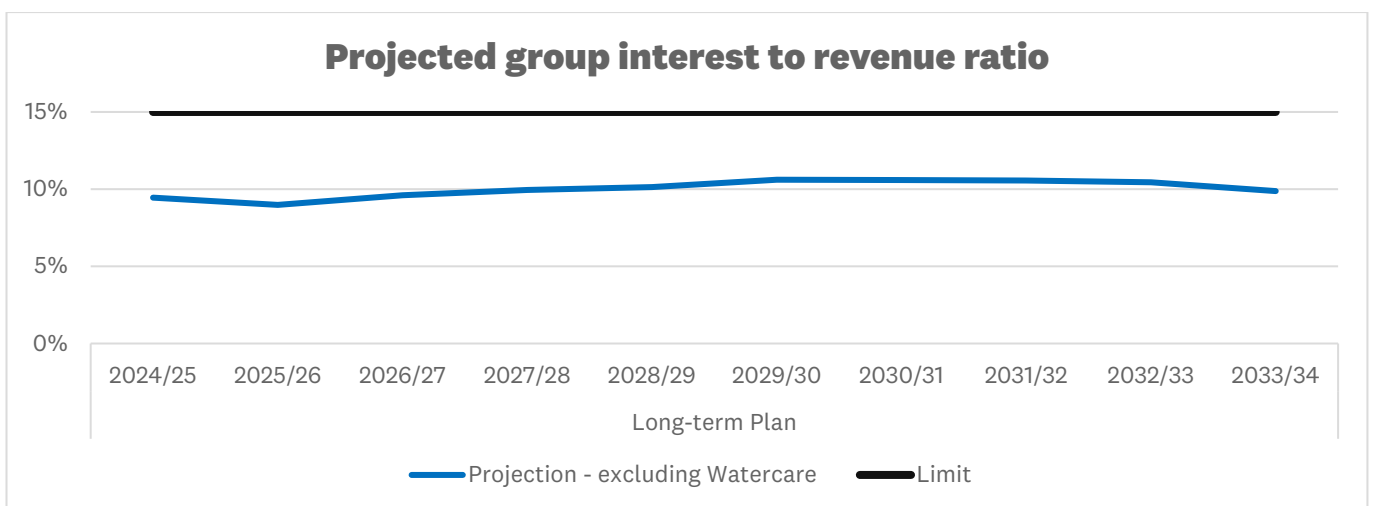


Figure 13 - Projected group interest to revenue ratio

If Watercare's revenue and debt was included, our debt-to-revenue profile would exceed the policy limit in the 2029/2030 and the 2030/2031 financial years. Debt headroom to respond to shocks would also be significantly reduced.

7. Key assumptions

The outlined capital and operating expenditures in the preceding section are based on key assumptions with varying levels of uncertainty. These critical assumptions are:

- projected growth and development will occur, and consequently revenue forecasts for rates, consenting revenue, development contribution and growth-related user charges (e.g. water charges) will eventuate.
- inflation and interest rates will be in line with projections.
- the returns from diversifying the council's commercial investments through the establishment of the Auckland Future Fund are as expected.
- levels of government funding towards transport investment are at the assumed levels.
- that the CRL project is delivered on time and on budget, that the resultant assets vested in Auckland Council match our assumption, and that the ongoing operating funding required is in line with our assumptions.
- that the number of buyouts, and property-level grants required, in response to the 2023 storm events is in line with projections and that government contributions to the cost are in line with our assumptions.
- That the Local Government (Water Services Preliminary Arrangements) Bill is passed, and effective from 1 July 2025.
- that the council group can deliver the assumed cost reduction targets and asset sales targets.

The full set of our significant financial assumptions are available in Section 2 Prospective Financial Statements in Volume 1, along with an assessment of the level and impact of uncertainty on each assumption.

8. Continuous monitoring

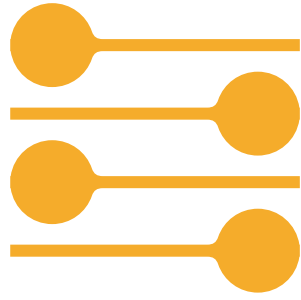
This financial strategy, and the budgets for this LTP, have been prepared in a highly uncertain environment and they rely on the best available information and assumptions. Thorough monitoring of the broader environment and financial conditions is crucial, due to the delicate balance between debt and revenue settings.

Given the levels of uncertainty and constrained opportunities for revenue growth, it is essential to consider how the council can best respond to unforeseen circumstances.

While a significant portion of our revenue comes from sources other than rates (approximately 59 per cent on average), there is limited room for revenue expansion, making it likely that increased costs (due to population growth, evolving community needs, climate change adaptation, maintenance, and renewal of assets) will be passed on to ratepayers. Despite successful cost-saving programs, maintaining low rates increases will be challenging in the future, requiring rigorous cost-benefit analysis and discussions.

Any significant changes in our operations or financial settings will be subject to public consultation.

Section two: Our activities



2.0 Groups of Activities

Overview

The council has **eight groups of activities** (GoA or GoAs). They are groups of one or more related activities provided by, or on behalf of, the council or its council-controlled organisations. Some of these groups of activities are mandated by the Local Government Act 2002, and others have been determined by the council. They comprise the council’s service delivery and align to the outcomes identified in the Auckland Plan 2050.

- Groups of Activities**
- Roads and footpaths
 - Public transport and travel demand management
 - Water supply
 - Wastewater
 - Stormwater management
 - Local council services
 - Regionally delivered council services
 - Council-controlled services



Figure 1 – GoAs, Outcomes and the Wellbeings

How the GoAs are arranged in this LTP

In this document, information relating to the council’s GoAs is arranged by **council services**, which correspond to the investment *areas* as shown in the diagram below:

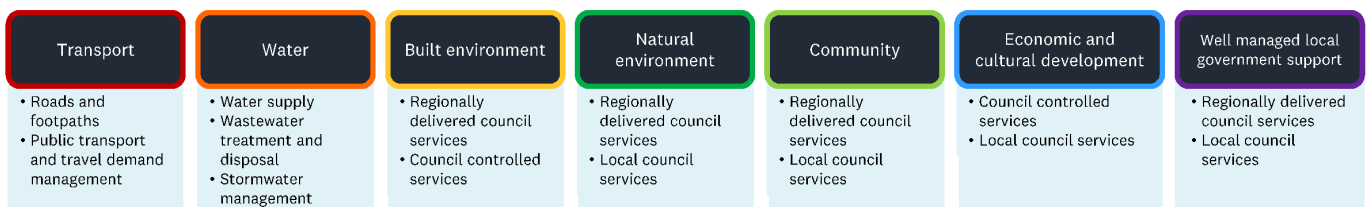


Figure 2 – Relationship between the GoAs and the Investment areas

The GoA information includes:

- **Statement of service provision** (*summary in Table 1*), which includes **service performance measures** with its annual targets/baselines. This enables you to assess the level of service for major aspects of the relevant GoA.
- **Key activities and key projects**
- **Things we are keeping an eye on**, which outlines the significant negative effects that a GoA may have on the social, economic, environmental, and cultural well-being of local community (*see summary in Table 2*)
- **Financial information** (*see summary in Table 3*)
- **Funding Impact Statement**

We also identify the key budget changes and resulting impacts on service levels for this LTP (and changes from the previous LTP), including significant uncertainty and risks which could impact those services in the future.

Performance measures framework

The performance measures in this LTP are used to monitor and assess the council group's progress against its identified community outcomes, including those set out in the Auckland Plan 2050.

As part of this LTP, the council has reviewed its performance measure framework. The aim of the review was to improve performance transparency and accountability across the council group by improving clarity relating to the performance of the council group's services and activities, and to better enable the public to assess the council's delivery against its identified levels of service and community outcomes. The review has resulted in a performance measure framework for this LTP with fewer, higher quality measures that focus on the performance dimensions of quantity, timeliness and quality.

Fundamental principles

In developing our framework, we have applied a set of fundamental principles, and compliance obligations, in considering whether to add new, or retain, remove or modify previous LTP performance measures:

- Demonstrating public accountability and what is important to the community
- Targets that are linked to the investments
- Reduction in the total number of measures
- Consistent measures across the council's group for climate
- Alignment with the Statement of Intent (SOI) measures.

















Our approach to setting targets is based on, where appropriate, proposed funding levels, historical data analysis and trends, forecasts and assumptions. Where we have removed some of the performance measures from the previous LTP, we will continue to monitor and report on these as part of other reporting mechanisms.

Service levels and performance measures












This LTP's performance measures are shown in the *Key performance measures* sections of the relevant group of activity, including its respective targets or baselines. Some performance measures results are sourced through surveys, which can be found in the *Local community services* GOA.

Services we are providing

Table 1 - Overview of Groups of activities by council services

Investment areas for council services	Group of activity	Statements of service provision	Primarily contributes to outcomes ¹
Transport  	Roads and footpaths	<ul style="list-style-type: none"> Provide safe local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers 	
	Public transport and travel demand management	<ul style="list-style-type: none"> Provide public transport services and infrastructure 	
Water  	Water supply	<ul style="list-style-type: none"> Provide reliable supply of safe water 	
	Wastewater treatment and disposal	<ul style="list-style-type: none"> Collect and treat wastewater 	
	Stormwater management	<ul style="list-style-type: none"> Manage stormwater network to minimise risks of flooding and improve water quality 	
Built environment  	Regionally delivered council services	<ul style="list-style-type: none"> Coordinate enabling infrastructure (Transport and three waters) and ensure quality of vested assets 	
	Council controlled services	<ul style="list-style-type: none"> Transform City Centre and regenerate urban centres in locations with significant land holdings 	
Natural environment 	Regionally delivered council services	<ul style="list-style-type: none"> Integrate land use and infrastructure planning and regulate development through consenting process 	
	Local council services	<ul style="list-style-type: none"> Regulate activities to safeguard public health and safety Manage the collection and processing of household waste and minimise waste to landfill Protect, improve and minimise risks to the natural environments and cultural heritage 	

¹ For more information about the outcomes see section 1.0 Strategic overview.

Investment areas for council services	Group of activity	Statements of service provision	Primarily contributes to outcomes ¹
		<ul style="list-style-type: none"> Provide opportunities for communities to lead and deliver their own initiatives 	
Community 	Regionally delivered council services	<ul style="list-style-type: none"> Protect and provide access to distinctive and unique environments through regional parks Provide urban green spaces (local parks, paths and ngahere) and access to the coast Enable a range of choices to access community services and recreation opportunities 	
	Local council services		
Economic and cultural development  	Council controlled services	<ul style="list-style-type: none"> Provide access to regional facilities Facilitate economic development opportunities and promote Auckland as a destination 	
	Local council services		
Well-managed local government   <i>[Placeholder for a new Auckland Future Fund CCO establishment]²</i>	Regionally delivered council services	<ul style="list-style-type: none"> Lead council group response to partnership and participation of Māori in decision making and deliver Māori outcomes Support effective governance, provide quality advice and advocate for Auckland's interests Provide leadership in building resilience and responding to emergency and lead recovery Engage with Aucklanders to have their say, participate in decision-making and stay informed Operate a fit-for-purpose organisation and make it easy to get things done with council Manage long-term finances sustainably and maximise returns on council's investment 	
	Local council services		

¹ For more information about the outcomes see section 1.0 Strategic overview.

² Please see Volume 1, section 1.6 for further details on the Auckland Future Fund

Things we are keeping an eye on

The GoA information in the long-term plan must outline any significant negative effects that any activity within the GoA may have on the social, economic, environmental, and cultural well-being of local community (clause 2(1)(c) of Schedule 10 of the Local Government Act 2002).

Table 2 - Outline of significant negative effects of the groups of activity

Groups of activities	Things we are keeping an eye on (Significant negative impacts)
<p>Roads and footpaths Public transport and travel demand management</p>	<p>Health and safety of road users</p> <ul style="list-style-type: none"> Reducing injuries on the city’s roads by improving road designs to make roads and footpaths safer for all users. Reducing speed limits on rural roads and most inner-city roads to reduce the impact of accidents. <p>Impacts on the environment</p> <ul style="list-style-type: none"> Managing run-off and discharges of pollutants and sediments to the receiving environment with adequate environmental controls. AT monitors work sites using purpose-designed traffic management systems to minimise the environmental impact of this work and reduce disruption to Aucklanders. We also keep residents informed about the work being done. <p>Disruption to road users, residents and businesses due to road works</p> <ul style="list-style-type: none"> Reducing travel disruptions through public information campaigns, schedule changes, traffic management systems and alternative public transport services, and keeping affected residents and businesses informed about the work being done. <p>Carbon emissions and impacts of climate change³</p> <ul style="list-style-type: none"> Operating the public transport system, building and maintaining roads can cause carbon emissions. We provide safe, reliable and frequent public transport to reduce the need for light vehicle trips. The changing climate might accelerate wear and tear of our roading infrastructure. More frequent and extreme weather events requires more regular maintenance of road drainage to minimise blockages due to debris.
<p>Water supply Wastewater treatment and disposal Stormwater management</p>	<p>Impacts on the environment</p> <ul style="list-style-type: none"> Ensuring sustainable consumption of water and managing discharges to the receiving environments, by meeting relevant standards and requirements which reduce the overall environmental impact of three water services. <p>Carbon emissions and impacts of climate change</p> <ul style="list-style-type: none"> Building, operating and maintaining water infrastructure can cause carbon emissions. The changing climate means that we are more exposed to changing weather patterns such as drought and more frequent/ severe events that put pressure on water infrastructure and our ability to deliver services to our communities. <p>Health and safety for the public</p> <ul style="list-style-type: none"> Ensuring drinking water is safe for consumption, minimising the risks for wastewater overflows, and managing the conveyance of stormwater to protect public safety and minimise damage to properties.

³ For more information about the climate related performance measures see Volume 2, section 1.1 Strategic direction on climate change

Groups of activities	Things we are keeping an eye on (Significant negative impacts)
	<p>Central Government Policy Programme</p> <ul style="list-style-type: none"> On 5 May 2024, the government announced a solution under the Local Water Done Well plan which means Watercare will be able to borrow more money for long-term investment in water infrastructure to achieve better and more sustainable water outcomes for Aucklanders.
<p>Regionally delivered council services Local council services</p>	<p>Services not accessible/excluding some communities</p> <ul style="list-style-type: none"> Ensuring services adequately consider and address the diverse needs of our community by removing barriers through service design. Providing options to access services not limited to physical access and ensuring the local community needs and voices are heard. Making sure provision of services is equitable across Auckland and takes into account needs of different communities. <p>Carbon emissions and impacts of climate change</p> <ul style="list-style-type: none"> Directing growth and development away from areas vulnerable to climate change and integrating land-use and infrastructure planning to minimise emissions. Building, operating and maintaining community infrastructure can cause carbon emissions. Our park network plays a vital role for stormwater conveyance and provides cooling for hot days. The changing climate means that we are more exposed to changing weather patterns such as drought and more frequent/ severe events that put pressure on community infrastructure and our ability to deliver services to our communities. <p>Impacts on the environment</p> <ul style="list-style-type: none"> Minimising environmental impacts of land-use activities by ensuring our planning and regulatory levers are working effectively. Protecting our significant environments by managing pests, enhancing biodiversity, encouraging community-led actions, minimising waste to landfill and monitoring the state of the environment. <p>Central Government Policy Programme</p> <ul style="list-style-type: none"> Decisions on resource management, freshwater management, climate, natural hazards and any other reform will potentially impact on compliance requirements for council’s planning and regulatory rules.
<p>Council-controlled services</p>	<p>Carbon emissions and impacts of climate change</p> <ul style="list-style-type: none"> Managing and minimising the embedded emissions in operating and maintenance of regional facilities, and creating the need for infrastructure to support growth and development in strategic locations.

Summary of revenue and expenditure by group of activity

Table 3 – Summary of revenue and expenditure by GoA (in \$000)

Group of Activity	Activity	Non-rates revenue	Direct operating expenditure ⁴	Capital investment
Roads and footpaths (GoA)	Roads and footpaths	1,312,932	3,013,793	8,318,480
Public transport & travel demand management (GoA)⁵	Public transport and travel demand management	10,290,572	14,131,477	6,275,841
Water supply (GoA)	Water supply	6,337,263	1,193,978	5,650,234
Wastewater GoA)	Wastewater	10,530,149	2,824,804	8,134,870
Stormwater (GoA)	Stormwater management	20,703	1,085,785	2,230,480
Local council services	Local community services	561,186	4,225,271	2,761,653
	Local environmental management	-	57,466	163,472
	Local governance	-	249,310	-
	Local planning	-	268,712	-
Council delivered services (GoA)	Auckland emergency management	-	214,883	820,726
	Investment	3,776,932	2,557,970	729,900
	Environmental services	14,330	635,034	2,476
	Regional community services	463,509	3,776,351	1,478,625
	Regional governance	25,795	518,180	-
	Regional planning	53,460	965,642	290,514
	Waste services	333,025	2,503,390	344,134
	Third party amenity and grant	-	847,227	-
	Organisational support	755,646	3,042,601	629,082
	Regulatory services	2,843,747	2,452,132	6,757
Council controlled services (GoA)	Auckland Development	98,834	367,421	-
	Property development	448,849	344,241	916,310
	Regional facilities	877,909	1,395,752	586,817
	Economic development and destination	338,828	715,216	-
Grand Total		39,083,670	47,386,636	39,340,371

⁴ Direct operating expenditure does not include interest and depreciation.

⁵ Total capital investment for Public transport & travel demand management (GoA) includes the council's investment in the City Rail Link project of \$0.6 billion.

2.1 Roads and footpaths

Auckland Transport (AT) is a council-controlled organisation that manages, maintains and develops most of Auckland's transport infrastructure and services, except for state highways and rail corridors.

AT operates and maintains Auckland's roads, streets and footpaths, and develops the road and footpath network to support Auckland Council's priorities. Priorities include managing congestion, reducing emissions, improving safety, cycling, and travel times – especially for public transport. While many AT projects fall into the 'roads' category, in many cases these projects are supporting mode shift and may not be focused on increasing general traffic capacity. Overall, a well-performing network improves wellbeing and helps build a stronger economy.

Key budget highlights and impacts

This long-term plan includes a budget of \$8.3 billion for the capital programme and \$3.0 billion direct operating budget for *Roads and footpaths*, with the focus on:

- **Fixing the roads** by fully funding council's share of road renewals (\$5.5 billion) if co-funding is available and the Unsealed Road Improvements programme (\$125 million)
- Progressing removal of level crossings needed for the City Rail link as well as removal of the next priority level crossings in Takānini (\$613 million)
- **Working with Kāinga Ora.** The council has allocated \$200 million for transport capital expenditure to support investment in priority housing areas and the Auckland Housing Programme. The council is working on next steps with Kāinga Ora to explore the potential use of the Housing Acceleration Fund (HAF), which is pending government approval.
For more information see section *Uncertainty and implications* below, and section *Housing and growth* in Volume 1 (page 32).
- Cutting congestion by making the most of what we have and making progress on 'time-of-use charging'.

Background context

Regional fuel tax

On 8 February 2024, the government announced the cancellation of one of the council's funding sources, the regional fuel tax (RFT), ending the scheme four years early. This announcement resulted in \$600 million reduction in RFT funding. Consequently, a number of projects, both funded by RFT and other funding sources, had to be reprioritised, re-scoped, deferred or stopped. This includes partial deferral or reductions in the road improvements for Glenvar Road (reduced by 30 per cent), network resilience, cycleways, Matiatia Landside Park and Ride, Henderson Rail-Bus Station Improvements, and the Point Chevalier Town Centre Layover.

Uncertainty and implications

National Land Transport Fund (NLTF)

Rates and the National Land Transport Fund (NLTF) are the two main sources of funding for Auckland's transport activities. Fuel taxes and road user charges collected into the NLTF are administered by the NZ Transport Agency Waka Kotahi (NZTA) to deliver the policy set out by central government through the

Government Policy Statement (GPS) on land transport. In recent years, direct Crown funding for transport outside the NLTF has also played an increasingly important role.

Our forecasting assumptions are subject to change following government funding decisions.

Regional Land Transport Plan (RLTP)

The Regional Land Transport Plan (RLTP) is a 10-year investment plan for Auckland's transport network. It sets out the region's land transport objectives and priorities for at least 10 years, with a focus on the investment priorities over the next six years. The RLTP must be reviewed every three years.

The next RLTP will be submitted to the New Zealand Transport Agency (NZTA) on 1 August 2024, and it will set out which projects, programmes and operating items AT, the NZTA and KiwiRail are seeking to fund, or partly fund, from the National Land Transport Fund (NLTF).

Our forecasting assumptions are subject to change depending on government decisions.

Housing Acceleration Fund (HAF)

The Housing Acceleration Fund (HAF) was established in 2021 by the government to increase housing supply and improve affordability for low-to-moderate income households. Kāinga Ora has a key role to implement and deliver Large Scale Projects (LSPs), the Kāinga Ora Land Programme and the Infrastructure Acceleration Fund (IAF) components, which contribute to the scope and scale of support expected to be delivered from Auckland Council.

To facilitate accelerated housing development over the next 10 years, this plan anticipates ongoing collaboration with Kāinga Ora (KO) and central government, using the HAF to promote further investment in the Auckland Housing Programme (AHP) areas. Using the HAF would enable a significant acceleration of investment that would otherwise be spread over future decades. This would enable more housing development sooner.

To support investment in priority housing areas, this plan includes an investment package of \$620 million across the transport, three waters and parks and community facilities, using the council's existing funding tools.

Our forecasting assumptions are subject to change depending on government decisions.

Key activities: Roads and footpaths

Maintain the network

We must make the best use of the existing network by maintaining and renewing existing assets so that we can support Aucklanders and our growing city with a safe, reliable and efficient transport network. In recent years the level of transport asset renewals has fallen behind what is required to support the right level of service and avoid higher whole of life costs. A key priority is that our transport infrastructure is safe and fit for purpose. We will achieve this by increasing the amount we invest in renewals to ensure AT's Asset Management Plan (AMP) is fully funded (subject to government funding support).

We design, build, and manage our local and arterial roads, cycleways, footpaths, and shared paths to improve safety and traffic flow, and to minimise congestion. We manage roading infrastructure, maintain surface quality and road markings, street lighting, traffic signals, intersection optimisation, incident response and road safety initiatives.

We plan to minimise emissions, protect the environment and balance the needs of all road users. We monitor work sites with traffic management systems to minimise the environmental impact of this work and reduce disruption to Aucklanders and inform residents about the work being done.

Road safety

Safety is a key priority for AT and we continue work to reduce deaths and injuries on the city's roads. Too many people die or are seriously injured on our roads. We are continuously improving the design to make roads and footpaths safer for all users. We have also reduced the speed limits on many rural roads and most inner-city roads to prevent accidents and to reduce the impact when accidents do occur.

Resilience

The changing climate may accelerate damage to roading infrastructure. Flood events and other disruptions may become more frequent with climate change. More frequent and extreme weather events require more repairs and planning (design) to prevent damage.

Optimise and develop

Auckland has an extensive transport network. Optimising the network we have, and deploying technology to improve movement in corridors for all traffic is an important focus to support growth and reduce emissions, especially for public transport and freight.

AT builds new infrastructure where it is necessary and is considered a priority to help facilitate urban regeneration, deliver transport choices, and encourage cycling and walking. This also includes supporting transport infrastructure investment in priority housing areas within the Auckland Housing Programme (see *section HAF above*).

Things we are keeping an eye on: Roads and footpaths

Safety is a priority for AT and we are continuing work to reduce injuries on the city's roads. To this end, we are improving road designs to make roads and footpaths safer for all users and reducing speed limits on rural roads and most inner-city roads to reduce the impact of accidents.

The changing climate might accelerate wear and tear of our roading infrastructure. More frequent and extreme weather events require more regular road drainage maintenance to minimise blockages due to debris. Looking after our environment and minimising emissions and other impacts of climate change are also priorities. Building and maintaining roads and footpaths causes carbon emissions and run-off sediments, so AT monitors work sites using purpose-designed traffic management systems to minimise the environmental impact of this work and reduce disruption to Aucklanders. We also keep residents informed about the work being done.

Key projects: Roads and footpaths

Over the next 10 years, Auckland Transport will:

Maintain the network

- We have allocated a budget of \$5.5 billion for road renewals, including resealing roads to maintain the condition and safety of the network. The level of investment may change depending on the level of government funding that is available.
- Invest in the unsealed roads improvements programme (\$125 million).
- Network management and operations by working with partners to manage incidents and planned events on our transport network.

Road safety

- Vision Zero for Tāmaki Makaurau Transport Safety Strategy 2030 which aims for a safe transport network.
- Delivering safety improvements to high-risk roads and intersections, including improved signage, surface treatments, road markings and lighting.
- Other safety improvement projects include:
 - **Pedestrian programme** which includes slowing the speed of vehicles at zebra crossings
 - **Safe speeds programme** to address our commitment to safer speed limits on Auckland roads
 - **Road safety behaviour change initiatives** which aim to raise road safety awareness by working alongside the NZ Police and our work with many community groups. It also includes promoting safe driving and road safety promotion for cyclists and pedestrians
 - **School safety projects** that are committed to increased safety outside schools, help reduce congestion and create a safer space for parents and children as they walk, cycle and catch public transport to school.

Resilience

- Develop and implement the unsealed road improvement framework, supporting innovative and low-cost techniques to treat a wide range of issues occurring on Auckland's unsealed roads.
- Flood recovery and other works in various locations across Auckland.

Optimise and develop

- Invest in optimising the transport network and use of dynamic lanes to reduce congestion (\$600 million), including:
 - optimisation of traffic lights and investment in Intelligent Transport Systems
 - physical improvements to enhance people movement capacity, general traffic flow and safety
 - implementation of transit lanes and targeted freight movement improvements on the freight network. targeted freight movement improvements on the freight network
- Remove planned level crossings including those needed for the City Rail Link and next priority level crossings in Takānini to make the most of CRL and to allow quick and easy access to town centres (\$613 million).
- Investment in cycling will be focussed on completing existing projects and delivering lower cost cycleways.
- Progress road corridor improvements for Carrington Road, Lake Road, Glenvar/East Coast Road intersection and Hill Street intersection.

Key performance measures: Roads and footpaths

Table 4 - Roads and footpaths: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
<i>The mandatory performance measures required under the Local Government Act 2002, and set by the Department of Internal Affairs, (DIA mandatory measures) are shown below in bold font.</i>							
Provide safe local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers							
Deaths and serious injuries on the road network	New, 1.6	New measure	New measure	No more than 630	No more than 620	No more than 610	No more than 600
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	1.1 1.5	Jan to Dec 2022: 510 DSI crashes	Not applicable	Reduce by 9	Reduce by 9	Reduce by 9	Reduce by 9
The average quality of ride on a sealed local road network, measured by smooth travel exposure	n/a	85%	Not applicable	83%	83%	83%	83%
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed rural roads	1.2	92%	88%	92%	92%	92%	92%
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban roads	1.2	84%	78%	81%	81%	81%	81%
Percentage of the sealed local road network that is resurfaced	n/a	4.60%	7.00%	6.50%	7.00%	7.50%	7.50%
The percentage of footpaths within Auckland that fall within the level of service or service standard for the condition of footpaths that is set out in AT's Asset Management Plan (AMP)	Wording change, 1.3	98%	95%	95%	95%	95%	95%
Proportion of road assets in acceptable condition	1.3	95%	92%	95%	95%	95%	95%
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes	1.4	78%	85%	85%	85%	85%	85%

Table 5 - Roads and footpaths: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
Note	Targets within the 2027-2034 period which note ‘reduce’ or ‘no more than’ will continue to trend in their respective directions for example the number of deaths and serious injuries will trend downwards.
1.1	<p>The 12-month total (January to December) number of deaths and serious injury crashes on local roads are according to NZ Transport Agency’s Crash Analysis system.</p> <p>These targets are specifically the forecast reduction in the number of crashes on local roads. This is a measure of incident rate. The measure ‘Deaths and serious injuries on the road’ is about reducing harm to people.</p>
1.2	Smooth Travel Exposure (STE) is a customer outcome measure indicating ‘ride quality’. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.
1.3	As defined in the Auckland Transport’s Asset Management plans.
1.4	Specified time frames are defined in Auckland Transport’s customer service standards; one hour for emergencies, two days for incident investigation as a high priority, and three days for an incident investigation as a normal priority.
1.5	The Local Road Network falls under Auckland Transport’s jurisdiction and includes all public roads excluding motorways and state highways.
1.6	This measure covers all public roads including state highways and motorways.

Capital programme

Table 6 - Capex Roads and footpaths

Capital Programme (\$m)	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	10-years total
Asset renewals	318	404	493	515	536	557	580	605	627	653	5,288
Community response	29	39	46	46	42	44	36	30	31	31	374
Local board priority	23	31	26	37	34	24	25	25	26	26	279
Network optimisation	35	30	40	78	56	56	48	40	41	43	466
Priority growth areas	42	22	39	44	58	57	50	45	43	44	444
Property for growth	42	39	34	28	29	29	30	31	31	32	326
Resilience/Adaptation	58	87	62	15	18	20	23	25	28	31	368
Road safety	42	61	68	69	70	72	71	64	65	67	649
Unsealed road improvements	6	6	13	13	14	14	14	14	15	15	125
Timing of capital expenditure	(38)		19	19							0
Total	558	719	840	866	856	873	877	880	907	942	8318

Prospective Financial Information

Table 7 - Prospective financial information - Roads and footpaths

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
Roads and footpaths	Non-rates revenue	101,210	122,703	126,101	122,282	941,845	1,312,932
	Direct operating expenditure	210,316	267,541	272,827	280,020	2,193,406	3,013,793
	Capital expenditure	618,835	557,650	719,262	839,782	6,201,786	8,318,480

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2024-2034 for Roads and Footpaths

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	378,622	414,753	438,896	447,772	485,182	519,090	549,064	589,148	608,860	643,745	663,255
Targeted rates	1,963	2,034	2,070	2,107	2,140	44	44	44	0	0	0
Subsidies and grants for operating purposes	77,139	90,736	93,155	88,827	91,709	94,222	96,734	99,304	101,710	104,104	106,720
Fees and charges	6,432	8,550	8,756	8,975	9,181	9,383	9,580	9,781	9,986	10,186	10,389
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	98,639	23,433	24,206	24,497	24,772	25,041	25,304	25,572	25,832	26,098	26,369
Total operating funding	562,795	539,506	567,083	572,179	612,984	647,780	680,726	723,849	746,387	784,132	806,733
Applications of operating funding:											
Payment to staff and suppliers	210,316	267,541	272,827	280,020	289,791	298,455	307,477	313,882	319,477	327,800	336,524
Finance costs	77,037	63,536	66,938	75,205	87,345	99,796	114,493	126,622	138,112	149,989	159,361
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	287,353	331,077	339,765	355,225	377,136	398,250	421,970	440,504	457,589	477,788	495,885
Surplus (deficit) of operating funding	275,441	208,429	227,318	216,954	235,848	249,529	258,755	283,345	288,798	306,344	310,848
Sources of capital funding:											
Subsidies and grants for capital expenditure	292,559	297,575	359,631	410,516	423,412	428,204	436,711	438,554	439,805	453,610	471,223
Development and financial contributions	44,173	41,667	41,969	43,495	38,918	34,190	42,607	54,489	53,062	56,437	63,554
Increase (decrease) in debt	6,661	9,978	90,343	168,817	167,397	144,485	135,349	100,720	97,944	90,830	96,820
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	343,393	349,220	491,944	622,829	629,727	606,879	614,667	593,763	590,811	600,876	631,597
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	186,536	92,917	81,094	101,006	110,371	118,958	117,584	109,203	103,175	102,624	105,172
- to improve the level of service	64,992	138,475	171,515	217,386	230,290	242,199	224,657	212,119	206,398	211,452	212,745
- to replace existing assets	367,306	326,258	466,653	521,390	524,914	495,251	531,180	555,786	570,036	593,143	624,528
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	618,835	557,650	719,262	839,782	865,575	856,408	873,422	877,107	879,609	907,220	942,445
Surplus (deficit) of capital funding	(275,441)	(208,429)	(227,318)	(216,954)	(235,848)	(249,529)	(258,755)	(283,345)	(288,798)	(306,344)	(310,848)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.2 Public transport and travel demand management

Auckland Transport (AT) manages, maintains and develops the Auckland public transport network, comprising the rail, bus and ferry networks.

AT operates and develops the public transport network and invests to make it easier and more reliable for more people to use public transport and active modes, to make travelling around Auckland more efficient, convenient and sustainable. The goal is to move people quickly and reliably around the city, switching easily from one mode of transport to another.

AT provides safe, reliable and frequent public transport to reduce the need for light vehicle trips and to minimise travel disruptions, while seeking to minimise environmental impacts by building a sustainable transport network that reduces carbon emissions.

Key budget highlights and impacts

This long-term plan includes capital investment of \$6.3 billion, including council's investment in the City Rail Link project of \$0.6 billion and \$14.1 billion operating budget for *Public transport and travel demand management* group of activity.

The focus is on:

- maintaining and enhancing public transport services, including maintenance activity for rail tracks through additional operating funding
- enabling **\$50 weekly public transport pass**, a maximum weekly charge for adults
- improving bus driver safety by installing safety screens to protect drivers over the next two years (\$6.5 million), enabled by the co-funding from NZTA and council (\$3.25 million each)
- expanding 'Fareshare' scheme to businesses with at least five employees to allow employers to cover a part of the cost of their employees' public transport, a benefit that is exempt from fringe benefit tax (FBT)
- investigating further innovative fare products that reward people who make regular public transport trips
- finishing existing Rapid Transit projects, including CRL and Stage 3 of the Eastern Busway, and progressing work on additional affordable projects to complete the network.

A number of projects had to be re-scoped, deferred or stopped partly as a result of regional fuel tax funding from the government being unavailable, including the majority of the Eastern Busway Stage 4 - Botany Interchange (\$299 million, or 88 per cent for this project's budget).

Background context

Regional fuel tax see section *Roads and footpaths* for more information (page 219).

Uncertainty and implications

National Land Transport Fund (NLTF)

The rates and the National Land Transport Fund (NLTF) are the two main sources of funding for Auckland's transport activities. Fuel taxes and road user charges collected into the NLTF are administered by the NZ Transport Agency Waka Kotahi (NZTA) to deliver policy set out by the Central Government through the Government Policy Statement (GPS) on land transport. In recent years, direct government funding for transport outside the NLTF also played and increasingly important role.

Our forecasting assumptions are subject to change following government funding decisions.

City Rail Link (CRL)

Decisions are yet to be made about which CRL assets will be vested with KiwiRail and Auckland Transport (AT), when they will vest and how these assets will be valued. This plan makes some assumptions about the assets vested in AT, which has implications for AT's operating costs. AT also pays track access charges as part of the cost of providing services.

Investment is included in this plan to address the highest priority rail level crossings which need to be addressed once the CRL services are operational.

Our forecasting assumptions are subject to change following government funding decisions.

Regional Land Transport Plan (RLTP) see section *Roads and footpaths* for more information (page 220).

Our forecasting assumptions are subject to change following government funding decisions.

Housing Acceleration Fund (HAF) see section *Roads and footpaths* for more information (page 220).

Our forecasting assumptions are subject to change following government funding decisions.

Key activities: Public transport and travel demand management

Rapid and Frequent Transit

- High quality, rapid transit services (bus and rail) that bypass congestion and allow people quick and easy access to town centres and work locations across the city and between sub-regions.
- Our largest rapid transit development is the City Rail Link. This will double the capacity of the rail network and deliver transport benefits across the whole of Auckland. Over the next ten years, patronage on the rail network is expected to continue to grow as the network becomes more convenient to more people.
- With an increasing population and demand for travel across the region, congestion is increasingly affecting travel plans for Aucklanders. Expanding public transport usage with a rapid and frequent transit network will give Aucklanders travel choices that are faster and avoid congestion with dedicated lanes/corridors (such as the rail system or busways) and bus priority lanes. More road space allocated to public transport, cycling and walking provides customers with a more reliable journey.
- As Auckland accommodates more growth, developments in both existing urban areas and 'greenfield' growth areas will require an expanded and improved transport network to support the new housing and business opportunities. The transport network will be designed for an increased use of rapid and frequent public transport and active modes. This will also help to reduce emissions from the transport network as we transition from diesel to electric and hydrogen buses.

Public transport

- Public transport contributes significantly to Aucklanders' quality of life of by increasing genuine and flexible travel choices for a healthy, vibrant, and equitable Auckland. Public transport, in tandem with walking and cycling, has strong potential to become the preferred travel choice for many more Aucklanders. While we have made significant improvements to the public transport systems across Auckland, there are still many more improvements that need to be made to improve the speed and reliability of public transport and reduce Auckland's emissions.

Cycling and walking

- Cycling and walking (active modes) have many benefits, both for the people who use these modes, and to others through reduced emissions and road congestion. We are expanding the cycleway network to cover more of the city, add connections between the key existing cycleways, and provide improving experience and safety to cyclists. We are also improving footpath and walking connections, especially in the city centre.

Parking

- AT provides parking buildings in the city centre, Park-and-Ride facilities at some major stations, and parking management services across the city. Parking is an important part of a vehicle network, and often an important part of decisions to drive vehicles instead of using public transport or active modes. This is especially true in city and town centres where many journeys are for regular commuting. Parking capacity and pricing can influence travel choices, public transport patronage and congestion on the road network.
- Park and Ride facilities located at the right locations can effectively increase public transport patronage, provide emission and decongestion benefits, and improve accessibility for commuters who are not well served by public transport feeder services.

Things we are keeping an eye on: Public transport and travel demand management

Works on the public transport network can create emissions and run-off sediments and disrupt commuter travel. We seek to minimise environmental impacts by building a sustainable transport network that reduces carbon emissions and by ensuring adequate sediment controls are in place.

Auckland Transport provides safe, reliable and frequent public transport to reduce the need for light vehicle trips that account for around 70 per cent of transport emissions⁶. We mitigate disruptions through public information campaigns, schedule changes, traffic management systems and alternative public transport services. These measures also keep work areas safe.

Key projects: Public transport and travel demand management

Accelerating better travel choice for Aucklanders.

Over the next 10 years, Auckland Transport's key projects are:

Rapid and frequent transit

- Finish existing rapid transit network projects including CRL and Stage 3 of the Eastern Busway. The Eastern busway project will mean faster, reliable connected transport options for communities in east and south Auckland.
- City centre projects including projects to support the City Rail Link and to expand the electric train fleet.
- Bus, rail, and ferry network improvements, including new bus stations at Rosedale and Westgate and interim bus improvements on the Airport to Botany corridor.

⁶ Reference – 'pathway emission 2019' from '*Sustainable Access for a Thriving Future: Auckland's transport emissions reduction pathway*' 2021

Public transport

- Introduce a \$50 weekly public transport pass 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).
- Continue delivering zero-emissions bus fleet. AT has stopped adding diesel buses to their fleet (from 2021). The work continues with central government to make 50 per cent of AT’s bus fleet electric or hydrogen vehicles by 2030.

Parking and ‘time-of-use charging’

- Developing a ‘time-of-use’ pricing scheme to help manage traffic congestion.
- Developing the ‘Room to move’ programme to review parking in critical areas. This is expected to include increasing the number of paid parking areas and charging for some Park & Rides.
- Continue delivering initiatives to improve parking outcomes across Auckland.

Key performance measures: Public transport and travel demand management

Table 8 - Public transport and travel demand management: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Provide public transport services and travel demand management							
Total public transport boardings (millions)	1.2	71m	107m	95.9m	106.8m	116.0m	125.1m
The percentage of services that start according to schedule	1.3	New measure	New measure	98%	98%	98%	98%
The percentage of public transport trips that are punctual	1.3	96%	96%	88%	89%	89.5%	90%
The percentage of passengers satisfied with public transport services	n/a	91%	85-87%	85%	85%	85%	85%
The percentage of the total public transport cost recovered through fares	1.1 1.2	22%	36-41%	30%	30%	32.5%	32.5%
Average AM peak period lane productivity across 32 monitored arterial routes	1.4	27,882	34,000	28,000	30,000	32,000	32,000
Proportion of the level 1A and 1B freight network operating at Level of Service C or better during the inter-peak	1.5	87%	90%	85%	85%	85%	85%
Number of cycle movements past 26 selected count sites	1.6	3.043m	4.047m	3.45m	3.53m	3.62m	3.71m

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Operational greenhouse gas emissions, including public transport (baseline 2021/2022)	1.7	New measure	New measure	10% increase	0%	5% decrease	20% decrease

Table 9 - Public transport and travel demand management: Additional notes to performance measures table

Reference	To be read in conjunction with table "Performance measure" above
Note	Targets within the 2027-2034 period that are values (and not percentages) will continue to trend in their respective directions for example patronage and cycling will trend upwards.
1.1	Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.
1.2	These measures are assuming results from the CRL beginning from 1 July 2026. This is expected to increase boardings and total public transport cost recovered through fares will change in response.
1.3	Punctuality: This measures the proportion of services that both depart the first stop within -0:59 min and +4:59 min of scheduled start time and arrive at last stop within -0:59 min and +4:59 min of scheduled arrival time. Reliability (start according to schedule): Scheduled services that operate, and that depart the first stop within -0:59 min and +9:59 min of scheduled start time. Both are calculated as a 12-month average, weighted by mode (number of services by bus, train, and ferry).
1.4	Road productivity is a measure of the efficiency of the road in moving people during the AM peak hour (7:30am – 8:30am) and is measured in people-km/hour/lane. It is measured as the product of number of motorised vehicles (cars, buses, and trucks), their average journey speed and average vehicular occupancy per lane in one hour. It is measured across 32 arterial routes: Great North Road, Manukau Road, Balmoral Road, Clark/Wolverton/Tiverton Route, Great South Road, Dominion Road, Tamaki Drive, Penrose/Waipuna Road, Sandringham Road, Blockhouse Bay Road, Hillsborough/Godley Road, Mt Albert/Mt Smart/Mays, Albany Highway, Constellation Drive, East Coast/Forrest Hill Roads, Esmonde Road/Lake Road, Whangaparaoa Road, Onewa Road, Oteha Valley Road, Tristram Avenue, Wairau/Barrys Point Roads, Te Irirangi Road, Mangere/Massey, Ormiston/Sandstone Road, Roscommon/Weymouth Road, Wiri Station/Mill Road, Mt Wellington Hwy/Great South, Ngapipi Dr/Kepa Road/Apirana, East Tamaki/Springs Road, Ellerslie Panmure/Ti Rakau Drive, Lincoln Road, and Te Atatu/Edmonton Road.
1.5	The monitored freight network is the Future Connect Strategic Freight Network Levels 1A and 1B within the urban area. Level of Service is measured by median speed as a % of the posted speed limit. LoS C or better = >50%. Inter-peak is defined as 9am – 4pm.
1.6	Auckland Transport uses the following sites to monitor cycle movements: Beach Road, Curran Street, East Coast Road, Grafton Bridge, Grafton Gully, Grafton Road, Great South Road, Highbrook shared path, Hopetoun Street, Karanga-a-Hape Road, Lagoon Drive, Lake Road, Lightpath, Māngere Bridge, Northwestern cycleway – Kingsland, Northwestern cycleway – Te Atatū, Orewa shared path, Quay Street (Spark Arena), SH20 shared path (near Dominion Road), Symonds Street, Tāmaki Drive (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Drive, Upper Queen Street, Victoria Street West. Note: some trips may be counted more than once across the cycle network. Micromobility devices are not captured at our count sites.
1.7	Operational emissions relate to the Greenhouse gas emissions emitted directly or indirectly during the operational phase of assets, product, and services of Auckland Transport. These include corporate activities, operational activities of AT's assets and public transport services provided by AT or through operators. This operational emissions boundary includes Scope 1, 2 and 3 of the AT emissions inventory excluding the scope 3 related to embodied, enabled, avoided and upstream emissions. Scope 3 emissions sources of this performance measure could be modelled based on sample emission activity database reported by third party contractor(s) providing the services to AT. Targets are compared to the 2021/2022 financial year baseline e.g 2024/2025 is an increase in emissions compared to baseline, 2025/2026 is no change in emissions compared to baseline. This is due to rate of decarbonisation of public transport and the transition to low-emission services being less than the increase in emissions due to service kms.

Capital programme

Table 10 - Capital programme - Public transport and travel demand

Capital Programme (\$m)	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	10-years total
Asset Renewals	40	37	43	45	47	49	51	53	55	57	479
Bus City Centre	26	23	45	50	74	24	-	-	-	-	242
Bus Projects	41	42	51	74	131	94	69	23	21	11	557
Community response	9	8	7	7	7	8	8	8	8	8	77
Customer Systems	51	46	38	41	43	44	45	46	47	48	448
Cycleway projects	86	74	63	62	61	34	48	45	38	48	559
Eastern Busway	264	229	133	107	15	18	18	11	-	-	797
Ferry Projects	86	89	83	101	69	25	6	-	-	-	459
Network Optimisation	-	10	10	17	17	29	31	31	32	33	208
Parking and other	11	84	38	59	10	12	9	7	7	7	244
Priority growth areas	4	33	42	42	-	-	-	-	-	-	122
Rail Projects	224	95	34	46	150	151	137	71	18	-	925
Rapid Transit Access	21	44	66	94	89	108	92	21	20	12	566
Timing of capital expenditure	(38)	-	19	19	-	-	-	-	-	-	0
City Rail Link	258	149	185	-	-	-	-	-	-	-	592
Total	1,084	963	858	764	712	594	513	316	247	225	6,276

Prospective Financial Information

Table 11 – Prospective financial information - Public transport and travel demand

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
Public transport and travel demand management	Non-rates revenue	700,021	805,456	886,342	908,289	7,690,485	10,290,572
	Direct operating expenditure*	988,732	1,133,939	1,258,882	1,290,277	10,448,379	14,131,477
	Capital investment**	785,156	1,084,126	963,021	858,291	3,370,403	6,275,841

*Direct operating expenditure does not include interest and depreciation

** Total capital investment includes the council 's investment in the City Rail Link project of \$0.6 billion.

Prospective Funding Impact Statement for 2024-2034 for Public Transport and Travel Demand Management

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	366,997	402,035	467,727	695,384	723,209	733,773	756,649	778,323	767,952	740,968	724,510
Targeted rates	50,487	53,033	55,770	58,682	61,585	61,345	64,407	67,628	71,045	74,458	78,065
Subsidies and grants for operating purposes	399,514	411,336	454,390	452,388	470,527	475,179	480,431	490,599	488,107	485,189	491,682
Fees and charges	256,990	263,954	291,921	317,702	347,282	380,589	412,888	447,230	492,073	537,858	566,271
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	112,517	130,384	140,097	138,267	143,365	148,687	154,308	160,185	166,282	172,757	179,515
Total operating funding	1,186,504	1,260,743	1,409,906	1,662,422	1,745,969	1,799,574	1,868,682	1,943,965	1,985,458	2,011,230	2,040,043
Applications of operating funding:											
Payment to staff and suppliers	988,732	1,133,939	1,258,882	1,290,277	1,369,058	1,413,317	1,458,862	1,505,898	1,536,495	1,566,664	1,598,085
Finance costs	177,147	166,841	197,819	224,197	241,928	255,639	273,580	283,464	289,687	291,988	288,172
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,165,879	1,300,780	1,456,701	1,514,474	1,610,986	1,668,956	1,732,442	1,789,362	1,826,182	1,858,652	1,886,257
Surplus (deficit) of operating funding	20,625	(40,037)	(46,796)	147,949	134,983	130,618	136,240	154,603	159,276	152,578	153,786
Sources of capital funding:											
Subsidies and grants for capital expenditure	252,725	481,238	407,261	327,091	372,481	356,056	296,924	256,545	158,010	123,514	112,297
Development and financial contributions	61,822	68,933	68,815	70,924	61,640	50,883	52,561	54,492	53,889	46,965	50,182
Increase (decrease) in debt	399,984	573,992	399,887	312,329	156,703	171,230	94,823	47,450	(55,155)	(76,029)	(91,671)
Gross proceeds from sale of assets	50,000	0	121,884	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	764,531	1,124,163	997,847	710,343	590,824	578,169	444,308	358,486	156,744	94,450	70,808
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	330,189	426,435	350,986	263,275	294,054	300,408	267,995	233,237	125,289	75,434	57,406
- to improve the level of service	68,155	290,494	340,976	310,763	358,908	284,325	214,482	137,852	117,654	89,548	86,063
- to replace existing assets	40,812	109,197	122,559	98,893	110,750	127,379	111,371	142,000	73,077	82,046	81,125
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	346,000	258,000	136,530	185,360	(37,905)	(3,325)	(13,300)	0	0	0	0
Total applications of capital funding	785,156	1,084,126	951,051	858,291	725,807	708,787	580,548	513,089	316,020	247,028	224,594
Surplus (deficit) of capital funding	(20,625)	40,037	46,796	(147,949)	(134,983)	(130,618)	(136,240)	(154,603)	(159,276)	(152,578)	(153,786)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.3 Water supply

Watercare is one of the council's substantive council-controlled organisations and also New Zealand's largest water utility. Watercare supplies safe drinking water to Auckland's communities and it also manages the treatment and disposal of wastewater.

Key budget highlights and impacts

This long-term plan includes a budget of \$5.7 billion for water supply capital expenditure, increased to preserve its assets and support Auckland's growth and resilience, such as replacing the 100-year-old Huia Water treatment plant.

This is supported by a 7.2 per cent increase in water (and wastewater) charges over the next three financial years starting from 1 July 2024, as well as undertaking a higher level of borrowing.

Uncertainty and implications

Local Water Done Well

Through the government's water reform programme, Local Water Done Well, the financial independence of Watercare (as a council-controlled organisation) will enable intergenerational investment in water infrastructure, and delivery of sustainable and affordable water services to Auckland. This change means Watercare's ability to borrow for intergenerational investment would no longer be constrained by the council's prudential debt limit. This change has also resulted in Watercare's Board agreeing a price path of 7.2 per cent increases per year for the next three years. This allows them to deliver a full capital investment programme while keeping water affordable.

The new model for Watercare requires legislative changes which will be made through the Local Government (Water Services Preliminary Arrangements) Bill.

Our forecasting assumptions are subject to change depending on government decisions.

Key activities: Water supply

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

- 28 sources of water including 12 dams
- 17 water treatment plants
- 87 service reservoirs
- 9,428 km of water pipes
- Small water supplies servicing Auckland Council facilities.

We collect, treat, and distribute drinking water including from rivers and underground aquifers.

Aucklanders typically use between 375 million litres per day (MLD) and 570 MLD depending on the time of the year.

Things we are keeping an eye on: Water supply

Watercare is committed to minimising any detrimental effects from its water supply activities, and encourage water conservation and efficient water use. Auckland Council manages water resources through resource consent processes to ensure use of aquifers and streams is not over-allocated. Significant catchment areas are city's reservoirs, but large infrastructure projects can have negative effects on the environment, and dams can have downstream impacts on flora and fauna ecosystems. Watercare carefully manages the ecosystems downstream of infrastructure by ensuring there is sufficient water flow. We mitigate disruption from construction and maintenance by providing early notice to customers and keeping outages as short as possible. Water is a taonga (treasured possession) and we are guided by Māori to be kaitiaki (guardian) for our water resources.

Key projects: Water supply

Provide infrastructure for water treatment and cater for growth.

- **North Harbour Watermain Duplication:** Construction of the North Harbour No. 2 Watermain, which will run for 33 kilometres from Titirangi to Albany
 - Construction of the North Harbour 2 watermain is planned to commence in 2024 and be completed in 2030.
- **Waikato Water Treatment Plant Expansion 2:** Provision of additional water abstraction, treatment, and conveyance capacity from the Waikato River to cater for additional demand arising from growth
 - A consent has been granted for an additional take from the Waikato River for up to 150 million litres of water to meet the high growth currently being experienced.
- **Huia Water Treatment Plant upgrade:** Replacement of the Huia Water Treatment Plant and Nihotupu 1 raw watermain which are reaching the end of design life and the provision of better treatment processes that will maintain supply and improve levels of service.
- **Redoubt Road Reservoir Expansion:** Construction of an additional 50 million litres treated water storage reservoir to maintain security of supply and cater for growth.

Key performance measures: Water supply

Table 12 – Water supply: Level of service and performance measures

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
<p><i>The mandatory performance measures required under the Local Government Act 2002 and set by the Department of Internal Affairs, (DIA mandatory measures), and are shown below in bold font. The remaining measures are from Taumata Arowai Quality Assurance Rules and Drinking Water Standards for New Zealand.</i></p>							
We provide Aucklanders with a reliable supply of safe water							
Compliance with the Drinking Water Quality Assurance Rules 2022 from its Small Waters 'network' systems measured by the number of non-compliance notices received from Taumata Arowai	1.1	0	0	0	0	0	0
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	1.2	45 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
Median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	1.2	3.7 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	1.2	1.0 days	≤5 days	≤5 days	≤5 days	≤5 days	≤5 days
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)	1.2	1.7 days	≤6 days	≤6 days	≤6 days	≤6 days	≤6 days

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	n/a	7.5	≤10	≤10	≤10	≤10	≤10
The percentage of real water loss from the local authority's networked reticulation system	1.3	11.6%	≤13%	≤13%	≤13%	≤13%	≤13%
The average consumption of drinking water per day per resident within the territorial authority district (litres)	1.4	241.3 litres	256 litres	253 litres	252 litres	250 litres	247 litres*
Compliance with Taumata Arowai Quality Assurance Rules – Bacterial water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022	1.5	New measure	New measure	100%	100%	100%	100%
Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 – Bacterial water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Standards for New Zealand 2022	n/a	New measure	New measure	100%	100%	100%	100%
Compliance with Taumata Arowai Quality Assurance Rules – Protozoal water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022	1.5	New measure	New measure	100%	100%	100%	100%
Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022– Protozoal water quality. The extent to which the local authority's drinking water supply complies with Drinking Water Standards for New Zealand 2022	n/a	New measure	New measure	100%	100%	100%	100%

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
<p>Compliance with Taumata Arowai Quality Assurance Rules T3 – Chemical water quality.</p> <p>The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 T3</p>	1.6	New measure	New measure	100%	100%	100%	100%
<p>Compliance with Taumata Arowai Quality Assurance Rules T3 – Cyanotoxins Water quality.</p> <p>The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 T3</p>	1.6	New measure	New measure	100%	100%	100%	100%
<p>Compliance with Taumata Arowai Quality Assurance Rules D3 – Residual disinfection (chlorine) water quality.</p> <p>The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3</p>	1.6	New measure	New measure	100%	100%	100%	100%
<p>Compliance with Taumata Arowai Quality Assurance Rules D3 – Microbiological water quality.</p> <p>The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3</p>	1.6	New measure	New measure	100%	100%	100%	100%
<p>Compliance with Taumata Arowai Quality Assurance Rules D3 – Disinfection by-products water quality.</p> <p>The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3</p>	1.6	New measure	New measure	100%	100%	100%	100%
<p>Compliance with Taumata Arowai Quality Assurance Rules D3 – Plumbosolvent metals water quality.</p> <p>The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules 2022 D3</p>	1.6	New measure	New measure	100%	100%	100%	100%

Table 13 – Water supply: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
1.1	<p>The information about the old rules (DWSNZ) can be found at: https://www.moh.govt.nz/notebook/nbbooks.nsf/0/B9917ABBB22BE387CC2583B2007928FE/\$file/dwsnz-2005-revised-mar2019.pdf Further details about the new standards (DWQAR) can be found at: https://www.taumataarowai.govt.nz/for-water-suppliers/newcompliance-rules-and-standards/</p> <p>Taumata Arowai introduced new Drinking Water Quality Assurance Rules (DWQAR) from 14 November 2022. The reporting against it started from 1 January 2023.</p>
1.2	<p>An urgent call-out is one that leads to a complete loss of supply of drinking water. A non-urgent call-out is one where there is still a supply of drinking water.</p>
1.3	<p>This measure tracks unexplained water losses as a percentage of total water produced. These losses are calculated by deducting water sales volumes and allowable unbilled water usage from the total volume of water produced.</p>
1.4	<p>A Department of Internal Affairs (DIA) mandatory measure relating to demand management. Careful management of the demand for water is an important component of integrated water resources management to ensure that demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised.</p> <p>We continue to use Statistics NZ’s 2018 medium projections for population which include consumers living in commercial rest homes, hotels and hospitals and other similar dwellings. We have added 1.8% to this figure to account for year-on-year growth based on Auckland Council’s medium growth forecast and deducted the percentage of the population that is not connected to our water supply network using our 2021 water connection data.</p> <p>*The 2027 - 2034 target of 247 litres is the target for 2030 as per the Auckland Water Strategy Implementation plan.</p>
1.5	<p>These measures are required by Taumata Arowai Water Quality Assurances Rules. These measures replace the previous drinking water standards measures referred to in the DIA mandatory measures.</p>
1.6	<p>These measures are required by Taumata Arowai Water Quality Assurances Rules.</p>

Capital programme

Table 14 - Capital programme - Water supply

Capital Programme (\$m)	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	10-years total
Ardmore Water Treatment Plant	13	18	11	2	0	1	0	0	7	8	61
Business Assets	26	11	11	12	12	14	14	14	15	13	143
Digital Assets	13	13	12	2	2	2	2	2	2	2	52
Flood Recovery Works	27	8	-	-	-	-	-	-	-	-	35
Huia Water Supply	42	37	30	65	112	155	177	193	171	136	1,117
North Harbour 2 Watermain	8	45	187	233	174	139	-	-	-	-	785
Projects supporting Kāinga Ora	39	25	13	4	13	0	0	0	0	0	95
Waikato Water Supply	16	12	19	27	40	35	89	102	64	356	760
Waiuku Water Supply	6	20	15	12	4	1	8	10	0	-	76
Water Collection & Treatment Assets	34	55	74	32	17	34	48	36	46	40	416
Water Network Assets	108	175	231	212	198	226	283	269	207	202	2,111
Water Supply Total	331	419	604	601	572	607	621	626	512	757	5,650

Prospective Financial Information

Table 15 - Prospective financial information - Water supply

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
Water supply (GOA)	Non-rates revenue	313,082	380,034	419,872	436,409	5,100,949	6,337,263
	Direct operating expenditure*	140,055	180,086	181,601	114,847	717,444	1,193,978
	Capital expenditure	283,312	331,414	418,652	604,407	4,295,761	5,650,234

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement for 2024-2034 for Water Supply

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	(902)	(986)	(1,034)	(1,084)	(1,139)	(1,191)	(1,247)	(1,306)	(1,306)	(1,306)	(1,306)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	205,227	236,053	256,411	278,434	308,990	340,972	377,089	416,943	462,096	509,272	562,724
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	107,855	143,981	163,461	157,975	184,012	214,999	243,240	281,958	338,753	396,041	463,861
Total operating funding	312,180	379,048	418,838	435,325	491,862	554,781	619,082	697,595	799,543	904,007	1,025,279
Applications of operating funding:											
Payment to staff and suppliers	140,055	180,086	181,601	114,847	97,591	95,812	96,404	94,473	103,135	110,281	119,748
Finance costs	42,250	52,055	68,343	83,332	103,563	123,243	141,761	156,330	165,756	170,831	163,275
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	182,305	232,140	249,944	198,179	201,154	219,055	238,164	250,803	268,890	281,113	283,023
Surplus (deficit) of operating funding	129,875	146,908	168,894	237,146	290,708	335,726	380,917	446,791	530,652	622,894	742,256
Sources of capital funding:											
Subsidies and grants for capital expenditure	15,433	18,327	6,173	13,399	8,714	6	6	6	6	6	7
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	98,004	166,179	243,586	353,862	300,279	236,851	224,390	174,792	96,325	(110,702)	15,130
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	40,000	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	153,437	184,506	249,758	367,262	308,993	236,857	224,396	174,798	96,331	(110,696)	15,137
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	21,685	102,325	164,402	325,742	350,750	288,546	238,321	194,298	215,217	125,108	417,284
- to improve the level of service	148,572	44,220	48,104	41,931	25,173	31,751	41,431	30,678	37,826	30,007	31,254
- to replace existing assets	113,054	184,868	206,146	236,734	223,778	252,286	325,560	396,614	373,940	357,084	308,855
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	283,312	331,414	418,652	604,407	599,702	572,583	605,313	621,589	626,983	512,198	757,393
Surplus (deficit) of capital funding	(129,875)	(146,908)	(168,894)	(237,146)	(290,708)	(335,726)	(380,917)	(446,791)	(530,652)	(622,894)	(742,256)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.4 Wastewater treatment and disposal

Watercare provides safe and reliable wastewater services for Auckland's households and businesses. Each day, through a network of pipes and pump stations, about 400 million litres of wastewater is delivered to treatment plants for cleaning before it gets released into the environment.

More than 90 per cent of Auckland's wastewater goes to plants at Māngere and Rosedale, where it is treated to standards that protect public health, the environment, and our coasts, estuaries and harbours. Watercare also services around 40,000 properties that are not connected to the wastewater network, including regional parks and rural public spaces. These properties rely on onsite wastewater systems, such as septic tanks, to treat their wastewater and the systems must be properly maintained to prevent risks to human health and the environment.

Key budget highlights and impacts

This long-term plan includes a budget of \$8.1 billion of capital expenditure and \$2.8 billion of operating budget to deliver the infrastructure, preserve its assets and support Auckland's growth and resilience, such as the Central Interceptor project extension to Point Erin.

As a result of the work with the government on water reform, Aucklanders will see increases in water and wastewater charges by 7.2 per cent over the next three financial years.

Uncertainty and implications

Local Water Done Well see section *Water supply* for more information (page 235)

Our forecasting assumptions are subject to change depending on government decisions.

Key activities: Wastewater treatment and disposal

Wastewater is what leaves our sinks, washing machines, showers, baths and toilets at home, work, and industry. Most of it is water, but it also includes human waste, food scraps, cooking fats and debris. There is also trade waste, such as chemicals, paint and medicines which can harm our health, waterways, and harbours. This makes effective treatment very important. We manage, maintain and build infrastructure to reliably and safely provide wastewater services, which includes:

- 8,650km of wastewater pipes
- 534 wastewater pump stations
- 18 wastewater treatment plants
- 360 onsite wastewater systems serviced by Auckland Council facilities.

In rural areas, the council's onsite wastewater system compliance programme ensures that wastewater from properties, which are not connected to Watercare's network, do not contaminate our waterways.

Things we are keeping an eye on: Wastewater treatment and disposal

Work on wastewater pipes can be smelly, involve biohazards and chemicals, and disrupt people's lives. Watercare manages its work areas carefully to contain hazardous materials and mitigate disruptions,

liaising with service providers and informing residents, so they can be prepared. We also reinstate all affected work areas to their original condition.

Blockages and overflows in the wastewater system cause problems. Watercare places great importance on educating people about what can safely be flushed down toilets and what can cause issues.

Watercare integrates environmental considerations into everything it does; this is key to our role as a trusted iwi partner and community organisation. We manage the discharge of treated wastewater carefully to minimise adverse effects and overflows into the environment. Harbours, estuaries and freshwater ecosystems must be kept healthy, so Aucklanders can continue to enjoy a safe clean environment. Watercare fulfils its environmental responsibilities by adhering to a regulatory framework. Our assets are subject to many consent conditions, and we take care to comply with these.

Key projects: Wastewater treatment and disposal

Central Interceptor (CI): The CI will provide additional wastewater capacity and help to reduce combined stormwater and wastewater overflows into our waterways creating a better environment. The project involves construction of a new conveyance and storage pipeline to service central Auckland as well as the isthmus, east and south. This 4.5 meter diameter tunnel runs from the Māngere Wastewater treatment plant, with plans that will extend it to a new drop shaft in Point Erin. Construction commenced in 2019 and will be completed by 2026.

Northern Interceptor Integration: This project will tie-in the already constructed northern interceptor wastewater pipeline from Hobsonville to Rosedale. Once complete, wastewater from the some of the western catchment will be diverted to the Rosedale wastewater treatment plant. This project will deal with wastewater overflows to the environment and is currently in design stage with resource consent lodged.

Puketutu Island: Rehabilitation of Puketutu Island using treated biosolids from the adjacent Māngere Wastewater Treatment Plant.

South-west Wastewater Servicing: Construction of a new wastewater treatment plant; new wastewater pipeline, pump stations and harbour outfall at Clarks Beach. A discharge consent has been obtained.

Western Isthmus Water Quality Improvement Programme: This is a joint initiative between Watercare and Auckland Council (Healthy Waters) to develop and implement specific improvement programmes in the priority catchments of Westmere, Avondale, Freemans Bay, Grey Lynn, Herne Bay, Meola Road, Motions Road, Oakley, Pt Chevalier, St Mary's Bay and Waterview. This programme is in the planning stage.

Southern Auckland Wastewater Servicing: The Southern Auckland Wastewater Servicing Scheme will cater for future growth in the Hingaia Peninsula, Opaheke, Drury West and Drury South areas, to serve 118,000 people in 2048 (vs 25,000 in 2027). The scheme will also divert flows away from the constrained Southern Interceptor to provide capacity. The scope includes upgrading the existing Hingaia WW Pump Station from 100L/s to 270 L/s, and construction of a new rising main from Hingaia Pump Station connection to Manurewa South Pump Station.

Warkworth growth servicing stage 2: This investment will provide capacity for an additional 15,000 population equivalent via expansion to local networks and upgrade to existing pump stations.

Key performance measures: Wastewater treatment and disposal

Table 16 – Wastewater treatment and disposal: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
<i>The mandatory performance measures required under the Local Government Act 2002, and set by the Department of Internal Affairs (DIA mandatory measures) are shown below in bold font</i>							
We collect and treat Auckland’s wastewater in a safe and sustainable way							
The number of dry weather overflows from the territorial authority’s sewerage system, expressed per 1000 sewerage connections to that sewerage system	1.1	0.7	≤5	≤5	≤5	≤5	≤5
Compliance with the territorial authority’s resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	n/a	a) 0 b) 0 c) 0 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0
Compliance with the territorial authority’s resource consents for discharge from its Small Waters onsite wastewater systems measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	n/a	a) 0 b) 0 c) 0 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	1.2	78 mins	≤60 mins	≤75 mins	≤75 mins	≤75 mins	≤75 mins
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	1.2	3.8 hours	≤ 5 hours	≤ 5 hours	≤ 5 hours	≤ 5 hours	≤ 5 hours

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority’s response to issues with its sewerage system expressed per 1000 connections to the territorial authority’s sewerage system	n/a	24.4	≤50	≤50	≤50	≤50	≤50

Table 17 – Wastewater treatment and disposal: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
1.1	Dry weather sewerage overflow means sewage that escapes a territorial authority’s sewerage system and enters the environment during periods of dry weather.
1.2	Sewerage overflow means sewage that escape a territorial authority’s sewerage system and enters the environment.

Capital programme

Table 18 - Capital programme - Wastewater treatment

Capital Programme(\$m)	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	10-years total
Business Assets	23	18	19	20	20	22	22	23	24	18	210
Central Interceptor	333	100	-	-	-	-	-	-	-	-	433
Digital Assets	7	7	7	1	1	1	1	1	1	1	30
Flood Recovery Works	20	4	-	-	-	-	-	-	-	-	24
Mangere Wastewater Treatment Plant	48	64	103	81	256	246	226	38	25	26	1,114
Orakei Main Sewer	17	14	14	17	-	-	-	-	-	-	63
Otara Wastewater Network	4	37	28	23	0	1	1	3	16	24	136
Projects supporting Kāinga Ora	6	0	13	13	13	26	35	4	0	0	111
Pukekohe Wastewater Scheme	4	29	45	33	44	59	60	62	6	-	342
Queen Street Wastewater Network	46	19	7	-	-	-	-	-	-	-	71
Rosedale Wastewater Treatment Plant	55	67	67	97	105	141	56	37	33	6	663
Southwest Wastewater Scheme	40	80	91	187	116	5	3	11	24	25	583
Waitematā Water Quality Improvement	24	44	78	104	87	120	126	103	122	68	876
Warkworth Wastewater Scheme	94	18	16	9	-	-	1	5	19	14	176
Wastewater Network Assets	110	215	175	126	259	376	506	460	363	221	2,812
Wastewater Treatment Plant Assets	39	32	34	53	57	31	6	5	24	35	317
Whenuapai & Redhills Wastewater Scheme	9	34	66	36	10	13	6	-	-	-	174
Wastewater Total	879	782	763	800	969	1,042	1,051	752	656	440	8,135

Prospective Financial Information

Table 19 – Prospective financial information - Wastewater treatment

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
Wastewater management (GOA)	Non-rates revenue	661,374	701,361	744,530	758,085	8,326,173	10,530,149
	Direct operating expenditure*	252,592	257,174	264,718	267,734	2,035,178	2,824,804
	Capital expenditure	803,150	879,094	782,010	763,057	5,710,709	8,134,870

*Direct operating expenditure does not include interest and depreciation.

Prospective Funding Impact Statement for 2024-2034 for Wastewater Treatment and Disposal

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	(1,955)	(2,137)	(2,241)	(2,349)	(2,469)	(2,581)	(2,704)	(2,831)	(2,831)	(2,831)	(2,831)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	492,899	526,771	572,243	621,440	689,726	761,216	842,000	931,182	1,031,937	1,137,195	1,256,452
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	168,475	174,590	172,287	136,645	156,359	178,790	199,529	227,269	265,044	302,546	346,928
Total operating funding	659,419	699,224	742,289	755,737	843,616	937,424	1,038,825	1,155,621	1,294,150	1,436,910	1,600,550
Applications of operating funding:											
Payment to staff and suppliers	252,592	257,174	264,718	267,734	272,170	275,541	280,026	283,783	296,578	307,687	319,394
Finance costs	97,095	129,371	175,461	205,822	233,084	262,512	303,666	340,831	368,651	375,856	365,744
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	349,687	386,545	440,179	473,556	505,254	538,053	583,692	624,614	665,229	683,543	685,137
Surplus (deficit) of operating funding	309,732	312,679	302,110	282,181	338,363	399,371	455,133	531,006	628,921	753,367	915,412
Sources of capital funding:											
Subsidies and grants for capital expenditure	37,065	40,898	13,776	29,906	19,452	12	13	13	14	14	15
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	416,353	525,517	466,124	450,969	442,044	569,563	587,305	519,989	123,415	(96,900)	(475,814)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	40,000	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	493,418	566,415	479,900	480,875	461,497	569,575	587,318	520,002	123,429	(96,886)	(475,799)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	169,541	326,154	375,198	412,810	454,970	617,112	667,557	624,694	368,060	303,806	230,779
- to improve the level of service	359,956	229,271	127,066	103,006	141,801	145,628	146,998	125,839	94,715	99,894	53,760
- to replace existing assets	273,653	323,668	279,745	247,241	203,088	206,207	227,896	300,475	289,575	252,780	155,074
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	803,150	879,094	782,010	763,057	799,859	968,946	1,042,451	1,051,009	752,350	656,481	439,613
Surplus (deficit) of capital funding	(309,732)	(312,679)	(302,110)	(282,181)	(338,363)	(399,371)	(455,133)	(531,006)	(628,921)	(753,367)	(915,412)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.5 Stormwater management

Auckland Council works hard to strengthen and maintain our stormwater network as it flows through public and private pipes, drains, streams and channels. We aim to reduce flooding, increase the resilience of the stormwater network and prevent pollution.

We need to ensure our stormwater systems are adapting to climate change, including more frequent and severe storms. We also care for our natural waterways and ensure our stormwater network can serve the city's growing population.

This group of activity involves future-proofing Auckland's water by creating healthy environments, empowering our communities, and building resilient stormwater systems. We manage the flow of rainfall and its impacts on people, buildings, and the natural environment. It involves the operation and maintenance of an extensive, often hidden network of built and natural stormwater infrastructure. We need to make sure our stormwater systems are adapting to a changing water future, such as more frequent and severe storms due to climate change. We have a responsibility to manage discharges into waterways, to safeguard public health and protect the health of rural and urban waterways with funding from the water quality targeted rate.

Key budget highlights and impacts

This long-term plan includes a budget of \$2.2 billion for the council's stormwater capital programme and \$1.1 billion for its direct operating budget, including the funding for expanded water quality stormwater projects (\$661 million).

The funding from the Water Quality Targeted Rate will only cover the programme's operating and interest costs in each year. The rate will increase over time to ensure costs are covered in each year as the level of investment grows. This increase will be limited to an additional 0.1 per cent in years two and three, and no more than 0.3 per cent in the later years, to manage affordability pressures.

The Making Space for Water programme and flood resilience work will continue, phased over 10 years, with three main components:

- Community-level flood-risk mitigation projects, known as Category 2C projects (including blue-green networks) for three severely storm-impacted areas over two years
- Risk Mitigation and Resilience Projects (including blue-green networks) for severely storm-impacted areas over 10 years
- Regional flood resilience projects delivered over 10 years.

Uncertainty and implications

Making Space for Water

The Making Space for Water programme includes seven initiatives to strengthen Auckland's resilience to flooding (more than \$700 million, including government co-funding). While this programme will not completely resolve flooding issues in the region, it will allow the council to reduce risk and better prepare the region for flooding.

A proportion of the cost of the Making Space for Water programme is funded through the storm recovery package jointly funded by the government. The rest of it will be funded through rates.

Our forecasting assumptions are subject to change depending on government decisions.

Key activities: Stormwater management

It is important to note that under the Local Government Act, councils are required to show flood protection and control works (such as major stop banks and dams) designed to protect urban and rural areas from flooding, as a separate group of activity. Due to the relatively short river catchments in the Auckland Region, Auckland Council does not have any flood protection and control works of a size and scale that qualify as major flood protection and control schemes under the criteria relating to reporting requirements set out in the Non-Financial Performance Measure Rules 2013 until the 2025/2026 financial year. Therefore, these have been combined under the Stormwater GOA as Stormwater and flood protection are managed together in Auckland and work in an integrated way.

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

In heavy rainfall, flooding and erosion can cause property damage and affect the environment, causing associated health risks, so we need to enable more nature-based solutions that can better cope with more frequent and severe storm events. The **Making Space For Water** programme will increase Auckland's resilience to flooding and the effects of climate change through seven initiatives over 10 years. To deliver this work, Auckland Council will need to work together with communities, the government, and across departments. Ranging from hard infrastructure solutions to public education and information, the seven initiatives are:

1. **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.
2. **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.
3. **Increased maintenance:** Boosting maintenance of both the pipe and stream stormwater networks to improve drainage capacity and prevent blockages.
4. **Flood intelligence:** Investing in new planning, monitoring, and modelling tools while continually updating existing tools to assess and communicate flood risk.
5. **Overland flow path management:** Identifying and enhancing the performance of overland flow paths at both a catchment (capital works) and individual property-scale.
6. **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.
7. **Rural settlements:** Responding to specific needs in rural communities including marae and papakāinga to improve community resilience and assess public stormwater assets.

Water is a taonga

Stormwater, if not treated, transports contaminants and can pollute streams, rivers, harbours and our coastline. The work we do to maintain stormwater networks, care for natural waterways and reduce flooding risks can create carbon emissions and run-off sediments, and cause disruption for Aucklanders. We inform Aucklanders about planned works and manage our work areas very carefully to minimise environmental impacts and disruption. We also work closely with developers to ensure that infrastructure investments provide public benefits. Water is a taonga (treasured possession) and we are guided by Māori to be kaitiaki (guardian) for our water resources.

With the funding provided by the water quality targeted rate, we are reducing wastewater overflows and stormwater contaminants entering our harbours. By improving water quality, we create healthy habitats for plants and animals and make it safer for Aucklanders to enjoy beaches and swimming spots without risk of illness. By expanding our stormwater network and separating it from the wastewater network, we cater to growth and reduce the risk of flooding during storms.

Our approach

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

- use accurate scientific models such as the Freshwater Management Tool to underpin effective investment decisions
- integrate water quality improvements into asset renewals and other redevelopment opportunities (i.e., roads, parks, and other community assets)
- use targeted investment in places where it will have the greatest impact, such as the most vulnerable ecosystems and the most highly polluted catchments
- build public awareness of water quality through tools such as Safeswim and proactive compliance monitoring of private onsite wastewater systems.

Things we are keeping an eye on: Stormwater management

Recent storm events and drought years caused many issues in the stormwater network. Assets have been damaged and issues not identified until they impacted the network performance, causing problems for Aucklanders. Damage found too late can be more expensive and difficult to fix, further impacting and inconveniencing the surrounding communities. To reduce this risk, we proactively monitor our older infrastructure. We conduct CCTV inspections of our critical assets to provide vital information on the health of our network. We schedule maintenance and renewal programmes to maximise the life of our stormwater assets before we replace them. We look to address the continuing pressures of rapid growth when planning our renewal programme.

Some of our current activities are:

- proactively monitoring critical assets, identifying pipe renewals early, when solutions can be simpler
- installing grills and treatment devices to capture litter and debris before it enters the network
- renewing our aging ponds and wetlands to maximise flood attenuation and contaminant treatment
- measuring and reporting water quality information via Safeswim.

Our stormwater network includes:

- 6,975km of pipes
- 630 ponds and wetlands
- natural waterways
- 179,252 manholes
- 5,931 treatment devices (including rain gardens and proprietary stormwater devices)
- 130,475 catchpits
- 3,610 soak holes

Key projects: Stormwater management

- Making Space for Water will deliver outcomes through the seven initiatives, including physical works projects, enhanced public awareness and engagement in flood prevention, reduced flood risk from overland flow paths and streams, increased operational functionality within the stormwater network and increased the availability of reliable forecast and monitored information.
- 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 work to restore the health and mauri of the Kaipara Harbour through the Kaipara Moana Remediation programme, a joint initiative between us, Northland Regional Council, the government, and Kaipara Uri.

Key performance measures: Stormwater management

Table 20 – Stormwater management: Level of service and performance measurements

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
<i>The mandatory performance measures required under the Local Government Act 2002, and set by the Department of Internal Affairs, (DIA mandatory measures) are shown below in bold font</i>							
Manage stormwater network to minimize risks of flooding and improve water quality							
The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works program or long-term plan).	New, 1.3	New measure	New measure	N/A	≥90%	≥90%	≥90%

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)	1.2	86%	83%	85.5%	86%	86.5%	87% increasing to 90%
The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)(Actually experienced result)	This is a new measure that supports the measure above and does not have a target. This result is an 'actually experienced' result, and best reflects what the public will have experienced in the financial year. It is directly affected by external factors such as weather events and wastewater overflow and is calculated from all beaches in the Safeswim programme.						
Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices; and b) infringement notices; and c) enforcement orders; and d) convictions, received in relation those resource consents	n/a	a)0 b) 0 c) 0 d) 0	a)0 b) 0 c) 0 d) 0	a)0 b) 0 c) 0 d) 0			
The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	n/a	2.37 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties			
The percentage of response time during storms to close stormwater manholes within three hours	n/a	95%	90%	90%			
The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network	1.1	≥1 per 1000 properties	<1 per 1000 properties	<1 per 1000 properties			
The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site (hours)	n/a	1.84 hours	<2 hours	<2 hours			

Table 21 – Stormwater management: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
1.1	<p>There are significant limitations in producing a result for this measure as it is based on modelling information and observed rainfall. Alternative methods of producing a result are unavailable as limited data is available to Auckland Council and our partners.</p> <p>Modelled habitable floor flooding predictions have been used to estimate the number of habitable floors that may have been flooded. This assumes that of the total 525,000 habitable floors in the Auckland region, 9,600 habitable floors would be flooded in a region-wide 1-in-10-year flood event and 16,000 would be flooded in a region-wide 1-in-100-year flood event. A standard assumption in this type of modelling is that the Average Recurrence Interval (ARI) of the runoff is the same as the ARI of the rainfall.</p>
1.2	<p>This measure reports a standardized result for the 84 sample set of beaches set by the Safeswim programme in 2017. The standardised result shows underlying change in water quality that can be compared from year to year, by accounting for variability that occurs due to new beaches being added to the programme and variation in rainfall from year to year. It tracks changes in water quality through the scenario of what water quality would have been like in 2017 if we had the stormwater network we have today.</p> <p>Recreational activities that bring people physically into contact with water, such as swimming. Safeswim water quality models take account of rainfall, wind, tide, sunlight and beach type. It is built using high-frequency targeted sampling on top of historical monitoring results spanning over 20 years at some sites and are underpinned by the best available meteorological data reported based on 84 beaches that have been selected as key by Safeswim.</p>
1.3	<p>Auckland Council will not have a relevant asset or works that qualifies for this measure until the 2025/2026 financial year. As such targets begin from that financial year.</p>

Capital programme

Table 22 - Capital programme - Stormwater management

Capital Programme(\$m)	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	10-years total
Making Space for Water	46	38	44	54	83	48	41	44	54	55	507
Catchment and asset planning, safety and modelling	15	16	15	14	14	14	13	16	13	14	145
Enabling growth	23	26	15	24	28	27	24	31	37	40	276
Environmental improvements	1	7	8	3	3	3	5	6	5	5	44
Major and critical asset renewals	38	41	35	35	23	35	41	35	50	50	383
Flooding remediation	13	7	5	22	21	23	29	34	28	32	214
Water Quality Targeted Rate (including Eastern Isthmus, Waterview Separation, Point Erin extension, Point Chevalier separation, Lower Khyber separation)	57	52	63	50	67	67	74	82	77	72	661
Total	194	188	185	202	240	216	227	248	263	268	2,230

Prospective Financial Information

Table 23 - Prospective financial information - Stormwater management

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
Stormwater management	Non-rates revenue	4,160	3,827	2,329	1,695	12,852	20,703
	Direct operating expenditure*	99,418	86,279	87,329	92,196	819,981	1,085,785
	Capital expenditure	134,557	193,537	187,520	184,723	1,664,700	2,230,480

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement Prospective Funding Impact Statement for 2024-2034 for Stormwater Management

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	196,523	219,359	229,158	242,600	258,505	267,843	276,890	282,959	311,508	324,210	343,356
Targeted rates	11,204	7,363	9,125	11,314	14,032	17,406	21,594	26,794	33,249	41,264	51,215
Subsidies and grants for operating purposes	1,916	2,209	668	0	0	0	0	0	0	0	0
Fees and charges	1,231	1,234	1,267	1,292	1,318	1,344	1,371	1,399	1,427	1,455	1,484
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1,013	384	395	403	411	419	427	436	445	453	463
Total operating funding	211,888	230,549	240,611	255,609	274,265	287,012	300,283	311,587	346,629	367,383	396,518
Applications of operating funding:											
Payment to staff and suppliers	99,418	86,279	87,329	92,196	99,951	108,126	112,267	115,952	123,695	128,385	131,605
Finance costs	19,267	53,843	56,619	59,171	61,459	64,982	71,285	76,617	82,498	88,494	92,687
Internal charges and overheads applied	16,204	18,059	19,301	19,651	20,582	21,001	21,997	22,634	23,382	24,343	24,808
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	134,889	158,181	163,248	171,018	181,993	194,108	205,549	215,204	229,574	241,222	249,101
Surplus (deficit) of operating funding	76,999	72,368	77,363	84,591	92,272	92,904	94,734	96,383	117,054	126,161	147,417
Sources of capital funding:											
Subsidies and grants for capital expenditure	500	26,656	21,931	25,421	31,711	49,231	27,945	23,158	25,304	30,779	31,583
Development and financial contributions	37,402	60,922	54,214	55,910	52,490	25,467	26,074	26,622	26,830	25,371	25,922
Increase (decrease) in debt	19,657	33,591	34,013	18,801	25,990	72,420	67,478	81,162	78,576	80,518	63,144
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	57,558	121,169	110,157	100,132	110,190	147,118	121,496	130,942	130,709	136,668	120,650
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	59,646	34,559	38,020	26,320	34,935	39,034	37,226	33,710	43,025	46,454	50,980
- to improve the level of service	20,968	120,785	107,904	123,220	132,213	177,382	143,902	152,262	169,447	166,287	166,995
- to replace existing assets	53,943	38,194	41,596	35,182	35,315	23,605	35,102	41,354	35,292	50,087	50,092
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	134,557	193,537	187,520	184,723	202,462	240,022	216,230	227,326	247,764	262,829	268,067
Surplus (deficit) of capital funding	(76,999)	(72,368)	(77,363)	(84,591)	(92,272)	(92,904)	(94,734)	(96,383)	(117,054)	(126,161)	(147,417)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.6 Local council services

Local council services are activities governed by Auckland’s 21 local boards. These activities centre on community services and public spaces to enhance community wellbeing and create a sense of belonging.

Local boards are responsible for decisions relating to local issues, activities and services, and providing input into regional strategies, policies, plans and decisions. Local boards do this with council support and with mana whenua and Māori engagement. Local council services range from library and literacy services, arts and culture, sport and recreation, to open spaces, community-led action, volunteering and caring for the environment. The boards’ local planning and development activities focus on street environments, town centres, the local environment and heritage protection. They are also involved with the business improvement districts, which are funded by targeted rates.

Key budget highlights and impacts

One of the key focus areas in this LTP is to accelerate fairer funding for local boards, which will see a funding allocation model which is more equitable than previous legacy budget allocations. This will have impact on the rates increase over the years (*see Section three: Our policies – 3.0 Policy overview*). We have also set aside \$20 million as part of setting up the Auckland Future Fund which will enable us to ‘fix and finish’ community projects in legacy Manukau City and Auckland City areas.

We are also proposing operating expenditure of \$637 million to help council transition to less reliance on assets and more innovative ways of delivering council services or ‘Deliver Differently’ (also covered in section *Regional community services*).

Uncertainty and implications

Fairer funding

Moving to a new funding allocation model for local boards will see budget increases for some local boards from 1 July 2025 (when the new funding allocation model will take effect). Local boards with significant budget increases will need advice on options for where to apply that budget, and associated implications for service levels and future costs. A comprehensive review of services and assets in each local board area is currently being undertaken to inform the advice that will be needed to inform future local board budgeting decisions.

2.6.1 Key activities: Local council services

In this section, key activities, key projects and key performance measures are included for the following local activities:

- Local community services
- Local environmental management
- Local governance
- Local planning and development.

Things we are keeping an eye on

There are few anticipated negative effects that our local council services may have on the social, economic, environmental and cultural wellbeing of the community. However, there can be negative effects and associated risks to the community if we do not undertake these activities, or if activities result in higher than anticipated costs or climate impact. Our 21 local boards, with a total of 149 elected members, ensure the diverse needs of our communities are met through tailored work programmes, activities and events for each area, and receive advice from council officers when making decisions, including on potential community, cost or climate impacts. We also acknowledge that we have an ageing and unaffordable asset base which requires us to look at alternative service delivery models. Advice and options will be considered by each local board as part of the 'Deliver Differently' programme. We provide a transparent and consistent pricing structure for hiring and accessing council-managed community venues, centres and houses, and arts facilities, to ensure people have access to affordable spaces to pursue their interests.

2.6.2 Key activities: Local community services

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

Key projects: Local community services

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

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

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

Key performance measures: Local community services

Table 24 – Local council services – Local community services: Levels of service and performance measures.

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets*			
				2024/25	2025/26	2026/27	2027-2034
Enable a range of choices to access community services and recreation opportunities							
The number of visits to Pool and Leisure Centres	New	New measure	New measure	8m	8m	8m	8m
The percentage of time main Pool and Leisure Centre services are accessible to the community	New	New measure	New measure	95%	95%	95%	95%
The customers' Net Promoter Score for Pools and Leisure Centres	n/a	23	35	37	37	37	37
The percentage of time physical library services are accessible to the community	New	New measure	New measure	100%	100%	100%	100%
The number of visits to library facilities	n/a	7.1m	8.55m	7.3m	7.3m	7.3m	7.3m
The percentage of local community facility components that are not in poor or very poor condition	New 1.2	New measure	New measure	81.2%	81.2%	81.2%	81.2%
Percentage of customers satisfied with the quality of library service delivery	n/a	96%	87%	87%	87%	87%	87%
The percentage of users who are satisfied with the overall quality of sports fields	n/a	65%	77%	76%	76%	76%	76%
Provide urban green spaces (local parks, paths and ngahere) and access to the coast							
The percentage of local open space asset components that are not in poor or very poor condition	New 2.2	New measure	New measure	93%	93%	93%	93%
The percentage of local parks, facilities and spaces meeting maintenance quality standards	2.3	New measure	New measure	90%	90%	90%	90%
The percentage of users who are satisfied with the overall quality of local parks	n/a	61%	74%	77%	77%	77%	77%

Table 25 – Local community services: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
Note	<p>See the local board agreements in Volume three of this LTP for the breakdown of these measures by the local board. Some measures within this GOA are supported by surveys. They are:</p> <ul style="list-style-type: none"> • Percentage of customers satisfied with quality of library service deliver, • The percentage of users who are satisfied with the overall quality of sports fields • The percentage of users who are satisfied with the overall quality of local parks. <p>Those surveys are:</p> <ul style="list-style-type: none"> • Residents survey which is a representative study of Auckland residents • Customer experience survey which surveys customers who have used Auckland Council services.
*	Local council services targets are subject to the decisions made through annual local board agreements for the 2026-2034 years.
1.1	Baseline to be established.
1.2	Community Facilities provide the physical built space for Aucklanders to connect, socialise, learn and participate in a wide range of social, culture, art and recreational activities. Components include Roof covering, Ceiling finishes, external walls, windows and doors, wall finishings, sanitary plumbing The ratings of “poor” and “very poor” based on asset management gradings.
2.1	Baseline to be established
2.2	Local open space assets are built assets that help deliver services within community open spaces (parks playground, sports fields), delivering services through supporting activities (carparks, lighting) and protecting / enhancing land (retaining walls, drainage). Components include playground, retaining wall, sports field court, light poles and lighting, tracks, timber access bridge. The ratings of “poor” and “very poor” based on asset management gradings.
2.3	Maintenance quality standards are defined through NZS standards or ‘industry best practice’. These standards are monitored by staff who have received specialized training and are audited through a quality process to ensure consistent scoring.

2.6.3 Key activities: Local environmental management

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

Key projects: Local environmental management

We are committed and focussed on supporting the community with environmental initiatives, and local low carbon, sustainability and zero waste activities and education programmes. Examples include:

- Continuing to work closely with community groups, schools, and iwi to improve water quality and biodiversity through local board investment
- The ongoing delivery of local board funded ecological restoration or water quality initiatives
- Supporting local Pest Free Auckland initiatives such as community rat and possum trappers, weed control and community restoration groups.
- Localised low carbon programmes to support local actions at a household level such as Love Your Neighbourhood, Eco Neighbourhoods, Low Carbon Networks and zero waste programmes.

Key performance measures: Local environmental management

Table 26 – Local council services – Local environmental management: Level of service and performance measures

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Protect, improve and minimize risks to the natural environments and cultural heritage							
The percentage of local environment programmes that have successfully completed their stated outcomes for the year as part of their local board work programme	n/a	95%	85%	92%	92%	92%	92%

See the local board agreements in Volume 3 of this LTP for the measures and targets that apply for each local board.

2.6.4 Key activities: Local governance

We support elected representatives across our 21 local boards to make well-informed decisions on local activities. This includes providing advice and planning for the development of local board plans, annual local board agreements (budgets) and work programmes. We facilitate engagement with local communities, including mana whenua and Māori, on local issues. We support local boards in inputting into regional plans, policies, and strategies, and provide democracy and administrative services. We facilitate for elected members to understand, advocate, and manage issues of communal concern.

Key projects: Local governance

We support our elected representatives, including:

- Developing and delivering three-yearly local board plans.
- Developing annual local board agreements (budgets).
- Developing and delivering local board work programmes.
- Supporting local boards input into regional strategies, policies, plans, bylaws, and central government proposals.

Key performance measures: Local governance

Table 27- Local council services – Local governance: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Lead Council Group response to partnership and participation of Māori in decision making and deliver Māori outcomes							
The number of local activities that deliver moderate to high outcomes for Māori as outlined in 'Kia Ora Tamaki Makaurau' (Council's Māori Outcomes framework)	1.1	New measure	New measure	Set baseline	Maintain or improve		

Table 28 – Local governance: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
<i>Note</i>	See the local board agreements in Volume 3 of this LTP for the measures and targets that apply for each local board
1.1	Local board agreements may have more localised level of service statements, performance measures and targets for local activities – see Volume 3

2.6.5 Key activities: Local planning and development

Our local planning and development activities include supporting local town centres and communities to thrive, through town centre plans and development, business improvement districts, and heritage plans and initiatives.

Key projects: Local planning and development

We support local town centres and communities by:

- Developing plans for town centres and local areas
- Identifying and protecting heritage places and providing heritage advice
- Working with our Business Improvement Districts and Business Associations.

Key performance measures: Local planning and development

Table 29– Local council services – Local Planning and development: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Facilitate economic development opportunities and promote Auckland as a destination							
The percentage of Business Associations meeting their Business Improvement District (BID) targeted rate grant agreement obligations	1.1	100%	100%	100%	100%	100%	100%

Table 30 – Local planning and development: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
Note	<i>See the local board agreements in Volume 3 of this LTP for the measures and targets that apply for each local board.</i>
1.1	Local board agreements may have more localised level of service statements, performance measures and targets for local activities – see Volume 3

Capital programme

Table 31 - Capital programme - Local council services

Capital Programme(\$m)	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	10-years total
Local community services											
Locally Driven Initiatives (LDI)	12	12	12	12	13	13	13	13	14	14	128
Development - specific developments and funds including Albany Library, Te Hono Community Centre, Purchas Hill, Lowtherhurst, Ponsonby Park and Te Whau Pathway	28	39	25	5	2	1	3	-	-	-	102
Renewals including Jubilee Bridge	91	126	128	163	169	173	182	186	190	193	1,601
Growth - Local Parks and Sportsfield Development	19	27	32	39	41	38	43	87	107	111	543
Renewals - regional parks, wintergardens, Botanic Gardens, cemeteries and crematoria, residential and commercial leases	0	2	3	3	-	-	-	-	-	-	8
Discrete Local Projects	7	6	19	20	17	37	67	62	62	59	357
Development including regional parks, cemeteries and crematoria, and slip prevention	2	2	2	2	2	2	2	3	3	3	23
Total	160	214	220	243	243	263	311	352	376	381	2,762
Local environmental management											
Response to natural and coastal hazards	13	14	14	13	14	14	20	20	21	21	163
Total	13	14	14	13	14	14	20	20	21	21	163

Prospective Financial Information

Table 32 - Prospective financial information - Local council services

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28-2033/34	10-years Total
Local community services	Non-rates revenue	45,967	49,239	50,393	51,788	409,765	561,186
	Direct operating expenditure*	321,309	313,678	359,963	387,017	3,164,613	4,225,271
	Capital expenditure	222,202	159,518	214,141	220,359	2,167,634	2,761,653
Local environmental management	Direct operating expenditure*	4,257	4,675	5,403	5,513	41,874	57,466
	Capital expenditure	18,138	13,249	13,699	14,167	122,356	163,472
Local governance	Direct operating expenditure*	22,765	22,160	23,493	23,498	180,159	249,310
Local planning	Direct operating expenditure*	22,933	23,660	25,163	25,693	194,195	268,712
	Capital expenditure	61	-	-	-	-	-

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2024-2034 for Local Council Services

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	411,032	393,921	456,433	494,538	520,431	550,107	583,005	617,375	659,841	705,985	750,156
Targeted rates	23,130	26,349	26,963	27,588	28,192	28,779	29,378	29,965	30,564	31,167	31,757
Subsidies and grants for operating purposes	4,788	1,016	1,116	1,144	1,162	1,177	1,196	1,214	1,215	1,215	1,216
Fees and charges	35,443	42,736	43,575	44,690	45,629	47,298	49,104	50,981	52,651	54,375	56,156
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	5,735	5,487	5,702	5,954	6,221	6,337	6,456	6,577	6,321	6,526	6,739
Total operating funding	480,130	469,510	533,789	573,915	601,635	633,698	669,138	706,113	750,592	799,269	846,023
Applications of operating funding:											
Payment to staff and suppliers	371,264	364,173	414,022	441,722	456,190	472,310	488,480	506,507	529,558	552,259	575,538
Finance costs	46,660	53,304	62,790	74,242	86,842	100,899	118,267	135,932	156,788	180,320	202,204
Internal charges and overheads applied	57,498	50,868	56,600	58,037	59,418	59,648	62,294	64,284	65,785	69,233	71,591
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	475,423	468,345	533,412	574,001	602,450	632,857	669,040	706,723	752,131	801,812	849,332
Surplus (deficit) of operating funding	4,706	1,165	378	(87)	(815)	842	98	(611)	(1,539)	(2,543)	(3,310)
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	79,089	20,679	26,522	27,466	22,759	13,321	16,378	18,222	22,183	16,298	18,660
Increase (decrease) in debt	156,606	150,924	200,941	207,147	234,139	242,739	260,282	312,971	351,286	382,378	386,251
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	235,694	171,603	227,463	234,613	256,899	256,061	276,660	331,193	373,469	398,676	404,911
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	67,170	32,998	48,568	45,200	37,224	38,746	39,953	49,783	78,253	100,046	101,478
- to improve the level of service	33,812	28,056	24,108	24,972	23,306	21,204	32,265	48,461	48,314	34,665	34,594
- to replace existing assets	139,420	111,713	155,165	164,354	195,554	196,952	204,541	232,338	245,363	261,422	265,529
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	240,401	172,768	227,841	234,526	256,084	256,902	276,758	330,582	371,929	396,133	401,601
Surplus (deficit) of capital funding	(4,706)	(1,165)	(378)	87	815	(842)	(98)	611	1,539	2,543	3,310
Funding balance	0	0	0	0	0	0	0	0	0	0	0

2.7 Regionally delivered council services

Our regionally delivered council services are designed to create a city with great neighbourhoods, centres, parks and public spaces loved by Aucklanders. We also support the mayor and councillors in governing Auckland for the benefit of ratepayers, residents, and businesses.

Key budget highlights and impacts

One of the focus areas for this LTP is to progress a range of value for money initiatives to deliver better for Aucklanders, including fit-for-purpose technology, Group-Shared Services, a refreshed Procurement Strategy and the planned review of major contracts.

Key activities

In this section, key activities, key projects and key performance measures are included for the following regional activities:

- Auckland Emergency Management
- Investment
- Environmental services
- Regional community services
- Regional governance
- Regional planning
- Waste services
- Third party amenities and grants
- Organisational support
- Regulatory services.

2.7.1 Key activities: Auckland Emergency Management

Auckland Emergency Management (AEM) partners with emergency services and other organisations to ensure effective coordination of civil defence and emergency management within Auckland. We work to strengthen the disaster resilience of Tāmaki Makaurau by managing risks and empowering and supporting everybody to be ready to respond to and recover from emergencies.

The national framework for Civil Defence and Emergency Management (CDEM) in Aotearoa is established under the Civil Defence Emergency Management Act 2002 (CDEM Act). The framework provides for the effective delivery of emergency management through the roles and responsibilities of prescribed entities. In Tāmaki Makaurau these entities are made up of the following:

- CDEM Group: Auckland Council has established the CDEM Committee as the CDEM Group for Auckland. The CDEM Committee has governance responsibilities under the CDEM Act.
- Coordinating Executive Group (CEG): The CEG is chaired by the Chief Executive of Auckland Council. The CEG is responsible for advising the CDEM Committee, implementing their decisions and overseeing the implementation, monitoring and delivery of the Group Plan. CEG membership includes emergency services, health providers and lifeline utilities (entities providing critical infrastructure).
- Auckland Emergency Management (AEM): AEM is the CDEM Group Emergency Management Office responsible for the day-to-day planning, project work and delivery of operational arrangements on behalf of the CDEM Group and CEG.

We are continuously striving to improve Tāmaki Makaurau Auckland's resilience. We do this through the achievement of objectives and actions across the 4 Rs of emergency management including reduction, readiness, response and recovery. Everyone has a role to play across the 4 Rs. Auckland Council works within a broad emergency management system. We collaborate with, and are supported by the National Emergency Management Agency, emergency services, lifeline utilities, health providers, disability organisations, welfare services, mana whenua and mātāwaka, and the communities of Tāmaki Makaurau to build disaster resilience. Within Auckland Council, AEM lead in the readiness and response space, while the wider council lead on reduction. The lead for recovery depends on the scale of the event, and recovery required. There are a range of areas where we take collaborative action across council.

Things we are keeping an eye on: Auckland emergency management

Emerging risks

We are aware that the effects of climate change and population growth in Auckland are likely to intensify the risk and impacts of specific disasters in future, such as superstorms and other extreme weather events. This makes it essential for everyone to be prepared, so they know what to do before, during and after emergencies. The extreme weather events of early 2023 highlighted many learnings in terms of our operational readiness and response that have been built into a robust work programme for AEM and the wider Council.

Emergency Management System Reform

The government has decided not to progress the Emergency Management Bill. The minister is of the view that the existing Bill would not deliver the integrated, fit-for-purpose emergency management framework that New Zealand needs. The minister intends to introduce a new bill this term, alongside making system improvements using existing mechanisms in the Civil Defence Emergency Management Act and non-legislative levers. The development of the bill will consider the submissions made on the Emergency Management Bill and the reviews into last year's severe weather events including the Government Inquiry into the Response to the North Island Severe Weather Events, and work through exactly what improvements need to be made and how these will be delivered.

Key projects: Auckland emergency management

Improved disaster resilience through delivery of the Auckland Civil Defence and Emergency Management Group Plan.

Auckland Emergency Management delivers key projects in the following areas, as set out in the Auckland CDEM Group plan:

- reducing the impact of hazards on our whānau, businesses and communities
- having the skills, knowledge, plans and tools before a disaster happens so we are prepared
- increasing community awareness, understanding and participation in emergency management
- partnering with mana whenua and mātāwaka to support disaster resilience of iwi and Māori
- taking action to ensure the safety and wellbeing of people and places
- enhancing Auckland's capability to recover from disasters.

Key performance measures: Auckland emergency management

Table 33 - Auckland emergency management: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Provide leadership in building resilience and responding to emergency and lead recovery							
The percentage of Aucklanders who are prepared for an emergency	n/a	69%	65%	71%	72%	73%	75%
The percentage of Aucklanders that have a good understanding of the types of emergencies that could occur in Auckland	n/a	81%	75%	82%	83%	84%	85%

2.7.2 Key activities: Investment

We manage our investments to achieve broader strategic objectives while delivering financial returns.

Key budget highlights and impacts

This long-term plan provides for the establishment of a regional wealth fund – **the Auckland Future Fund (AFF)** – to protect the value of council’s intergenerational assets through improving council’s financial resilience and returns, and to lessen the burden on ratepayers. The Future Fund will be established as a trust, and initially capitalized with the council’s shareholding of the Auckland International Airport Limited (AIAL), with the trustee enabled to sell all or some of those shares. (*refer to AFF policy section 3.10 for more details*). Some of the Fund’s financial returns in the first year will form a ‘Reserve Fund’ (\$20 million), which will be used to support community projects in the legacy of Manukau City and Auckland City areas to help address the legacy inequity of investment. (*Further information under Local council services section, page 260*)

This LTP 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, noting that any final decisions to transfer will be subject to the relevant consents for work on Bledisloe North being granted and agreement on sale valuation of the wharves.

Uncertainty and implications

Auckland Future Fund

The Fund, once established, is intended to be owned and managed by a corporate trustee under the council’s control pursuant to a deed of trust.

A delay in the establishment of the fund, or the transfer of the council’s shareholding in AIAL to the fund (and subsequent sale of those shares by the trustee), may impact on the realisation of forecast returns from the fund. As a result, there may be an impact on the allocation of \$20 million to the ‘fix and finish’ reserve fund for community projects in the legacy Manukau City and Auckland City council areas.

The returns from the fund are uncertain. Projected average returns for the Future fund have been estimated to be 7.24 per cent net of operating costs based on long-term average rates of return for funds with a similar risk profile.

Port of Auckland Limited (POAL)

Making the most of our port and waterfront requires both POAL fulfilling its commitment to deliver more than \$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. This will need to be enshrined in a new tripartite accord between Port of Auckland Limited, Auckland Council and the Maritime Union of New Zealand and other Unions in POAL Operation unions – including enhanced council oversight of POAL’s strategic direction. The revised earnings numbers will also form the basis of POAL’s Statement of Corporate Intent.

For more information about the Key assumption see Volume one, Section 1.4 Financial Strategy

Key projects: Investment

Auckland Council holds 100 per cent of the shares in Port of Auckland Limited (POAL) and 11.03⁷ per cent of the shares in Auckland International Airport Limited (AIAL), a New Zealand Stock Exchange (NZX) listed entity. This LTP provides for the transfer of council's shareholding in AIAL to the Auckland Future Fund (once established).

Key performance measures: Investment

Port of Auckland Limited (POAL) is not a CCO and as such does not have measures in Auckland Council's long-term plan/annual report. Further information on POAL can be found in their annual reports publicised through their website, and quarterly reports provided to the council.

Table 34 - Investment: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Provide leadership in building resilience and responding to emergency and lead recovery							
Port of Auckland forecast dividend payment to Auckland Council	1.1	New baseline	New baseline	37.5m	48.5m	56m	66m

Table 35 - Investment: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
1.1	The 2027-2034 target is an annual average of the expected returns from 2027/2028 financial year to 2033/2034.

⁷ As at 10 June 2024 the number of council's shares is 163,231,446, or 11.03 per cent. Total shares on issue as at 10 June 2024 is 1,480,233,742. (The percentage is calculated by dividing council's shares by total shares)

2.7.3 Key activities: Environmental services

Auckland's native biodiversity, green spaces, clean water and fresh air help make it an attractive and healthy city to live and work in. We work with iwi, mana whenua, the community, schools and landowners to protect the values of Auckland's natural environment and support Aucklanders to reduce their carbon emissions and build resilience to climate impacts, while honouring Te Tiriti o Waitangi.

Key budget highlights and impacts

This long-term plan reinstates the Natural Environment Targeted Rate (NETR) at its previously planned level to raise around \$32.6 million in 2024/2025, with \$200,000 of the revenue from this rate to go towards helping to stop the spread of the toxic caulerpa seaweed.

Things we are keeping an eye on: Environmental services

Healthy ecosystems are critical for economic, cultural, and social well-being and climate resilience. If not well managed, many of our native species and important ecosystems are at risk of loss or significant degradation. We run programmes to protect our natural environment, carefully selecting the methods we use to tackle pests, weeds and diseases that threaten our native species. We respect the role of mana whenua as kaitiaki of the environment and work alongside them. We provide funding and support to private landowners and community groups delivering community-led action. Safeguarding Auckland's natural environment is a job for all Aucklanders. We have a major role to play, running programmes to tackle pest plants and animals, along with pathogens that threaten our native species.

Key projects: Environmental services

We manage the region's biodiversity and biosecurity on public and private land to deliver restoration and sustainability initiatives and support community-centred climate action to protect our environment with the:

- Pest Free Auckland programme is both council-led and non-council led conservation action. It is a restoration initiative to build a movement that enables conservation action, recognising that protecting and restoring biodiversity cannot be solved by council, or any one agency, alone. It is designed to engage the community in managing pest animals, plants, and pathogens, and restoring and connecting native ecosystems.
- Implementation of the Regional Pest Management Plan 2020-2030. This is a statutory tool which identifies and controls priority pests (including kauri dieback disease, pest animals and pest plants).
- Coordination and implementation of the accelerated kauri dieback management programme, to protect our kauri forests.
- Maintenance of the pest-free status of Hauraki Gulf Islands and working on other pest animal eradications, including leveraging central government funding to assess the feasibility of removing wallabies, possums, rats and mustelids (specifically from Kawau Island).
- Protection of priority freshwater lakes and island ecosystems and species.
- Marine biosecurity education and engagement programme, including inter-regional marine pest pathway management planning, carrying out increased surveillance and monitoring in relation to marine pests, and responding to new incursions.

- Implementation of the Auckland Indigenous Biodiversity Strategy which involves protecting high priority indigenous species and ecosystems through site and species focused actions, in partnership with land managers/owners, mana whenua and stakeholders.
- Specialist technical expertise, data and information to guide decision making and support the council’s regulatory and policy functions to maintain indigenous biodiversity and manage biosecurity pressures.
- Community climate action, administering the Auckland Climate Grant to support community-led climate projects as well as partnering with a region-wide network of community organisations to deliver emissions reduction and resilience outcomes at a local level.
- Māori resilience to climate impacts by fostering Māori-led and community partnerships – with iwi, marae and associated kura, to deliver projects that meet Māori aspirations for the environment, resilience to climate events and rangatahi leadership.
- Providing resources and digital conservation tools to support communities that are interested in or already carrying out conservation and climate activity.
- FutureFit, an online carbon footprint calculator tool for individuals to measure their impact and reduce their carbon emissions. This includes FutureFit for Business employee engagement programme for businesses.
- Programmes which engage young people in conservation and climate action in their local communities and provide hands-on sustainability education programmes in our regional parks through our Experience Centres.
- Storm response programmes to support high-risk communities develop an understanding of and respond to the changing natural hazard risk due to climate change.
- Resume the Natural Environment Targeted Rate (NETR) at the previously planned level to raise \$350 million over 10 years, and allocate \$200,000 to support the response to stop the spread of the exotic Caulerpa seaweeds (funded from the NETR, so some scaling back of other programmes could be necessary).
- Continue investing in community stewardship of public and private green spaces and partnership support for mana whenua to exercise kaitiakitanga.

Key performance measures: Environmental services

Table 36 - Environmental services: Levels of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Protect and provide access to distinctive and unique environments through regional parks							
The proportion of kauri areas, managed by council, with site-based mitigation in place to reduce the spread of kauri dieback disease	1.1	97.8%	99.7%	99.7%	99.7%	99.7%	99.7%
Number of native plants planted	n/a	761,451	545,000	595,500	646,000	696,580	746,580
Proportion of the total area of priority native habitats on regional parks with pest plants being effectively controlled towards, or managed below, target densities for biodiversity protection.	1.2	49.9%	51%	52.9%	54%	54.5%	56%

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Protect, improve and minimise risks to the natural environments and cultural heritage							
The proportion of rural mainland Auckland with possum populations at or below target densities for biodiversity protection	*	27.8%	30%	39%	39%	39%	39%
Number of Aucklanders engaged in living low carbon lifestyles in lowering emissions or building climate resilience.	*	63,871	68,500	73,000	79,000	86,000	88,000
The percentage of schools engaging in sustainability action programmes	*	68.7%	60%	57%	58%	60%	60%
Number of species-led projects being delivered on Hauraki Gulf islands for the purpose of maintaining or achieving eradication of pest plants or pest animals	2.1 *	9	10	9	9	9	9
Provide opportunities for communities to lead and deliver their own initiatives							
Number of indigenous plants and animals regionally vulnerable to extinction under active management	3.1	94	98	98	102	104	106

Table 37 - Environmental services: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
*	Minor wording change to the existing performance measure.
1.1	Kauri areas refer to kauri forests that council has a mandate to manage, including council parks, Department of Conservation land where a Memorandum of Understanding is in place for the council to manage, and private land deemed high priority for kauri forest management where an agreement has been reached with the landowner. Does not include areas that consist of only a small number of kauri trees or amenity plantings.
1.2	Priority native habitats are a minimum suite of sites identified as requiring the restoration and maintenance of ecological integrity in order to maintain the greatest number and most diverse range of Auckland's indigenous ecosystems and sequences. Priority native habitats are otherwise known as Biodiversity Focus Areas. Native habitats are defined as the indigenous ecosystem types described in Singers et al., 2017, Indigenous terrestrial and wetland ecosystems of Auckland. Sufficient control is where control is resulting in a trajectory to zero density of pest plants at the site over time. The timeframe across which zero density can be achieved will vary across sites, dependent on the pest plants present, their infestation level and age class.
2.1	Species-led projects are projects that target single or multiple species. This includes both site level pest control projects and projects that manage pest pathways to prevent species re-invading those islands from which they have been eradicated.
3.1	446 plants, birds, freshwater fish, lizards, frogs, and bats are currently considered "vulnerable to extinction" in the region through a review of national and regional data and expert knowledge (invertebrates, fungi, lichen, and non-vascular plants and marine species have not been assessed and are therefore out of scope for this measure).

2.7.4 Key activities: Regional community services

We invest in the provision of regional community services, programmes and facilities to contribute to strong, healthy and connected communities. This work includes our regional parks, libraries collection, cemeteries, community and social innovation and grants to support arts and culture, events and sport and recreation.

Community wellbeing and creating a sense of belonging are at the heart of what we do. We accomplish this by actively encouraging participation across a range of spaces made available to the community with our partners – spaces that allow people to learn, relax, connect and maintain healthy lifestyles.

Key budget highlights and impacts

This long-term plan includes:

- operating expenditure of \$637 million to help council transition to fewer renewals and more innovative ways of delivering council services or ‘Deliver Differently’⁸.
- support for indoor sport facilities with an additional \$35 million funding into the Sport and Recreation Facilities Investment Fund, using funding from the ‘Deliver differently’ programme.
- a pause on spending for seismic upgrades of council assets, except for works already underway or contracted. This pause will remain in effect until a review of the standards is completed to ensure that funds are being utilized efficiently and not wasted.

Uncertainty and implications

Funding for the ‘Deliver Differently’ approach has been delayed compared to what was previously proposed. It is expected the service impact from this slowdown is minimal, but it will result in significantly improved guidance and advice to ensure that funds are allocated effectively.

In relation to the sports and recreation facilities plan, there is a need to spend more strategically to achieve the necessary infrastructure improvements. While the council cannot fund the entire network of sports facilities required by Aucklanders, it should avoid spreading its funding too thinly. Efforts should be made to leverage additional sources of funding, prioritize key areas, and facilitate aggregation.

Things we are keeping an eye on: Regional community services

Auckland is one of the most diverse cities in the world, which means our community services, such as libraries, recreation centres, parks and swimming pools, must meet the needs of our diverse population. Many of our community facilities (assets) are aging and require significant investment to bring them up to standard, and can limit the ability for council to invest in other services. Customer preferences continue to change, with an increasing shift toward digital channels or hubs, and opportunities exist to work better with partners so we can more flexibly meet community needs. We closely monitor our grants programme to ensure the funded activities have a positive effect for our communities.

⁸ Once projects and initiatives are investigated and progressed, this budget will be allocated to local services and assets in the ‘local council service’ activity to achieve specific outcomes for the ‘Deliver Differently’. See also *Local council services, page 260*

Key projects: Regional community services

We are looking at different ways of delivering services through partnerships, digital channels and multi-use facilities to support the changing needs of our diverse community.

We continue to provide the facilities and services that contribute to strengthening our communities with the:

- transition of the Parks and Community Asset portfolio, supported with \$637 million of operational funding to transition to a lesser dependence on assets and more innovative ways of delivering council services or 'Deliver Differently'
- increase in the Sports and Recreation Facilities Investment fund \$35 million over three years to address the deficit in indoor sports facilities in Auckland (funded from \$637 million operational funding above)
- 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 range of:
 - information in both physical and digital resources to support reading, discovery, and participation
 - collections, including children's, heritage, Māori and Pacific collections
- investing in sector and community-led arts and cultural activities, events, community development and safety activities through the Regional Grants Programme
- connecting Aucklanders with nature through camping and bach accommodations, looking after Auckland's ecosystem by delivering and managing the plant nursery propagation services for Regional Parks planting through Botanic Gardens, and Waitākere Ranges nursery. We play these roles as Kaitiaki (land manager) of Auckland's regional parks
- delivering asset renewals to safeguard our facilities from asset failure and support high-priority growth projects
- continuing work with our key partners (Aktive and SportsNZ) to invest into and target populations of low participation and may be at a high risk of becoming inactive, supported by the 'Get Active Your Way', 'Swim to Survive and Thrive', and 'Active and Healthy Environments' initiatives
- investing in strategic partnerships to leverage philanthropy with the Auckland Foundation's Together for Auckland Fund
- support outreach services for homeless with the continuation of the \$500,000 budget per annum
- supporting regional community partnerships, mobile and rural library access
- investment managed by Haumarū Housing, including with funds from the sale of 24 Marlowe Road, Blockhouse Bay gifted by Mr R B Thompson
- delivering Arts, Culture and Event activities for all Aucklanders to experience as part of their everyday lives through:
 - investment through regional grants to Arts' partner organisations and through contestable grants
 - contributing to placemaking through the curation and addition of the Public Art collection
 - partnering with mana whenua and local iwi organisations to celebrate Matariki and Waitangi Day
 - civic events like ANZAC Day services, and citizenship celebrations.

Key performance measures: Regional community services

Table 38 – Regional community services: Levels of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Protect and provide access to distinctive and unique environments through regional parks							
The percentage of regional parks, facilities and spaces meeting maintenance quality standards	1.1	New measure	New measure	80%	80%	80%	80%
Enable a range of choices to access community services and recreation opportunities							
The amount of playable hours per year at soil based sporting and recreational facilities	New	New measure	New measure	90%	90%	90%	90%
The number of library items checked out (including renewals and e-items) (millions)	n/a	15.5m	18.4m	15.7m	16.2m	16.8m	17.4m
The percentage of regional park visitors satisfied with the overall quality of their visit	n/a	97%	96%	92%	92%	92%	92%

Table 39 - Regional community services: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
1.1	Maintenance quality standards are defined through NZS standards or ‘industry best practice’. These standards are monitored by staff who have received specialized training and are audited through a quality process to ensure consistent scoring.

2.7.5 Key activities: Regional governance

Our regional governance activities include providing support and advice to the Governing Body – which consists of the mayor and 20 councillors, 21 local boards and council-controlled organisations to enable effective governance.

We support the democratic processes, including elections, decision-making meetings and workshops, community engagement etc., ensuring that council decision-making meetings run smoothly and efficiently. We also support co-governance entities, such as the Tūpuna Maunga Authority, and joint committees of the council, such as the Joint Governance Working Party and Hauraki Gulf Forum.

Key budget highlights and impacts

As a part of the achieving organisational savings, some reductions are also expected within the consultation spending (communication and marketing).

Things we are keeping an eye on: Regional governance

Our mayor and councillors rely on high quality, neutral and thorough advice to make critical decisions on behalf of the city. We want all Aucklanders to have a voice in decision-making and find ways to overcome low public engagement and low voter turnout. We have an obligation to engage with Aucklanders so they can provide input into decisions made by the council on their behalf. We consult with a wide range of Aucklanders when key decisions need to be made, run surveys to gather feedback on issues, and use demographic advisory panels to seek feedback from specific communities. Low civic engagement poses a risk when mobilising Auckland's population in time of crisis. Our policies and services are increasingly being designed and delivered through greater collaboration with users or the broader public. This helps to better understand issues and risks, and to design solutions that are more likely to meet users' needs and achieve other policy objectives.

Key projects: Regional governance

Supporting sound governance and decision-making processes and making it easier for the public to engage with the council.

We remain committed to supporting elected members by:

- Making better use of technology to support the work of elected members
- Making it easier for the public, including our diverse communities, to engage with the council
- Ensuring the council complies with statutory requirements that are relevant to meetings, information management and all of its services
- Providing high quality legal advice
- Strengthening council's risk management framework
- Providing opportunities for improved working relationships with mana whenua and Māori communities
- Ensuring council is ready and equipped to support an effective emergency response in times of crisis.

Key performance measures: Regional governance

Table 40 - Regional governance: Levels of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Lead Council Group response to partnership and participation of Māori in decision making and deliver Māori outcomes							
Percentage of Capacity Grant funding delivered to mana whenua	New	New measure	New measure	90%	90%	90%	90%
The number of mana whenua and mātāwaka marae that received support	1.1	24	22	22	22	22	22
Support effective governance, provide quality advice and advocate for Auckland's interests							
The percentage of LGOIMA and Privacy Act decisions made and communicated within statutory timeframes	n/a	75%	95%	95%	95%	95%	95%
Engage with Aucklanders to have their say, participate in decision-making and stay informed							
Number of live engagement projects on the AKHYS website, jointly or solely run by Auckland Council	1.2	New measure	New measure	50	50	50	50

Table 41 - Regional governance: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
1.1	<p>Support is in the form of direct funding or assets provided to marae to build capacity of the marae to support Māori community wellbeing, and the focus of the delivery is centred on the marae. There are 33 marae that are eligible to receive this support.</p> <p>Any activity where funding is given to the marae and where the activity builds the capacity of the marae to support Māori community wellbeing and the focus of the delivery is centred on the marae.</p>
1.2	<p>This measure only includes projects on the 'Auckland Have Your Say' (AKHYS) website that are solely or jointly run by Auckland Council. This does not include engagement projects that are not listed on the website.</p> <p>The number of projects present on the AKHYS website represents Aucklanders' opportunities to have their say on Council decisions. A higher number of engagement projects represents an increased number of decisions which are open for public input.</p>

2.7.6 Key activities: Regional planning

We plan for Auckland's population growth with a focus on challenging thinking and the status quo to deliver new and better outcomes for Aucklanders (environmental, infrastructure, land use, social, financial, economic and cultural) – now and in the future.

We support Auckland's growth by developing infrastructure and enabling housing to be delivered at scale in key locations such as the Auckland Housing Programme (Tāmaki, Mt Roskill, Māngere and Ōranga), Drury, Redhills/Whenuapai/Westgate - implementing the Auckland Plan 2050 and the council's Future Development Strategy.

Key budget highlights and impacts

As a part of this long-term plan, the Built Heritage Protection Fund will be reduced, and deliver additional interest cost savings of \$800,000 per year.

At this stage, we are working with Kāinga Ora to potentially use the Housing Acceleration Fund to support the investment in priority housing areas while also leveraging the council's existing funding tools.

Things we are keeping an eye on: Regional planning

If not well managed, growth and development can have negative effects on the built environment such as poor quality housing, inadequate infrastructure and public amenities/open space, environmental degradation, increasing exposure to natural hazards and social inequities. It can also lead to inefficient use of the transport network, driving the needs for more car trips which causes transport-related emissions.

We are keeping an eye on emerging central government policy in these areas so that the differences Auckland presents are clearly understood and central government policy aligns with the outcomes reflected in our cornerstone strategies and plans (e.g. the Auckland Plan 2050, Future Development Strategy, Te-Tāruke-ā-Tāwhiri: Auckland's Climate Plan, Thriving Communities Strategy: Ngā Hapori Momoho, and the City Centre Masterplan).

Key projects: Regional planning

The major programmes and projects underway to support Auckland's population growth include:

- implementing the Auckland Plan 2050 and the Future Development Strategy
- making sure the Auckland Unitary Plan is fit for purpose - assessing the environmental, social, economic and cultural outcomes it is achieving and making changes where needed
- supporting investment in and protecting historic heritage and Māori cultural heritage
- supporting economic growth and job creation, infrastructure development and enabling housing delivery including:
 - Auckland Housing Programme - infrastructure development to enable housing in Tāmaki, Mt Roskill and Māngere
 - infrastructure development, programming, staging, and sequencing of investment required, aligning with the Future Development Strategy, to enable residential and economic development in Drury and Redhills/Whenuapai/Westgate
 - aligning our infrastructure requirements, investment, staging and sequencing with central government investment and other areas of development with funding certainty

- working with developers to ensure the required infrastructure networks are achieved and costs burden is spread as fairly as possible between all the different parties
- supporting growth and ensuring infrastructure development in large-scale funded and/or 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
- understanding the impact of flood recovery investment on the infrastructure requirements in the affected areas, and the impact on intensification
- assessing the impact of current and future private plan change requests to the Auckland Unitary Plan, the infrastructure investments required, and the subsequent impact on the council’s financial constraints.

Community and Social Policy

- accelerating a Resilient Tāmaki Makaurau: community and Māori led adaptation, strengthening the Auckland Unitary Plan, water sensitive design, piloting deliberative democracy initiatives, simplifying and prioritising adaptation/resilience actions, climate risk assessments
- accelerating consolidation of strategic direction already started across open space, parks, sports, recreation and community, Provisional Local Alcohol Policy, gambling, dog control, and community investment planning

City Centre

- implementing the City Centre Masterplan, including:
 - delivery of the Midtown Programme to ensure that the city is ready to realise the benefit of the CRL investment. The programmes will improve streets around the new CRL Wai Horotiu station to improve attractiveness, support safe and effective movement, improve the connectivity between bus and rail and infrastructure to support the anticipated growth and private sector investment in the area
 - delivery of the Karanga-a-Hape Station Neighbourhood and Bus Improvement Project
 - delivery of the city centre targeted rate programme for the development and revitalisation of the city centre to enhance the city centre as a place to work, live, visit and do business
 - delivery of the Waitemata Station (Britomart) plaza and Tyler Street upgrade
 - other funded initiatives in the City Centre Masterplan – Action Plan.

Key performance measures: Regional planning

Table 42 - Regional planning: Levels of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Integrate land use and infrastructure planning and regulate development through consenting process							
The percentage of Auckland Unitary plan changes and notices of requirement processed within statutory timeframes	n/a	100%	100%	100%			
Transform City Centre and regenerate urban centres in locations with significant land holdings							
Percentage of annual spend against annual budget for projects funded by the City Centre Targeted Rate	Wording change	New baseline	80%	80%			
Protect, improve and minimise risks to the natural environments and cultural heritage							
Percentage of state of the environment monitoring completed	1.1	New measure	New measure	Sustain baseline			

Table 43 - Regional planning: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
1.1	<p>The baselines for the state of the environment monitoring completed were set based on data from the 2023/2024 financial year. They are: Overall (average) - 78%, Air (quality) - 70%, Terrestrial biodiversity -80%, Freshwater (hydrology, quality & ecology) - 77%, Marine (water quality, ecology, sediment & coastal processes) - 71%, Soil (quality) - 90%.</p> <p>This result for this measure is the number of sites monitored in accordance with national standards across each programme as a percentage required for RMA planning and consenting (as determined by internal or external expert review) - air quality, soil quality, hydrology, water quality, freshwater ecology, terrestrial biodiversity, coastal ecology and sedimentation, and coastal processes.</p>

2.7.7 Key activities: Waste services

We manage Auckland's kerbside domestic refuse, recycling and food scrap services, as well as hazardous and inorganic waste, illegal dumping, public litter bins and community recycling centres. We are also responsible for managing around 200 closed landfill sites.

Things we are keeping an eye on: Waste services

As with all major cities, managing waste effectively and sustainably is critical for maintaining the health of people and the environment. We are working toward zero waste by 2040, by providing services that help people minimise their waste. We provide kerbside collections for refuse, recycling and food scraps, as well as managing inorganic waste, illegal dumping and public litter bins. We also provide facilities and programmes to support repair, reuse and upcycling. We mainly manage domestic waste – from minimising waste generation to collecting, sorting, recycling, composting, landfilling and managing closed landfills. When pricing our rubbish collection charges, we factor in the full costs, from collection to disposal.

Key projects: Waste services

Our commitment to a healthy and natural environment with the management of waste will be continued with the following initiatives:

Food scraps service

- We will complete the roll out of a rates-funded, weekly kerbside food scraps service, to all households in urban areas by the end of 2024. We will work with our community partners to embed the system and make sure householders know how to use it.

Move to rates-funded refuse

- We will complete the standardisation of the kerbside refuse service by moving those parts of the region that currently pay for their service by buying tags or bags, to a rates funded service. We plan to begin 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

- We will continue to establish a network of resource recovery facilities around the region. By 2031, 21 Community Recycling Centres will receive, collect, repair and refurbish unwanted items from the public, along with two Resource Recovery Parks for the recovery of commercial waste including construction and demolition waste. The programme's emissions reduction potential and contribution to community resilience has been incorporated into Te Tāruke-ā-Tāwhiri: Auckland Climate Plan.

New government regulations

- We are managing changes driven by a new national Waste Strategy and changes to the Waste Minimisation Act. These include continued increase and expansion of the waste levy, national standardisation of kerbside recycling services and changes in data reporting requirements.
- Our staff are participating in the development of mandatory national product stewardship schemes for electronic waste, textiles, beverage containers and other packaging, tyres, agrichemicals, and large batteries.

Commercial waste

- We will continue to identify opportunities and work with industry to reduce waste from key commercial waste sources – particularly construction and demolition waste, organics, and plastic waste.

Operational waste

- We will improve waste diversion from our own activities, broadening the focus to include our operational activities with a focus on supply chain waste from procurement activities.

Illegal dumping and enforcement

- We will continue to resource our focus on illegal dumping and enforcement.

Closed landfills

- We monitor and manage instability, gas and leachate at council owned closed landfills.
- We are considering how we can manage these sites more effectively and make them more resilient to the impacts of climate change.

Key performance measures: Waste services

Table 44 - Waste services: Levels of service and performance measures

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Manage the collection and processing of household waste and minimise waste to landfill							
The total waste to landfill per year (kg per capita)	n/a	840	751	803	773	738	698
The quantity of domestic kerbside refuse per capita per annum (kg)	n/a	137kg	110kg	130kg	125kg	120kg	120kg
The total number of Resource Recovery Facilities	1.1	10	12	13	15	16	17
Number of customer interactions per annum at Resource Recovery Facilities	New	New measure	New measure	215,000	240,000	270,000	300,000
Food scraps diverted from landfill (tonnes per annum)	New	New measure	New measure	27,000	39,000	39,000	50,000
The percentage of customers satisfied with overall waste collection services	n/a	70.37%	75%	75%	75%	75%	75%
Protect, improve and minimise risks to the natural environments and cultural heritage							
Percentage of council controlled closed landfill discharge consents achieving category one or two compliance rating	n/a	100%	98%	100%	100%	100%	100%

Table 45 - Waste services: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
Note	Open landfills are privately owned and their compliance with discharge consents is captured under the consent monitoring and enforcements measures (see the Regulatory services activity section)
1.1	Resource Recovery Facility is a facility in the community where the public can drop off reusable and recyclable items. Resource Recovery Facilities can vary greatly – from simple drop off stations in small rural areas through to large eco-industrial parks.

2.7.8 Key activities: Third party amenity grants

Auckland Council is required by legislation to provide funding to support the ongoing sustainability of certain organisations that deliver arts, culture, recreation, heritage, rescue services, and other facilities and services to Aucklanders. These organisations are Auckland War Memorial Museum, the Museum of Transport and Technology (MOTAT) and Specified Amenities named in the Auckland Regional Amenities Funding Act 2008.

Key budget highlights and impacts

Funding provisions are made in this LTP for these organisations. The first year of funding amounts approved for these entities are outlined below which are due and payable by the council on 1 July 2024:

- Auckland War Memorial Museum: \$34,060,000
- Museum of Transport and Technology (MOTAT): \$19,021,154
- Auckland Regional Amenities Funding: \$17,905,750

Key projects: Third party amenity grants

Cultural sector review

The Arts, Social, Sports and Community Political Working Group, chaired by the Deputy Mayor, was established to review the governance and funding of cultural sector institutions which the council provides a funding contribution to each year particularly the Auckland Regional Amenities Funding Board (ARAFA) the Auckland War Memorial Museum and the Museum of Transport and Technology (MOTAT).

The Political Working Group found there is a case for change in the sector including opportunities for collaboration, efficiencies and strategic action. The Political Working Group will make recommendations to Governing Body regarding the relationship of Auckland Museum, MOTAT and the ARAFA amenities to the Auckland Council group to achieve better outcomes for Aucklanders and better accountability for the funding that council provides.

Key performance measures: Third party amenity grants

There is no performance measure for this activity.

2.7.9 Key activities: Organisational support

Auckland Council's operations and the day-to-day services we provide to Aucklanders are facilitated by the following areas of work:

- financial
- procurement
- technology
- corporate support and property
- people and culture
- customer experience and contact centre
- communications
- engagement
- risk and assurance services teams.

In addition, we provide support to our elected members and help with decision-making around regional governance activities. The Council Controlled Organisation Direction and Oversight Committee is responsible for the general overview and insight into the strategy, direction and priorities of Port of Auckland Limited and council-controlled organisations, except Auckland Transport.

Key budget highlights and impacts

This long-term plan includes additional operating cost savings across the council group, and the targets for the next three financial years are:

- \$27.8 million for 2024/2025
- \$47 million for 2025/2026
- \$67 million for 2026/2027.

Part of the savings is planned to be delivered through implementation of the group shared services and fit-for-purpose technology. Other cost reductions include consultation spending (communication and marketing) and discretionary services, and deferring and reducing the community services deliver differently programme.

A general asset recycling target of \$300 million over 10 years is included in this LTP.

This LTP also enables \$21 million of additional funding for Māori outcomes across the 10 years starting in 2027/2028.

Uncertainty and implications

Property categorisation and buyouts

In partnership with the government, Auckland Council has established a Buyout Scheme to purchase Category 3 homes to enable Aucklanders affected by the severe weather events of January and February 2023 to voluntarily relocate from residential housing situations where council has identified an 'intolerable risk to life'. This scheme follows public consultation and is funded jointly by Auckland Council and the government. As the programme is evolving, there is some uncertainty around our assumptions regarding buyback costs and the funding share from the government which will require ongoing consideration.

Savings targets and asset sales

This plan includes targets for operating cost savings and the sale of surplus property assets. There is some uncertainty associated with the achievement of these targets.

Key projects: Organisational support

Our initiatives that support the functional activities of council to deliver the best value for Aucklanders include:

- Maintaining and renewing 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
- Accelerating group shared services and consolidation of service function to reduce duplication amongst council organisations
- Renewing corporate property and the vehicle fleet to reduce emissions and operational running costs
- Increasing 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
- Renewing research and monitoring sites and equipment
- Our diversity programme which is aimed at community-centred thinking and decision making, reaching Auckland's 220 ethnicities.

Key performance measures: Organisational support

Table 46 - Organisational support: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Operate a fit-for-purpose organisation and make it easy to get things done with council							
Digital up-take of the top 23 services	New, 1.1	New measure	New measure	80%	82%	85%	85%

Table 47 - Organisational support: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
1.1	<p>Digital up-take is calculated as a 12-month rolling measure and is the ratio of number of completed digital transactions and sum of transactions across all channels. List of top 23 services include: Inspection scheduling, Venue hire, Inorganic collection booking, Dog registration new or renewal, RFS property maintenance, Solicitors request for rates balance, Change of postal address or contact details, Noise complaint, Report a dog problem, New/replace bin, eRates subscription, Property file PFP, Direct debit create, Regional parks EBS, LIM report, Repair damage bin, Building Warrant of Fitness Registration, Code of Compliance Certificate, Rates rebate application, Building consent/PIM, Illegal dumping, Resource consents, Change dog contact.</p> <p>Digital channels refer to Auckland Council's websites. Alternative channels include contact centres, face-to-face (such as libraries) or email.</p>

2.7.10 Key activities: Regulatory services

We protect our communities and the built and natural environment through the fair and effective application of regulation.

Our consenting, licensing and compliance functions help to keep Aucklanders and our region safe, while enabling development that brings social, cultural, economic and environmental wellbeing to Tāmaki Makaurau.

Every year, we enable well-built, healthy homes and new places for business. We work closely to support Auckland's building and construction sectors. We ensure cafes, bars, restaurants, public spaces, and pools are safe places for everyone to enjoy. And that dogs and other animals are a positive part of our communities. We reduce harm from noise and other nuisances; and we are committed to protecting the natural environment now and for future generations.

Our goal is to act lawfully, be neutral and consistent, and to provide clear advice. When reviewing regulations, we consider the rights and needs of all relevant stakeholders, partners, and mana whenua.

Key budget highlights and impacts

One of the challenges related to public and staff safety is responding to the increasing number of menacing dogs. This LTP includes additional expenditure of \$5.9 million per year to allow animal control officers to do their job more efficiently and safer, including improvements and increasing capacity at our animal shelters.

Things we are keeping an eye on: Regulatory services

Regulation is necessary for a city that is sustainable, effective, healthy, and safe. It informs smart urban development and protects us from unsafe food, aggressive animals, and inappropriate behaviours from others. With regulations about animal control, licensing, and noise levels, we look after the health and safety of Aucklanders. We also look after the environment through building consents and regulations as the city grows. Our goal is to act lawfully, be neutral and consistent, and provide clear advice. When reviewing regulations, we consider the rights and needs of all relevant stakeholders, partners and mana whenua.

Key projects: Regulatory services

We are improving how customers experience our services by moving away from time-consuming manual processes towards faster, more user-friendly digital systems and solutions. A sustained investment in this journey, as well as a focus on continuous improvement, will mean we have the necessary business tools, capabilities, processes and working culture to be a leading regulator and employer.

Our services will become more convenient for customers to experience; easier and more efficient for our kaimahi to deliver; and much better value for Tāmaki Makaurau.

Kōkiri Whakamua (Looking back to move forward), Regulatory Services Strategy 2024 features four pillars that provide the strategic focus of our transformation journey:

- **Investing in our kaimahi** through attracting, retaining, and developing kaimahi as well as prioritising wellbeing and building a learning, health and safety culture.
- **Optimising operations for the future** by focusing on continuous culture, system and process improvement as well as improving digital interactions to free up time for complex customer needs. This also means improving our services through simplification, automation and analytics and partnering with industry and our kaimahi to capture innovation opportunities.

- **Providing seamless customer journeys** by implementing fit-for-purpose customer journeys and making improvements in response to customer consultation and feedback.
- **Delivering Auckland Plan outcomes**, including applying regulation to reduce risk and harm, influencing policy at local and central government level, reducing our cost to serve and providing value for money services and enhancing Māori outcomes through projects, Kia Ora Tāmaki Makaurau and Te Patatai.

Key performance measures: Regulatory services

Table 48 - Regulatory services: Levels of service and performance measures

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Integrate land use and infrastructure planning and regulate development through consenting process							
The percentage of building consent applications processed within 20 statutory working days	1.1	69%	100%	100%	100%	100%	100%
The percentage of customers satisfied with the overall quality of building consent service delivery	1.1	73%	70%	73%	73%	74%	75%
The percentage of non-notified resource consent applications processed within 20 statutory days	1.1	65.7%	100%	100%	100%	100%	100%
The percentage of customers satisfied with overall quality of resource consents service delivery	1.1	73%	70%	73%	73%	74%	74%
The percentage of notified resource consent applications processed within statutory time frame	1.2	68%	100%	100%	100%	100%	100%
The percentage of Priority 1 Compliance Response Requests for Service that are completed to within 4 hours.	1.3	New measure	New measure	95%	95%	95%	95%
The percentage of code compliance certificates processed within 20 statutory working days	New	New measure	New measure	100%	100%	100%	100%
Percentage of moderate or major non-compliance that is either resolved or enforcement action taken.	1.4	New measure	New measure	80%	80%	80%	80%
Percentage of high-risk consents monitored	1.5	New measure	New measure	40%	50%	60%	60%
Regulate activities to safeguard public health and safety							
Percentage of noise calls for service attended within 30 minutes for urban areas or 45 minutes for remote areas	n/a	Urban: 72.7% Remote: 74.5% Overall: 72.9%	80%	80%	80%	80%	80%

Performance measure	Notes (ref)	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Percentage of Priority 1 Animal Management Requests for Service attended to within 60 mins.	New	New measure	New measure	98%	98%	98%	98%
The percentage of food premises that receive a D or E grade that are revisited within 20 or 10 working days	2.2	99%	95%	100%	100%	100%	100%
The percentage of high-risk alcohol premises that are visited annually	n/a	100%	100%	100%	100%	100%	100%
Percentage of licensees satisfied with the food and alcohol licensing service	n/a	88%	85%	88%	88%	90%	90%

Table 49 - Regulatory services: Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
Note	Auckland Council's Regulatory department continues to invest in key projects and infrastructure such as fit for purpose technology and a single consenting journey. This will improve statutory timeframes for Building and Resource Consents with the aim of reaching the statutory performance measure target. We are also focused on educating stakeholders and the development industry to build efficiencies in the application submission process further increasing performance.
1.1	The time it takes to process consents is measured according to MBIE and IANZ guidelines as to the correct application of the Building Act 2004 and the Resource Management Act 1991 about when timing starts and stops.
1.2	The statutory timeframe differs depending on the nature of the notified resource consent. The applicable statutory timeframes relating to this measure are included in Part 6 of the Resource Management Act 1991.
1.3	Priority one requests include dangerous buildings, discharge to environment, works to notable structures, environmental features, ecological areas and coastal marine areas, odour, dust and Fire and Emergency calls. The requests are considered completed when they are logged in the reporting system
1.4	Moderate non-compliance is defined as cases where we have evidence of moderate actual or potential effects. Major non-compliance is defined as evidence of major effects. The nature of the effect will vary depending on the consent subtype and conditions imposed. Examples of major non-compliance might be activities that have resulted in dead wildlife, effect on human health, land collapse, damage to infrastructure, removal of protected vegetation. Examples of moderate non-compliance might be activities that have resulted in discharge off site, odour, works not being undertaken in accordance with management plans. These are examples and the effects are assessed on a case-by-case bases in relation to the consent and environment.
1.5	High risk consents relate to activities that pose an elevated risk and harm to the environment. Examples of high risk consents include: Residential projects with 20 plus dwellings and associated works; large infrastructure projects; contaminated land activities; municipal landfills; dredging of Coastal Marine Area; streamworks; stormwater diversion/ discharges with ponds and dams; large scale Industrial Trade Activities; dams; commercial wastewater systems; taking of water. S35(2)(d) of the Resource Management Act requires councils to monitor resource consents that have effect in its region and take appropriate action where necessary. Currently, this is hindered by various challenges including system issues, data integrity concerns, limited staffing resources and the hundreds of thousands of consents that council has responsibility for, including those that are over 30 years old and issued by legacy councils. Council is focused on improving monitoring frequency by developing and implementing a comprehensive programme that includes the cleansing of historic data and optimising resourcing to monitor consents more efficiently. The target for this measure will continue to increase year on year until a sustainable and achievable baseline is established
2.2	20 working days for premises that receive a D grade, and 10 working days for premises that receive an E grade.

Capital programme

Table 50 - Capital programme - Regionally delivered council services

Capital Programme(\$m)	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	10-years total
Auckland emergency management											
Public warning systems	0.3	1.4	1.4	-	-	-	-	-	-	-	3.1
Alternate Emergency Coordination Centre	0.9	1.3	0.6	0.9	0.5	0.7	0.4	0.4	0.4	0.4	6.3
Storm-related property buy-outs	564	238	9	-	-	-	-	-	-	-	811
Total	565	241	11	1	0	1	0	0	0	0	821
Port of Auckland/ Investment											
Building, Infrastructure and Utilities Improvements	17	28	34	1	1	1	1	1	7	1	89
Plant Machinery and Software improvements	21	4	4	0	2	8	0	20	0	-	60
Building, Infrastructure and Utilities growth	9	79	57	46	-	-	-	-	-	-	191
New/Converted Plant Machinery and Software	-	0	0	1	-	-	-	14	3	-	18
Building, Infrastructure and Utilities upgrades	19	9	3	7	1	1	2	1	1	1	47
Plant Machinery and Software renewals/replacement	17	44	61	37	36	30	37	10	23	29	325
Total	84	164	159	92	40	40	40	46	34	31	730
Environmental services											
Natural environment and climate change response programme	1.7	0.2	0.3	0.1	0.1	-	-	-	-	-	2.5
Total	1.7	0.2	0.3	0.1	0.1	-	-	-	-	-	2.5

Capital Programme(\$m)	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	10-years total
Regional community services											
Library - Collection, Technology, Digital & Mobile renewals and development	22	22	23	23	24	25	26	27	28	29	249
Public Art and Culture - renewals and development	3	3	3	2	3	3	3	3	3	3	29
Multi-year - Development including LTP Climate - Urban Ngahere	1	1	2	2	2	3	2	1	1	1	17
Land Acquisition - Growth & Cemeteries	34	40	27	30	38	61	68	50	45	37	430
Renewals - Multi-year including seismic, sustainability and climate	20	17	20	18	22	17	19	15	17	18	184
Renewals - regional parks, wintergardens, Botanic Gardens, cemeteries and crematoria, residential and commercial leases	19	32	15	17	21	21	22	24	31	33	233
Development including regional parks, cemeteries and crematoria, and slip prevention	8	11	16	17	24	21	21	20	21	21	179
Development - including Colin Dale Park and Commercial Development Fund	2	2	2	2	2	2	2	2	2	2	20
Co-Governance - Te Maunga Authority, Te Poari o Kaipatiki, Ngati Whatua Orakei	13	15	19	17	17	17	17	7	7	8	137
Library online presences	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2
Timing of capital expenditure	(50)	(0)	25	25	-	0	0	-	-	-	0
Total	73	143	151	153	153	169	179	151	155	151	1,479

Capital Programme(\$m)	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	10-years total
Regional planning (including Development Programme Office)											
RIMU research and monitoring equipment replacement	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	10.4
Built Heritage Protection Fund	15	-	-	-	-	-	-	-	-	-	15
Other (including Growth)	0.5	-	2.9	7.2	0.8	3.6	3.0	3.0	3.0	3.0	27.1
City Centre Targeted Rate Programme (including Te Ha Noa Victoria Street)	23	42	33	35	35	35	32	-	-	-	233.8
Tamaki Transformation Project	0.0	-	-	1.5	2.7	-	-	-	-	-	4.2
Total	39	43	37	44	40	39	36	4	4	4	291
Waste services											
Refuse Transfer Station, Resource Recovery Network & Other	26	26	7	19	22	15	5	5	7	5	135
Closed landfill and coastal landfill remediation	13	14	12	4	5	3	3	7	7	7	76
Waste Service & Food scrap Bins	8	8	19	19	33	4	4	5	5	5	109
Response to natural and coastal hazards	2	2	2	2	2	3	3	3	3	3	24
Total	49	50	39	43	62	25	15	19	22	20	344
Organisational support											
Other corporate support	18.9	13.3	16.3	11.8	14.6	13.7	15.3	15.0	15.0	15.0	149.0
Business Change Fund	18.7	13.7	11.9	12.3	10.2	9.3	8.2	7.2	6.9	6.5	104.9
Vehicle renewals and decarbonisation	9.0	7.0	2.5	2.7	6.5	1.0	4.4	4.5	4.6	4.7	46.9
Corporate property renewals	8.3	9.8	6.5	6.7	6.3	6.8	8.4	8.9	9.1	9.3	80.1
WorkSmart programme	10.0	7.4	5.2	1.2	-	-	-	-	-	-	23.9
Information and communications technology	24.3	27.8	30.1	21.3	21.4	20.7	20.6	19.6	19.4	19.1	224.3
Total	89.3	79.1	72.6	56.0	59.0	51.5	57.0	55.3	54.9	54.5	629.1

Capital Programme(\$m)	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	10-years total
Regulation											
Depots and animal shelter renewals	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.6
Regulatory equipment replacements	2.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	4.1
Total	2.7	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	6.8

Prospective Financial Information

Table 51 - Prospective financial information - Regionally delivered council services

*Direct operating expenditure does not include interest and depreciation

Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
3rd party amenity and grant	Direct operating expenditure	73,208	74,197	76,752	77,946	618,332	847,227
Auckland emergency management	Direct operating expenditure	5,457	54,537	38,695	14,342	107,309	214,883
	Capital expenditure	2,193	565,190	240,982	11,101	3,452	820,726
Environmental services	Non-rates revenue	1,235	1,282	1,307	1,336	10,405	14,330
	Direct operating expenditure	45,339	51,827	55,435	57,456	470,317	635,034
	Capital expenditure	5,270	1,747	246	311	172	2,476
Investment	Non-rates revenue	343,729	340,089	335,414	362,348	2,739,081	3,776,932
	Direct operating expenditure	220,367	234,027	237,554	245,696	1,840,693	2,557,970
	Capital expenditure	44,000	83,500	164,300	159,100	323,000	729,900
Organisational support	Non-rates revenue	38,223	42,332	75,889	76,292	561,133	755,646
	Direct operating expenditure	296,909	279,524	277,252	275,079	2,210,745	3,042,601
	Capital expenditure	(13,614)	89,283	79,062	72,559	388,178	629,082
Regional community services	Non-rates revenue	51,870	45,364	44,628	44,624	328,894	463,509
	Direct operating expenditure	282,363	290,510	337,260	346,303	2,802,278	3,776,351
	Capital expenditure	94,699	73,399	142,847	150,527	1,111,852	1,478,625
Regional governance	Non-rates revenue	2,390	2,390	2,640	2,390	18,376	25,795
	Direct operating expenditure	39,041	42,647	48,570	43,419	383,544	518,180
Regional planning	Non-rates revenue	5,051	5,365	5,452	5,540	37,104	53,460
	Direct operating expenditure	78,612	92,783	100,045	97,097	675,717	965,642
	Capital expenditure	31,816	39,036	43,278	36,891	171,310	290,514
Regulation	Non-rates revenue	214,964	258,392	264,765	270,172	2,050,418	2,843,747
	Direct operating expenditure	177,266	224,580	230,231	234,877	1,762,444	2,452,132
	Capital expenditure	4,192	2,652	413	424	3,267	6,757
Waste services	Non-rates revenue	51,436	38,731	29,433	29,606	235,255	333,025
	Direct operating expenditure	185,913	209,081	219,695	229,648	1,844,965	2,503,390
	Capital expenditure	28,347	49,038	50,177	39,019	205,900	344,134

Prospective Funding Impact Statement for 2024-2034 for Regionally Delivered Council Services

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	707,344	808,634	838,977	816,906	846,852	899,623	964,413	1,022,071	1,127,809	1,234,122	1,352,001
Targeted rates	215,786	268,641	292,636	305,911	314,270	330,624	339,107	352,250	328,925	341,002	352,375
Subsidies and grants for operating purposes	53,595	19,527	16,144	16,051	15,848	16,121	16,362	16,646	16,719	16,847	16,978
Fees and charges	594,618	650,967	678,290	711,082	733,013	748,946	759,355	769,770	781,196	792,813	804,529
Internal charges and overheads recovered	299,632	315,549	332,089	329,757	335,467	339,238	348,750	358,190	363,100	373,513	382,634
Local authorities fuel tax, fines, infringement fees and other receipts	93,311	123,058	148,899	149,308	150,560	153,273	152,855	155,440	159,705	164,434	168,173
Total operating funding	1,964,285	2,186,376	2,307,035	2,329,015	2,396,011	2,487,825	2,580,843	2,674,368	2,777,454	2,922,731	3,076,691
Applications of operating funding:											
Payment to staff and suppliers	1,404,476	1,553,714	1,621,488	1,621,863	1,654,318	1,691,379	1,750,669	1,823,039	1,878,764	1,926,335	1,991,840
Finance costs	60,122	80,576	49,703	58,576	56,921	48,346	34,431	11,295	(9,535)	(35,292)	(74,931)
Internal charges and overheads applied	225,930	246,622	256,189	252,068	255,467	258,590	264,460	271,272	273,933	279,936	286,235
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,690,528	1,880,911	1,927,380	1,932,507	1,966,706	1,998,315	2,049,560	2,105,606	2,143,162	2,170,980	2,203,145
Surplus (deficit) of operating funding	273,758	305,465	379,655	396,508	429,305	489,510	531,283	568,762	634,292	751,752	873,546
Sources of capital funding:											
Subsidies and grants for capital expenditure	15,067	310,956	90,650	3,270	4,447	3,402	1,157	0	0	0	(0)
Development and financial contributions	42,942	36,342	46,611	48,270	39,999	23,815	29,465	32,810	39,742	29,358	33,659
Increase (decrease) in debt	(1,256,095)	(37,509)	81,580	74,508	(155,732)	(251,769)	(281,892)	(250,756)	(308,377)	(466,809)	(724,030)
Gross proceeds from sale of assets	80,000	32,700	50,985	34,200	22,350	26,123	55,493	13,743	18,718	13,743	31,943
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	30,000	30,000	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(1,088,087)	372,489	269,826	160,248	(88,935)	(198,428)	(195,776)	(204,202)	(249,916)	(423,708)	(658,428)
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	(2,672)	110,135	174,045	122,622	124,619	98,555	118,938	114,826	84,425	70,463	59,580
- to improve the level of service ¹	81,531	648,362	368,644	162,520	110,705	102,207	81,902	73,062	78,994	66,401	60,148
- to replace existing assets	118,042	145,349	178,616	184,790	154,868	153,479	125,279	140,074	112,603	134,218	141,785
Increase (decrease) in reserves	62,302	90,136	46,632	15,108	7,013	8,086	9,642	9,531	9,006	8,492	7,462
Increase (decrease) in investments	(1,073,532)	(316,028)	(118,455)	71,716	(56,834)	(71,246)	(254)	27,066	99,347	48,469	(53,857)
Total applications of capital funding	(814,329)	677,954	649,481	556,756	340,370	291,082	335,507	364,560	384,375	328,044	215,118
Surplus (deficit) of capital funding	(273,758)	(305,465)	(379,655)	(396,508)	(429,305)	(489,510)	(531,283)	(568,762)	(634,292)	(751,752)	(873,546)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

1. This expenditure includes \$811 million to purchase category three damaged homes. Land purchased is intended to be used as public open space reserves, stormwater reserves that reduce flood risk, or in some cases parts of the land purchased may be able to be sold. The resulting assets will be valued in accordance with our accounting policies, and the resulting values may be different to the acquisition costs.

2.8 Council-controlled services

Auckland Council delivers a wide range of services through its council-controlled organisations. Each of them look after specific council assets and specialist areas of activities. This Group of Activities covers services delivered by Eke Panuku and Tātaki Auckland Unlimited as the activities of the other council-controlled organisations are covered elsewhere.

2.8.1 Key activities: Urban regeneration and property management (Eke Panuku)

Eke Panuku Development Auckland Limited (Eke Panuku) delivers urban regeneration across the city, creating vibrant, liveable places with high-quality housing, thriving businesses and well-designed town centres with good transport connections. Eke Panuku also manages the council's \$2.6 billion non-service property portfolio and provides property disposal and acquisition services. The majority of properties in this diverse portfolio are held for a future service or public work including urban regeneration.

Key budget highlights and impacts

This LTP includes a capital budget of \$916 million for continuing the urban regeneration programmes and property renewals.

A \$100 million Strategic Development Fund (SDF) was included to support delivery of agreed urban regeneration objectives, which will allow Eke Panuku to carry on funding property acquisitions through existing asset sales without coming back to council for more funding.

One of the focus areas is the development of the central wharves into a public space, and aligning cruise facilities and ferry services with the port operations, to provide a boost to economy.

A \$500,000 per annum saving for the first three years of the LTP is included in the final plan from a change in the funding source for the city centre activation spend for the Wynyard Quarter, which is currently funded by general rates. Instead, this spend will be funded through the City Centre Targeted Rate (CCTR) via reprioritisation. This change is subject to consideration by the City Centre Advisory Board.

Things we are keeping an eye on: Eke Panuku - Urban regeneration

Town centre developments require investment by the private sector to support urban regeneration. We take a strategic approach when seeking development partners, keeping the property market conditions in mind. Large urban developments can have negative impacts on local residents and businesses, such as travel and business disruption and construction noise, or changes in land use and activity. We provide targeted information to affected residents and businesses, and organise special activities to ensure town centres remain vibrant and safe when being redeveloped. We also carry out placemaking to ensure town centres are attractive places to be, and take communities along the journey as centres change over time. We ensure that developments provide a range of different homes, at different price points in the market, to retain diversity in communities.

Key projects: Urban regeneration

Regenerate our neighbourhoods in areas such as Takapuna, Northcote, Henderson, Avondale and renew critical assets, particularly on our waterfronts.

Over the next 10 years, Eke Panuku will:

- work on a masterplan with Auckland Council and POAL to develop the central wharves into public spaces and aligning cruise facilities and ferry services with the port operations, to provide a boost to the economy. The estimated costs of the masterplan over the years are around \$6 million, out of which \$1 million is contributed from the Mayor's Office to kickstart in 2024/2025.
- Work with the Mayoral office and progress the plan to create a waterfront swimming pool by creating a pontoon structure around the tidal steps within existing budgets.
- Continue to regenerate our neighbourhoods in Wynyard Quarter, City Centre, Takapuna, Northcote, Henderson, Avondale, Maungawhau, Panmure, Onehunga, Papatoetoe, Manukau, Pukekohe and Ormiston.
- Increase the vibrancy, safety, and success of these centres by facilitating projects that will deliver new homes, create walkable, well-connected neighbourhoods and attract investment.
- Commence urban regeneration in new locations as agreed with Auckland Council, as existing programmes are completed and funding becomes available.
- Continue to identify and unlock development opportunities through working with the council group including local boards, to enable new homes and revenue for council and local board priorities.
- Lead the council group in the city centre to realise the full benefits of the City Rail Link, 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.
- Continue to work with Auckland Council and Haumaru Housing Limited to enable the delivery of more affordable homes for older people through optimising the property portfolio.
- Contribute to achieving the group asset recycling target of \$300 million over the 10 years.
- Renew critical assets, particularly on our waterfronts.
- Through our projects, programmes, and initiatives we will deliver business excellence with a focus on outcomes for Māori, and climate action to reduce emissions and build resilient communities.

Key performance measures: Eke Panuku

Table 52 - Urban regeneration and property management (Eke Panuku): Levels of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Transform City Centre and regenerate urban centres in locations with significant land holdings							
Net new dwellings (housing units)	1.1	364	350	157	179	360	688
Capital project milestones approved by the board achieved	1.2	67%	80%	80%	80%	80%	80%
Manage long-term finances sustainably and maximise returns on Council's investment							
The monthly average occupancy rate for tenable properties	2.1	Commercial 94.0% Residential 97.1%	Commercial 85% Residential 95%	Commercial 90% Residential 95%			
Annual property portfolio net operating budget result agreed with the council achieved.	n/a	\$25.4m	\$16.2m	\$18m	\$16m	\$17m	\$17m

Table 53 - Urban regeneration and property management (Eke Panuku): Additional notes to performance measures table

References	To be read in conjunction with table "Performance measure" above
1.1	Number of housing units includes an apartment, duplex unit, a townhouse or a residential dwelling. These relate to town centre intensification a key element of the council's future development strategy.
1.2	A list of project milestones is compiled for Eke Panuku Board approval.
2.1	The occupancy of properties or rental properties, are those that are 'available for rent' and are tenable.

Tātaki Auckland Unlimited

Tātaki Auckland Unlimited (TAU) refers to the two substantive council-controlled organisations:

- Tātaki Auckland Unlimited Trust (TAUT); and
- Tātaki Auckland Unlimited Limited (TAUL).

TAU is New Zealand's largest enabler of cultural, entertainment, sporting and wildlife experiences, the guardian of some of Auckland's best loved venues, collections and organisations and the largest regional economic development agency in the country.

See below key activities for:

- Regional facilities
- Economic development and destination

Things we are keeping an eye on

We want all Aucklanders (not just those who can afford it) to have the opportunity to be involved in arts, cultural and community activities and events. We provide a range of free community events, so everyone can be involved. Large-scale events can also cause disruptions to residents and businesses. To minimise health and safety risks and traffic congestion, we use traffic management systems and partner with Auckland Transport to provide free public transport to and from large concerts and sports events held in our stadia.

2.8.2 Key activities: Regional facilities

Tātaki Auckland Unlimited Trust (TAUT) is a council-controlled organisation responsible for providing a regional approach to running and developing Auckland's arts, culture, heritage, leisure, sport and entertainment venues. The venues TAUT is responsible for include:

- Auckland Art Gallery Toi o Tāmaki
- New Zealand Maritime Museum Hui Te Ananui a Tangaroa
- Auckland Zoo
- Auckland Live and Auckland Conventions (including Aotea Centre, Aotea Square, Auckland Town Hall, Bruce Mason Centre, The Civic, Viaduct Events Centre and Queens Wharf)
- Auckland Stadiums (including Go Media Stadium Mt Smart, North Harbour Stadium and Western Springs Stadium)

Key budget highlights and impacts

A capital expenditure budget of \$587 million to support the essential renewal of facilities infrastructure across the entire portfolio. This investment is crucial to ensure the facilities remain in good condition and continue to serve the community effectively.

The final budget for this LTP continues with the status quo for North Harbour Stadium (NHS). The Upper Harbour and Hibiscus and Bays Local Boards have been tasked with leading a political working group on the North Harbour Stadium and Domain Precinct. Led by the local board chairs and deputies, and involving

key stakeholders, this group will report back to the Governing Body by 31 August 2024 with a process and timeframe to clarify the future purpose, vision, and role of North Harbour Stadium.

The council will actively engage with local communities on proposals to improve the NHS and Domain Precinct. This process includes identifying the most appropriate ownership, funding, governance, and operational management models, as well as any possible improvements for the precinct. Until a final resolution is reached, current operational and capital expenditure funding for this asset will continue.

Key projects: Regional facilities

Delivering programmes, exhibitions and events that cover the fields of visual and performing arts, sports, cultural and natural heritage and are aimed at engaging and being accessible to everyone.

Being the guardians of Auckland's largest range of cultural facilities and collections and ensuring that these provide an effective return for Aucklanders and visitors now and into the future.

We will continue to create vibrant and exciting experiences across the region by:

- Creating unique, engaging, educative and relevant exhibitions and events for Aucklanders and visitors through Tātaki Auckland Unlimited venues and facilities.
- Providing natural and cultural heritage experiences for visitors to the Auckland Zoo, Auckland Art Gallery and New Zealand Maritime Museum.
- Securing 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.
- Acting as a regional voice for arts, culture heritage, leisure, sports and entertainment issues. Advocating, coordinating and contributing to council's strategic thinking for investing in new collections and arts, cultural, heritage, leisure, sport and entertainment facilities for Auckland.
- Ensuring that the programmes and events are relevant to, and reach, all sectors of the Auckland community by tailoring content for under-represented sectors, delivering our outreach programmes and growing our digital content.
- Providing Māori artists and entertainers with a platform to showcase their talent, providing opportunities to increase Māori participation in events and activities, and supporting initiatives for te reo Māori to be seen, spoken and learned throughout the organisation.
- Providing learning opportunities for school students in Auckland through delivering programmes focusing on wildlife conservation, New Zealand's maritime heritage, visual arts and the performing arts and providing venues for school students involved in sports training and performance.
- Providing training opportunities in specialist skills of relevance to wildlife management, the performing and visual arts, heritage preservation and high-performance sports events.
- Providing an exceptional experience for all our customers through improving our venues, making information more accessible, simplifying our processes, and enhancing customer service training.
- Providing the existing levels of free and subsidised entry to programmes and events across a wide range of facilities, events and venues – ensuring equality of access.
- Maintaining the Aotea precinct as the cultural centre of Auckland, continuing delivery of the Future Zoo developments and curating the visual arts offering to Aucklanders.

- Continuing maintenance and base renewal of our portfolio of assets with a focus on de-carbonisation initiatives, including of our heritage assets.
- Supporting ongoing wildlife, visual arts and heritage conservation and asset development activities at Auckland Zoo, Auckland Art Gallery and the New Zealand Maritime Museum.

Key performance measures: Regional facilities

Table 54 – Regional facilities: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Provide access to regional facilities							
Ticketed attendance at Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events	1.1	2.07m	2.08m	2.12m	2.16m	2.21m	2.25m
The net promoter score for Tātaki Auckland Unlimited’s audiences and participants	1.2	45	20	40	42	45	45
The percentage of operating expenses funded through non-rates revenues	n/a	51%	59%	59%	60%	60%	61%
The number of programmes, initiatives and events contributing to the visibility and presence of Māori in Auckland, Tamaki Makaurau	1.1	88	20	45	45	50	50

Table 55 – Regional facilities: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
1.1	Wording changed from last long-term plan.
1.2	Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.

2.8.3 Key activities: Economic development and destination

TAU supports Auckland's growth by developing a vibrant and competitive economy, with a particular focus on business and investment attraction, tech and innovation sector, screen and creative industries, providing economic intelligence, as well as supporting sustainable growth of the destination sector, including through the attraction, support, facilitation and delivery of business and major events.

Key budget highlights and impacts

From 2025/2026, this LTP plans for a reduction of \$7 million rates funding for these activities, enabled by a bed night visitor levy.

Uncertainty and implications

Bed night visitor levy

The plan reduces rates funding for investment in economic and cultural development from 2025/2026. The council will continue to 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, then the council will need to consider a range of options via the Annual Budget 2025/2026. This could include considering reducing expenditure on events for that year, higher rates increase for 2025/2026 and any other potential funding sources. If a visitor levy is in place for 2025/2026 then we may be able to support \$20 million of additional events spending over and above what is currently included in the plan.

Our forecasting assumptions are subject to change depending on government decisions.

Key projects: Economic development and destination

Fostering economic development of Auckland by delivering programmes to support investment and innovation with a focus on the tourism, technology and screen sectors, delivering a unified major events programme, delivering, regional festivals and attracting business events.

We will work to stimulate economic development by:

- Working across the council family to support key economic place-based developments, policy developments and major infrastructural projects that support the regional economy.
- Providing economic intelligence to support economic outcomes, jobs and investment for future Auckland.
- Attracting business, talent and foreign investment into key Auckland sectors (tourism, technology, screen).
- Sustainably growing the value of Auckland's visitor economy.
- Providing necessary support for the screen industry through Screen Auckland.

- Providing advice on regional future projects which benefit mana whenua and mataawaka including business attraction and investment opportunities for Māori.
- Fostering Auckland’s innovation ecosystem through the development, management and strategic leasing of an innovation precinct network with the objective of growing businesses and creating jobs.
- Delivering campaigns and trade activity to attract visitors – including students - to Auckland.
- Partnering to attract major and business events to Auckland and deliver Lantern, Pasifika and Diwali Festivals.
- Driving Climate Connect Aotearoa – Auckland’s climate innovation hub with a focus on de-carbonising and building resiliency for Auckland.

Key performance measures: Economic development and destination

Table 56 – Economic development and destination: Level of service and performance measures

Performance measure	Notes / Ref.	Actual (Result) 2022/2023	Target 2023/2024	Indicative long-term plan targets			
				2024/25	2025/26	2026/27	2027-2034
Facilitate economic development opportunities and promote Auckland as a destination							
The contribution to regional GDP from major events and business events attracted or supported	1.1	74.2m	71m	61m	50m	55m	60m

Table 57 - Economic development and destination: Additional notes to performance measures table

References	To be read in conjunction with table “Performance measure” above
1.1	The estimated contribution to regional GDP from major events, and business events attracted or supported, is sourced directly from evaluation undertaken by an external event evaluation company. Each event is evaluated based on a mixture of post-event primary data, data provided by event organisers and pre-event estimates. Measurement accounts for the net additional regional impact only (i.e. local spend by local residents and businesses is not included).

Capital programme

Table 58 - Capital programme - Council-controlled services – Eke Panuku

Capital Programme(\$m)	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	10-years total
Transform and unlock	64.2	63.1	62.1	56.9	47.9	49.8	46.5	43.8	44.0	44.0	522
Waterfront development	16.2	6.9	8.3	12.0	19.4	17.2	20.5	23.2	20.0	20.0	164
Other development	10	2	2	3	3	3	3	3	6	6	41
Regeneration Total	90	72	73	72	70	70	70	70	70	70	727
Commercial property renewals	4.8	3.3	2.3	1.6	1.8	5.0	5.0	5.0	5.0	5.0	39
Waterfront renewals	3.7	4.4	5.1	6.9	7.9	5.0	5.0	5.0	5.0	5.0	53
Property Management Total	9	8	7	8	10	10	10	10	10	10	92
Strategic Development Fund*	-	6	2	7	15	67	-	-	-	-	97
Eke Panuku Development Total	99	86	82	87	95	147	80	80	80	80	916

*Note: The Strategic Development Fund (SDF) is a revolving credit facility that enables Eke Panuku to acquire land or property for development purposes, particularly to aggregate sites in and near centres.

Table 59 - Capital programme - Council-controlled services – Tātaki Auckland Unlimited)

Capital Programme(\$m)	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	10-years total
Adaptation and Resilience	1	1	2	2	1	1	0.1	-	-	-	9
Auckland Town Hall (managed on behalf of the council)	2	1	1	1	1	1	1	1	1	1	11
Critical infrastructure	17	19	13	11	12	9	10	10	10	12	123
Venue Renewals	27	20	15	23	12	15	16	18	17	21	186
Zoo masterplan progression	12	19	20	21	16	9	7	4	4	13	123
Event Operations	1	1	1	1	1	1	1	1	1	1	6
Security Infrastructure	5	5	6	3	4	3	3	3	3	2	40
Renewals Total	65	67	58	62	47	40	38	37	36	49	497
Auckland Art Gallery Heritage Restoration Project	11	11	-	-	-	-	-	-	-	-	22
Digital	4	4	3	3	3	3	3	3	3	3	33
Strategic Initiatives	2	1	0.2	0.2	1	1	0.2	0.2	0.2	0.2	6
Collection Storage and Acquisitions	1	1	1	2	2	1	3	1	1	1	15
TAU +	2	1	3	3	1	1	1	1	1	0.5	14
Tātaki Auckland Unlimited Total	85	85	65	70	54	46	45	42	41	54	587

Prospective Financial Information

Table 60 - Prospective financial information - Council-controlled services

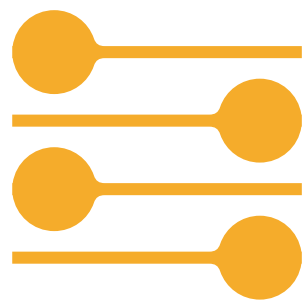
Activity	Operating cost and revenue \$000 Financial year ending 30 June	Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28- 2033/34	10-years Total
Development Auckland	Non-rates revenue	9,534	12,006	11,482	11,233	64,113	98,834
	Direct operating expenditure*	33,626	36,079	35,275	36,216	259,852	367,421
Property development	Non-rates revenue	39,313	43,225	38,247	43,089	324,289	448,849
	Direct operating expenditure	38,664	34,720	32,527	33,091	243,904	344,241
	Capital expenditure	76,650	98,910	86,000	82,325	649,075	916,310
Regional facilities	Non-rates revenue	-	79,902	81,934	83,133	632,941	877,909
	Direct operating expenditure*	-	131,366	130,033	133,101	1,001,252	1,395,752
	Capital expenditure	-	84,849	85,003	64,750	352,215	586,817
Economic development and destination	Non-rates revenue	97,314	25,092	32,958	33,608	247,170	338,828
	Direct operating expenditure*	176,857	65,839	67,258	68,264	513,855	715,216
	Capital expenditure	67,471	(0)	(0)	(0)	(0)	(0)

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement for 2024-2034 for Council-Controlled Services

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	167,105	191,006	195,138	204,695	219,002	225,711	233,685	242,770	249,682	255,609	261,314
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	25,400	26,209	34,110	34,787	34,874	35,402	35,991	36,546	37,139	37,720	38,337
Fees and charges	53,658	57,119	57,572	58,369	59,615	61,511	62,760	63,967	65,258	66,542	67,885
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	75,389	84,209	80,831	85,980	86,792	85,807	87,751	88,708	90,101	91,693	93,571
Total operating funding	321,551	358,544	367,651	383,831	400,283	408,431	420,188	431,992	442,180	451,565	461,106
Applications of operating funding:											
Payment to staff and suppliers	241,503	268,319	265,407	270,986	276,853	278,299	282,667	287,848	292,676	298,285	304,438
Finance costs	15,771	18,556	23,894	28,350	32,108	35,895	41,163	45,709	47,886	49,871	51,156
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	257,275	286,875	289,301	299,336	308,960	314,194	323,830	333,557	340,561	348,156	355,594
Surplus (deficit) of operating funding	64,276	71,668	78,350	84,495	91,322	94,237	96,358	98,435	101,618	103,410	105,512
Sources of capital funding:											
Subsidies and grants for capital expenditure	3,750	3,750	0	0	0	0	0	0	0	0	0
Development and financial contributions	3,118	1,457	1,869	1,935	1,604	653	672	728	1,029	643	703
Increase (decrease) in debt	38,770	75,872	9,587	(3,578)	17,630	31,563	46,126	(6,206)	9,738	(3,691)	(44,996)
Gross proceeds from sale of assets	34,207	31,013	81,198	64,223	46,103	22,794	50,287	31,930	9,875	20,650	72,564
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	79,845	112,091	92,654	62,580	65,336	55,010	97,085	26,452	20,641	17,602	28,271
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	26,848	65,613	70,542	66,144	66,946	64,536	118,345	49,442	45,173	45,400	45,400
- to improve the level of service	33,277	26,561	17,045	16,172	18,071	27,968	19,855	23,413	25,882	22,655	22,655
- to replace existing assets	83,996	91,585	83,416	64,759	71,641	56,744	55,243	52,031	51,204	52,957	65,729
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	144,121	183,760	171,003	147,075	156,658	149,247	193,443	124,886	122,259	121,012	133,784
Surplus (deficit) of capital funding	(64,276)	(71,668)	(78,350)	(84,495)	(91,322)	(94,237)	(96,358)	(98,435)	(101,618)	(103,410)	(105,512)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Section three: Our key policies



3.0 Overview of policies and other information

This section of our long-term plan includes a number of key policies and statements that guide different aspects of our financial management.

Policy/Statement	Purpose
Revenue and Financing Policy	Explains the rationale for, and the process of selecting various tools to fund the operating and capital expenditures of the council.
Funding Impact Statement (incorporating rating mechanism)	The funding impact statement sets out the sources of operational and capital funding the council will use to fund its activities over the period of the long-term plan. The rating mechanism sets out how the council sets its rates. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.
Financial reporting and prudence benchmarks	Discloses the group's planned financial performance in relation to various benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.
Local Boards Funding Policy	Sets out how funds are allocated to local boards for meeting the costs of local activities and administration support.
Decision-making Responsibilities of Auckland Council's Governing Body and Local Boards	Sets out Auckland Council's allocation of decision-making responsibilities of non-regulatory activities between the Governing Body and local boards.
Summary of Significance and Engagement Policy	Provides a summary of the council's Significance and Engagement Policy. This policy sets out the council's general approach to determining the significance of matters and how the council will engage with the community on matters before it makes decisions.
Overview to Auckland Council's CCOs	Outlines our substantive and legacy Council Controlled Organisations (CCOs)
Asset Recycling Policy	Sets out the council group's policy approach to asset sales and the decision-making framework and principles to be applied when decisions are being made about asset sales.
CCO Accountability Policy	Sets out the council's expectations for its substantive council-controlled organisations (CCOs).

Key policy changes for this long-term plan fall into three broad categories:

- Decisions around rates, fees and charges
- Decisions around strategic assets
- Other policy changes

Decisions around rates, fees and charges

As part of the Long-term Plan 2024-2034, the council consulted on a number of proposals to change rates, fees and charges policy settings. After considering feedback we have decided on a:

- rates increase for the average value residential property for each of the next three years of 6.8 per cent, 5.8 per cent and 7.9 per cent and
- no more than 3.5 per cent for the years after that (being 1.5 percent above CPI inflation, currently forecast at 2 per cent).

Key changes to our rates as part of this long-term plan include:

- removing the Long-term Differential Strategy (LTDS) 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 that residential rates will not face higher increases in rates than business properties.
- resuming the Water Quality Targeted Rate (WQTR) and extending it to 2033/2034 at a level to only cover the annual programme operating and interest costs. 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 around \$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 around \$23.24 and \$110.01 for the average value business property.
- adjusting the business differential for the NETR, WQTR and CATTR to align with the general rates business differential. This reduces rates for the average value residential property by around \$9.15 and increases rates by around \$123.19 for the average value business property.

The combined changes, including increases in the waste management targeted rates to cover cost inflation (discussed in the table below), result in a total rate increase for the average value residential property of around 6.8 per cent or \$245.48 per year (\$4.72 a week). These rates increases do not include water and 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. See the 'Your Rates' section in volume one for more information on these decisions and how they impact residential and business properties in 2024/2025.

Policy item	Decisions
Changes to Waste Management Targeted Rates and Charges	<p>As part of our plan to standardise our waste management collection services across the region, we have made the following changes to our waste management targeted rates and charges:</p> <ul style="list-style-type: none"> • begin rolling out rates funded refuse collection service to North Shore, Waitākere and Papakura in 2024/2025, and Franklin and Rodney in 2025/2026. During the rollout we will apply the refuse targeted rate to properties in these areas based on the approximate number of months the rates funded service is available to them.

Policy item	Decisions
	<ul style="list-style-type: none"> • the food scraps collection service has now been rolled out to all residential and lifestyle properties across mainland urban Auckland and all properties with access to this service will pay a uniform full year food scraps targeted rate. • to ensure cost recovery of our waste activities there will be an increase from \$406 to \$426 for the waste management targeted rates for standard services.
Climate Action Transport Targeted Rate (CATTR)	We have decided to broaden the description of the bus programme delivered by the Climate Action Transport Targeted Rate (CATTR) and extend the rate to 2033/2034. This will reduce the need to consult each year, via the annual budgeting process, for minor changes to the bus programme, while still maintaining the general region wide nature of the benefits and ensuring council continues to deliver the CATTR outcomes for which the rate was established.
Rodney Drainage Districts Targeted Rate	We have decided to change the Rodney Drainage Districts Targeted Rate based on updated hydrological information and to introduce a new rating differential of 0.1 for Class C land. These changes ensure the targeted rate continues to align with benefit received and/or costs imposed.
Electricity Network Resilience Targeted Rate	We have decided to change the Electricity Network Resilience Targeted Rate (ENRTR) to provide for the rate to be used towards capital costs of engineering solutions as an alternative to pruning for trees where it is the most appropriate approach to protect the tree and lines network as well as ongoing annual increases by inflation to maintain service levels as costs increase.
Onehunga Business Improvement District	Following a successful ballot of affected businesses, we have decided to expand the Onehunga Business Improvement District (BID) and the area the BID targeted rate covers.
Waitākere Rural Sewerage Targeted Rate (WRSTR)	We have decided to increase the Waitākere Rural Sewerage Targeted Rate (WRSTR) from \$296.75 to \$336.80 per year (both inclusive of GST) for the next three-yearly cycle to maintain cost recovery.
Franklin Local Board Paths Targeted Rate	To support additional investment in paths in the Franklin Local Board area we are introducing a Franklin Local Board Paths Targeted Rate. The targeted rate will be set at \$52 (GST inclusive) per annum for each Separately Used or Inhabited Part (SUIP) of a rating unit on properties in the Franklin Local Board area to help fund the investment programme.
Regulatory and other fee changes	<p>In addition to most other fees and charges being adjusted in line with cost inflation for the relevant activity the following specific changes to fees have been decided:</p> <ul style="list-style-type: none"> • new fees to recover the cost of processing new requirements under the Building (Dam Safety) Regulations 2022 • increased deposit levels for a number of consenting fees • an increase to film permitting fees to adjust for cumulative inflation since 2015 and to be adjusted for inflation annually from 2025/2026 • adjusted fees for all services provided from pool and leisure centres to ensure an appropriate level of cost recovery

Policy item	Decisions
	<ul style="list-style-type: none"> • baseline fees across similar venue hire and bookable spaces so that they are charged appropriately. This includes community halls, community centres, art centres and bookable library spaces. • an inflation adjustment to dog licensing. Additional costs required to respond to the growing need for animal management activities will be funded by rates as these benefit the community not only registered dog owners. <p>The council's fees and charges, including these changes, can be found on Auckland Council's websites.</p>

More details of the consultation feedback and the final decisions can be found at aucklandcouncil.govt.nz.

Decisions around strategic assets

Under section 97 of the Local Government Act 2002, a decision to transfer ownership or control of a strategic asset to or from a local authority must not be made unless the local authority has explicitly provided for the decision in its long-term plan and consulted on the proposal to provide for the decision in its long-term plan consultation document.

As part of this long-term plan, the council consulted on proposals to change ownership or control of the council's shareholding in Auckland International Airport Limited (AIAL), and assets that may be considered strategic assets because of their waterfront location. After considering feedback, the council has decided to provide for the following in the Long-term Plan 2024-2034:

- the transfer of Captain Cook and Marsden Wharves and the associated land from Port of Auckland Limited to Auckland Council within two-five years, noting that any final decisions to transfer will be subject to the relevant consents for work on Bledisloe North being granted.
- the transfer of the council's shareholding in AIAL to the Auckland Future Fund (once established) with the fund manager being enabled to sell those shares.

Other policy changes

Policy item	Decisions
Revenue and Financing Policy	The key change to this policy is to set the business differential at around 31 per cent from 2024/2025, removing the Long-term Differential Strategy. In addition, the policy was amended to reflect that we no longer charge the Accommodation Provider Targeted Rate and no longer require the general rate transition categories for the Urban Rating Area as we have completed the transition to the new Urban Rating Area. Please find full policy in volume 2 section 3.1.
CCO Accountability Policy	The key changes to the policy are to reflect the council's decision to establish a new substantive CCO, the Auckland Future Fund, as soon as possible after 1 July 2024, as well as changes in legislation, council policies and for currency. Please find the full policy in volume 2 section 3.9.
Auckland Future Fund Policy and Distribution Policy	This long-term plan provides for the establishment of a regional wealth fund, the Auckland Future Fund. The purpose of these policies are to set out the strategy for the governance and management of the fund to ensure that the fund meets its intended purposes for the benefit of current and future Aucklanders, and to provide the guidelines for distributions from the fund. Please find the full policy in volume 2 section 3.10.
Auckland Airport Shareholding Policy	This long-term plan provides for the establishment of a regional wealth fund, the Auckland Future Fund, to be initially capitalised with the council's shareholding in Auckland International Airport Limited (AIAL). The council has agreed to amend the Auckland Airport Shareholding Policy to enable the fund manager, following a transfer of the council's shareholding in AIAL to the fund, to sell those shares to achieve the purposes of the fund. Please find full policy in volume 2 section 3.11.

3.1 Revenue and Financing Policy

Policy purpose and overview

The purpose of the Revenue and Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of selecting various tools to fund the operating and capital expenditures of the council.

Policy background

Funding principles

To assist with the identification of the appropriate funding methods, the council has used a set of guiding principles that incorporate the matters set out in Section 101 of the Local Government Act 2002. These are set out in table 3.1.1 below.

Table 3.1.1

Principle	Rationale for its application
Paying for benefits received or costs imposed	Under this principle, the council considers benefit distribution and cost causation and the period in or over which benefits and costs are expected to occur. The allocation of costs to those who benefit from a council service or those who impose costs to the council (whether the community as a whole, any identifiable part of community, or individuals) is considered economically efficient and equitable and the extent to which the actions or inaction of individuals or a group contribute to the need to do the activity. Section 101(3)(a)(ii), Section 101(3)(a)(iv), Section 101(3)(a)(iii)
Transparency, accountability and costs and benefits of funding activities separately	This principle is applied when considering the costs and benefits of separate funding. Transparency of funding enables the users of services to assess whether they get value for money. Accountability makes the council more efficient in providing these services. From the perspective of the service users, transparency and accountability also enables them to make more informed decisions in using council services. Section 101(3)(a)(v)
Market neutrality	This principle is relevant when the council is competing with the private sector in producing or delivering services. The council can be placed in an advantageous position vis a vis the private sector because of its ability to fund such services from rates, either fully or partially. This can lead to market distortions and economic inefficiencies. It can also discourage private enterprise. To avoid this, in tandem with other principles such as affordability, the council will apply commercial best practice when providing such services. Section 101(3)(b)
Financial prudence and sustainability	This principle is relevant in determining appropriate funding mixes. It is recognised that additional revenue may be required to support debt repayment and manage treasury ratios. Section 101(2)
Optimal capital usage	This principle relates to the effectiveness of funding tools in achieving efficiencies. The council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers. Among other things, this principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities. Section 101(3)(b)
Strategic alignment	The Auckland Plan sets out a vision for the city over the next 30 years. The Revenue and Financing Policy should have regard to its impact on the broader strategies and priorities as set out in the council's vision and the Auckland Plan.

Principle	Rationale for its application
	The infrastructure strategy outlines how the council intends to manage its infrastructure assets. The Revenue and Financing Policy will show how investment in infrastructure is funded. Section 101(3)(b)
Overall social, economic, environmental and cultural impacts	Decisions on how the council's revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the current and future social, economic, environmental and cultural well-being of the community and the community outcomes to which the activity relates. Section 101(3)(b)
Community outcomes in the Auckland Plan	Decisions on how the council's revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the community outcomes in the Auckland Plan. Section 101(3)(a)(i)
Affordability	The council needs to consider the impact of funding methods on people's ability to pay as this can have implications for community well-being. Section 101(3)(b)
Minimise the effects of change	Decisions that change funding methods may lead to major changes in the incidence of rates and user charges for services. Funding and financial policies should seek to minimise or manage the impact of these changes. Section 101(3)(b)
Efficiency and effectiveness	The council's financial policies should have regard to the costs of carrying them out, and how effective they will be in achieving their objectives. Section 101(3)(a)(v)
Practicality of policy	The council's funding policies must be achievable and unconstrained by practical issues that will prevent compliance. Section 101(3)(a)(v)
Legal compliance	The LGA 2002 and related legislation include a number of legal requirements for the development of the Revenue and Financing Policy. All aspects of the policy will comply with legislation.

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the council applies these principles to assess how to fund the separate activities, the council then considers the overall impact of any allocation of liability on the community.

Other guiding principles

In addition to the matters set out above, Section 102(3A) of the Local Government Act 2002 requires that our Revenue and Financing Policy support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. The relevant principles are set out below:

- reaffirmation of the special relationship between the Māori people and the Crown established in the Treaty of Waitangi
- recognition that land is a taonga tuku iho of special significance to Māori people
- promotion of the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu
- facilitation of the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū.

The council will take these principles into account when considering funding decisions that specifically impact Māori landowners.

Policy details

Expenditure to be funded

Legislation requires the council to make adequate and effective provision in its long-term plan to meet the expenditure needs identified in that plan. Generally, this will mean that all expenditure is funded.

Funding depreciation

Depreciation is a non-cash charge that reflects the decrease in value of our assets over their useful lives. Because this is a non-cash expense, any revenue raised to cover depreciation (referred to as “funding depreciation”) generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach.

In some cases, it is not financially prudent to fund depreciation. In determining the level of non-funded depreciation, the council will have regard to:

- a. whether at the end of its useful life, the replacement of an asset will be funded by way of a grant or subsidy from a third party
- b. whether the council has elected not to replace an asset at the end of its useful life
- c. whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
- d. whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

On creation of the Auckland Council the legacy councils only funded, on average, 63 per cent of the qualifying depreciation (that which does not come under a-c above). The council adopted a policy of moving towards funding 100 per cent of qualifying depreciation by 2025. Given the impacts of COVID-19 on our operating revenues maintaining this target would present an unreasonable burden on ratepayers so we have extended this target by three years to 2028.

Table 3.1.2 below sets the targeted minimum levels of depreciation funding for this long-term plan.

Table 3.1.2 Targeted minimum proportion of depreciation expenditure to be funded

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Funded	85%	90%	95%	100%	100%	100%	100%	100%	100%	100%
Not funded	15%	10%	5%	0%	0%	0%	0%	0%	0%	0%

The council considers that this policy on funding depreciation and the consequential impacts on council's operating budgets and debt levels is financially prudent, reasonable and appropriate having had regard to our funding principles, the factors in section 100(2) of the Local Government Act 2002 and all other relevant matters.

Sources of funding

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2002.

Sources of funding: Operating expenditure

The council has determined the funding sources for operating expenditure after considering the funding principles set in Table 3.1.3.

Table 3.1.3 Funding sources for operating expenditure

Funding source	Rationale
Fees and charges	Fees and charges can be applied where the users of a service can be identified and charged according to their use of the service (and those that do not pay are denied access to the service). This is based on the paying for benefits received principle. Fees are also appropriate where an individual's action or inaction creates the need for an activity (cost causation). For example, the cost of obtaining a building consent is met by the building owner.
Grants and subsidies	Grants and subsidies are generally only appropriate for funding the operating costs of the particular activity that the grant or subsidy is intended to pay for. For example, NZTA (government) transport subsidies can only be used to fund transport projects.
Development or financial contributions	Development contributions or financial contributions can only be used to fund capital expenditures related to growth. Development contributions also include financing costs incurred due to timing differences between growth-related capital expenditure being incurred and the related development contribution being received.
Targeted rates	Appropriate to fund operating expenditure (including projects to support growth) where one or more of the following apply: <ul style="list-style-type: none"> that benefit a specific group of ratepayers to incentivise land owners to develop land in response to a commitment to the provision of infrastructure to provide certainty of the council recovering its costs where greater transparency in funding the cost of the activity is desirable

Funding source	Rationale
	<ul style="list-style-type: none"> where an individual or a group of ratepayers voluntarily chooses to adopt the rate, such as for business improvement districts or the Retrofit Your Home scheme where the rate is for a specific service, or bundle of services, such as for waste collection.
General rates	General rates are appropriate for funding activities where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the service and charge them for the benefits received or costs imposed (e.g. regional parks and open spaces). It is also appropriate for general rates to partially fund activities where the provision of a private good also generates wider social benefits or where the application of fees and charges either causes affordability issues or compromises the wider objectives of the activity. This is consistent with the guiding principle of affordability.
CCO profits, and net rental and interest from investments	CCO profits and net returns from investments will be used to offset the general rates funding requirement of other council activities, reducing the burden on all ratepayers.
Borrowing	Borrowing will not generally be used to fund operating expenses. The council may choose to borrow for an operating expense where it is providing a grant to an external community organisation that is building an asset such as a community facility or in other cases where operating expenditure provides enduring economic benefits. Borrowing may also be used to fund the interest expense accrued on borrowing during the period of construction of an asset; and to fund the cost of discovered liabilities such as the council's share of weathertightness claims. In these cases borrowing and repaying the debt over time promotes intergenerational equity by spreading the responsibility for funding across the generations who will benefit.
Trusts, bequests and other reserve funds	Certain operating expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met.
Other funding sources	The use of any other funding sources should be assessed with regard to the guiding principles. Any miscellaneous revenue not linked to a specific activity should be used to fund activities that would otherwise be funded through the general rate.
Surpluses from previous financial years	A surplus may be available to be carried forward if the actual surplus/(deficit) is improved compared to the forecast surplus/(deficit). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward. The amount of any surplus carried forward will be accounted for as an operating deficit in the year the benefit is passed to ratepayers.
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the operating expenditure associated with the approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions or proceeds from asset sales to fund operating expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating expenditure of individual activities.

Sources of funding: Capital expenditure

The council has determined the funding sources for capital expenditure after considering the funding principles set out in Table 3.1.4.

Table 3.1.4 Funding sources for capital expenditure

Funding source	Rationale
General rate	Appropriate funding source where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the capital expenditure.
Targeted rates	Appropriate to fund capital expenditure projects (including projects to support growth) where one or more of the following apply: <ul style="list-style-type: none"> that benefit a specific group of ratepayers to incentivise landowners to develop land in response to a commitment to the provision of infrastructure to provide certainty of the council recovering its costs where greater transparency in funding the cost of the activity is desirable.
Fees and charges	Appropriate funding source where users of a service can be identified and charged according to their service. Examples include water charges and Infrastructure Growth Charges from Watercare Services Limited.
Interest and dividends from investments	Interest and dividends from investments may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding.
Borrowing	Borrowing is used to spread the funding requirement for capital expenditure across multiple years. Given assets deliver benefits throughout their useful lives it is appropriate that the funding is spread across the useful life.
Proceeds from asset sales	Funds received from the sale of surplus assets will generally be used to repay borrowings. On a case-by-case basis these surpluses may be used to fund investment in another asset of higher strategic priority than the asset sold.
Development or financial contributions	Appropriate to fund capital expenditure in anticipation of or in response to development (growth) that will generate a demand for additional reserves, network or community infrastructure (such as stormwater systems). Contributions are set through the council's Contributions Policy.
Grants, subsidies, and donations	Appropriate to fund specific capital expenditure projects as per terms of the grant, subsidy or donation. An example of this is NZTA subsidies to partially fund transport projects.
Trusts, bequests and other reserve funds	Certain capital expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met.
Other sources	Other revenue sources may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding. An example of this is the use of commercial returns from property holdings to fund capital spend on those property assets.
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the capital expenditure associated with the approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions to fund capital expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating and capital expenditure of individual activities.

Rating Policy

The council will use general rates to fund activities which have a ‘public good’ element, e.g. civil defence, or where it wishes to subsidise the provision of services because of the wider social benefits they provide e.g. libraries.

Valuation basis

The general rate will be set on the basis of capital value. Capital value better reflects the level of benefit a property is likely to receive from services rather than land value or annual value.

Application of a uniform annual general charge

To ensure that the rates incidence isn’t disproportionately borne by higher value properties the council sets a uniform annual general charge (UAGC). Every ratepayer will therefore make a minimum contribution to meeting the council’s costs.

The charge will apply to every separately used or inhabited part of a rating unit e.g. shop in a mall or minor dwelling. This ensures equal treatment between these properties and main street shops or apartments on individual titles.

Rates differentials

It is the council’s view that some land uses receive more benefit from, or place more demand on, council services and/or may have a differing ability to pay rates. The differentials will be determined based on land use (including consideration of land use classifications determined under the Rating Valuation Rules), location, and the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the Auckland Unitary Plan.

The council will apply general rates differentially (the base level for rating is the urban residential sector) and may also apply targeted rates differentially to:

- business properties in the urban area
- business properties in rural areas
- residential properties in the rural areas
- farm/lifestyle properties in the rural areas
- moderate-occupancy online accommodation providers in the rural areas
- moderate-occupancy online accommodation providers in the urban area
- medium-occupancy online accommodation providers in the rural areas
- medium-occupancy online accommodation providers in the urban area
- properties with no direct or indirect road access
- properties where the council chooses not to charge rates (eg: zero-rated).

The council will set the differential for business to raise around 31 per cent of the general rates take. From 2024/2025 any general rates increase will be applied evenly across all ratepayers. This approach to the business differential removes the impact that changes in property values resulting from the

triennial region-wide revaluation have on the split of rates between business and non-business properties.

Targeted rates

The council mainly uses targeted rates where there is a clearly identifiable group benefiting from a specific council activity. Targeted rates will apply to properties that receive certain services, or which are located in specified areas. Targeted rates may be used where the council wishes to incentivise development in areas where infrastructure investments have been made and/or to provide more certainty over the timing of payment for those investments. Targeted rates may also apply universally to fund a specific activity where a greater degree of transparency is desired. The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate.

The council intends to set targeted rates to fund activities as set out in Table 3.1.5 below.

Table 3.1.5: Services to be funded by targeted rates

Targeted rate	Services to be funded or part funded
Waste management targeted rates	Refuse collection and disposal services (including the inorganic refuse collection), recycling, food scraps collection, waste transfer stations and resource recovery centres
City centre targeted rate	Investment in projects to enhance the central city environs
Local targeted rates as proposed by local boards	Local or regional activities in the local board's area
Business improvement district targeted rates	Investments to enhance the environs in the area of the business association as agreed with the business association
Loan repayment targeted rates	To repay financial assistance provided by the council to ratepayers for specific purposes
Waitākere rural sewerage targeted rate	To pay for the provision of inspection and pump out services for on-site waste management systems
Swimming pool fence inspection targeted rate	To pay for the provision of pool fence and barrier inspections including associated administrative costs
Infrastructure targeted rates	Activities requiring infrastructure investment
Water Quality targeted rate	Additional investment in improving water quality
Natural Environment targeted rate	Additional investment in improving environmental outcomes
Electricity network resilience targeted rate	To pay for the maintenance of trees near powerlines
Rodney drainage districts targeted rate	To pay for maintenance of drainage assets in the drainage districts
Climate action transport targeted rate	Additional investment to reduce emissions and mitigate the effects of climate change.

Annual adjustments to regulatory fees and charges

The council will amend its regulatory fees and charges annually to:

- reflect increases in costs as measured by the council rate of inflation and/or
- maintain the cost recovery levels underlying the basis for setting the fee levels.

The change to fee levels will be made on a practical basis recognising that the percentage change applied to individual fees may not precisely equal the council rate of inflation. This also means smaller fees may increase by more material amounts in one year and remain constant for a period before being adjusted again.

Application of funding principles to the funding of operating and capital expenditure for each activity

The council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in Table 3.1.1 and the rationale for the use of funding sources in Tables 3.1.3 and 3.1.4 above. A brief summary of the decisions and consideration of funding principles for each activity is set out in Table 3.1.6 below.

Table 3.1.6 Funding sources for operating and capital expenditure for each activity

Groups of Activities: Council controlled services

Activities	Consideration of funding principles	Funding policy
Auckland Development	<p>This involves both commercial operations that deliver private benefits and public initiatives that benefit the community as a whole</p> <p>Lessees, tenants and purchasers derive the full benefit</p>	<p>Costs of commercial operations are funded from user charges and other non-rates revenue</p> <p>Costs of public initiatives are primarily funded from the general rate</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Economic development and destination	<p>The related industries benefit from increased visitor numbers</p> <p>The community as a whole benefit from growth in the economy and employment</p>	<p>Visitor attraction and major events expenditure is primarily funded from the general rate</p> <p>Economic development expenditure is primarily funded from the general rate</p> <p>Subsidies from government and other sources are utilised where available</p> <p>User charges are applied where benefits are private (event tickets)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional facilities	<p>Users of the facilities derive a direct benefit</p> <p>The community as a whole benefit through a more diverse and vibrant</p>	<p>Costs are funded from a mix of general rates and user charges, such as venue hire</p>

Activities	Consideration of funding principles	Funding policy
	<p>lifestyle and an increased sense of pride and identity created by the events hosted in the facilities.</p> <p>An enhancement to the overall economy and employment resulting from increased visitor numbers</p>	<p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Local services

Activities	Consideration of funding principles	Funding policy
Local planning and development	<p>Business improvement districts (BIDs) directly benefit from council expenditure on local economic development made at their direction</p> <p>The rest of the council's service in local planning and development benefits the community as a whole</p>	<p>Grants provided to each BID for spending in the BID area are funded from the respective BID targeted rate</p> <p>Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available</p> <p>The balance of the costs are funded from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local environmental management	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are fully funded from the general rate</p> <p>Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local governance	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are primarily funded from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Local community services	<p>Service users derive a direct benefit</p> <p>The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space</p> <p>In most cases it is impractical to directly charge users</p> <p>In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)</p> <p>The target recipients of the services may have affordability issues</p>	<p>Costs are primarily funded from the general rate</p> <p>User charges may apply where the service is private and a charge can be implemented without compromising the council's social objectives</p> <p>Subsidies from government and other sources, (including from any targeted rate, grants, donations and sponsorships) are utilised where available</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Regional council services

Activities	Consideration of funding principles	Funding policy
Regional planning	<p>The community as a whole benefit from this activity</p> <p>The city centre redevelopment programme directly benefits businesses in the city centre area through enhancing the quality of the environment in the city centre for workers and visitors</p>	<p>Costs are primarily funded from the general rate</p> <p>Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regulatory services	<p>The need for the council involvement is mainly caused by licence or consent applicants or holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community</p> <p>In some cases it is difficult to identify and charge the parties who cause the costs (e.g. owners of unregistered dogs)</p> <p>In some cases charging the full cost may discourage compliance</p> <p>Certain related services (e.g. provision of property information) deliver private benefit to users</p>	<p>Costs are primarily funded from user charges</p> <p>Certain charges are set at a level below cost to encourage compliance, with the balance funded from general rates</p> <p>Where costs cannot be easily attributed to individual parties, they are funded from the general rate</p> <p>Targeted rates are used where there is a clearly identifiable group benefiting from a specific council activity (e.g. on-site sewerage pump out)</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Organisational support	<p>Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits</p> <p>The remainder of the activity contributes to the council's provision of other external services</p>	<p>Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>There is a small amount of revenue from fees and charges</p> <p>The remainder of the costs are allocated to the council's external services</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Regional governance	<p>These are public goods that benefit the community as a whole</p>	<p>Costs are primarily funded from the general rate (see note below)</p>

Activities	Consideration of funding principles	Funding policy
		Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Regional community services	<p>Service users derive a direct benefit</p> <p>The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space</p> <p>In most cases it is impractical to directly charge users</p> <p>In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)</p> <p>The target recipients of the services may have affordability issues</p>	<p>Costs are primarily funded from the general rate</p> <p>User charges may apply where the service is private and a charge can be implemented</p> <p>Subsidies from government and other sources (including from any targeted rate, grants, donations and sponsorships) are utilised where available</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>
Environmental services	The provision of environmental services is primarily a public good that benefits the community as a whole	<p>Costs are funded predominantly from the general rate</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent</p>
Solid waste services	<p>Service users derive a direct benefit</p> <p>The waste minimisation goals set by the council support recycling and resource recovery initiatives</p> <p>The community as a whole benefit from the public services such as street cleaning, waste minimisation education and hazardous waste collection and disposal</p> <p>In some cases, it is difficult to identify and charge the parties who cause the costs (e.g. illegal dumping)”</p>	<p>Costs for the collection and disposal of kerbside refuse will be funded from user charges and targeted rates until 2024/2025 and then from targeted rates from 2025/2026 onwards.</p> <p>Costs for recycling, food scrap, and resource recovery initiatives are funded from targeted rates.</p> <p>Cost for the operation of Waitākere Refuse and Recycling Transfer Station are funded from user charges.</p> <p>Subsidies from government and other sources are utilised where available.</p> <p>Where the benefit is public or it is difficult to identify the exacerbators, the costs will be funded from the general rate.</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences.</p>

Activities	Consideration of funding principles	Funding policy
Investment	All ratepayers as a whole bear the risk of the investments	<p>Any operating profit realised is used to reduce the general rate requirement</p> <p>Any operating loss would be funded from the general rate or other revenue</p> <p>Borrowings are used to address cash-flow timing differences</p>
3 rd party amenities and grants	<p>Regional amenities such as MOTAT and Auckland War Memorial Museum benefit the community as a whole</p> <p>Council is required under legislation to provide funding for amenities included in this activity</p>	<p>Costs to the council are primarily funded from the general rate</p> <p>Borrowings may be used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Note: Revenue from council owned cafeteria is currently grouped under this activity and is used to offset the general rate.

Groups of Activities: Roads and Footpaths

Activities	Consideration of funding principles	Funding policy
Road and footpaths	<p>Road and footpath users derive a direct benefit</p> <p>There are legal and practical constraints in directly charging users</p> <p>The vast majority of the public are users</p>	<p>Costs are primarily funded from a combination of the general rate, user charges, and government grants.</p> <p>Targeted rates may also be used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Targeted rates applied universally on a differential basis are used where a greater degree of transparency is desired in relation to how funds are spent</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme</p>

Groups of Activities: Public Transport and Travel Demand Management

Activities	Consideration of funding principles	Funding policy
Public Transport and travel demand management	<p>Service users derive a direct benefit</p> <p>Public transport provides benefit for the wider community by reducing demand from private transportation for roading infrastructure</p>	<p>Costs are primarily funded from a combination of the general rate, user charges and government grants</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Targeted rates applied universally on a differential basis are used where a greater degree of transparency is desired in relation to how funds are spent</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme</p>
Parking and enforcement	<p>Parking customers derive the full benefit</p> <p>Individuals failing to comply with restrictions create the need for the council involvement</p>	<p>Costs are fully funded from user charges and fines</p> <p>Borrowings are used to address cash-flow timing differences</p>
Organisational support (Auckland Transport)	<p>Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits</p> <p>The remainder of the activity contributes to the council's provision of other external services</p>	<p>Costs are allocated to the council's external services</p> <p>Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p>

Groups of Activities: Stormwater Management

Activities	Consideration of funding principles	Funding policy
Stormwater management	These are public goods that benefit the community as a whole (except for a small number of local projects that benefit a specific group of ratepayers)	<p>Costs are primarily funded from the general rate</p> <p>Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers</p> <p>Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure</p> <p>Financial contributions are used to fund the costs of environmental mitigation through the resource consent process</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences</p> <p>Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent</p>

Groups of Activities: Wastewater treatment and disposal

Activities	Consideration of funding principles	Funding policy
Wastewater	Water and wastewater customers derive the full benefit	<p>Costs are mainly funded from user charges</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences</p>

Groups of Activities: Water Supply

Activities	Consideration of funding principles	Funding policy
Water supply	Water and wastewater customers derive the full benefit	<p>Costs are mainly funded from user charges</p> <p>Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers</p> <p>Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers</p> <p>Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences</p>

3.2 Prospective funding impact statement

Prospective consolidated funding impact statement for 2024-2034

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
Sources of operating funding:											
General rates, UAGCs, rates penalties	2,224,766	2,426,584	2,623,054	2,898,462	3,049,572	3,192,375	3,359,756	3,528,510	3,721,515	3,900,504	4,090,454
Targeted rates	302,569	357,420	386,564	405,602	420,219	438,198	454,529	476,680	463,784	487,891	513,413
Subsidies and grants for operating purposes	562,352	551,035	599,584	593,198	614,121	622,101	630,713	644,309	644,889	645,076	654,933
Fees and 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
Interest and dividends from investments	35,752	61,843	85,860	86,128	87,736	89,300	89,661	91,392	93,332	94,978	96,801
Local authorities fuel tax, fines, infringement fees and other receipts	627,183	623,684	650,018	612,901	664,756	724,054	780,209	854,753	959,151	1,065,570	1,188,817
Total operating funding	5,399,119	5,807,950	6,255,113	6,638,275	7,031,158	7,417,286	7,829,015	8,286,899	8,779,293	9,303,715	9,870,308
Applications of operating funding:											
Payment to staff and suppliers	3,708,358	4,111,225	4,366,274	4,379,644	4,515,921	4,633,238	4,776,851	4,931,384	5,080,378	5,217,696	5,377,171
Finance costs	535,349	618,081	701,567	808,895	903,251	991,311	1,098,646	1,176,800	1,239,842	1,272,057	1,247,668
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,243,707	4,729,306	5,067,841	5,188,539	5,419,172	5,624,549	5,875,497	6,108,184	6,320,220	6,489,753	6,624,840
Surplus (deficit) of operating funding	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

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
Sources of capital funding:											
Subsidies and grants for capital expenditure	617,099	1,179,400	899,421	809,604	860,218	836,912	762,755	718,276	623,139	607,923	615,124
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
Increase (decrease) in debt	(149,510)	1,497,324	1,547,064	1,577,552	1,202,516	1,215,550	1,140,898	991,177	454,932	(147,917)	(746,995)
Gross proceeds from sale of assets	164,207	63,713	254,067	98,423	68,453	48,917	105,780	45,673	28,593	34,393	104,507
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	110,000	30,000	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,010,340	3,000,437	2,940,552	2,733,578	2,348,597	2,249,708	2,177,190	1,942,489	1,303,399	669,471	165,316
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	858,943	1,191,137	1,302,857	1,363,120	1,473,869	1,565,895	1,605,919	1,409,193	1,062,617	869,336	1,068,078
- to improve the level of service ¹	811,263	1,526,225	1,205,362	999,971	1,040,467	1,032,664	905,492	803,686	779,231	720,910	668,214
- to replace existing assets	1,190,226	1,330,831	1,533,895	1,553,342	1,519,907	1,511,904	1,616,173	1,860,673	1,751,089	1,783,737	1,692,716
Increase (decrease) in reserves	62,302	90,136	46,632	15,108	7,013	8,086	9,642	9,531	9,006	8,492	7,462
Increase (decrease) in investments	(756,981)	(59,248)	39,078	251,773	(80,673)	(76,104)	(6,517)	38,121	160,528	100,958	(25,687)
Total applications of capital funding	2,165,753	4,079,081	4,127,824	4,183,315	3,960,583	4,042,445	4,130,708	4,121,204	3,762,472	3,483,433	3,410,785
Surplus (deficit) of capital funding	(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)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

1. This expenditure includes \$811 million to purchase category three damaged homes. Land purchased is intended to be used as public open space reserves, stormwater reserves that reduce flood risk, or in some cases parts of the land purchased may be able to be sold. The resulting assets will be valued in accordance with our accounting policies, and the resulting values may be different to the acquisition costs.

Rating mechanism

This section sets out how the council sets its rates. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.

Background

The council's general rate is made up of the Uniform Annual General Charge (UAGC) and the value-based general rate. Revenue from the general rate is used to fund the council activities that are deemed to generally and equally benefit Auckland and that part of activities that are not funded by other sources. The general rate will be used as sources of funding for each year until 2033/2034.

Rating base information

The following table sets out the projected number of rating units at the end of the preceding financial year for each year of the long-term plan.

Financial year ending 30 June	Number of rating units for Auckland Council
2024	624,317
2025	635,555
2026	647,312
2027	657,540
2028	666,877
2029	676,480
2030	686,289
2031	696,583
2032	705,360
2033	714,530

How the increase in the rate requirement is applied

The increase in the general rate requirement is split to maintain the proportion of the UAGC at around 13.9 per cent of the total general rate (UAGC plus value based general rate). This is achieved by applying the general rates increase to the UAGC and rounding to the nearest dollar.

Uniform annual general charge (UAGC) and other fixed rates

The UAGC is a fixed rate that is used to fund general council activities. The council will apply the UAGC to all rateable land in the region per separately used or inhabited part of a rating unit (SUIP). The definition of a separately used or inhabited part of a rating unit is set out in the following section.

Where two or more rating units are contiguous or separated only by a road, railway, drain, water race, river, or stream, are owned by the same person or persons, and are used jointly as a single unit, those rating units will be treated as a single rating unit and only one uniform annual general charge will be applied.

A UAGC of \$567 (including GST) will be applied per SUIP for 2024/2025. This is estimated to produce around \$340.5 million (excluding GST) for 2024/2025.

The following targeted rates to be set by the council also have a fixed rate component, as described below in this Funding Impact Statement:

- waste management targeted rates
- part of some Business Improvement District targeted rates
- city centre targeted rate for residential properties
- electricity network resilience targeted rate
- Riverhaven Drive targeted rate
- Waitākere rural sewerage targeted rate
- Ōtara-Papatoetoe swimming pool targeted rate
- Māngere-Ōtāhuhu swimming pool targeted rate
- Rodney Local Board Transport targeted rate
- Franklin Local Board Paths Targeted Rate
- swimming/spa pool compliance targeted rate.

Funds raised by uniform fixed rates, which include the UAGC and any targeted rate set on a uniform fixed basis¹ set per rating unit or per SUIP, cannot exceed 30 per cent of total rates revenue sought by the council for the year (under Section 21 of Local Government (Rating) Act 2002).

The definition of a separately used or inhabited part of a rating unit

The council defines a separately used or inhabited part (SUIP) of a rating unit as ‘any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or any other agreement’. For the purposes of this definition, parts of a rating unit will be treated as separately used if they come within different differential categories, which are based on use. An example would be a rating unit that has a shop on the ground floor (which would be rated as business) and a residence upstairs (rated as residential).

Rating units used for commercial accommodation purposes, such as motels and hotels, will be treated for rating purposes as having one separately used or inhabited part, unless there are multiple businesses within the rating unit or another rating differential applies. Examples of how this might apply in practice are as follows:

- a business operating a motel on a rating unit will be treated for rating purposes as a single separately used or inhabited part. If that rating unit also includes a residential unit, in which the

¹ Except rates set solely for water supply or sewerage disposal.

manager or owner resides, then the rating unit will be treated for rating purposes as having two separately used or inhabited parts

- a hotel will be treated for rating purposes as a single separately used or inhabited part, irrespective of the number of rooms. If, on the premises, there is a florist business and a souvenir business, then the rating unit will be treated for rating purposes as having three separately used or inhabited parts
- a residential house with a minor dwelling or granny flat would be treated for rating purposes as having two separately used or inhabited parts
- a residential house where part of the house contains a self-contained flat will be treated as having one separately used or inhabited part, where:
 - The flat is internally accessible from the main house
 - Both parts are used together as a single family home.

A similar approach applies to universities, hospitals, rest homes and storage container businesses. Vacant land will be treated for rating purposes as having one separately used or inhabited part.

Rating units that have licence to occupy titles, such as some retirement villages or rest homes, will be treated as having a separately used or inhabited part for each part of the property covered by a licence to occupy.

The above definition applies for the purposes of the UAGC as well as any targeted rate which is set on a “per SUIP” basis.

Value-based general rate

The value-based general rate will apply to all rateable land in the region and will be assessed on capital value and is determined by multiplying the capital value of city rating unit by the rate per dollar that applies to that rating unit’s differential category.

Rates differentials

General and targeted rates can be charged on a differential basis. This means that a differential is applied to the rate or rates so that some ratepayers may pay more or less than others with the same value rating unit.

The differential for urban residential land is set at 1.00. Business attracts higher rates differentials than residential land. Lower differentials are applied to rural, farm/lifestyle and no road access land.

The council defines its rates differential categories using location and the use to which the land is put. When determining the use to which the land is put, the council will consider information it holds concerning the actual use of the land, and the land use classification that council has determined applies to the property under the Rating Valuation Rules.

Where there is no actual use of the land (i.e. the land is vacant), the council considers the location of the land and the highest and best use of the land to determine the appropriate rates differential. Highest and best use is determined by the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.

All land inside the Urban Rating Area that is used for lifestyle or rural industry purposes (excluding mineral extraction) will be treated as urban residential for rating purposes.

The definition for each rates differential category is listed in the table below. For clarity, where different parts of a rating unit fall within different differential categories then rates will be assessed for each part according to the differential category of that part. Where relevant, each part will also be classified as being a separate SUIP (see definition above).

Rates differential definitions

Differential group	Definition
Urban business	<p>Land in the Urban Rating Area that is used for commercial, industrial, transport, utility, public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is also used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land in the Urban Rating Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>
Urban residential	<p>Land in the Urban Rating Area that is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.¹ Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence).</p> <p>Also includes any land in the Urban Rating Area that is used for lifestyle or rural industry purposes, excluding mineral extraction^{3 4}</p>
Rural business	<p>Land outside the Urban Rating Area that is used for commercial, industrial, transport, utility network², or public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence.</p> <p>Also includes land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach for more than 180 nights in the 12 months ending 30 June of the previous financial year.</p>
Rural residential	<p>Land outside the Urban Rating Area that is used exclusively or almost exclusively for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels¹. Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)⁴</p>
Farm and lifestyle	<p>Any land outside the Urban Rating Area that is used for lifestyle or rural industry purposes, excluding mineral extraction³</p>
No road access	<p>Includes all land (irrespective of use) for which direct or indirect access by road is unavailable or not provided for,</p>

	and all land situated on the islands of Ihumoana, Kaikoura, Karamuramu, Kauwahia, Kawau, Little Barrier, Mokohinau, Motahaku, Motuketekete, Motutapu, Motuihe, Pakatoa, Pakihi, Ponui, Rabbit, Rakitu, Rangiahua, Rotoroa and The Noises
Zero-rated	Includes land on all Hauraki Gulf islands and Manukau Harbour other than Waiheke, Great Barrier and the islands named in the definition of No road access. Also includes land used by religious organisations for: <ul style="list-style-type: none"> • housing for religious leaders which is onsite or adjacent to the place of religious worship • halls and gymnasiums used for community not-for-profit purposes • not-for-profit childcare for the benefit of the community • libraries • offices that are onsite and which exist for religious purposes • non-commercial op-shops operating from the same title • car parks serving multiple land uses but for which the primary purpose is for religious purposes.
Urban moderate-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Rural moderate-occupancy online accommodation provider	Land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation that offer short-term rental accommodation services via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Urban medium-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Rural medium-occupancy online accommodation provider	Land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.

Notes to table:

¹ Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must

provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.

² Utility networks are classed as rural business differential. However, all other utility rating units are categorised based on their land use and location.

³ To be considered “lifestyle,” land must be in a rural or semi-rural area, must be predominantly used for residential purposes, must be larger than an ordinary residential allotment, and must be used for some small-scale non-commercial rural activity.

⁴ Separate rating units used as an access way to residential properties will be treated for rating purposes as residential use.

Urban Rating Area

The Urban Rating Area includes all land within the Rural Urban Boundary as identified in the Unitary Plan, excluding any land that is:

- zoned Future Urban (with the exception of the land in the Hall’s Farm and Ockleston Landing Urban Rating Area)
- within Warkworth
- rural zoned land on Waiheke Island.

Business differential

The council will set the business differential to raise around 31 per cent of general rates (UAGC and value based general rates) from business properties. This approach to the business differential removes the impact on the split of rates between business and non-business properties that changes in property values have resulting from the triennial region-wide revaluation.

The table below sets out the rates differentials and rates in the dollar of capital value to be applied in 2024/2025 for the general rate. This is estimated to produce around \$2,101 million (excluding GST) for 2024/2025.

Value-based general rate differentials for 2024/2025

Property category	Effective relative differential ratio for general rate for 2024/2025	Rate in the dollar for 2024/2025 (including GST) (\$)	Share of value-based general rate (excluding GST) (\$)	Share of value-based general rate (%)
Urban business	2.6416	0.00509462	673,939,565	32.1%
Urban residential	1.0000	0.00192863	1,218,320,194	58.0%
Rural business	2.3774	0.00458516	51,011,355	2.4%
Rural residential	0.9000	0.00173577	61,113,914	2.9%
Farm and lifestyle	0.8000	0.00154291	94,709,680	4.5%
No road access	0.2500	0.00048216	298,415	Less than 0.1%
Zero-rated ¹	0.0000	0.00000000	0	0.00%

Urban moderate-occupancy online accommodation provider	1.8208	0.00351163	48,610	Less than 0.1%
Rural moderate-occupancy online accommodation provider	1.6387	0.00316046	20,340	Less than 0.1%
Urban medium-occupancy online accommodation provider	1.4104	0.00272013	1,145,770	0.1%
Rural medium-occupancy online accommodation provider	1.2694	0.00244812	526,506	Less than 0.1%

Note to table:

¹Rating units within the Zero-rated differential category are liable for the UAGC only, which is automatically remitted through the Rates Remission and Postponement Policy.

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the value-based general rates requirement determined on their share of the city's land value rather than a share of the city's capital value as applies for other properties.

Targeted rates

The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate. Unless otherwise stated, the targeted rates described below will be used as sources of funding for each year until 2033/2034.

Water Quality Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2033/2034 to clean up Auckland's waterways. The rate will fund expenditure within the following activities: Stormwater Management.

Activities to be funded

The Water Quality Targeted Rate (WQTR) will be used to help fund the annual programme operating and interest costs in each year for cleaning up Auckland's waterways.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 31 per cent of the revenue requirement comes from businesses. A targeted rate of \$0.00001568 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business, and Rural business) as defined for rating purposes, and \$0.00000687 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and no road access) as defined for rating purposes. This is estimated to produce around \$7.3 million (excluding GST) for 2024/2025, \$2.3 million from business and \$5 million from non-business.

Natural Environment Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2033/2034 to enhance Auckland's natural environment. The rate will increase by 3.5 per cent a year from 2025/2026 and fund expenditure within the following activities: Regional environmental services.

Activities to be funded

The Natural Environment Targeted Rate (NETR) will be used to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 31 per cent of the revenue requirement comes from businesses. A targeted rate of \$0.00007013 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business, and Rural business) as defined for rating purposes, and \$0.00003071 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around \$32.6 million (excluding GST) for 2024/2025, \$10.1 million from business and \$22.5 million from non-business.

Climate Action Transport Targeted Rate

Background

The council is funding an additional investment from 2022/2023 to 2033/2034 to reduce Auckland's greenhouse gas emissions and increase the urban ngahere. The rate will fund expenditure within the following activities: Regional environmental services; Roads and footpaths; Public transport and travel management.

Activities to be funded

The Climate Action Transport Targeted Rate (CATTR) will be used to help fund the capital and operating costs of investment to fund the acceleration of regional climate action, by extending the regional networks for public transport, active transport and urban ngahere.

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that around 31 per cent of the revenue requirement comes from businesses. Within the business category and the non-business category the rate will be further differentiated on the same basis as the value-based general rate.

The following table sets out the Climate Action Transport Targeted Rates to be applied in 2024/2025. This is estimated to produce around \$50 million (excluding GST) for 2024/2025.

Property category	Rate in the dollar for 2024/2025 (including GST) (\$)	Share of Climate Action Transport Targeted rate (excluding GST) (\$)
Urban business	0.00010849	14,415,899
Urban residential	0.00004819	30,578,229
Rural business	0.00009764	1,091,146
Rural residential	0.00004337	1,533,841
Farm and lifestyle	0.00003855	2,376,955
No road access	0.00001205	7,491
Urban moderate-occupancy online accommodation provider	0.00008774	1,220
Rural moderate-occupancy online accommodation provider	0.00007897	511
Urban medium-occupancy online accommodation provider	0.00006797	28,759
Rural medium-occupancy online accommodation provider	0.00006117	13,215

Waste Management targeted rates

Background

The refuse, recycling, inorganic collection and other waste management services in Auckland are being standardised under the Waste Management and Minimisation Plan (WMMP). The provision of waste management services in public areas e.g. public litter bins provides benefits to all ratepayers and is therefore funded through the general rate. Privately generated waste is currently funded through a mixture of targeted rates and pay as you throw charges. The funding method for privately generated waste will be standardised over 2024/2025 and 2025/2026 when a region-wide targeted rate will be introduced to fund the refuse collection across Auckland. The food scraps collection service has been rolled out to the whole of urban and semi-urban Auckland.

The Waste management targeted rates for 2024/2025 include:

- a region-wide minimum rate to cover the cost of the base service including inorganic collection, resource recovery centres, the Hauraki Gulf Islands subsidy and other regional waste services
- a recycling rate to cover the cost of recycling collection
- a refuse rate that applies in the former Auckland City, the former Manukau City, the former North Shore City, the former Waitakere City and the former Papakura District to fund refuse bin collection based on the size of the bin (80-litre, 120-litre or equivalent, or 240-litre) and the approximate number of months the service is available to the property
- a food scraps rate to cover the cost of the food scraps collection
- additional rates may apply to properties that receive additional recycling or refuse services.

The council is implementing the Auckland WMMP. Information on the plan can be found on the council's website.

Activities to be funded

The targeted rates for waste management are used to fund refuse collection and disposal services (including the inorganic refuse collection), recycling, food scraps collection, waste transfer stations and resource recovery centres within the solid waste and environmental services activity.

How the rates will be assessed

For the purpose of assessing the liability of the waste management targeted rates:

- a residential SUIP means a part of a rating unit with a land use that is residential and is not vacant or carpark
- a lifestyle SUIP means a part of a rating unit with a land use that is lifestyle and is not vacant.

A residential multi-unit development (residential MUD), for the purpose of assessing the liability for the waste management targeted rates, is either

- a block of 10 or more attached residential dwellings, or
- 10 or more detached residential dwellings with controlled or restricted access

See the UAGC section prior for the council's definition of a SUIP.

All rating units that are not a residential multi-unit development (MUD) and not part of a residential MUD will be rated as follows:

- For all land where a rates-funded service is available and where no approved opt-out arrangement is in place, the targeted rates for the standard recycling service, the appropriate refuse service (for the former Auckland City, the former Manukau City, the former North Shore City, the former Waitakere City and the former Papakura District) and the food scraps service will be charged to all residential and lifestyle SUIPs. The standard recycling service includes one 240 litre recycling bin (or equivalent). The refuse service is available in three bin sizes: small (80-litre), standard (120 or 140-litre), and large (240-litre). The number of months the refuse service will be available during 2024/2025 varies depending on the location of the property. The food scraps service includes one 23 litre food scraps bin.
- For land with approved opt-out arrangement in place (within the district of the former Auckland City Council), the targeted rate for the standard recycling service and the refuse service will be charged based on the number and type of services provided to each rating unit, and the targeted rate for the food scraps service will be charged to all residential and lifestyle SUIPs where the service is available. For rating units made up of one SUIP (residential or lifestyle), the council will charge one recycling targeted rate, one refuse targeted rate and one food scraps targeted rate. For rating units made up of more than one residential or lifestyle SUIP, the council will charge one recycling targeted rate, one refuse targeted rate and one food scraps targeted rate for each residential or lifestyle SUIP the rating unit contains except where the rating unit was not charged a refuse or a recycling targeted rate (or both) for each of its residential or lifestyle SUIPs in 2023/2024 due to an existing opt-out arrangement, in which case the council will charge for the same services as were provided at 30 June 2024 (that is, at least one recycling collection service and one refuse collection service for the rating unit), unless informed by the owner of the rating unit to increase the number of services, in addition to the relevant food scraps service that will apply in 2024/2025.
- The council will provide the same service as was provided at 30 June 2024 to all SUIPs that are not residential or lifestyle, and apply the targeted rate charges accordingly for 2024/2025 (as per council record), unless informed by the owner of the rating unit before 1 July 2024 to decrease or increase the number of services for 2024/2025.

Rating units that are residential MUDs or are part of a residential MUD will be rated as follows:

- For all land where a rates-funded service is available and where no approved opt-out arrangement is in place, the targeted rates for the standard recycling service, the appropriate refuse service (for the former Auckland City, the former Manukau City, the former North Shore City, the former Waitakere City and the former Papakura District) and the food scraps service will be charged to all SUIPs.
- All land which has an approved alternative service (opt-out) will be charged based on number and type of services provided (as per council record).

For all land across Auckland:

- A large refuse rate will apply if a 240-litre refuse bin is supplied.
- A small refuse rate will apply if an 80-litre refuse bin is supplied.
- An additional recycling rate will apply if an additional recycling bin is supplied.
- A minimum base rate will apply to all eligible SUIPs.

In the future, the waste management targeted rates may be adjusted to reflect changes in the nature of services and the costs of providing waste management services to reflect the implementation of the Auckland Waste Management and Minimisation Plan.

The following table sets out the waste management targeted rates to be applied in 2024/2025. This is estimated to produce around \$191.8 million (excluding GST) for 2024/2025.

Waste management targeted rates

Service	Differential group	Amount of targeted rate for 2024/2025 (including GST) \$	Charging basis	Share of targeted rate (excluding GST) (\$)
Minimum base charge	All rating units	63.07	Per SUIP	36,031,719
Standard recycling (240-litre bin or equivalent)	Rating units with approved opt-out arrangement in place	106.64	Per service provided	56,411,960
	All other rating units, where a service is available, except those owned or used by, and for the purposes of a school	106.64	Per SUIP	
Standard refuse (120/140-litre bin or equivalent)	Rating units in the former Auckland City and Manukau City, with approved opt-out arrangement in place	174.77	Per service provided	37,584,478
	All other rating units in the former Auckland City and Manukau City, where a service is available	174.77	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service	
	Rating units in the former Waitakere City with approved opt-out arrangement in place	101.95	Per service provided	7,197,981
	All other rating units in the former Waitakere City, where a service is scheduled to be available	101.95	Per SUIP, except for any SUIP which is provided with either a large	

Service	Differential group	Amount of targeted rate for 2024/2025 (including GST) \$	Charging basis	Share of targeted rate (excluding GST) (\$)
			refuse or a small refuse service	
	Rating units in the former North Shore City with approved opt-out arrangement in place	58.26	Per service provided	4,122,607
	All other rating units in the former North Shore City, where a service is scheduled to be available	58.26	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service	
	Rating units in the former Papakura District with approved opt-out arrangement in place	29.13	Per service provided	460,194
	All other rating units in the former Papakura District, where a service is scheduled to be available	29.13	Per SUIP, except for any SUIP which is provided with either a large refuse or a small refuse service	
Large refuse (240-litre bin)	Rating units in the former Auckland City and Manukau City	290.09	Per service provided	6,120,181
	Rating units in the former Waitakere City	169.22	Per service provided	859,236
	Rating units in the former North Shore City	96.70	Per service provided	448,849
	Rating units in the former Papakura District	48.35	Per service provided	237,080
Small refuse (80-litre bin)	Rating units in the former Auckland City and Manukau City	145.24	Per service provided	3,810,914
	Rating units in the former Waitakere City	84.72	Per service provided	160,249
	Rating units in the former North Shore City	48.41	Per service provided	396,794
	Rating units in the former Papakura District	24.21	Per service provided	39,692
Additional recycling	All rating units	106.64	Per service provided	223,588
Food scraps	Rating units with approved opt-out arrangement in place	81.19	Per service provided	37,679,314
	All other rating units, where a service is available	81.19	Per SUIP	

Notes to table:

- For these purposes the various waste services are as set out in the Auckland Waste Management and Minimisation Plan and the Funding Impact Statement in the council's Long-term Plan 2024-2034.
- For these purposes school is any of the following as defined in section 10(1) of the Education and Training Act 2020:
 - A State school
 - a State integrated school
 - a specialist school
 - a private school, except a registered school that operates for profit:
- For maps of the areas where the Food Scraps Targeted Rate will apply, go to www.aucklandcouncil.govt.nz/ratingmaps

City centre targeted rate

Background

The City Centre targeted rate will be used to help fund the development and revitalisation of the city centre. The rate applies to business and residential land in the City Centre area.

Activities to be funded

The City Centre redevelopment programme aims to enhance the city centre as a place to work, live, visit and do business. It achieves this by providing a high-quality urban environment, promoting the competitive advantages of the city centre as a business location, and promoting the city centre as a place for high-quality education, research and development. The programme intends to reinforce and promote the city centre as a centre for arts and culture, with a unique identity as the heart and soul of Auckland. The rate will fund expenditure within the following activities: Regional planning; Roads and footpaths; Local community services.

The targeted rate will continue until 2030/2031 to cover capital and operating expenditure generated by the projects in the City Centre redevelopment programme. The depreciation and consequential operating costs of capital works are funded from general rates.

How the rate will be assessed

A differentiated targeted rate will be applied to business and residential land, as defined for rating purposes, in the city centre. You can view a map of the city centre area at www.aucklandcouncil.govt.nz/ratingmaps or at any Auckland Council library or service centre.

A rate in the dollar of \$0.00122640 (including GST) of rateable capital value will be applied to rural business and urban business land in 2024/2025. This is estimated to produce around \$25.8 million (excluding GST) for 2024/2025.

A fixed rate of \$71.85 (including GST) per SUIP (see UAGC section prior for the council's definition of a SUIP) will be applied to urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider land in 2024/2025. This is estimated to produce around \$1.4 million (excluding GST) for 2024/2025.

Rodney Local Board Transport Targeted Rate

Background

The council is funding additional transport investment to deliver improved transport outcomes in the Rodney Local Board area. The rate will fund expenditure within the following activities: Roads and footpaths and public transport and travel demand management.

Activities to be funded

The Rodney Local Board Transport Targeted Rate (RLBTTR) will be used to help fund the capital and operating costs of additional transport investment and services.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Rodney Local Board area except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be \$150 (including GST) per SUIP. This is estimated to produce around \$4.98 million (excluding GST) for 2024/2025.

Franklin Local Board Paths Targeted Rate

Background

The council is funding additional transport and parks investment to deliver improved walking and cycling outcomes in the Franklin Local Board area. The rate will fund expenditure within the following activities: Roads and footpaths and Local community services.

Activities to be funded

The Franklin Local Board Paths Targeted Rate (FLBPTR) will be used to help fund the capital and operating costs of additional investment in active transport modes (walking and cycling), including paths planning and delivery, partnership co-ordination, and programme management.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Franklin Local Board area except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be \$52 (including GST) per SUIP. This is estimated to produce around \$1.68 million (excluding GST) for 2024/2025.

Electricity Network Resilience Targeted Rate

Background

Auckland Council undertakes management of Auckland Council-owned trees under or near Vector's power lines. Tree maintenance near powerlines improves public safety around power lines, reduces power outages, and improves the resilience of public trees. The council also undertakes tree planting to support the Auckland Urban Ngahere (Forest) Strategy. The rate will fund expenditure within the following activities: Regional community services.

Activities to be funded

The Electricity Network Resilience Targeted Rate will be used to help fund the operating costs of:

- management of Auckland Council-owned trees under or near power lines
- additional tree planting activity to increase canopy cover as provided for in the Auckland Urban Ngahere (Forest) Strategy.
- capital costs of engineering solutions as an alternative to pruning for trees where it is the most appropriate approach to protect the tree and protect the lines network.

How the rate will be assessed

The targeted rate will be applied as a fixed charge of \$13,991,350.80 (including GST) for 2024/2025 on Vector's electricity network utility rating unit where tree management service is provided. This is estimated to produce around \$12.2 million (excluding GST) for 2024/2025.

Rodney drainage districts targeted rate

Auckland Council is responsible for maintaining the public drainage assets in the drainage districts of Te Arai and Okahukura in northern Rodney. The Rodney drainage districts targeted rate will be used to fund the capital and operating costs of maintaining the drainage assets. A management plan will be developed to establish the levels of service for the drainage district assets. The rate will fund expenditure within the following activities: Stormwater management.

The targeted rate will be applied to all rating units that are located entirely or partially within the drainage districts of Te Arai and Okahukura as defined in the former Rodney County Council drainage district maps. The table below sets out the differentiated rates that apply based on location of the land. This is estimated to produce around \$69,000 (excluding GST) for 2024/2025.

Drainage district	Rate for each square metre of Class A land for 2024/2025 (including GST) (\$)	Rate for each square metre of Class B land for 2024/2025 (including GST) (\$)	Rate for each square metre of Class C land for 2024/2025 (including GST) (\$)
Differential	1.00	0.50	0.10
Te Arai	0.00211629	0.00105815	0.00021163
Okahukura	0.00298524	0.00149262	0.00029852

For maps that show where Class A, B and C land is located, go to www.aucklandcouncil.govt.nz/ratingmaps.

Business Improvement District targeted rates

Background

Business Improvement Districts (BID) are areas within Auckland where local businesses have agreed to work together, with support from the council, to improve their business environment and attract new businesses and customers. The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted and agreed to pay to fund BID projects and activities.

Activities to be funded

The targeted rate will fund the provision of a BID grant to each BID programme. The main objectives of the BID programmes are to enhance the physical environment, promote business attraction, retention and development, and increase employment and local business investment in BID areas. The programmes may also involve activities intended to identify and reinforce the unique identity of a place and to promote that identity as part of its development. The rate will fund expenditure within the following activities: Local planning and development.

How the rates will be assessed

The BID targeted rates will be applied to urban business and rural business land, as defined for rating purposes, that is located in defined areas in commercial centres outlined in the following table. For maps of the areas where the BID rates will apply, go to www.aucklandcouncil.govt.nz/ratingmaps.

The BID targeted rates will be assessed using a fixed rate and value-based rate on the capital value of the property. Each BID area may recommend to council that part of its budget be funded from a fixed rate of up to \$575 (including GST) per rating unit. The remaining budget requirement will be funded from a value-based rate for each area and be applied as a rate in the dollar. There will be different rates for each BID programme.

The table below sets out the budgets and the rates for each BID area that the council will apply in 2024/2025. This is estimated to produce around \$23.2 million (excluding GST) in targeted rates revenue for 2024/2025.

Business Improvement Districts fixed rates per rating unit and rates in the dollar of capital value

BID area	Amount of BID grant 2024/2025 (excluding GST) (\$)	Amount of BID targeted rate revenue 2024/2025 (excluding GST) (\$)	Amount to be funded by fixed charge for 2024/2025 (excluding GST) (\$)	Fixed rate per rating unit for 2024/2025 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2024/2025 (excluding GST) (\$)	Rate in the dollar for 2024/2025 to be multiplied by the capital value of the rating unit (including GST) (\$)
Avondale	154,000	153,954	0	0.00	153,954	0.00096793
Birkenhead	229,027	230,060	0	0.00	230,060	0.00084584

BID area	Amount of BID grant 2024/2025 (excluding GST) (\$)	Amount of BID targeted rate revenue 2024/2025 (excluding GST) (\$)	Amount to be funded by fixed charge for 2024/2025 (excluding GST) (\$)	Fixed rate per rating unit for 2024/2025 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2024/2025 (excluding GST) (\$)	Rate in the dollar for 2024/2025 to be multiplied by the capital value of the rating unit (including GST) (\$)
Blockhouse Bay	79,860	79,860	0	0.00	79,860	0.00167236
Browns Bay	165,000	166,684	0	0.00	166,684	0.00045280
Central Park Henderson	466,560	468,184	222,607	250.00	245,576	0.00009312
Devonport	142,223	142,150	17,174	250.00	124,976	0.00066819
Dominion Road	267,750	267,846	0	0.00	267,846	0.00047692
Ellerslie	192,000	186,519	0	0.00	186,519	0.00178469
Glen Eden	103,550	103,225	0	0.00	103,225	0.00079143
Glen Innes	175,100	175,099	0	0.00	175,099	0.00082818
Greater East Tāmaki	600,372	599,334	343,379	195.00	255,955	0.00002855
Heart of the City	5,021,745	4,945,624	0	0.00	4,945,624	0.00034486
Howick	201,546	202,444	0	0.00	202,444	0.00089858
Hunters Corner	132,920	132,655	0	0.00	132,655	0.00051912
Karangahape Road	539,359	530,844	0	0.00	530,844	0.00046559
Kingsland	245,068	243,525	0	0.00	243,525	0.00035879
Mairangi Bay	86,900	86,900	5,000	250.00	81,900	0.00137382
Māngere Bridge	34,729	34,729	0	0.00	34,729	0.00111295
Māngere East Village	6,100	6,100	0	0.00	6,100	0.00017331
Māngere Town	345,570	342,648	0	0.00	342,648	0.00326792
Manukau Central	595,164	583,836	0	0.00	583,836	0.00025764
Manurewa	363,825	357,255	0	0.00	357,255	0.00085540
Milford	175,450	170,803	0	0.00	170,803	0.00064029
Mt Eden Village	99,035	98,592	0	0.00	98,592	0.00058170
New Lynn	231,983	231,577	0	0.00	231,577	0.00058660
Newmarket	2,006,809	2,003,326	0	0.00	2,003,326	0.00055965
North Harbour	822,085	823,088	346,683	150.00	476,405	0.00008672

BID area	Amount of BID grant 2024/2025 (excluding GST) (\$)	Amount of BID targeted rate revenue 2024/2025 (excluding GST) (\$)	Amount to be funded by fixed charge for 2024/2025 (excluding GST) (\$)	Fixed rate per rating unit for 2024/2025 (including GST) (\$)	Amount to be funded by property value rate based on the capital value of the rating unit for 2024/2025 (excluding GST) (\$)	Rate in the dollar for 2024/2025 to be multiplied by the capital value of the rating unit (including GST) (\$)
North West District	189,000	189,350	102,608	250.00	86,742	0.00013252
Northcote	125,000	125,000	0	0.00	125,000	0.00212788
One Mahurangi	148,500	143,000	143,000	575.00	0	0.00000000
Onehunga	1,000,000	1,000,540	0	0.00	1,000,540	0.00063428
Orewa	311,029	311,842	0	0.00	311,842	0.00081473
Ōtāhuhu	749,232	754,678	0	0.00	754,678	0.00062439
Ōtara	99,456	100,640	0	0.00	100,640	0.00128062
Panmure	485,057	494,518	0	0.00	494,518	0.00122329
Papakura	302,500	296,790	0	0.00	296,790	0.00062970
Papatoetoe	100,692	100,440	0	0.00	100,440	0.00077471
Parnell	1,104,395	1,116,237	0	0.00	1,116,237	0.00057181
Ponsonby	835,439	816,198	0	0.00	816,198	0.00081274
Pukekohe	520,000	516,991	0	0.00	516,991	0.00041939
Remuera	257,335	257,180	0	0.00	257,180	0.00113364
Rosebank	495,000	494,579	0	0.00	494,579	0.00026256
Silverdale	500,000	500,000	228,524	400.00	271,476	0.00017446
South Harbour	87,425	87,834	0	0.00	87,834	0.00029731
St Heliers	158,771	157,088	0	0.00	157,088	0.00109853
Takapuna	533,291	524,282	0	0.00	524,282	0.00038133
Te Atatu	120,000	120,000	0	0.00	120,000	0.00116446
Torbay	20,633	20,633	0	0.00	20,633	0.00093461
Uptown	787,500	790,501	0	0.00	790,501	0.00034996
Waiuku	148,400	147,793	0	0.00	147,793	0.00086601
Wiri	755,425	750,285	0	0.00	750,285	0.00011601
Total	23,317,809	23,183,260	1,408,976		21,774,284	

Note to the table: Targeted rate amounts include surpluses and deficits (if any) carried over from 2022/2023 so may differ from grant amounts.

Business Improvement Districts fixed rate per rating unit and rates in the dollar based on land value

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the Business Improvement District value based rates requirement determined on their share of the BID areas land value rather than a share of the BID areas capital value as applies for other properties.

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Background

Auckland Council has a region-wide swimming pool pricing policy, whereby children 16 years and under have free access to swimming pool facilities and all adults are charged. These targeted rates fund free access to swimming pools for adults 17 years and over in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

Activities to be funded

To fund the cost of free adult entry to swimming pool facilities in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. The rate will fund expenditure within the following activity: Local community services.

How the rate will be assessed

These local activity targeted rates apply to all urban residential, rural residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider and rural medium-occupancy online accommodation provider land, as defined for rating purposes that are located in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

The local activity targeted rate will be assessed using a fixed rate applied to each SUIP (see UAGC section prior for the council's definition of a SUIP). There will be a different fixed rate for each local board area.

The following table sets out the local activity targeted rates that apply in 2024/2025 for the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. This is estimated to produce around \$1.5 million (excluding GST) for 2024/2025.

Local board area	Local activity targeted rates	
	Fixed rate for each separately used or inhabited part of a rating unit for 2024/2025 (including GST) (\$)	Revenue from the targeted rate (excluding GST) (\$)
Māngere-Ōtāhuhu	38.52	717,008
Ōtara-Papatoetoe	36.54	766,848

Swimming/spa pool fencing compliance targeted rate

Background

All residential swimming pools and spa pools must be inspected once every three years to ensure compliance with the Building Act 2004. Pools failing the first inspection require subsequent inspections until all defects have been remedied. Inspection can be carried out by either the council or an independently qualified pool inspector (IQPI).

Activities to be funded

To fund the costs of providing pool fence and barrier inspections and associated administrative costs. The rate will fund expenditure within the following activity: Regulatory services.

How the rate will be assessed

The pool fencing compliance targeted rate will apply to all rateable land on council's register of pool fence and barrier inspections. The rate will be assessed as a fixed rate per rating unit. The table below sets out the differentiated rates that apply based on whether the council is required to carry out a three-yearly inspection. Additional fees will be invoiced separately where subsequent inspections are required.

Inspection service provided	Fixed rate per rating unit for 2024/2025 (including GST) (\$)	Revenue sought for 2024/2025 (excluding GST) (\$)
Council inspection required	66.33	1,562,850
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	33.00	5,395

This is estimated to produce around \$1.6 million (excluding GST) for 2024/2025.

Riverhaven Drive targeted rate

The council has constructed Riverhaven Drive for the benefit of the rating units in the immediate area. The construction of the road and the payment of the rate have been agreed with the association representing the owners of the rating units. The Riverhaven Drive targeted rate is used to repay the council for the cost of the road, including interest costs. The rate will fund expenditure within the following activities: Roads and footpaths.

The targeted rate applies on land in Riverhaven Drive, Rodney, in respect of which the council has provided financial assistance for the construction of a road that gives access to the rating units. The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 25 years (2006/2007 to 2030/2031). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of \$10,045.09 (including GST) per rating unit for 2024/2025. This is estimated to produce around \$43,700 (excluding GST) for 2024/2025.

Waitākere rural sewerage targeted rate

The Waitākere rural sewerage targeted rate is set as a uniform charge on all rating units in the non-reticulated wastewater area of the Waitākere Ranges Local Board that have private on-site wastewater systems which are scheduled to be pumped out by the council within a three-yearly cycle. The uniform charge is assessed in respect of each on site waste management system utilised in conjunction with the particular rating unit. The rate will fund expenditure within the following activities: Stormwater management.

The council will set the Waitākere rural sewerage targeted rate to fully recover the costs of providing this service.

To align with the rules set by the Auckland Unitary Plan chapter E5, the property owner remains responsible for repairs and routine servicing of their onsite wastewater system.

For 2024/2025, 2025/2026 and 2026/2027, the targeted rate will be a uniform charge of \$336.80 (including GST) for each on-site waste management system utilised in conjunction with the rating unit. This is estimated to produce around \$980,000 (excluding GST) for 2024/2025.

Retro-fit your home targeted rate

The Retro-fit Your Home targeted rate is set on land that has received financial assistance from Auckland Council for energy efficiency assessment, and the installation of clean heat, insulation, water conservation, mechanical extraction and fireplace decommissioning in respect of the land. The rate will fund expenditure within the following activities: Regulatory services.

The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for nine years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer’s outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Retro-fit Your Home targeted rate that the council will apply in 2024/2025. This is estimated to produce around \$2.4 million (excluding GST) for 2024/2025.

Retro-fit your home targeted rate

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer’s outstanding balance as at 30 June 2024 (including GST) (\$)
3	0.17271600
4	0.19631600
5	0.22945800
6	0.27929800
7	0.36253800
8	0.52928000
9	1.03001800

Kumeū Huapai Riverhead wastewater targeted rate

The Kumeū Huapai Riverhead wastewater targeted rate is set on land that has received financial assistance from Auckland Council for the purchase and installation of equipment for pumping waste from the property to Watercare’s pressurised wastewater scheme. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer’s outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Kumeū Huapai Riverhead wastewater targeted rate that council will apply in 2024/2025. This is estimated to produce \$4,675 (excluding GST) for 2024/2025.

Kumeū Huapai Riverhead wastewater targeted rate

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer’s outstanding balance as at 30 June 2024 (including GST) (\$)
10	0.22515160
12	0.32059700

On-site wastewater systems (septic tank) upgrades targeted rate

The On-site wastewater systems (septic tank) upgrades targeted rate is set on land that has received financial assistance from Auckland Council for the replacement or upgrade of failing on-site wastewater systems (septic tanks) in the west coast lagoons (Piha, Te Henga and Karekare) and Little Oneroa (Waiheke Island) catchments. The rate will fund expenditure within the following activities: Regulatory services.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the On-site wastewater systems (septic tank) upgrades targeted rate that the council will apply in 2024/2025. This is estimated to produce \$1,689 (excluding GST) for 2024/2025.

On-site wastewater systems (septic tank) upgrades targeted rate

Year of repayment	Rate in the dollar for 2024/2025 to be multiplied by the ratepayer's outstanding balance as at 30 June 2024 (including GST) (\$)
7	0.16262993

Rates payable by instalment

All rates will be payable by four equal instalments due on:

- Instalment 1: 30 August 2024
- Instalment 2: 29 November 2024
- Instalment 3: 28 February 2025
- Instalment 4: 30 May 2025.

It is council policy that any payments received will be applied to the oldest outstanding rates before being applied to the current rates.

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2024/2025 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

A further 10 per cent penalty calculated on former years' rate arrears to be added on 8 July 2024 and then again six months later.

Early payment discount policy

Objectives

The council encourages ratepayers to pay their rates in full by the date that their first instalment is due by providing a discount.

Conditions and criteria

Ratepayers will qualify for the discount if their rates are paid in full, together with any outstanding prior years' rates and penalties, by 5.00pm on the day their first rates instalment for the new financial year is due.

Delegation of decision-making

Decisions about applying the discount will be made by staff in accordance with the chief executive's delegation register.

Review process

The council will set the rate of discount that ratepayers are eligible for on an annual basis. The discount will be set to return to those ratepayers making an early payment the interest cost saving to the council. The interest cost saving will be set based on the council's short-term cost of borrowing for the financial year in which the discount will apply. In making this forecast the council will take into account current market interest rate forecasts provided by financial institutions. The reviewed discount rate will be adopted by a council resolution at the same time as other rates-related decisions are made as part of its annual plan or 10-year Budget decision making process.

If the council wants to make any significant change to the discount policy, it must consult with the public.

Discount in 2024/2025

The discount is 2.06 per cent for 2024/2025.

Sample properties

The following section is intended to provide examples of the individual rates for 2024/2025. The following targeted rates are not shown:

- Business improvement district targeted rates
- Riverhaven Drive targeted rate
- On-site wastewater systems (septic tank) upgrades targeted rate
- Electricity network resilience targeted rate.

For more information on these and other rates please see the relevant section of the Rating mechanism.

General rates, Water Quality Targeted Rate, Natural Environment Targeted Rate and Climate Action Transport Targeted Rate

The table below shows (rounded to the nearest dollar) the general rate, the Water Quality Targeted Rate, the Natural Environment Targeted Rate and the Climate Action Transport Targeted Rate for fully rateable rating units with one SUIP at different values for each of the main differential categories. An extra UAGC charge should be added for each extra SUIP the rating unit has.

Differential category	Capital value (\$)	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural environment targeted rate (including GST) (\$)	Climate action transport targeted rate (including GST) (\$)	Total of these rates (including GST) (\$)
Urban - business	500,000	567	2,547	8	35	54	3,211
	1,500,000	567	7,642	24	105	163	8,500
	3,000,000	567	15,284	47	210	325	16,434
	10,000,000	567	50,946	157	701	1,085	53,456
Urban - residential	750,000	567	1,446	5	23	36	2,078
	1,000,000	567	1,929	7	31	48	2,581
	1,500,000	567	2,893	10	46	72	3,589
	2,000,000	567	3,857	14	61	96	4,596
	3,000,000	567	5,786	21	92	145	6,610
Rural - business	500,000	567	2,293	8	35	49	2,951
	1,500,000	567	6,878	24	105	146	7,720
	3,000,000	567	13,755	47	210	293	14,873
	10,000,000	567	45,852	157	701	976	48,253
Rural - residential	750,000	567	1,302	5	23	33	1,930
	1,000,000	567	1,736	7	31	43	2,384
	1,500,000	567	2,604	10	46	65	3,292
	2,000,000	567	3,472	14	61	87	4,200
	3,000,000	567	5,207	21	92	130	6,017
Farm/lifestyle	1,000,000	567	1,543	7	31	39	2,186
	1,500,000	567	2,314	10	46	58	2,996
	2,000,000	567	3,086	14	61	77	3,805
	3,000,000	567	4,629	21	92	116	5,424
	10,000,000	567	15,429	69	307	386	16,757
Urban moderate-occupancy online accommodation provider	500,000	567	1,756	3	15	44	2,385
	750,000	567	2,634	5	23	66	3,295
	1,000,000	567	3,512	7	31	88	4,204
	1,500,000	567	5,267	10	46	132	6,022
	500,000	567	1,580	3	15	39	2,206

Differential category	Capital value (\$)	UAGC (including GST) (\$)	General rate (including GST) (\$)	Water quality targeted rate (including GST) (\$)	Natural environment targeted rate (including GST) (\$)	Climate action transport targeted rate (including GST) (\$)	Total of these rates (including GST) (\$)
Rural moderate-occupancy online accommodation provider	750,000	567	2,370	5	23	59	3,025
	1,000,000	567	3,160	7	31	79	3,844
	1,500,000	567	4,741	10	46	118	5,483
Urban medium-occupancy online accommodation provider	500,000	567	1,360	3	15	34	1,980
	750,000	567	2,040	5	23	51	2,686
	1,000,000	567	2,720	7	31	68	3,393
	1,500,000	567	4,080	10	46	102	4,806
Rural medium-occupancy online accommodation provider	500,000	567	1,224	3	15	31	1,840
	750,000	567	1,836	5	23	46	2,477
	1,000,000	567	2,448	7	31	61	3,114
	1,500,000	567	3,672	10	46	92	4,387

The following tables contain values (rounded to the nearest dollar) for the most common targeted rates. If a rating unit is liable for one of these, then the value shown should be added to the general rates, Water Quality Targeted Rate, Natural Environment Targeted Rate and Climate Action Transport Targeted Rate figure from the table above to determine the total rates liability.

Waste management targeted rate

Most rating units are liable for waste management targeted rates. These vary depending on the former council area that the property is located in.

Former council area	Service	Total amount of charges (including GST) (\$)				
		1	2	3	5	10
All areas	Standard recycling	107	213	320	533	1,066
Auckland City and Manukau City	Standard refuse	175	350	524	874	1,748
	Large refuse	290	580	870	1,450	2,901
	Small refuse	145	290	436	726	1,452
All areas	Minimum base charge	63	126	189	315	631
All areas	Additional recycling	107	213	320	533	1,066
Waitakere City	Standard refuse	102	204	306	510	1,020
	Small refuse	85	169	254	424	847
	Large refuse	169	338	508	846	1,692
North Shore City	Standard refuse	58	117	175	291	583
	Small refuse	48	97	145	242	484

Former council area	Service	Total amount of charges (including GST) (\$)				
		1	2	3	5	10
	Number of waste management charges					
	Large refuse	97	193	290	484	967
Papakura District	Standard refuse	29	58	87	146	291
	Small refuse	24	48	73	121	242
	Large refuse	48	97	145	242	484
All areas	Food scraps	81	162	244	406	812

City centre targeted rate

All rating units in the City Centre are liable for the City Centre targeted rate.

Business rating units located in the city centre area	
Capital value	Rate (including GST) (\$)
500,000	613
1,500,000	1,840
3,000,000	3,679
10,000,000	12,264
Residential rating units located in the city centre area	
Number of separately used or inhabited parts	Rate (including GST) (\$)
1	72
2	144
3	216
5	359
10	719

Rodney Local Board Transport Targeted Rate

Rating units in the Rodney local board area are liable for the Rodney Local Board Transport Targeted Rate.

Number of separately used or inhabited parts	Total targeted rate amount (including GST) (\$)				
	1	2	3	5	10
Rate amount	150	300	450	750	1,500

Rodney drainage districts targeted rate

Rating units located in the drainage districts of Te Arai and Okahukura are liable for the Rodney drainage districts targeted rate.

Drainage district	Size of land (HA)	1	2	3	5	10	50
Te Arai	Rate for Class A land	21	42	63	106	212	1,058
	Rate for Class B land	11	21	32	53	106	529
	Rate for Class C land	2	4	6	11	21	106
Okahukura	Rate for Class A land	30	60	90	149	299	1,493
	Rate for Class B land	15	30	45	75	149	746
	Rate for Class C land	3	6	9	15	30	149

Franklin Local Board Paths Targeted Rate

Rating units in the Franklin local board area are liable for the Franklin Local Board Paths Targeted Rate.

	Total targeted rate amount (including GST) (\$)				
Number of separately used or inhabited parts	1	2	3	5	10
Rate amount	52	104	156	260	520

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Residential rating units in Māngere-Ōtāhuhu and Ōtara-Papatoetoe local board areas are liable for Swimming Pool targeted rates.

Residential rating units located in	Number of separately used or inhabited parts	Total targeted rate amount (including GST) (\$)				
		1	2	3	5	10
Māngere-Ōtāhuhu	39	77	116	193	385	
Ōtara-Papatoetoe	37	73	110	183	365	

Waitākere rural sewerage targeted rate

Some rating units not connected to the wastewater system in the Waitākere Ranges Local Board area are liable for the Waitākere Rural Sewerage targeted rate.

Residential rating units located in	Total targeted rate amount (including GST) (\$)				
Number of septic tanks pumped out once every 3 years	1	2	3	5	10
Waitākere Ranges Local Board area that have septic tanks pumped out by council	337	674	1,010	1,684	3,368

Swimming/spa pool fencing compliance targeted rate

Rating units on council's register of pool fence and barrier inspections are liable for the Swimming/spa pool fencing compliance targeted rate.

Inspection service provided	Total targeted rate amount (including GST) (\$) for the rating unit
Council inspection required	66.33
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	33.00

Retro-fit your home targeted rate

Ratepayers who have taken advantage of the Retro-fit Your Home scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2024 (\$)			
	1,500	2,000	2,500	3,500
Rate for 3rd year of repayment (including GST) (\$)	259	345	432	605
Rate for 4th year of repayment (including GST) (\$)	294	393	491	687
Rate for 5th year of repayment (including GST) (\$)	344	459	574	803
Rate for 6th year of repayment (including GST) (\$)	419	559	698	978
Rate for 7th year of repayment (including GST) (\$)	544	725	906	1,269
Rate for 8th year of repayment (including GST) (\$)	794	1,059	1,323	1,852
Rate for 9th year of repayment (including GST) (\$)	1,545	2,060	2,575	3,605

Kumeū Huapai Riverhead wastewater targeted rate

Ratepayers who have taken advantage of the Kumeū Huapai Riverhead wastewater scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2024 (\$)			
	5,000	7,000	9,000	11,000
Rate for 10th year of repayment (including GST) (\$)	1,126	1,576	2,026	2,477
Rate for 12th year of repayment (including GST) (\$)	1,603	2,244	2,885	3,527

3.3 Financial reporting and prudence benchmarks

Long-term plan disclosure statement for the period commencing 1 July 2024

What is the purpose of this statement?

The purpose of this statement is to disclose the group's planned financial performance in relation to various benchmarks to enable the assessment of whether the group is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its Long-term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

1. Rates affordability benchmark

The group meets the rates affordability benchmark if:

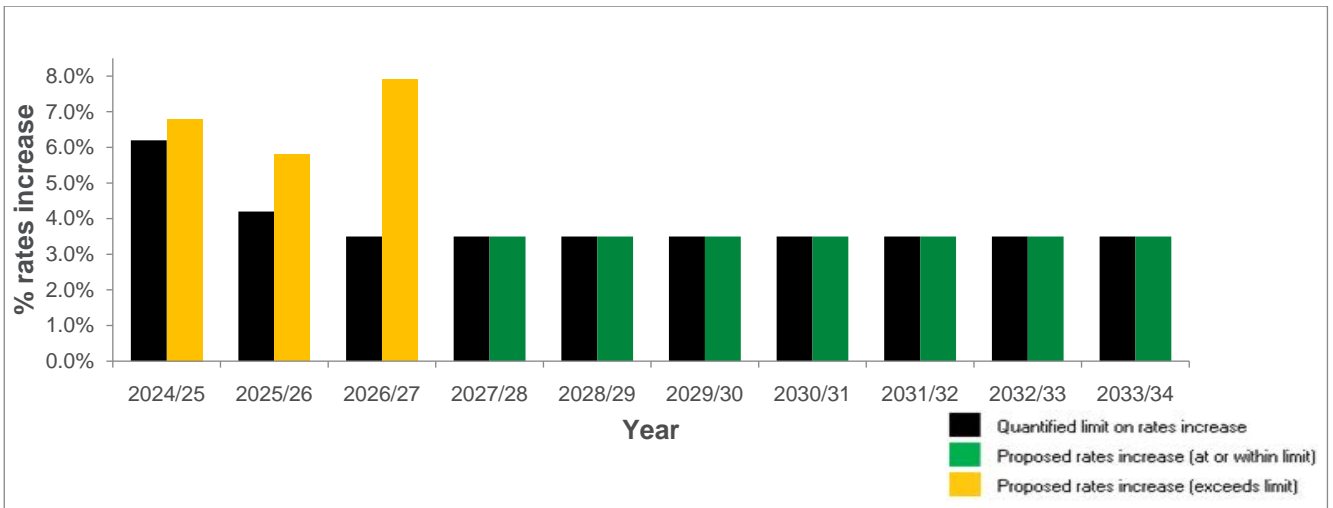
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

Following an amendment to the Local Government Act 2002 in 2019, the council has not included a quantified limit on rates in the financial strategy included in this long-term plan.

Rates (increases) affordability

The following graph compares the group's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit we use for this benchmark is to maintain average rates increases for existing residential ratepayers to 1.5 per cent per annum above projected inflation (based on CPI). This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all residential properties. Targeted rates that apply to specific groups of ratepayers are excluded.



Despite these long-term policy constraints, rate increases exceeding the quantified limit are planned for the first three years of this long-term plan.

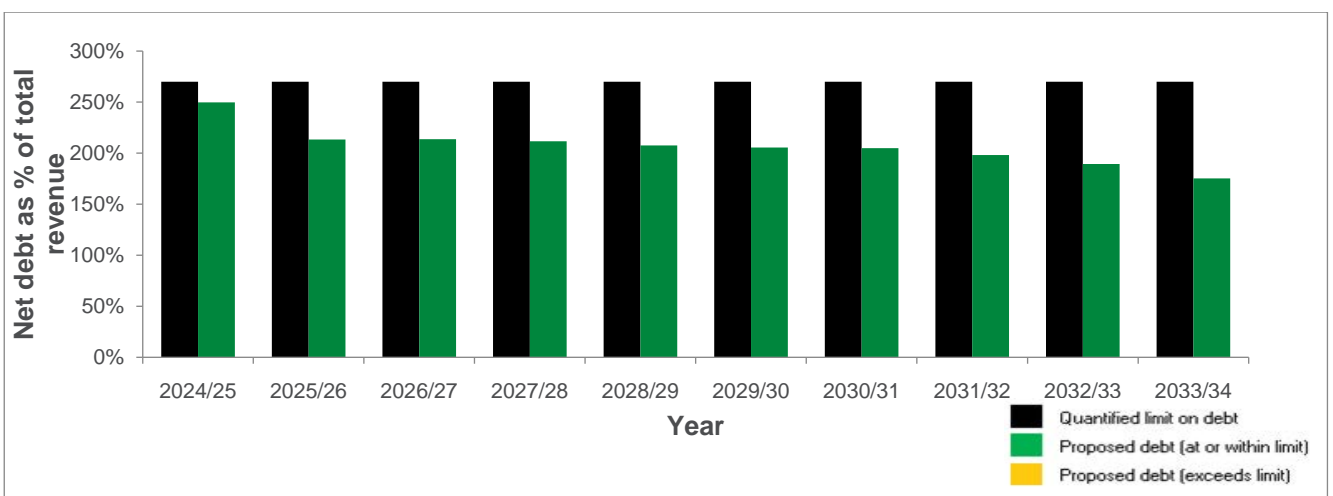
- Year one – an average rates increase of 6.8 per cent as a result of the first tranche of home buyouts and resilience work needed as a result of recent storms, and
- Year two - an average rates increase of 5.8 per cent as the council moves to fairer funding for local boards, and
- Year three – an average rates increase of 7.9 per cent to cover the first full year of additional operating costs from the City Rail Link project commencing operations

2. Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

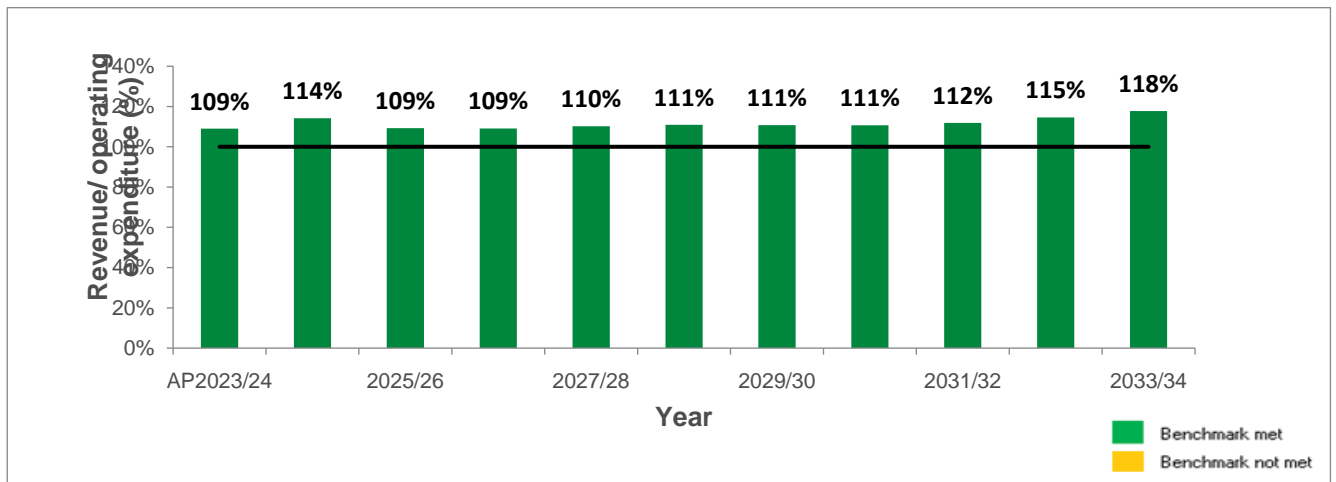
The following graph compares the council’s planned debt with the quantified limit on borrowing contained in the financial strategy included in this Long-term Plan. The quantified limit is measured in terms of net debt (based on excluding Watercare from 1 July 2025) as a percentage of total revenue, and the quantified limit is 270 per cent.

The council is projecting to remain within the limit in each year.



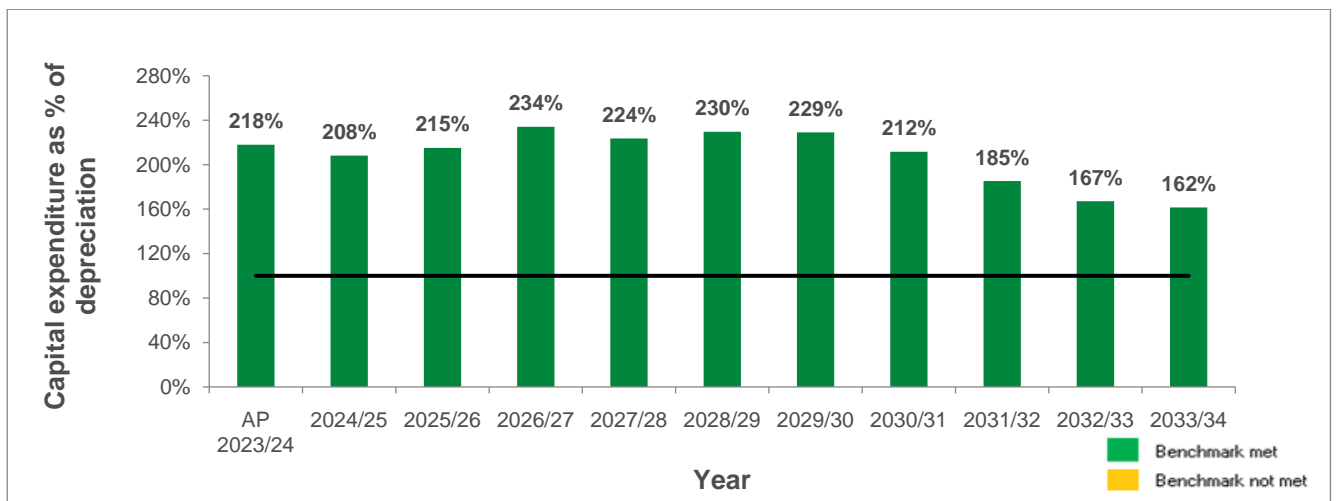
3. Balanced budget benchmark

The following graph displays the group's total planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, revaluation of property, plant, or equipment, and share of profit/loss for associate) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The group meets the benchmark if its planned revenue equals or is greater than its planned operating expenses.



4. Essential services benchmark

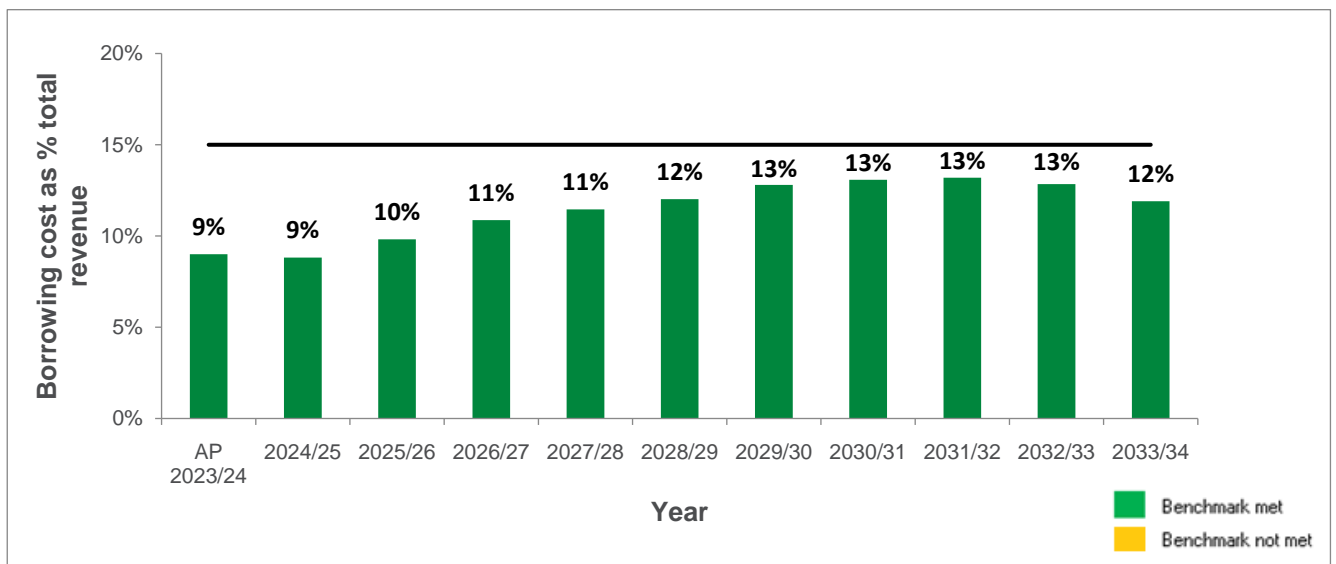
The following graph displays the group's planned capital expenditure on network services as a proportion of expected depreciation on network services. The group meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



5. Debt servicing benchmark

The following graph displays the group's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15 per cent of its planned revenue.



Additional information

The group's planned revenue includes net other gains, finance income, and net share of surpluses in associates and jointly controlled entities.

The groups planned operating expenditure includes net other losses, and net share of deficits in associates and jointly controlled entities.

Net debt refers to the group's financial liabilities less financial assets (excluding trade and other receivables).

Borrowing cost includes interest expense and losses on early close out of interest rate swaps and excludes adjustments for time value of money.

Network infrastructure refers to infrastructure related to water supply, sewerage treatment and disposal, stormwater drainage, flood protection and control, roads and footpaths.

3.4 Local Boards Funding Policy

Purpose/Introduction

The Local Boards Funding Policy sets out how local boards are funded to meet the costs of:

- providing local activities
- administration support.

There are two sections to this policy. **Section A** applies to the financial year 2024/2025. Funding for local boards through financial year 2024/2025 will be allocated in accordance with the Local Boards Funding Policy 2024/2025.

The council has decided to implement a fairer funding approach for local boards from the financial year 2025/2026. **Section B** of the Local Boards Funding Policy applies from financial year 2025/2026. Funding for local boards from financial year 2025/2026 will be allocated in accordance with the Local Board Funding Policy 2025/2026.

Section A: Local Boards Funding Policy 2024/2025

1. Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the council's allocation of decision-making responsibilities for non-regulatory activities in section 3.5 of Volume 2 this long-term plan. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into three parts based on the nature of the service provided and the allocation of decision making between the Governing Body and local boards. The three classifications of activities are set out in the table below.

Nature of service	Nature of local board decision making role ¹	Examples of activities
Asset based services	Make decisions within parameters set by the Governing Body	Swimming pools, Libraries, Local parks
Locally driven initiatives	Make decisions on how locally driven initiative funding allocated from Governing Body is spent	Local events Local community grants
Locally driven capital projects	Make decisions on how locally driven capital projects funding allocated from Governing Body is spent	Local park improvements Streetscape improvements
¹ Local boards make decisions in specific location, design, and build of new facilities, service standards, and renewals, within parameters set by the governing body. Local boards also decide on use of facilities, including change of use and leases. Local board's decision making is set out in full in the full in the "Allocation of decision-making responsibility of non-regulatory activities".		

Local boards have decision making responsibility for fees and charges for both asset-based services and locally driven initiatives within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

The funding details for local asset-based services, locally driven initiatives, locally driven capital projects and administration support are outlined below.

2. Funding for local asset-based services

Local asset-based services will be funded by:

- fees and charges set by the local board and collected from local asset-based services
- plus any other revenue including grants, donations, and sponsorships
- plus any revenue from a targeted rate set by the Governing Body to fund local asset based services
- plus general rate funding to meet the balance of costs of local asset based services being provided to each local board area, set by the Governing Body in the long-term plan after taking into account Governing Body expectations for fees, charges and other revenue.

3. Funding for locally driven initiatives (operational funding)

The amount of budget available to each local board for locally driven initiatives is determined by:

- fees and charges collected from locally driven initiatives
- plus any funding surplus from local asset based services in excess of projected funding by the Governing Body when setting general rates funding for local asset based services where the local board changes costs or revenue from local asset based services from the levels projected by the Governing Body
- minus any funding deficit from local asset-based services below that projected funding by the Governing Body when setting general rates funding for local asset-based services where the local board changes costs or revenue from local asset based services from the levels projected by the Governing Body

- plus any revenue from grants, donations, and sponsorships
- plus any revenue from a targeted rate set to fund local activities in the local board area plus an allocation from a budget pool for locally driven initiatives funded from the general rate.

3.1. Level of total budget available for locally driven initiatives

The total general rates funded budget available for locally driven initiatives will be set by the Governing Body and will be identified in the long-term plan or annual plan.

Each local board will be allocated a share of the total budget available after deducting the funding for the Aotea / Great Barrier Island Local Board and the Waiheke Island Local Board, see section 3.1.2 below. Each local board's share of the budget will be equivalent to its share of the regional population adjusted for deprivation and land area, excluding Aotea / Great Barrier Island and Waiheke Island. This is set out in the table on the next page.

3.1.1. Allocation of total budget pool

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population ¹	90 per cent	Local board population divided by the total population of all local boards ³
Deprivation ²	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board ³
Land area	5 per cent	Local board land area divided by the total land area of all local boards ³
¹ adjusted each year to reflect changes in population estimates provided by Statistics New Zealand ² based on the most recently available update of the Index of Deprivation provided by the Ministry of Health ³ excluding Aotea / Great Barrier Island Local Board and Waiheke Local Board		

3.1.2. Funding for Aotea / Great Barrier, and Waiheke Island Local Boards

The amount of budget available for locally driven initiatives on Aotea / Great Barrier and Waiheke Islands is determined by:

- fees and charges collected from locally driven initiatives
- plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards set higher fees, (see section 3 above)
- minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
- plus any revenue from grants, donations, and sponsorships
- plus any revenue collected from targeted rates set to fund local activities
- plus a general rates allocation

General rates funding will be provided to meet the balance of the costs of providing locally driven initiatives on Aotea / Great Barrier Island and the Waiheke Island. This will be based on the expenditure on these activities agreed with the Governing Body in their local board agreements each year net of revenue generated from the items in 1 to 5 above.

3.1.3. Transition

The table below sets out the transition mechanism that will be applied from financial year 2021/2022 onwards.

Local boards funded to the level of the allocation formula	Local boards funded above their allocation under the formula
Increases in the total budget for locally driven initiatives budget will be applied as per the formula	Locally driven initiatives budget will be held at its current absolute level (no increases for inflation) until it is exceeded by the allocation under the formula

3.2. Definition of local asset-based services and locally driven initiatives

The Governing Body, after considering local board feedback, will determine which services are local asset-based services and locally driven initiatives when the total budget for local activities is set.

4. Funding allocation for locally driven initiatives (capital funding)

This funding enables local boards to deliver small local asset-based projects, either directly, in partnership with the community, or through joint agreements between boards.

The budget available for locally driven capital projects will be set by the Governing Body and will be identified in the long-term plan or annual plan. These funds will be allocated to local boards on the following basis:

- one per cent of the total fund allocated to the Aotea/Great Barrier Island Local Board
- two per cent of the total fund allocated to Waiheke Island Local Board
- the remainder of the fund allocated to the remaining local boards, with each board's share equivalent to its share of the regional population adjusted for deprivation and land area, as set out in the table below:

Factor	Proportion of budget for locally driven capital projects	Local board share
Population ¹	90 per cent	Local board population divided by the total population of all local boards ³
Deprivation ²	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board ³
Land area	5 per cent	Local board land area divided by the total land area of all local boards ³
¹ adjusted each year to reflect changes in population estimates provided by Statistics New Zealand ² based on the most recently available update of the Index of Deprivation provided by the Ministry of Health ³ excluding Aotea / Great Barrier Island Local Board and Waiheke Local Board		

5. Funding allocation for other purposes

The Governing Body may make funds available to local boards for purposes other than local asset-based services, locally driven initiatives, locally driven capital projects or administrative support. These funds will be allocated to local boards on the same basis as funding for locally driven initiatives (capital funding).

6. Funding allocation for administrative support

The funding for administrative support is allocated by adopting the following method:

- Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member
- Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

7. Funding allocation for non-dedicated purposes

There is no allocation of non-dedicated (general purpose) funding to local boards in the Long-term Plan 2024-2034.

8. Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing Policy which can be found in section 3.1 of the Long-term Plan 2024-2034.

Section B: Local Boards Funding Policy 2025/2026

1. Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the council's allocation of decision-making responsibilities for non-regulatory activities in section 3.5 of this long-term plan. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into operating expenditure (opex) and capital expenditure (capex).

Local boards have decision making responsibility for fees and charges within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

How local boards will be funded for various local activities and for administration support is set out below.

2. Funding for local activities

Operating expenditure for local activities will be funded by:

- fees and charges set by the local board and collected from local assets
- plus any other revenue including grants, donations, and sponsorships
- plus any revenue from a targeted rate set by the Governing Body to fund local assets and services
- plus general rates funding provided as detailed in the next sections

The total general rates funded budget available for local activities will be set by the Governing Body and will be identified in the long-term plan or annual plan.

Capital expenditure budgets are set by the Governing Body and are mainly funded through borrowing, non-service asset sales, external contributions (grants and sponsorships), and development contributions collected for future growth.

Local boards can also raise funds through the service property optimisation approach.

3. General rates funding for local community services activity

Local community services include libraries, local parks and sports fields, recreation facilities, community halls and local arts facilities.

Each local board will be allocated separate shares of OPEX and CAPEX from a total budget decided by the Governing Body. When the equity formula (80:15:5) described below is applied to this total budget (excluding allocation to Aotea / Great Barrier and Waiheke Local Boards) it determines the equitable funding level for each local board.

For operational spending, the equity formula will be applied (at the beginning of each LTP) on a year-on-year basis starting from financial year 2025/2026. For capex, it will be on a three-year aggregate.

When the funding allocated to the local boards by the Governing Body is compared to the funding based on the equity formula, local boards funded above and below the equitable funding levels are identified.

Through LTP 2024-2034 the council has decided to provide additional funding to local boards funded below their equitable level to bring 19 local boards (including Aotea / Great Barrier and Waiheke local boards) to within 5 per cent of their equitable funding level in financial year 2025/2026 and to within 1 per cent of their equitable funding level in financial year 2026/2027, for opex. For capex, the decision is to move 18 local boards to within 5 per cent of their equitable funding level by financial year 2026/2027. The remaining local boards will remain funded above their equitable funding levels. This new funding will be applied, to local boards funded below their equitable level, based on the order of degree of variance from equitable funding level, i.e., local board with the largest variance gets funding first and so on. These changes will come into effect from 1 July 2025. Each local board's equitable funding level will be equivalent to its share of the regional population adjusted for deprivation and land area, excluding Aotea / Great Barrier and Waiheke. This is set out in the following table:

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population	80 per cent	Local board population divided by the total population of all local boards excluding Aotea / Great Barrier and Waiheke
Deprivation*	15 percent	Average local board deprivation divided by the total of the average deprivation of each local board.
Land area	5 per cent	Local board land area divided by the total land area of all local boards excluding Aotea / Great Barrier and Waiheke
*The information for this analysis will be provided by Auckland Council's Research & Evaluation team, based on the latest census data available.		

3.1 Funding from financial year 2027/2028

The 80:15:5 allocations will be updated with the latest population, deprivation and land area statistics through each LTP refresh. New funding provided through each LTP will be allocated to local boards funded below their equitable level to maintain the achieved equitable funding levels.

Local boards that are funded above their equitable funding level will get inflationary adjustments on their future budgets.

3.2 General rates funding for Aotea / Great Barrier and Waiheke local boards' local community services

The general rates funding for the island local boards will be as below:

- one per cent of the total general rates funding for local community services to be allocated to the Aotea / Great Barrier Island Local Board.

- two per cent of the total general rates funding for local community services to be allocated to the Waiheke Island Local Board.

3.3 General rates funding for items and local activities excluded from the application of the equity formula

The budget categories (within local community services activity) described in the table below are excluded from the application of the above equity (80:15:5).

Budget category	Reason for excluding from application of equity formula
Growth funding	Funding (mainly capex and some associated consequential opex) prioritised for investment in new infrastructure to respond to population growth. This is funded through a mixture of development contributions and general rates-based borrowing.
Discrete projects	These are specific projects decided and funded through previous long-term plans and annual plans based on the plans and priorities of the council.
Various response budgets	Slip remediation and coastal renewals - This budget is allocated based on the priorities in the slips prevention work programme which responds to coastal health and safety priorities across Auckland. Response budget associated with full facilities contracts – This is for reactive repairs and maintenance work outside of the full facilities contract scheduled maintenance. Sports renovations – For sports platform and infrastructure renovations programme Urgent minor capex – Urgent & minor capex works with high risk to health & safety, and disruption to service. Demolition budget – for the demolition and removal of high-risk unfit for purpose assets Green Assets OPEX – to respond to unplanned maintenance in the council’s green spaces. Regional Pest Management OPEX – Natural Environment Targeted Rate funding for Regional Pest Management Plan 2020 Coastal Management OPEX – to respond to unplanned maintenance in the council’s coastal assets. Storm Damage – to respond to costs arising out of a major storm event
Local targeted rates	Local targeted rates are collected for a specific purpose and to deliver outcomes in a specific location.
Specific funds	These are funds such as external grants, sales proceeds from asset divestment etc received to deliver a specific project.
Overhead costs and interest and depreciation	Local boards are allocated a share of the overhead costs such as interest, depreciation and corporate overheads based on the assets and services in each local board area.

Funding for the above items and other local activities such as local environment management, local planning and development, and local governance activities will be provided to each local board area, by the Governing Body in the long-term plan, based on the assets and services in each local board area.

3.4 Funding allocation for administrative support

The funding for administrative support is allocated as follows:

- Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member.

- b) Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

3.5 Funding allocation for non-dedicated purposes

There is no allocation of non-dedicated (general purpose) funding to local boards in Long-term Plan 2024-2034.

4 Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing Policy which can be found in section 3.1 of the Long-term Plan 2024-2034.

3.4.a Fairer funding for local boards

Through this Long-Term Plan (LTP) 2024-2034 Auckland Council has decided to move to a fairer allocation of local board funding for local community services. This will be achieved through new funding provided through this LTP.

Local boards provide local community services like local parks, libraries, pools, recreation centres, community halls and events that support strong Auckland communities.

Through this LTP 2024-2034, the council has decided to move to a fairer funding allocation model for local board community services funding.

The Governing Body approved in principle an equitable funding model for local community services in 2021, after four years of investigation as part of the Governance Framework Review (GB/2021/138).

This model reflects the make-up of the communities in each local board area and allocates funding for local community services based on the following formula:

- 80 per cent based on population
- 15 per cent based on deprivation
- 5 per cent based on land area.

This is different to the current funding allocation for local boards' community services activities which is based on the assets in each local board area. Through this LTP, the council has confirmed that the new funding allocation formula will take effect from 1 July 2025.

Context

Analysis identified that asset-based funding for local community services is inequitable between local boards and largely an outcome of historic investment patterns prior to when the eight councils in the Auckland region merged in 2010.

Through the Long-term Plan 2021-2031, we identified that the increasing levels of investment demand by our ageing asset base is not financially sustainable. This is because the demand of investment required exceeds our capacity. We need to look after all Aucklanders and ensure that we provide access to services fairly.

A fairer approach to funding allocation is to allocate funding based on the current and projected future make-up of the community in each local board area. This will enable local boards to better respond to the needs of their communities.

A comparison of the asset-based funding for local boards with the new model revealed that some local boards are currently funded more than what they would be under the new model, while others are currently funded less.

Addressing local board funding equity through the Long-term Plan (LTP) 2024-2034

Through this LTP the Council aims to achieve significant funding equity for local community services activities within the first four years. This includes all local community services funding including both locally driven initiatives (LDI) funding and asset-based services (ABS) funding.

This involves providing new funding to local boards to reduce current inequities in local community services funding. This new funding is general rates (opex) and debt (capex) funded. The table below shows the total amount of new funding provided through this LTP for fairer funding.

	Additional Funding (\$m)	
	First three years of the LTP	10 Years of the LTP
Opex	84	460
Capex	56	231

Local board funding equity will be addressed separately for operating expenditure (opex) and capital expenditure (capex).

With the additional funding provided through this LTP, 19 local boards will get to within 5 per cent funding equity in opex in financial year 2025/2026 and within 1 per cent funding equity in opex in financial year 2026/2027. Two local boards will remain funded above their equitable level for opex. For capex, 18 local boards will get to within 5 per cent funding equity by financial year 2026/2027. Three local boards will remain funded above their equitable level for capex. The levels of equity achieved in the financial year 2026/2027 will continue for future years.

The following items which relate to local community services are excluded from the scope of fairer funding analysis for the reasons outlined below:

Out of scope	Reason
Growth funding	<p>Funding prioritised for investment in new infrastructure to respond to population growth. This funding is estimated based on the demands of future population growth and planned for investment in future population growth areas.</p> <p>Auckland Council's Development Contributions Policy is developed based on this estimated growth funding requirement. Re-allocation of this funding based on the proposed funding allocation model would result in shifting funding away from high-growth areas. This would lead to under-investment in infrastructure to respond to future growth.</p> <p>Also, any change like this may require the council to recalculate the development contributions (DCs) set to recover the growth share of the cost of the new investment priorities. If the resulting DCs were lower, some DCs that have already been paid may have to be refunded.</p> <p>If the overall mix of capital expenditure proposed by the recipient local boards has a calculated lower growth share, it could impact the total capital available as the rates funded element may be limited.</p>
Discrete projects	<p>These are specific projects decided and funded through previous long-term plans and annual plans based on the plans and priorities of the council.</p>

	This would mean the council is not delivering on past decisions. Because some of these projects have external funding support, failure to provide council funding for these projects could result in the loss of this external funding support.
Various response budgets	<ul style="list-style-type: none"> • Slip remediation and coastal renewals This budget is allocated based on the slips prevention work programme priorities which respond to coastal health and safety priorities across Auckland. • Response budget associated with full facilities contracts This budget is for reactive repairs and maintenance work outside of the full facilities contract scheduled maintenance. • Sports renovations This budget is for sports platform and infrastructure renovations programme. • Urgent minor capex This is for urgent and minor capex works with high risk to health & safety, and disruption to service. • Demolition budget This is for the demolition and removal of high-risk unfit for purpose assets. • Green Assets OPEX This is to respond to unplanned maintenance in Council's green spaces. • Regional Pest Management OPEX The Natural Environment Targeted Rate funding relating to the implementation of the Regional Pest Management Plan 2020. • Coastal Management OPEX This is to respond to unplanned maintenance in Council's coastal assets. • Storm Damage This is to respond to costs arising out of a major storm event.
Local targeted rates	Local targeted rates are collected for a specific purpose and to deliver outcomes in a specific location.
Specific funds	These are funds such as external grants, sales proceeds from asset divestment etc. received to deliver a specific project.
Overhead costs and interest and depreciation	Local boards are allocated a share of the council's overhead costs such as interest, depreciation and corporate overheads. Local boards do not have direct decision-making over these budgets.

The funding changes will be implemented in a staged approach, with the new funding allocation model taking effect from 1 July 2025. This means any change to funding levels for local boards will take effect in year 2 of LTP 2024-2034.

This allows staff time to provide advice to elected members in preparation for the changes to take effect. Fairer funding analysis will be refreshed every three years through the LTP process to consider the latest demographic statistics.

Island local boards

The allocation formula does not apply to Aotea/Great Barrier and Waiheke Local Boards. This is because the population of these island local boards is too small to be considered through a funding model that is largely based on population.

Instead, the funding allocation for the Aotea/Great Barrier and Waiheke Local Boards is based on a fixed percentage of the total funding available for both operating and capital budgets.

The fixed percentage funding allocations are 1 per cent of the total funding available for Aotea Great Barrier, and 2 per cent for Waiheke.

Policy changes required

To implement the council's decision to move to a fairer allocation of local board funding, a change to the Local Boards Funding Policy is required. The current Local Boards Funding Policy 2022, in Section A of the Local Boards Funding Policy in section 3.4 of Volume 2, is in effect until 1 July 2025. The new Local Boards Funding Policy, including the new funding allocation, which will take effect from 1 July 2025 can be found in Section B of the Local Boards Funding Policy in section 3.4 of Volume 2.

Section 3.5: Decision-Making Responsibilities of Auckland Council's Governing Body and local boards

This section sets out Auckland Council's allocation of decision-making responsibility for non-regulatory activities between the Governing Body and local boards. Providing context for this is:

- an overview of the sources of decision-making responsibilities for the Governing Body and local boards
- a summary of the associated powers.

Sources of decision-making responsibilities

Auckland Council is a unitary authority¹ with a two-tier governance structure comprising the Governing Body and the local boards. The decision-making responsibilities of Auckland Council, as a local authority, are shared between them.

When exercising their respective decision-making responsibilities, the Governing Body and local boards must comply with all relevant statutory requirements. This includes the council's obligations under the Health and Safety at Work Act 2015.

The Governing Body and local boards obtain their decision-making responsibilities from three sources.

(a) Statutory decision-making responsibilities

The Governing Body and local boards have statutory responsibilities under the Local Government (Auckland Council) Act 2009 (Act). These statutory responsibilities are summarised in the following section and are not repeated in the allocation table.

(b) Delegation of decision-making responsibilities

The Governing Body can delegate some of its decision-making responsibilities to local boards. The decision-making responsibilities that have been delegated to local boards are summarised in the next section.

The Governing Body and local boards can also be delegated decision-making responsibilities from Auckland Transport.

The Governing Body and local boards have also made a general delegation of all of their responsibilities, duties and powers, subject to financial limits, to the Chief Executive. These are set out in the Chief Executive's Delegations Register.

(c) Allocation of decision-making for non-regulatory activities

The Governing Body is required by legislation to allocate decision-making responsibility for the non-regulatory activities of Auckland Council to either the Governing Body or local boards, in accordance with the principles contained in section 17(2) of the Act. This provides as follows:

¹ A unitary authority is a territorial authority that also has the responsibilities of, duties, and powers of a regional council.

- a) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its local boards unless paragraph (b) applies:
- b) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its Governing Body if the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because-
 - i. the impact of the decision will extend beyond a single local board area; or
 - ii. effective decision-making will require alignment or integration with other decisions that are the responsibility of the Governing Body; or
 - iii. the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.

Decision-making for non-regulatory activities can only be allocated to either the Governing Body or to a local board. Where more than one local board has an interest in a local activity then section 16(3) of the Act provides that:

... a local board should collaborate and co-operate with 1 or more other local boards in situations where the interests and preferences of communities within each local board area will be better served by doing so.

Statutory and delegated decision-making responsibilities

(a) Statutory decision-making responsibilities

Governing Body: The Governing Body has statutory decision-making responsibility for the following:

- the regulatory activities of Auckland Council (such as Unitary Plan, consenting, and bylaws)
- the allocation of non-regulatory activities to either local boards or the Governing Body
- the non-regulatory activities of Auckland Council that are allocated to the Governing Body
- the decision-making of Auckland Council relating to transport networks and infrastructure
- agreeing local board agreements with local boards
- emergency management
- compliance with the financial management requirements of section 101 of the Local Government Act (including the Annual Plan, the Long-term Plan, and financial policies) and the setting of rates
- governance of Council-Controlled Organisations
- appointment of the Chief Executive
- the establishment and maintenance of the capacity of Auckland Council to provide, or ensure the provision of, its services and facilities (including local activities).

Local boards: The statutory role of local boards includes decision-making responsibility for the following:

- the non-regulatory activities of Auckland Council that are allocated to local boards
- adoption of local board plans

- agreeing of local board agreements with the Governing Body, including proposing a local targeted rate, and monitoring the implementation of local board agreements
- identifying and communicating the interests and preferences of people in each local board area in relation to the content of Auckland Council's strategies, policies, plans, and bylaws
- proposing bylaws for the local area to the Governing Body.

(b) Delegated decision-making responsibilities

To date the Governing Body has delegated the following decision-making responsibilities to all local boards²:

- input into notification decisions for resource consent applications
- amendments to the Policy on Dogs in relation to any dog access rules in local parks, local beaches or local foreshore areas in their local board area
- making objections to liquor licensing applications (on, off, club and special licences) under the Sale and Supply of Alcohol Act 2012
- making, amending or revoking alcohol bans, except in areas of regional significance
- certain powers under the Reserves Act 1977 for local reserves:
 - declaring a reserve under section 14(1)
 - classifying a reserve under sections 16(1) or 16(2A)
 - reclassifying a reserve under section 24(1)
 - proposing the revocation of reserve status under section 24(1), where the request to revoke is because the local board wishes to manage the land under the Local Government Act 2002
- disposal of local service property and reinvestment of sale proceeds in accordance with the service property optimisation approach (as adopted by the Governing Body).

The Governing Body has also delegated the following decision-making responsibilities to:

- Aotea/Great Barrier Local Board, for-
 - authorising the destruction of wandering stock on Great Barrier Island, in accordance with the Impounding Act 1955
 - decision-making on operational cemeteries on Great Barrier Island.

One-off delegations to local boards from the Governing Body that are made on an ad hoc basis are not recorded in this section.

Allocation of decision-making for non-regulatory activities

The allocation of decision-making responsibility to the Governing Body and to local boards for the non-regulatory activities of Auckland Council is set out in the following tables. These will apply from 1 July 2024.

Given the broad range of activities undertaken by the council, it is not possible to list in precise detail all decisions that are allocated to a local board or the Governing Body. Instead, the allocation is applied on a case-by-case basis. To aid interpretation, elements of the key

² This is intended to summarise key existing delegations made by the Governing Body, and is not intended to be an exhaustive list of all delegations to local boards. Refer to the relevant resolutions for the detail of each delegation.

decision-making responsibilities of local boards and the Governing Body are provided for each allocated activity.

Applying the allocation as set out in the following tables needs to take into account the principles of section 17 of the Local Government (Auckland Council) Act 2009. The general principle is that a non-regulatory decision will be made by local boards unless the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland. Allocation of decision-making for non-regulatory activities

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
Local council services and Regionally delivered council services	Local governance including: <ul style="list-style-type: none"> • oversight of decisions on local activities • developing local strategies, policies and plans within parameters set by relevant regional strategies, policies and plans • submissions to government on legislation where it specifically relates to that local board area only • civic duties, engagements and functions in the local area, including citizenship ceremonies and recognition of volunteers. 	Regional governance including: <ul style="list-style-type: none"> • oversight of decisions on regional activities • submissions to government on legislation including official submissions of Auckland Council incorporating local board views • regional civic duties, engagements and functions • regional strategies, policies and plans • international relationships, including entering into new relationships and ending existing relationships.
<p><i>Explanatory notes:</i></p> <ul style="list-style-type: none"> • Regional strategies and policies are not intended to be prescriptive or unduly restrict the decision-making role of local boards. Where they relate to local activities, they provide regional parameters within which local boards then make decisions on local activities. • A local board does not have the power to make submissions or objections on matters where the council is exercising its regulatory responsibilities, unless specifically delegated by the Governing Body. • Local boards have a statutory role identifying and communicating the interests and preferences of its communities in relation to policies, plans and bylaws. 		
	Local planning and development including: <ul style="list-style-type: none"> • local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans 	Regional planning and development including: <ul style="list-style-type: none"> • Auckland-wide place-shaping activities, including regional leadership to create Auckland’s identity • street environment and town centres strategy and policy, including the classification of town centres

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
	<ul style="list-style-type: none"> • Business Improvement District (BID) programmes, including the strategic direction (in partnership with the business association), establishment of new BIDs within the parameters set by the BID policy and recommending BID targeted rates to the Governing Body • maintenance of, and improvements to, the local street environment and town centres (excluding spatial priority areas as set out in the Future Development Strategy) within parameters set by the Governing Body • naming of roads pursuant to section 319(1)(j) of the Local Government Act 1974. 	<ul style="list-style-type: none"> • enabling the delivery of major development in spatial priority areas as set out in the Future Development Strategy • regional economic development strategy and policy, such as Auckland Economic Development Action Plan, investment framework and BID policy • Auckland-wide economic development programmes and initiatives, including regional business events, and branding and marketing for the city centre, metropolitan centres and spatial priority areas as set out in the Future Development Strategy • maintenance of, and improvements to, the local street environment and town centres that are within a spatial priority areas as set out in the Future Development Strategy.
<p><i>Explanatory notes:</i></p> <ul style="list-style-type: none"> • Area plans will require a high degree of involvement and formal endorsement by local boards. The adoption decision sits with Governing Body as it requires alignment and integration with other Governing Body responsibilities including regulatory plans, infrastructure prioritisation, asset and funding decisions. • Development of the city centre waterfront is the responsibility of Eke Panuku Development Auckland. • Auckland Transport has significant decision-making responsibilities within the street environment and town centres. • A number of agencies will be involved in the delivery of urban regeneration programmes led by Eke Panuku Development Auckland. • Major events, tourism and visitor centres, and business attraction and development are the responsibility of Tātaki Auckland Unlimited. 		
	<p>Local environmental management including:</p> <ul style="list-style-type: none"> • local environmental initiatives and projects • facilitating community-led environmental programmes and projects • local water quality projects within regional frameworks 	<p>Waste services and Environmental services including:</p> <ul style="list-style-type: none"> • regional environmental programmes and projects, including those funded by the natural environment targeted rate

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
	<ul style="list-style-type: none"> local waste management plans and projects within regional parameters, set out in the Waste Minimisation and Management Plan. 	<ul style="list-style-type: none"> waste management, including the Waste Minimisation and Management Plan council-owned closed landfill management environmental research and monitoring.
		<p>Stormwater management <i>including:</i></p> <ul style="list-style-type: none"> activities relating to the stormwater network, including catchment management plans, the Te Arai Drainage District, the Okahuhura Drainage Area, and the Glorit Drainage District (located in Rodney Local Board area) regional water quality programmes, including those funded by the water quality targeted rate regional resilience programmes.
<p><i>Explanatory note:</i></p> <ul style="list-style-type: none"> Local board input into regional environmental programmes is provided for at the programme design stage where appropriate. The prioritisation of projects within these regional programmes will be guided by the approved programme direction and ecological considerations. Where projects are to be delivered locally, local board input will be invited to ensure the projects are tailored to local circumstances. 		
<p>Parks and community services</p>	<p>Local arts and culture activity <i>including:</i></p> <ul style="list-style-type: none"> acquisition of new local arts and culture facilities and their specific location, design, build and fit out within budget parameters agreed with the Governing Body the use of local arts and culture facilities, including changes of use local arts and culture projects, initiatives and events local public artwork and local public art programmes local community funding and grants 	<p>Regional arts and culture activity <i>including:</i></p> <ul style="list-style-type: none"> acquisition of new arts and culture facilities for an Auckland-wide purpose or function the use of regional arts and culture facilities regional arts and culture programmes and events regional public artwork and regional public art programmes development, maintenance and access to the regional visual arts collection, including exhibitions and interpretive programmes region-wide community funding and grants

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
	<ul style="list-style-type: none"> tailoring regional arts and culture programmes and events to local needs. 	<ul style="list-style-type: none"> regional arts and culture programmes, which can be tailored to local needs.
	<p>Local events <i>including:</i></p> <ul style="list-style-type: none"> coordinating local events, including attraction, development, delivery and promotion sub-regional events which are the responsibility of the local board in which the event is located, in collaboration with other affected local boards local events sponsorship, funding and grants tailoring regional events programmes to local needs. 	<p>Regional events <i>including:</i></p> <ul style="list-style-type: none"> coordinating regional events, including attraction, development, delivery and promotion regional events sponsorship, funding and grants regional events programmes, which can be tailored to local needs.
	<p>Local community development and facilities <i>including:</i></p> <ul style="list-style-type: none"> acquisition of new local community facilities and their specific location, design, build and fit out within budget parameters agreed with the Governing Body plans, projects and initiatives specific to the local area tailoring region-wide community development and safety programmes to local needs facilitating community-led placemaking and development initiatives community advisory services local community funding and grants the use of local community facilities, including leasing and changes of use. 	<p>Regional community development and facilities <i>including:</i></p> <ul style="list-style-type: none"> regional community development and safety programmes which can be tailored to local needs regional community funding and grants acquisition of any new community facilities for an Auckland-wide purpose or function social housing, such as housing for the elderly.
	<p>Local libraries and literacy <i>including:</i></p> <ul style="list-style-type: none"> acquisition of new local libraries and their specific location, design, build and fit out within 	<p>Regional libraries and literacy <i>including:</i></p> <ul style="list-style-type: none"> the mobile library and digital library services

3.5 Decision-Making Responsibilities of Auckland Council’s Governing Body and local boards

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
	<ul style="list-style-type: none"> budget parameters agreed with the Governing Body • the design and type of community facilities within local libraries • the use of local libraries including local exhibitions, programmes and events within local libraries. 	<ul style="list-style-type: none"> • the libraries’ collection policy and practice (including development and maintenance of all library collections) • regional exhibitions, programmes and events within libraries • the central library, other than the ground and first floors.
	<p>Local sport and recreation including:</p> <ul style="list-style-type: none"> • acquisition of new local sport and recreation facilities and their specific location, design, build and fit out within budget parameters agreed with the Governing Body • the use of local sport and recreation facilities, including leasing and changes of use • the use of local holiday parks, including leasing and changes of use • local sport and recreation programmes and initiatives • local community funding and grants • tailoring regional sport and recreation programmes to local needs. 	<p>Regional sport and recreation including:</p> <ul style="list-style-type: none"> • acquisition of new sport and recreation facilities for an Auckland-wide purpose or function • the use of regional sport and recreation facilities (including sports stadiums) • the use of regional campgrounds • coordination of the use of sport and recreation facilities on a regional basis • regional sport and recreation programmes, which can be tailored to local needs • regional community funding and grants.
	<p>Local parks including:</p> <ul style="list-style-type: none"> • acquisition of new local parks and their specific location within budget parameters agreed with the Governing Body • reserve management plans for local parks • local parks improvements and place-shaping • the use of and activities within local parks, such as community events and community planting programmes 	<p>Regional parks including:</p> <ul style="list-style-type: none"> • acquisition of parks for an Auckland-wide purpose or function • reserve management plans for regional parks • the use of and activities within regional parks • coordination of the use of sports fields on a regional basis • open cemeteries.

Group of activities	Local Board non-regulatory responsibilities <i>Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>	Governing Body non-regulatory responsibilities <i>The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.</i>
	<ul style="list-style-type: none"> cemeteries that are no longer in active use and are functioning as local parks naming of local parks. 	
<p><i>Explanatory notes:</i></p> <ul style="list-style-type: none"> Definitions of local and regional events are set out in schedule 2 in accordance with the Auckland Council Events Policy. Some regional sports facilities and regional events facilities and amenities are the responsibility of Tātaki Auckland Unlimited. These include the Viaduct Events Centre, stadium management, Auckland Live, Auckland Conventions, Auckland Zoo and the Auckland Art Gallery. Land is owned by Auckland Council. Decision-making responsibility relating to land will depend on the nature of the activity and the allocation of decision-making responsibility for that activity. The decision-making of local boards in relation to local parks may be constrained where decisions relate to council stormwater management activities, including the stormwater network. For the purposes of this allocation, parks includes land held under the Reserves Act 1977. 		
Fees and charges	<p>Setting of fees and charges for local activities <i>excluding</i>:</p> <ul style="list-style-type: none"> library collections fees and charges; and <i>subject to</i> any baseline fees and charges for local activities that the Governing Body has decided, for policy reasons, to do so on an Auckland-wide basis. 	<p>Setting of fees and charges for regional activities <i>including</i>:</p> <ul style="list-style-type: none"> library collections fees and charges baseline fees and charges for local activities where the Governing Body decides to do so, for policy reasons, on an Auckland-wide basis.
Service levels	Setting of service levels for local activities <i>subject to</i> any minimum service levels that the Governing Body has decided, for policy reasons, to set on an Auckland-wide basis.	Setting of service levels for regional activities and minimum service levels for local activities where the Governing Body decides to do so for policy reasons.
<p><i>Explanatory notes:</i></p> <ul style="list-style-type: none"> Minimum service levels may be amended and approved by Governing Body as required and will be reported in each long-term plan and annual plan. Proposed minimum service levels, subject to approval by the Governing Body, are attached at Schedule 3. Significant service level changes, including changes with material organisational impacts, would be adopted under Local Board Plans following public consultation. 		

Procurement	Procurement for local activities and: <ul style="list-style-type: none"> local service levels of major service delivery contracts as they relate to the local board area. 	Procurement for regional activities and: <ul style="list-style-type: none"> procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis the Group Procurement Policy for Auckland Council.
Explanatory notes: <ul style="list-style-type: none"> The Governing Body procures some Auckland-wide contracts over local facilities and assets for greater cost-efficiency than could be achieved on a local basis. Procurement of these types of contracts is undertaken in line with the Group Procurement Policy, and overseen by the Revenue, Expenditure and Value Committee. Procurement for other local activities will remain a local board decision-making responsibility. 		
Asset renewal and major upgrades	Maintaining service capacity and integrity of local assets throughout their useful life in accordance with Auckland-wide parameters, standards and minimum service levels set by the Governing Body.	Maintaining the service capacity and integrity of regional assets throughout their useful life and setting Auckland-wide parameters, standards and minimum service levels for all asset management planning.
Other activities of Auckland Council		All other non-regulatory activities of Auckland Council.
Explanatory note: <ul style="list-style-type: none"> An assessment of the principles for allocating non-regulatory decisions set out in section 17 of the Local Government Auckland Council Act must be considered before applying this allocation. 		

Schedule 1 - Governance of parks

1. The Governing Body has governance responsibility for the following regional parks and contiguous land.

Regional Parks	
Auckland Council manages the following as regional parks:	
Ambury Ātiu Creek Auckland Botanic Gardens Āwhitu Duder Glenfern Sanctuary Hūnua Ranges Long Bay Mahurangi Motukorea / Browns Island Muriwai (excluding Muriwai Village Green) Mutukaroa / Hamlins Hill Ōmana Ōrere Point Pakiri Te Motu a Hiaroa / Puketutu	Scandrett Shakespear Tāpapakanga Tāwharanui Tawhitokino Te Ārai Te Muri Te Rau Pūriri Waharau Waitākere Ranges Waitawa Wenderholm Whakanewha Whakatīwai

Land contiguous with Regional Parks		
Relevant Regional Park	For the avoidance of doubt, land listed below is part of the adjacent regional park	
Long Bay	Piripiri Park	Section 1 SO 70452
Mahurangi	Scott Point Reserve, Te Kapa Peninsula	Lot 15 DP 44711
		Sec 216 Mahurangi Village SO 43441
		Lot 14 DP 44711
Muriwai	Oaia Reserve, Muriwai	Lot 11 DP 58521
Te Ārai	Te Ārai Reserve	Lot 1 DP 66227
		Lot 1 DP 59556
Waitākere Ranges	Mārama Plantation Reserve, Little Huia	Lot 12 DP 27798
	Douglas Scenic Reserve	Lot 31 DP 77453
	Rāroa Park	Lot 100 DP 21358

	Parkland surrounding Waitākere Quarry Scenic Reserve	Lot 2 DP 193044
	Karekare Reserve	Lot 31 DP 40109
	Lone Kauri Road – 3 reserves	Lot 99 DP 42402
		Lot 106 DP 42402
		Lot 107 DP 42402
	South Piha Plantation Reserve	Lot 77 DP 31268
	Lake Wainamu Scenic Reserve	Section 3 Block 1/Waitakere SD/
	Tasman View Esplanade	Lot 90 DP 42223
	Lake Wainamu Walkway	Pt Waitakere 1A (Easement over lake edge only)
	Waitoru Reserve, Bethells Rd	Pt Allotment 5 PSH OF Waitakere
Whakanewha	Upland Road Walkway	Lot 489 DP 20610 Pt Whakanewha Block

2. Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority) has governance decision-making responsibility for the following maunga.

Parks under the administration of the Maunga Authority

Matukutūruru / Wiri Historic Reserve
 Maungakiekie / One Tree Hill
 Maungarei / Mt Wellington
 Maungauika (North Head)
 Maungawhau / Mt Eden
 Ōhinerau / Mt Hobson
 Ōhūiarangi / Pigeon Mountain
 Ōtāhuhu / Mt Richmond
 Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert
 Puketāpapa / Pukewīwī / Mount Roskill
 Takarunga / Mount Victoria
 Te Kōpuke / Tītīkōpuke / Mount St John
 Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain
 Te Tātua a Riukiuta / Big King

Note: ownership of Maungakiekie / One Tree Hill Northern land remains with the Crown and it is administered by the Maunga Authority under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 and the Reserves Act 1977.

3. Post settlement governance entities have governance responsibility for the following reserves.

Park name	Governance entity	Relevant legislation
Kaipātiki (formerly Parakai Recreation Reserve)	Te Poari o Kaipātiki ki Kaipara (formerly Parakai Recreation Reserves Board)	Ngāti Whātua o Kaipara Claims Settlement Act 2013
Whenua Rangatira and Pourewa Creek Recreation Reserve	Ngāti Whātua o Orākei Reserves Board	Ngāti Whātua Ōrākei Claims Settlement Act 2012

4. The Governing Body has responsibility for the majority of land contiguous to Tūpuna Maunga governed by the Maunga Authority. The Ngā Mana Whenua o Tāmaki Makaurau Redress Act 2014 provides for the transfer of administration by the council of these lands to the Maunga Authority at the discretion of the Governing Body.

Land contiguous with parks subject to Treaty of Waitangi settlement	
Park subject to Treaty of Waitangi Settlement	Contiguous council owned land allocated to the Governing Body
Maungawhau / Mt Eden	Lot 1 DP 131932
Maungarei / Mt Wellington	Lot 200 DP 436081
Ōhinerau / Mt Hobson	Pt Allotment 2 SECT 11 SBRS OF Auckland
Ōhūiarangi / Pigeon Mountain	Lot 182 DP 98841
	Lot 183 DP 98841
	Section 1 SO 434440
	Section 2 SO 434440
	Section 3 SO 434440
	Allotment 19 SECT 5 SM FMS NEAR Howick
Ōtāhuhu / Mt Richmond	Lot 1 DP 47429
	Lot 2 DP 47429
	Lot 3 DP 47429
	Lot 4 DP 47429
	Lot 5 DP 47429
	Lot 6 DP 47429
	Lot 7 DP 47429
	Lot 8 DP 47429
Pt Lot 10 DP 47429	

Land contiguous with parks subject to Treaty of Waitangi settlement	
Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert	Lot 29A DP 17682
	Lot 19 DP 58177
	Lot 59 DP 16603
Te Kōpuke / Tītīkōpuke / Mount St John	Lot 1 DP 334602
	Lot 2 DP 413830
	Lot 13 DP 20564
	Lot 2 DP 35331
Te Tātua a Riukiuta / Big King	Lot 4 DP 44196
	Lot 3 DP 44196
	Lot 5 DP 108794
	Lot 4 DP 21107
	Lot 5 DP 108794
	Lot 1 DP 108794
	Pt Allotment 80 SECT 10 SBRS of Auckland

5. Other parks of regional significance

Other parks subject to special arrangements due to their regional significance	
Auckland Domain	Decision making allocation for Auckland Domain is geographically split, with the Waitematā Local Board being allocated responsibility for the playing fields areas and two community recreational leases (Auckland Bowling Club and Parnell Tennis Club), and the balance of land within Auckland Domain being allocated to the Governing Body. The Waitematā Local Board and the Governing Body have delegated decision-making to the Auckland Domain Committee, a joint governance committee of the Waitematā Local Board and Governing Body.
Colin Dale Park	Decision making allocation for Colin Dale Park is geographically split, with Governing Body being allocated the responsibility for the motorsport precinct (44.3052ha) and Ōtara-Papatoetoe Local Board allocated responsibility for the remainder of the land (10.1355ha).

Schedule 2 - Auckland Council Events Policy categories

The Events Policy identifies three categories of events, local, regional and major.

Local events - An event is considered to be a local activity governed by local boards unless it meets the criteria for a regional or major event as defined in this schedule.

Regional and major events - An event must demonstrate the strategic outcomes, appeal, profile and economies of scale to be categorised a regional or major event as defined in the table below. It will have most, if not necessarily all, of the distinguishing characteristics below.

Event Category	Strategic Outcomes	Appeal – breadth and depth of the event	Profile	Regional Coordination
Regional	<ul style="list-style-type: none"> delivers regional objectives set by the Governing Body helps deliver on Auckland-wide strategies such as for sport and recreation, arts and culture offers a distinctive event proposition for the region. 	<ul style="list-style-type: none"> demonstrates it draws from a regionally distributed audience e.g. appeals to a specific demographic or interest group that is geographically dispersed across the region demonstrates a size and scale that is regionally significant. 	<ul style="list-style-type: none"> has region-wide and maybe national profile, demonstrated through media and wide public awareness. 	<ul style="list-style-type: none"> demonstrates clear benefits of decisions being coordinated at a region-wide level only if the nature of the event is such that decision-making on an Auckland-wide basis will better promote community well-being across Auckland e.g. delivered in multiple locations across the region, ensuring regional distribution, ability to attract sponsorship, region-wide marketing and promotion.
Major	<ul style="list-style-type: none"> delivers economic development outcomes delivers significant economic return on investment provides measurable economic benefits, such as significant increase in visitor nights. 	<ul style="list-style-type: none"> appeals to regional, national and international audiences and participants a large mass appeal social event that is distinctive to Auckland. 	<ul style="list-style-type: none"> has regional, national and international profile. 	

Schedule 3 - Minimum service levels for local community services

Local community service levels must meet or exceed the following minimum service levels:

Intended Outcome	Minimum Service Level
<ul style="list-style-type: none"> Meet community expectations on opening times of libraries 	<ul style="list-style-type: none"> All permanently staffed community libraries are open at least 44 hours and 6 days per week
<ul style="list-style-type: none"> Maintain effective circulation of the regional library collection across the network 	<ul style="list-style-type: none"> Staffing to receive and dispatch regional collection items circulating around the network is sufficient to avoid backlogs of more than 7 days.
<ul style="list-style-type: none"> Provide a professional library and information service 	<ul style="list-style-type: none"> A qualified librarian is available to a local board’s libraries during library opening hours
<ul style="list-style-type: none"> Keep our customers safe and provide staff with a safe and healthy working environment 	<ul style="list-style-type: none"> Where a service is staffed a minimum level of staffing will be required for safe operation and will comply with key legislation and regulation Community assets are maintained to a safe and healthy condition
<ul style="list-style-type: none"> Pool services comply with Poolsafe standards 	<ul style="list-style-type: none"> Maintain ‘Poolsafe’ standards for all opening hours
<ul style="list-style-type: none"> Pool and water safety for children 	<ul style="list-style-type: none"> All children under 17yo swim for free in Council pools (as approved under LTP 2012-2022)
<ul style="list-style-type: none"> Citizenship ceremonies available to all new citizens 	<ul style="list-style-type: none"> Citizenship ceremonies offered at least every quarter, by individual local board or in local board clusters

3.6 Summary of Significance and Engagement policy

Auckland Council's Significance and Engagement Policy (the Policy) sets out the council's general approach to determining the significance of matters and how the council will engage with the community on matters before it makes decisions. The policy also lists the council's strategic assets.

The policy also contains references to supporting information used to support staff in applying the policy and other reference material, together with an overview of council's decision-making responsibilities and some key definitions.

This section provides a summary of the council's Significance and Engagement Policy. The full policy is available at <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/Documents/significance-engagement-policy201412.pdf>

Policy summary

The council will assess the degree of significance of proposals and decisions and the appropriate level of community engagement in accordance with the policy in the early stages of a proposal before decision making occurs. If necessary, the council will reconsider this assessment as the proposal develops.

The council will consider the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of community engagement:

- legal requirements to engage with the community
- the number of people affected, the degree to which they are affected and the likely impact of a decision
- whether the type of decision is likely to generate wide public interest within the local board area (local board decision) or within Auckland and New Zealand (governing body decision)
- the impact of the decision on the governing body or local board ability to deliver on actions that contribute to the Auckland Plan, as well as any statutory responsibility
- the impact of the decision on the intended service levels for a group of activities, including the start/stop of any group of activity
- the degree to which the decision or proposal can be reversed should circumstances warrant, and

In the case of a significant decision in relation to land or a body of water, the council will ensure that it takes into account the relationship of Māori, and their culture and traditions with their ancestral land, water, sites, waahi tāpu, valued flora and fauna, and other taonga.

Where required, the council will use a special consultative procedure as set out in Section 83 of the Local Government Act 2002. For all other matters requiring a decision, the council will determine the appropriate level of community engagement on a case by case basis in accordance with the Policy.

The level of community engagement the council will undertake in relation to a proposal or decision will depend on the significance of that proposal or decision. In general, the more significant a matter, the greater the extent to which the council will engage with the community on it, and the Council will generally consult its communities before making a decision that is assessed as having a high degree of significance.

All consultation and/or engagement with the community by the council will be carried out in accordance with the principles set out in the Local Government Act 2002 and/or the Policy, as relevant..

In limited cases, the council may need to make a decision that is inconsistent with the policy (for example, where failure to make a decision urgently would result in unreasonable or significant damage to property, or risk people's health and safety). In such cases, the council will follow the process set out in section 80 of the Local Government Act 2002.

3.7 Auckland Council Group: Policy approach on Asset Sales

Context

Asset Sales is an important lever for the council to release capital from poorly performing and/or non-service assets and optimise the balance sheet to repay debt and allow for future investment in more strategically aligned activities without pulling other financial levers (mainly debt) further.

As part of this Long-term Plan 2024 – 2034, there is an asset sales target of \$300 million over 10 years.

Once assets have been identified for potential sale, a robust framework for decision-making is in place to ensure asset sales targets are achieved in the most efficient and effective way. Below is an outline of the decision-making framework. This framework reflects existing delegations to council officers, and the legal framework on allocation of responsibilities between Governing Body and Local Boards.

Port of Auckland Limited and shares in Auckland International Airport Limited are out of scope.

Key considerations

Balance Sheet Optimisation

To achieve balance sheet optimisation, council must regularly review its asset portfolio to ensure all assets are meeting their intended use and delivering appropriate value for money. Assets identified that are not fit-for-purpose to deliver services, not receiving an appropriate return on investment and/or are underperforming should be considered for disposal.

Developing the asset sales target for 2024 - 2034

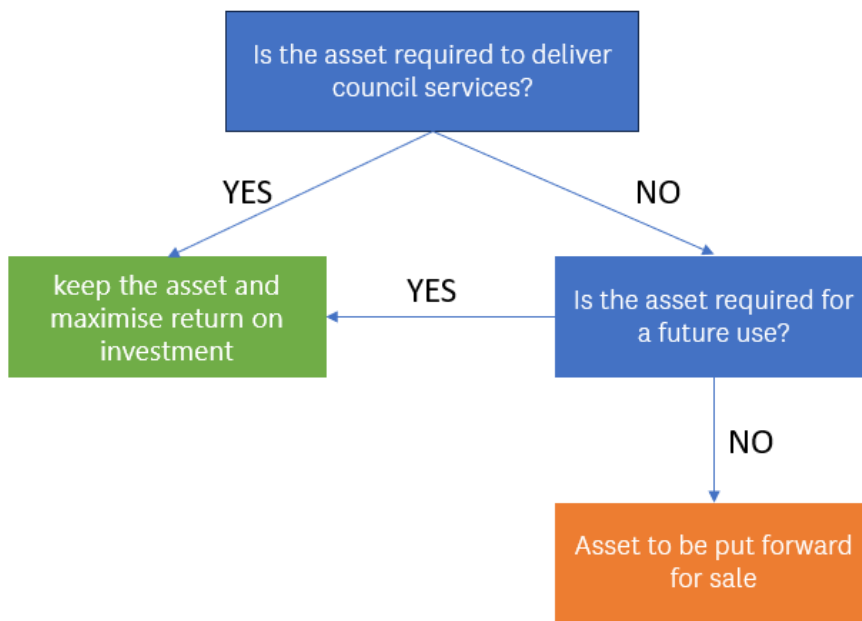
To achieve any asset sales target, there are certain conditions that will be put in place to ensure targets are able to be met. These include:

- principles for asset ownership applied to the property portfolio
- asset optimisation framework identifying roles and responsibilities including clear decision-making rights
- optimised and streamlined property transaction processes
- adequate resourcing, and
- portfolio monitoring by the Revenue, Expenditure and Value Committee (or equivalent committee).

For this target (\$300m over 10 years) to be achieved, a decision-making framework has been agreed and confirmed and balance sheet optimisation principles implemented. Examples of assets that will be sold to achieve this target include the sale of non-strategic property and residual property from infrastructure projects or the sale of business interests that are not core to the delivery of council services.

A high-level framework for making better asset decisions

To achieve the agreed asset sales target, a clear decision-making framework and principles are required to determine whether council needs to retain ownership of assets for the delivery of services and/or future use requirements and enable effective and efficient transactions. Below is a high-level overview of the process that the assets will be assessed against to determine whether they should be sold or optimised:



Asset optimisation framework

A clear framework for decision-making enables decisions to be taken at the appropriate level to ensure that divestment is not unduly delayed, subsequently resulting in targets not being met.

Balance sheet optimisation requires the assessment of both strategic and non-strategic assets identified above for potential optimisation or sale. To assist with efficient decision-making, the framework below identifies the asset classes and the associated decision-maker.

Decision-making Framework for Asset Sales

	Transactional	Local	Regional
What	<ul style="list-style-type: none"> Residual land and property which has been acquired for infrastructure purposes. Operational (E.g. council offices, fleet vehicles) Property acquired for and included in Eke Panuku priority location programmes Storm-impacted land acquired by Auckland Council as a result of the severe weather events of early 2023 	<ul style="list-style-type: none"> As per the allocation table (e.g. libraries, parks, reserves, local street environments, community facilities). Service properties only (e.g. a building currently used as a library or community centre, an open space that is currently open to the public) 	<p>Strategic assets as set out in section 3.2 of the Significance and Engagement policy</p> <p>Non-strategic regional assets that:</p> <ul style="list-style-type: none"> Promote well-being for all Auckland – part of a “network” Enables prudent financial management of council’s assets and finances
How	<ul style="list-style-type: none"> Infrastructure assets have been purchased for a particular purpose, and once the project has been completed then the asset will be moved into the programme for asset disposal Public Works Act considerations Storm-impacted land will be considered on a case-by-case basis in accordance with any guidance or policy in place 	<ul style="list-style-type: none"> Advice to Local Boards on how to options to optimise portfolio Programme to implement 	<ul style="list-style-type: none"> Programme to achieve agreed asset sales targets
Who	Officer Delegation	Local Board	Governing Body
Examples	<ul style="list-style-type: none"> Eastern Busway residual property 	<ul style="list-style-type: none"> Local parks Local community facilities Local arts and culture facilities 	<ul style="list-style-type: none"> Ports Non-service Carparks Marinas
Financial Impact	<ul style="list-style-type: none"> Reduction in capital programme cost 	<ul style="list-style-type: none"> Contribution to funding new assets (reduce debt requirement) Funding source for new local assets (reduce debt requirement) (without sales some new local assets unlikely to be affordable) Reduces future operating costs 	<ul style="list-style-type: none"> Potential debt reduction Capital to redeploy to higher value assets Diversified investment fund
Budget	Regional	Local	Regional

- All asset sales require compliance with all legal obligations applicable to each case (including consultation, where required, and other procedural requirements).
- This table reflects the existing legal framework under section 17 of the Local Government (Auckland Council) Act 2009, the council's allocation of decision-making for non-regulatory activities (see section 3.5) and existing officer delegations. The table gives indicative examples of how it may be applied.
- Please see Table 1: Decision-making framework – further details for relating to the different categories of assets.

Table 1: Decision-making framework – further detail

Category	Rationale for Potential Disposal	Examples	Decision-Maker	Notes / Rules	Budget
Regional ¹	Regional assets where ownership or control of the asset is no longer needed to provide for the long-term provision of services which are critical to achieving or promoting the council's community outcomes, including those identified in the Auckland Plan.	Strategic regional assets: as set out in section 3.2 of the Significance and Engagement policy.	Governing Body decision to go towards Asset Recycling Programme. ²	<p>Where a decision is made to transfer ownership or control of a strategic asset from Auckland Council, this must be explicitly provided for in the long-term plan (section 97, Local Government Act 2002).</p> <p>Some of council's service delivery assets have strategic significance as an overall network or group – in these cases, it is the group of assets or the network as a whole that is the strategic asset, rather than each individual asset or component of the network. Where an asset is, on its own, integral to the functioning of the network as whole, it may be considered a strategic asset on its own.</p> <p>Where a strategic asset is managed by a CCO, the CCO must comply with the CCO Accountability Policy when making decisions in relation to that asset.</p> <p>Must enable Local Board input.</p>	Regional

¹ Enables prudent financial management of council's assets and finances in accordance with section 101 of the Local Government Act 2002.

² Unless water infrastructure (Watercare decision)

Category	Rationale for Potential Disposal	Examples	Decision-Maker	Notes / Rules	Budget
		<p>Non-strategic assets that fall within Governing Body's remit under section 17 of the Local Government (Auckland Council) Act 2009 (LGACA) (broadly, where a Governing Body decision would better promote the wellbeing of communities across Auckland):</p> <p>(a) some networks of assets meet our definition of "strategic asset", and should be considered under that heading; and</p> <p>(b) for all proposed disposal decisions, the principles in section 17 of LGACA and the council's allocation of decision-making for non-regulatory activities will</p>	<p>Governing Body decision to go towards Asset Recycling Programme.³</p>	<p>Must consider the principles for allocation of decision-making responsibility in section 17(2) of the LGACA ⁴</p> <p>Must enable Local Board input.</p>	<p>Regional</p>

³ Unless water infrastructure (Watercare decision)

⁴ Decision-making sits with the Governing Body where the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because:

- (i) the impact of the decision will extend beyond a single local board area; or
- (ii) effective decision making will require alignment or integration with other decisions that are the responsibility of the governing body; or
- (iii) the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.

The Governing Body is responsible, under s 15(1)(d) of the Local Government (Auckland Council) Act 2009, for decision-making in relation to compliance with section 101 of the Local Government Act 2002, which requires the council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Category	Rationale for Potential Disposal	Examples	Decision-Maker	Notes / Rules	Budget
		determine whether the Governing Body or a local board is the decision-maker			
Local	<p>An asset that is:</p> <ul style="list-style-type: none"> Non-strategic - is not necessarily critical for the continued delivery of significant council services Service – but under-utilised or no longer fit-for-purpose 	<p>As per the council's allocation of decision-making for non-regulatory activities (e.g. libraries, parks, reserves, local street environments, community facilities).</p>	<p>Land exchange (TBC either allocation or delegation)</p> <p>Or</p> <p>Service Property Optimisation (Delegation)</p>	<p>Where a local asset also provides for regional activities (e.g. stormwater management), Governing Body approval is required for decisions that would impact the ability to deliver those activities.</p> <p>An asset must meet Service Property Optimisation criteria to be considered for sale, with sales proceeds reinvested into a local project that aligns with existing strategic documents.</p>	Local Board
Transactional	<p>An asset that:</p> <ul style="list-style-type: none"> has been acquired or held to provide for future use or for a particular purpose is surplus to requirement following project completion / purpose having been achieved does not have a current or identified funded future use (non-service) has little or no impact on frontline or delivery services. 	<p>Property acquired for infrastructure purposes and residual land from those infrastructure projects e.g. Eastern busway</p> <p>Operational – council offices, fleet vehicles etc.</p> <p>Property acquired for and included in Eke Panuku priority location programmes.</p> <p>Storm-impacted land acquired by Auckland Council as a result of the severe weather events of 2023</p>	<p>Staff decision (Delegation) with monitoring oversight through the Revenue, Expenditure and Value Committee (or equivalent committee).</p>	<p>Existing general delegation to the Auckland Council Chief Executive from the Governing Body enables this mechanism for disposal.</p> <p>Must enable Governing Body / local board input</p> <p>Note: Where a high level of political interest is identified, or revenue exceeds the chief executive's delegated financial authority, a Governing Body Committee decision will be required.</p>	Regional

3.8 Overview of Auckland Council's CCOs

A council-controlled organisation (CCO) is a company or organisation in which the council controls 50 per cent or more of the votes or the right to appoint 50 per cent or more of the directors or trustees. The council uses CCOs to apply commercial disciplines and specialist expertise in the management of key regional council assets and efficient service delivery.

CCOs are accountable to the council, which agrees the objectives and targets for each CCO and also monitors their performance. The council, in turn, is accountable to ratepayers and residents for the performance of the CCOs.

The council is required to have a policy on the accountability of its substantive CCOs. The policy establishes the council's enduring expectations for each CCO. The council's CCO Accountability Policy can be found as section 3.9 of this document.

To find out more about each CCO, refer to their Statements of Intent, which can be found on the council's website. <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-annual-reports/statements-intent-report-cco>

Substantive CCOs

A substantive CCO¹ is either responsible for the delivery of a significant service or activity on behalf of the council or owns or manages assets with a value of more than \$10 million.

Council's substantive CCOs are:

- **Auckland Transport** – responsible for managing the region's transport system in an effective, efficient and safe way. Auckland Transport provides Auckland's transport requirements (except state highways and Auckland motorways) which include roads, footpaths, cycleways, the public transport network and parking and enforcement.
- **Tātaki Auckland Unlimited²** – responsible for enriching cultural and economic life in Tāmaki Makaurau by creating and sharing experiences and opportunities. Tātaki Auckland Unlimited aims to drive investment and support Auckland businesses to innovate and thrive, enhance Auckland as a culturally vibrant city, provide experiences and opportunities for all, and tell the Auckland story to Aucklanders, New Zealanders and the international community.

Tātaki Auckland Unlimited manages major regional facilities and landmark venues across the region, including: Viaduct Events Centre, Aotea Centre, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Go Media Stadium Mt Smart, North Harbour Stadium, Western Springs Stadium and the New Zealand Maritime Museum.

- **Eke Panuku Development Auckland Limited (Eke Panuku)** – responsible for leading urban regeneration of selected areas across Auckland to promote thriving town centres and quality residential and commercial growth. This includes the city centre and waterfront. Eke Panuku provides property-related services to the Auckland Council Group and manages non-service properties,

¹ The meaning of CCO includes subsidiaries of CCOs. For the purpose of this document any reference to a substantive CCO means the substantive CCO and its subsidiaries.

² Tātaki Auckland Unlimited refers to two substantive council-controlled organisations Tātaki Auckland Unlimited Limited and Tātaki Auckland Unlimited Trust, as outlined in section 1.2.1 of the CCO Accountability Policy

including the city centre marinas. Eke Panuku reviews the council group property portfolio for sites that are surplus to service requirements, are under utilised or require renewal in order to make land available for redevelopment and bring in revenue. Eke Panuku also manages, on behalf of the council, the Westhaven Marina Limited, Westhaven (Existing Marina) Trust and Westhaven (Marina Extension) Trust.

- **Watercare Services Limited (Watercare)** – operates Auckland’s water and wastewater services. It is New Zealand’s largest water utility company. Watercare must keep charges to customers at a minimum while ensuring the long-term integrity of its assets. Watercare’s subsidiary is Auckland City Water Limited, a non trading company. It also has a relationship with and provides funding to the Water Utility Consumer Assistance Trust.
- **Auckland Future Fund Trustee Limited** - as part of the Long-term Plan 2024-2034, the council decided to establish a regional wealth fund to be called the Auckland Future Fund. The purposes of the Fund are to protect the real value of the 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. The fund is to be established as a trust, the Auckland Future Fund Trust, with a company, Auckland Future Fund Trustee Limited, as the corporate trustee of the Trust. Once established Auckland Future Fund Trustee Limited, as corporate trustee for the Auckland Future Fund Trust, will be a substantive CCO.

Contribution to council activities

The activities, financial and performance information of the CCOs is embedded with the group of activity information contained in this plan (section 3 of this document). The groups of activities that each CCO contributes to are in section 2 and are also listed below.

Table 1 – Group of Activities that each CCO contributes to.

CCO	Group of activities
Auckland Transport	Public transport and travel demand management
	Roads and footpaths
Tātaki Auckland Unlimited	Council controlled services
Eke Panuku	Council controlled services
Watercare	Water supply
	Wastewater treatment and disposal
Auckland Future Fund Trustee Limited	Regionally delivered council services - Investment

Legacy CCOs

In addition to its substantive CCOs, Auckland Council has several CCOs which were established before amalgamation. These are commonly referred to as legacy CCOs. While legacy CCOs are smaller in size and scale, they provide a valuable service to a wide range of stakeholders and are key contributors to delivering council programmes and services.

The Contemporary Art Foundation is required to meet CCO governance requirements, such as half-year and annual reports and Statements of Intent. This CCO promotes the arts through ownership and management of the Te Tuhi Centre for the Arts, a public gallery in Pakuranga which hosts local, national and international art exhibitions

The following four CCOs are exempt from CCO governance requirements³:

- Te Taumata Toi-a-Iwi (Arts Regional Trust)– aims to grow entrepreneurship in the Auckland's arts, culture and creative sectors to generate cultural, creative and economic outcomes that benefit the region through the provision of unique and innovative programmes
- Māngere Mountain Education Trust – the Trust administers the Māngere Mountain Education Centre (MMEC) which provides educational opportunities for Aucklanders of all ages to learn about Māngere mountain and its people
- Mount Albert Grammar School Community Swimming Pool Trust – supports the Mt Albert Aquatic Centre, which is a local community pool
- Te Motu a Hiaroa (Puketutu Island) Governance Trust – administers the fund for developing, managing, maintaining, and operating Puketutu Island, working with the council and iwi to transform it into a regional park.

³ Note council has recently approved changes to the Te Puru Community Charitable Trust Deed (May 2024) and Manukau Beautification Charitable Trust Deed (June 2024) to remove their CCO status.

3.9 CCO Accountability Policy

This policy sets out the council's expectations and requirements for its substantive council-controlled organisations (CCOs).

This policy is set in accordance with section 90 of the Local Government (Auckland Council) Act 2009 (LGACA) and more generally the approach used for accountability of substantive CCOs by Auckland Council.

This policy is designed to be understood in conjunction with:

- the general accountability expectations on CCOs required by Part 5 of the Local Government Act 2002
- the Statement of Expectations issued under section 64B of the Local Government Act 2002
- the Statements of Intent of each CCO, as described in Schedule 8 of the Local Government Act 2002
- the constitutions (where applicable) of each CCO
- section 92(2) of the Local Government (Auckland Council) Act 2009 which requires each substantive CCO to act consistently with the relevant aspects of any other plan (including a local board plan) or strategy of the Council to the extent specified in writing by the governing body of the council
- section 64A of the Local Government Act 2002 under which council can require CCOs to prepare and deliver additional plans, including an asset management plan, long-term plan and one or more thematic plans
- Part 7A of the Financial Markets Conduct Act 2013 which provides that the council is as a Climate Reporting Entity and required to make a group climate reporting statement (including on behalf of CCOs)
- Section 3 of the New Zealand's Exchange (NZX) listing rules which has requirements around the disclosure of material information of the council and CCOs, and annual and half-yearly reporting requirements

Under section 92(1) of the Local Government (Auckland Council) Act 2009, a substantive CCO must give effect to the aspects of the council's Long-term Plan relevant to it. The CCO accountability policy must be included in the council's Long-Term Plan (section 90(3)(b)), and as such forms part of it.

Amendments to the policy can only be made through an amendment to the Long-term Plan (section 90(3)(c)).

1. Council's expectations for CCO's contribution to council's objectives and priorities

Section 90(2) of the LGACA sets out the requirements of the accountability policy, and states that:

“(2) The policy must—

- a) *include a statement of the council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, the council's objectives and priorities.*
- b) *include a statement of the council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, any relevant objectives and priorities of central government.”*

The Auckland Plan 2050 is our 30-year strategy for growth and development which brings together social, economic, environmental and cultural objectives for Auckland (not just Auckland Council). The plan includes the Future Development Strategy and six outcomes.

This policy sets out council's common expectations for CCOs as well as the Auckland Plan outcomes, direction and focus areas that each CCO is expected to align with. All CCOs must also comply with relevant legislative requirements, as outlined in the statement of expectations.

The Long-term Plan outlines Auckland Council's funding priorities to deliver on the Auckland Plan.

Statement of Expectations

Auckland Council has a number of expectations of each substantive CCO. Additional expectations to those set out in this policy are outlined in the Statement of Expectations, issued in accordance with section 64B of the Local Government Act 2002. These expectations include:

- how the CCOs should conduct relationships with council, communities, specified stakeholders within those communities and iwi/hapu/Māori organisations
- the expectation that CCOs must act consistently with the council's statutory obligations, including the council's obligations under third party agreements
- any other shareholder expectations, such as expectations in relation to community engagement and collaboration with shareholders and others in the delivery of services.

The statement of expectations is published on Auckland Council's website.

1.1 Common expectations

Auckland Council has a number of common expectations of all its substantive council-controlled organisations in respect of their contribution to, and alignment with, the council's statutory responsibilities, objectives and priorities. Each substantive CCO is to meet the common expectations set out below and the specific expectations for each.

1.1.1 Improve outcomes for Māori

Substantive CCOs must give effect to the council's Māori Outcomes framework 'Kia ora Tāmaki Makaurau' and foster more positive and productive relationships between the council group and Māori, develop the ability of the council group and its people to respond more effectively to Māori and contribute to Māori wellbeing by developing strong Māori communities in Tāmaki Makaurau. This is to be achieved by:

- ensuring that the principles of te Tiriti o Waitangi, such as shared decision-making, partnership and mutual benefit, are applied consistently in activities and decision-making
- implementing and reporting on agreed Te Tiriti o Waitangi Audit actions and Achieving Māori Outcomes (AMO) plans
- fulfilling statutory obligations to Māori under the Local Government (Auckland Council) Act 2009, Local Government Act 2002 and other statutes
- providing council with information necessary to fulfil its statutory duties to Houkura (the Independent Māori Statutory Board) under the Local Government Auckland Council Act 2009, in particular section 88.
- enabling Māori outcomes
- valuing te ao Māori – the Māori world view
- in addition, the substantive CCOs must contribute to achieving a collaborative and aligned approach across the council group to work with mana whenua and mataawaka.

1.1.2 Health and safety

Each substantive CCO is to maintain safe systems of work that ensure compliance with legislative requirements and minimise the risk of harm to their kaimahi and others impacted by their operations. Each substantive CCO is also to participate in the development of a group health, safety, and well-being policy to ensure a common health and safety vision and alignment across the group.

1.1.3 Group policies

Each substantive CCO must implement agreed existing group policies and participate in the development of any further group policies.

1.1.4 Significance and engagement

Each substantive CCO must include customers and communities in decision making where appropriate, using the principles in the Significance and Engagement Policy.

1.1.5 Climate change

Each substantive CCO is to contribute towards implementation of Te Tāruke-ā-Tāwhiri, Auckland Climate Plan and building a climate resilient future for the Auckland region. This is to be achieved by:

- supporting the implementation of actions identified in Te Tāruke-ā-Tāwhiri Auckland Climate Plan as appropriate for each CCO
- supporting the delivery of our regional and organisational targets of halving greenhouse gas emissions by 2030, reaching net zero by 2050 and planning for the impacts of climate change
- embedding climate change considerations into policies, planning and investment decision-making to address the current and anticipated impacts of climate change and support greenhouse gas emissions reduction
- putting systems and processes in place to meet the group's statutory climate reporting requirements, including record-keeping requirements

1.2 Council’s expectations of CCO alignment with and contribution to Council’s objectives and priorities

1.2.1 Tātaki Auckland Unlimited

Tātaki Auckland Unlimited refers to the two substantive council-controlled organisations Tātaki Auckland Unlimited Limited and Tātaki Auckland Unlimited Trust. Tātaki Auckland Unlimited’s role is to enrich the cultural and economic life of Tāmaki Makaurau Auckland. Tātaki Auckland Unlimited Limited delivers programmes and activities to help make Auckland a desirable place to live, work, visit, invest and do business. Tātaki Auckland Unlimited Limited also acts as the corporate trustee for charitable trust Tātaki Auckland Unlimited Trust which manages venues, collections and experiences.

Tātaki Auckland Unlimited aligns with and contributes to the Auckland Plan outcomes in table 1.

Table 1 – Tātaki Auckland Unlimited contribution to Auckland Plan outcomes

Auckland Plan outcome	Tātaki Auckland Unlimited contribution to Auckland Plan directions and focus areas
Belonging and Participation	<ul style="list-style-type: none"> • Create safe opportunities for people to meet, connect and enjoy community and civic life. • Recognise the value of arts, culture and sports and recreation to quality of life.
Opportunity and Prosperity	<ul style="list-style-type: none"> • Create the conditions for a resilient economy through innovation, employment growth and raised productivity. • Attract and retain skills, talent and investment. • Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland’s economy. • Leverage Auckland’s position to support growth in exports.
Māori identity and wellbeing	<ul style="list-style-type: none"> • Promote Māori success, innovation and enterprise. • Showcase Auckland’s Māori identity and vibrant Māori culture. • Celebrate Māori culture and support te reo Māori to flourish.
Environment and cultural heritage	<ul style="list-style-type: none"> • Ensure Auckland’s natural environment and cultural heritage is valued and cared for.

It does this by undertaking the following activities:

- managing some of Auckland’s most important cultural heritage institutions (including Auckland Zoo, Auckland Art Gallery, New Zealand Maritime Museum) and partnering with others (including MOTAT and the Auckland War Memorial Museum)
- maintaining and developing sporting, events and entertainment venues (including the Civic, Aotea Centre, Viaduct Events Centre, Go Media Stadium Mt Smart, North Harbour Stadium, Bruce Mason Centre) and partnering with others (including Eden Park)
- attracting visitors to Auckland and ensuring a range of experiences are available for them to enjoy, including festivals and exhibitions, museums and attractions, and arts, cultural and sporting events
- partnering with other agencies which support business, such as Ministry of Business, Innovation and Employment, Auckland Business Chamber, New Zealand Trade and Enterprise and others
- attracting and providing services and venues for business events - meetings, conferences, conventions, exhibitions and incentive activity

- delivering programmes to attract investment alongside partners including central government, managing specific facilities for sectors such as film, connecting businesses to resources to help them grow
- providing an umbrella approach to a compelling and aligned Auckland story across business, entertainment, and cultural assets.

1.2.2 Auckland Transport

Auckland Transport was legislatively established as a CCO at amalgamation in 2010, to contribute to an effective, efficient, and safe Auckland land transport system in the public interest¹.

Auckland Transport aligns with and contributes to the Auckland Plan outcomes in table 2.

Table 2 – Auckland Transport contribution to Auckland Plan outcomes

Auckland Plan outcome	Auckland Transport alignment to directions in the Auckland Plan
Transport and Access	Maximise safety and environment protection and emissions reduction. Better connect people, places, goods and services. Increase genuine travel choices for a healthy, vibrant and equitable Auckland.

In doing so, Auckland Transport is to:

- make Auckland’s transport system safe by eliminating harm to people
- accelerate better travel choices for Aucklanders
- better connect people, places, goods and services
- enable and support Auckland’s growth through a focus on intensification in brownfield areas, with some managed expansion in line with the Future Development Strategy
- improve environmental resilience and sustainability of the transport system, and significantly reduce the greenhouse emissions it generates.

Auckland Transport also contributes to the other outcomes in the Auckland Plan - Māori Identity and Wellbeing, Belonging and Participation, Homes and Places, Environment and Cultural Heritage and Opportunity and Prosperity.

It contributes to these outcomes by undertaking the following activities:

- providing an excellent customer experience for all services and customers
- supporting the Council Group’s contribution towards Māori wellbeing outcomes, expectations and the aspirations of Māori under the Treaty of Waitangi
- collaborative partnering with funders, partners, mana whenua, stakeholders and communities
- running an operating model that is agile, financially sustainable and delivers economic benefits
- enabling and enhancing culture and capability.

¹ Section 39, Local Government (Auckland Council) Act 2009.

1.2.3 Eke Panuku Development Auckland Limited

The purpose of Eke Panuku (full name Eke Panuku Development Auckland Limited) includes facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities. Eke Panuku also manages council's non-service property portfolio and provides strategic advice on council's other property portfolios.

Eke Panuku aligns with and contributes to the Auckland Plan outcomes in table 3.

Table 3 – Eke Panuku contribution to Auckland Plan outcomes

Auckland Plan outcome	Eke Panuku contribution to Auckland Plan directions and focus areas
<i>Homes and Places</i>	<ul style="list-style-type: none"> Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living. Accelerate the construction of quality homes that meet Aucklanders' changing needs and preferences. Develop a quality compact urban form to accommodate Auckland's growth and support a low carbon future.
Belonging and Participation	<ul style="list-style-type: none"> Create safe opportunities for people to meet, connect, participate in, and enjoy community and civic life.
Opportunity and Prosperity	<ul style="list-style-type: none"> Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy.
Māori identity and wellbeing	<ul style="list-style-type: none"> Showcase Auckland's Māori identity and vibrant Māori culture. Celebrate Māori culture and support te reo Māori to flourish. Reflect mana whenua mātauranga (Māori knowledge) and Māori design principles throughout Auckland.
Environment and cultural heritage	<ul style="list-style-type: none"> Use green infrastructure to deliver greater resilience, long-term cost savings and quality environmental outcomes.
Transport and access	<ul style="list-style-type: none"> Better integrate land use and transport Make walking, cycling and public transport preferred choices for many Aucklanders

It does this by undertaking the following activities:

- leading the regeneration of council's agreed urban locations by making the most of Auckland Council owned land, facilitating a shared vision and working with the council group, the crown, private sector, community housing providers, mana whenua, local boards and infrastructure providers
- identifying opportunities to improve the amenity, attractiveness, connectivity, and resilience of town centres as places to live, work, visit and do business, building confidence for others to invest
- place making and engaging with communities and stakeholders on the changes taking place, testing ideas and strengthening the connection between people and place
- selling Auckland Council's surplus property, developing unused and underutilised property assets to unlock revenue and enable new housing and commercial development
- managing council's assets/property including commercial, residential and marina infrastructure, or redevelopment incorporating a service delivery function
- undertaking other urban regeneration and property-related services such as strategic property advice, acquisitions and disposals and where appropriate, reviewing council's service property for optimisation and redevelopment opportunities.

1.2.4 Watercare Services Limited

Watercare Services Limited (Watercare) provides Auckland’s integrated water supply and wastewater services.

Watercare aligns with and contributes to the following Auckland Plan outcomes in table 4²:

Table 4 – Watercare contribution to Auckland Plan outcomes

Auckland Plan outcome	Watercare alignment / contribution to Auckland Plan directions and focus areas
Environment and cultural heritage	<ul style="list-style-type: none"> Ensuring Auckland’s natural environment and cultural heritage is valued and cared for. Applying a Māori world view to treasure and protect our natural environment (taonga tuku iho). Using growth and development to protect and enhance Auckland’s natural environment. Ensuring Auckland’s infrastructure is future-proofed.
Homes and Places	<ul style="list-style-type: none"> Developing a quality, compact urban form to accommodate Auckland’s growth.
Māori identity and wellbeing	<ul style="list-style-type: none"> Advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights.

It does this by undertaking the following activities:

- delivering high quality drinking water to its customers
- treating wastewater to a high standard before discharging it to the environment
- maintaining and expanding water and wastewater infrastructure to cater for Auckland’s growth
- enabling and supporting Auckland’s growth through a focus on intensification in brownfield areas, with some managed expansion in line with the Future Development Strategy
- working with the council (including Healthy Waters), other council-controlled organisations and infrastructure providers to achieve the council’s objectives and priorities in an efficient and effective way, including in particular the optimisation and integration of Auckland’s water, wastewater and stormwater (the three waters provided by Watercare and Healthy Waters) outcomes for the benefit of current and future Aucklanders.

² Watercare also has specific statutory obligations as the ‘Auckland water organisation’, which are set out in sections 57 and 58 of the Local Government (Auckland Council) Act 2009.

2. 1.2.5 Auckland Future Fund Trustee Limited (as corporate trustee of the Auckland Future Fund Trust)

As part of the Long-term Plan 2024-2034, the council decided to establish a regional wealth fund to be called the Auckland Future Fund. The fund is to be established as a trust, the Auckland Future Fund Trust, with a company, Auckland Future Fund Trustee Limited, as the corporate trustee of the Trust.

It is intended that the Auckland Future Fund Trust and Auckland Future Fund Trustee Limited will be established and commence operation as soon as possible after 1 July 2024. Once established, Auckland Future Fund Trustee Limited, as corporate trustee for the Auckland Future Fund Trust, will be a substantive CCO. The role of Auckland Future Fund Trustee Limited is to:

- Act as the corporate trustee of the Auckland Future Fund Trust
- Leverage greater returns to fund council operations, reduce risk and provide better long-term financial sustainability in meeting the purposes of the Auckland Future Fund (as set out in the Auckland Future Fund Policy (see Volume two, section 3.10 of this Long-term Plan 2024-2034)).

To the extent that there is any inconsistency between this policy and the Auckland Future Fund Policy, the Auckland Future Fund policy takes precedence.

Auckland Future Fund Trustee Limited aligns with and contributes to the Auckland Plan outcomes in table 5.

Table 5 – Auckland Future Fund Trustee Limited contribution to Auckland Plan outcomes

Auckland Plan outcome	Auckland Future Fund alignment to directions in the Auckland Plan
Opportunity & Prosperity	Create the conditions for a financially more resilient Auckland.

In doing so, Auckland Future Fund Trustee Limited is to:

- reduce the costs to Aucklanders by accessing greater long term investment returns.
- make Auckland more financially sustainable by protecting its intergenerational invested assets for future Aucklanders.
- diversify financial risk by accessing specialist advice to invest on a wider geographical, industry and financial basis
- make use of council group shared services for all operational support and back-office functions, noting that employment of any staff will require consent of Auckland Council’s Chief Executive.

2. Additional reporting requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

- c) *specify any reporting requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.*"

2.1 Half-yearly and annual reports

Sections 66 to 68 of the Local Government Act 2002 (LGA) set out requirements for CCOs to provide half-yearly and annual reports on their operations to the council.

The half-yearly report must be provided within two months after the end of the first half of each financial year. The annual report must be delivered to the council no later than three months after the end of the financial year, and must be publicly available on the CCO's website, with a hard copy available to any member of the public upon request. The release of the half-yearly and annual reports are required to be managed in accordance with the Financial Markets Conduct Act 2013 and NZX listing rules as noted under Section 2.4.

In addition to the statutory requirements, each substantive CCO is to provide additional reporting as set out below.

2.2 Quarterly reporting

In addition to the statutory requirements for half-yearly and annual reports, the council requires all substantive CCOs to provide:

- a quarterly report on their statement of intent (SOI) performance to the council, no later than 1 month after the end of the first and third quarter of each financial year³. The quarterly report must report against the performance targets and key capital and operations programmes / projects set out in its SOI, and must be in the format required by the council
- a group financial quarterly reporting pack as per instructions and timeframes issued by the Group Financial Controller (which includes financial and other information required by the council to fulfil its reporting obligations under legislation and New Zealand Exchange (NZX) regulations)

2.3 Attendance at council committee meetings

The chair and chief executive of each substantive CCO (the chair and the representative of the fund administrator in the case of Auckland Future Fund Trustee Limited) are expected to appear before the relevant council committee when it meets to consider the CCO's performance against its SOI.

Representatives from the board of each substantive CCO may be required to appear before the relevant council committee when it meets to consider its annual report and/or fourth quarter report.

2.4 New Zealand Exchange requirements

Substantive CCOs must adhere to the New Zealand Exchange (NZX) requirements and work with the council on the timing of public release of financial information. In particular, CCO and group information must remain confidential until the group interim report and the group preliminary NZX announcement by the council are released to the NZX at the end of February and August, respectively or as advised from time-to-time by the Group Treasurer.

³ As provided for in s91(1)(b) of the Local Government (Auckland Council) Act 2009.

Substantive CCOs must also comply with the requirements of Auckland Council's Disclosure Policy which is based on the NZX listing rules.

2.5 Audit and risk reporting requirements

Each substantive CCO must:

- provide a risk report and top risks register (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis
- provide a risk summary (using standard template format) to be reported to the council's Audit and Risk Committee on a quarterly basis. This summary will be reported to the council's Audit and Risk Committee as a confidential item
- ensure relevant board members (or their delegates) attend the meeting of the council's Audit and Risk Committee as requested by the committee. This will be every twelve months or as the Committee requires
- as part of end of financial year processes, report all Audit New Zealand findings through council staff to the council's Audit and Risk Committee in format specified by council and attend the relevant Audit and Risk Committee meeting to discuss these audit and financial risk updates.

2.6 Provide information as required

Each substantive CCO is required to provide information on any aspect of a CCO's performance against its statement of intent if required to by a resolution of the relevant council committee.

2.7 Climate reporting

Auckland Council is a Climate Reporting Entity under the Financial Markets Conduct Act 2013, which means the group's climate statement will need to comply with this Act and consequently the Aotearoa New Zealand Climate Standards (from 30 June 2024). Each substantive CCO is required to provide information on greenhouse gas emissions (direct and indirect, Scope 1, 2, 3) in line with Auckland Council Group greenhouse gas reporting methodology and policy on an annual basis.

3. Additional planning requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

- d) specify any planning requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

3.1 Inputs to Long-term Plan and Annual Plan

Each substantive CCO must have asset management plans, activity plans, performance frameworks and supporting financial information as inputs to the council’s Long-term Plan and Annual Plan in accordance with the timeframes and other requirements specified by the council.

Each substantive CCO (with the exclusion of Auckland Future Fund Trustee Limited) should provide council with an updated asset management plan on an annual basis, in August of each year. This is to inform the group planning and budgeting processes and support monitoring of council’s urban growth strategy and other strategies. The updated asset management plan should clearly outline assumptions made and the information that has informed those assumptions.

3.2 Further requirements

Each substantive CCO must:

- use accounting policies and standards that are consistent with the council group’s accounting policies and standards
- comply with council tax initiatives and policies
- follow any other planning requirements specified by the council and notified to CCOs
- prepare an Achieving Māori Outcomes Plan, and work with the council to monitor and report against it
- prepare a local board engagement plan in accordance with the framework specified by council.

4. Management of strategic assets by council-controlled organisations

Section 90(2) of the LGACA states that:

“(2) *The policy must—*

- e) *identify or define any strategic assets in relation to each substantive council-controlled organisation and set out any requirements in relation to the organisation’s management of those assets, including the process by which the organisation may approve major transactions in relation to them.*”

4.1 Identification of strategic assets

Strategic assets are defined in section 5 of the Local Government Act 2002 as assets that a local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community. This includes:

- a) any asset or group of assets listed in the local authority’s Significance and Engagement Policy; and
- b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in -
 - 1. a port company;
 - 2. an airport company.

Sections 3.1 and 3.2 of council’s Significance and Engagement Policy specify which assets or group of assets the Council has determined to be “strategic assets”. Some of these are owned or managed by substantive CCOs. The table below identifies the strategic assets, as specified in council’s Significance and Engagement Policy, which are owned or managed by substantive CCOs. The table should be read alongside the commentary and definitions in the Significance and Engagement Policy.

If there is any inconsistency between the assets identified as strategic assets in this table and the Significance and Engagement Policy, the Significance and Engagement Policy prevails.

The strategic assets owned and/or managed by the council’s substantive CCOs are any scheduled heritage buildings or structures and the assets set out in table 6.

Table 6 – Strategic assets owned or managed by substantive CCOs

Council-controlled organisation	Strategic assets owned and managed by the CCO	<i>Strategic assets owned by the council and managed by the CCO</i>
Auckland Transport	The public transport network and footpath assets	<i>Roading and footpath assets</i>
Tātaki Auckland Unlimited Limited as corporate trustee of the Tātaki Auckland Unlimited Trust	The network of stadiums and venues Auckland Zoo Auckland Art Gallery, including the associated art collection	

Council-controlled organisation	Strategic assets owned and managed by the CCO	<i>Strategic assets owned by the council and managed by the CCO</i>
Eke Panuku Development Auckland Limited	None	<i>The freehold interests in central Auckland waterfront land</i>
Watercare Services Limited	The wastewater network / system The water supply network / system	<i>none</i>
Auckland Future Fund <i>Trustee</i> Limited as corporate trustee of the Auckland Future Fund Trust	The Auckland Future Fund (as a whole)	

4.2 Requirements in relation to the management of strategic assets by CCOs

The strategic assets owned and managed by, or owned by the council and managed by, Auckland Future Fund Trustee Limited are to be managed in accordance with the requirements set out in the Auckland Future Fund Policy (Volume two, Section 3.10). For avoidance of doubt, sections 4.2.1-4.2.5 of this policy do not apply to Auckland Future Fund Trustee Limited.

4.2.1 Principles for the management of strategic assets

Each substantive CCO must manage the strategic assets set out in Table 1 in a way that:

- maximises the long-term benefit of the strategic assets to Auckland
- gives effect to the expectations set out in section 1 of this policy and the performance measures set out in this long-term plan
- enables the CCO to achieve the objectives and performance measures set out in its statement of intent

In making a decision about a strategic asset that may affect the council’s long-term interest in that asset or the associated service delivery to Aucklanders, each substantive CCO must consider the following factors in relation to the proposal, in addition to any of its own considerations:

- the contribution of the issue or proposal to meeting the council’s expectations of the CCO as set out in this policy, the long-term plan, Statement of Expectations and in the statement of intent
- any impacts on the council’s other objectives or priorities (both positive and negative)
- its consistency with the council’s other plans and strategies, including area-specific plans
- the likely financial impacts of the proposal, noting the opportunity cost of any investment or expenditure
- the risks associated with the proposal, including its consistency with council’s enterprise risk framework and appetite.

4.2.2 Shareholder oversight of strategic assets and major transactions

Table 7 below provides guidance for CCOs about expectations for shareholder oversight of decisions about strategic assets and major transactions.

A fundamental principle is that CCOs must ensure that they comply with the no surprises policy and any requirements set out in a Statement of Expectations issued to a CCO, and engage with ward councillors and local boards on issues of local significance. An early discussion about the proposal with Council staff should be undertaken, before any decisions have been made which commit the CCO into a course of action, and with sufficient time for council to consider the proposal. Where it is not clear if the proposed action or decision is consistent with an agreed strategy of the council, a CCO should engage with council staff.

The table below sets out examples of transactions which may require shareholder oversight, but cannot capture the full range of possible situations and transactions which may be proposed by CCOs. For example, an action or decision may indicate shareholder approval is required under table 2 below, but not be material to the council's long-term interest in the strategic asset and the associated service delivery to Aucklanders. In these cases, approval from the council may not be required. This can be granted at the discretion of the Mayor, Chair of the Budget Committee and the council's Chief Executive, according to the criteria in the council's Significance and Engagement Policy.

Table 7 – Shareholder oversight of strategic assets and major transactions

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
<ul style="list-style-type: none"> • Carry out a <i>major transaction</i> (defined in 4.2.3 below) • Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders and: <ul style="list-style-type: none"> ○ which represents or may represent a departure from an agreed strategy of the council; or ○ where there is no agreed strategy of the council 	<ul style="list-style-type: none"> • The sale of any part of Britomart • A 20-year lease on waterfront land 	<p>Approval of the governing body of Auckland Council is required except where it is already provided for in the Long-term Plan. Note that some major transactions must be set out in the Long-term Plan.</p> <p>Some decisions must be included in the long-term plan. Section 97 of the Local Government Act 2002 requires that:</p> <p>(a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity and</p> <p>(b) a decision to transfer the ownership or control of a strategic asset to or from the local authority must be explicitly provided for in the Long-term Plan and must have been consulted on during the development of the Long-term Plan.</p>
<ul style="list-style-type: none"> • Undertake an action or make a decision which may affect the council's long-term interest in a 	<ul style="list-style-type: none"> • Feasibility studies of a significant activity or investment 	<p>Refer to the fundamental principles described above about early engagement with council.</p>

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
strategic asset or the associated service delivery to Aucklanders which is consistent with an agreed strategy of the council	<ul style="list-style-type: none"> The development of a water efficiency strategy 	In some cases approval of Auckland Council may be required, and in others, provisions of information to the governing body through a workshop or memorandum will be sufficient. Engage with relevant local boards in accordance with the Statement of Expectations.
<ul style="list-style-type: none"> Undertake any operational actions that are part of day-to-day business, or which implement agreed decisions 	<ul style="list-style-type: none"> Entering into a contract for the provision of food and beverage services at Go Media Mt Smart Stadium 	No governing body oversight is required.

4.2.3 Definition of major transaction

For the purposes of this accountability policy, a “major transaction⁴” is:

Any acquisition, disposal or replacement of a strategic asset, other than ongoing asset renewal in accordance with a CCO’s asset management plan.

Any transaction or dealing in relation to a strategic asset:

- o Reducing control over the asset (whether directly or indirectly).
- o Reducing or materially affecting the asset’s value.
- o Granting any legal interest in the asset to a third party.
- o Affecting the CCO’s or council’s ownership of the asset.

Any long-term contracts for the development or operation of a strategic asset (being a contract binding the CCO to a term exceeding fifteen years, including any renewals at the contractor’s option).

Any matters covered by the rights and securities issues, takeover offers, mergers and capital restructuring sections of the Auckland Airport Shareholding Policy.

In relation to network infrastructure, a transaction only qualifies as a major transaction if it relates to any part of a network which:

- is integral to the functioning of the network as a whole, or
- substantially affects the level of service provided to the community.

A lease granted by a CCO on a strategic asset is not a major transaction if the lease:

- i. is granted in the ordinary course of the CCO’s business on arms-length terms; and
- ii. does not exceed fifteen years in duration (including any renewals at the lessee’s option); and
- iii. does not exceed \$500,000 in rent per annum.

⁴ Note that this is a different definition of “major transaction” to that provided for in the Companies Act 1993, which has different requirements associated with it. Refer to section 4.2.4.

4.2.4 Major transactions under the Companies Act 1993

Under section 129 of the Companies Act 1993 a company must not enter into a major transaction unless the transaction is approved by special resolution; or contingent on approval by special resolution⁵. This covers:

- a) the acquisition of, or an agreement to acquire, whether contingent or not, assets⁶ the value of which is more than half the value of the company's assets before the acquisition;
- b) the disposition of, or an agreement to dispose of, whether contingent or not, assets of the company the value of which is more than half the value of the company's assets before the disposition;
- c) a transaction that has or is likely to have the effect of the company acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the company's assets before the transaction.

Where a special resolution is required, it will be assessed against the criteria set out in section 4.2.5 below.

4.2.5 Process where the council's approval is required

Where approval of the council is required, it will be assessed against the following criteria:

- the contribution of the proposal to meeting the expectations set out in this policy and in the statement of intent, and other plans and strategies of council
- the financial impacts of the decision
- evidence that the relevant CCO's Board has considered all of the relevant information which would influence the decision, including the risks and mitigations; and
- any other factor that the council considers to be relevant, including consistency with council's enterprise risk framework and appetite
- for decisions which require council approval, quality advice standards⁷ which are required for council decision-making should be adhered to by CCOs in papers prepared for board decision-making. Specifically, robust analysis of options and alternatives should be visible.

⁵ Special resolution means a resolution approved by a majority of 75 per cent or, if a higher majority is required by the constitution, that higher majority, of the votes of those shareholders entitled to vote and voting on the question.

⁶ Includes property of any kind, whether intangible or tangible.

⁷ A summary of Quality Advice Standards can be accessed here: <https://governance.aucklandcouncil.govt.nz/media/viblW05q/quality-advice-standards.pdf>

3.10 Auckland Future Fund Policy

Policy purpose and overview

The purpose of this policy is to set out the strategy for the governance and management of the Auckland Future Fund (AFF or the Fund) to ensure that the Fund meets its intended purposes, for the benefit of current and future Aucklanders. This includes reflecting the strict protections to be maintained to protect the long-term real value of the Fund.

The policy outlines how the Fund is to be established and protected, how distributions will be managed, and how this policy relates to other key policies.

Policy background

As part of the Long-term Plan 2024-2034, the council decided to establish a regional wealth fund, to be called the Auckland Future Fund, to improve Auckland Council's (council's) financial and physical resilience.

The Fund will be initially capitalised with council's shareholding in Auckland International Airport Limited (AIAL), and council will work to identify opportunities to make further capital contributions to the Fund.

It was resolved that the Council's Airport Shareholding Policy be amended to enable the sale of AIAL shares by the fund manager to achieve the purposes of the Fund. Diversification of council's investments, both financially and geographically, will improve the council's financial and physical resilience.

Policy details

Structure of the Fund

The council considers that the Fund (as a whole) is a strategic asset for the purposes of the Local Government Act 2002, and will treat it as such for the purposes of the Significance and Engagement Policy.

The Fund shall be held in trust by the Trustee pursuant to a Deed of Trust, materially in the form approved by Governing Body.

The Trustee shall be a 100 per cent subsidiary of Auckland Council. As such the Trustee will be a substantive Council-Controlled Organisation (CCO). There shall be at least three and no more than five directors of the Trustee. Directors of the Trustee shall be appointed and removed in accordance with the council's Appointments and Remuneration Policy for Board members of Council Organisations.

Trust decisions will be made independently by the Trustee in accordance with the governing documents of the Fund which include:

- The Auckland Future Fund Trust Deed
- The Responsible Investment Policy
- The Auckland Future Fund Distribution Policy

The Trust Deed shall not be amended other than in accordance with this Policy or the Trust Deed. Distributions, investment and Trust powers and objects are as set out in the Trust Deed and this Policy.

Purpose of the Fund

The purposes of the Auckland Future Fund are to:

- a. Protect the real value of the Trust's assets over time, so they can continue to benefit future generations; and
- b. Provide a strong return to council to fund services and infrastructure.

Powers of investment

All investment and transactional decisions of the Fund shall be made by the Trustee in accordance with the Trust Deed, Trusts Act 2019, this policy, and the other policies and documents referenced in the section entitled 'Interrelationships with other Policies and Documents' below.

Auckland Council shall not direct the Trustee through any other channel as to the investments or activities of the Fund, including any related party transactions or investments.

Distributions from Fund

Distributions to Auckland Council will be made in accordance with the Auckland Future Fund Distribution Policy.

Liquidity Support

In consideration of council capitalising the Fund, the Trustee shall provide liquidity support to council on the following basis:

- There shall be no commitment fees or margin payable for the existence of the liquidity support facility.
- Liquidity support shall otherwise be on arms-length terms including interest payable at a rate of BKBM (benchmark interbank interest rate in New Zealand) plus 200 basis points on any drawdowns.
- Appropriate documentation shall be entered into between the Trustee and council to document the terms of the facility.

Changes to the Fund or Trust

Provided that the purpose and levels of protection of the Fund are unaffected, the council may amend the operational structure and terms of the Fund, the Trust Deed, Trustee or director appointment processes without the need to amend this Policy, including to account for:

- Change of law (including tax) which might materially adversely impact council or the Fund.
- Inclusion of additional assets in the Fund.
- Operational efficiencies or changes to council practice.
- Transfer of the Fund to an alternative trust structure (including resettlement of the trust).
- Structural changes such as changes to the form of the corporate trustee or restructuring the council's rights and interests between entities within the council group.
- Creating sub-funds or specific asset and investment classes within the Fund.

Inter-relationships with other policies and documents

This policy sets out the overarching strategy for the Fund with strong inter-relationships with other policies as outlined below:

- **Auckland Airport Shareholding Policy** – The Auckland Airport Shareholding Policy provides for the council to transfer its shareholding in Auckland International Airport Limited (AIAL) to the Fund and enables the **Trustee** to sell AIAL shares to achieve the purposes of the Fund. To the extent that there is any inconsistency between this policy and the Auckland Airport Shareholding Policy, this policy takes precedence.
- **Auckland Future Fund Distribution Policy** – The AFF Distribution Policy sets out the rules regarding distributions from the Fund to Auckland Council.
- **Auckland Future Fund Trust Deed** – The AFF Policy and AFF Trust Deed are intricately linked, with the Trust Deed elaborating on the role of the Trust, the relevant parties, the role and powers of the Trustees, and the objectives of the Trust.
- **CCO Accountability Policy** – The nature of the AFF is different from other substantive CCOs as it is not a direct provider of services. To the extent that there is any inconsistency between this policy and the CCO Accountability Policy, this policy takes precedence.
- **Responsible Investment Policy** – This policy sets out the guidelines for responsible investments including Environmental, Social and Governance (ESG) and climate change considerations, as well as detailing council's preferences in so far as the types of company activities that council would wish to exclude from any portfolios held.
- **Significance & Engagement Policy** – The council considers that the Fund (as a whole) is a strategic asset. Therefore, any decisions in relation to the Fund (as a whole) must be made in accordance with the relevant provisions of the council's Significance & Engagement Policy.
- **Statement of Investment Policy & Objectives for Auckland Future Fund (SIPO)** – The SIPO elaborates on the details around investment rules such as the asset allocations, and any specific objectives.
- **Statement of Intent (SOI)** – The Statement of Intent, as required by, and described in Schedule 8 of the Local Government Act 2002, will be developed by the Trustee and agreed to by council.

Amendment of this Policy

Any proposed amendments to this policy will be made through a long-term plan or long-term plan amendment process.

3.10.a Auckland Future Fund Distribution Policy

Purpose and Objectives

This policy sets out the guidelines for distributions from the Auckland Future Fund (AFF or the Fund), a regional wealth fund established by Auckland Council in 2024.

This policy states under what circumstances distributions may be made from the Fund, limits on those distributions and the frequency with which distributions may be made.

It should be noted that the Auckland Future Fund (as a whole) is a strategic asset, owned and managed by the AFF Trust. Assets and investments within the Fund are not themselves strategic assets. This distribution policy should be read in conjunction with both the Auckland Future Fund Policy and the Auckland Future Fund Trust Deed.

The Auckland Future Fund is a long-term fund which should be managed and applied for the benefit of the current and future communities of the Auckland Region.

The purposes of the Auckland Future Fund are to:

- a. Protect the real value of the Trust's assets over time, so they can continue to benefit future generations; and
- b. Provide a strong return to council to fund services and infrastructure.

In implementing this policy, the Trustee shall not act in any way which is inconsistent with the Trust Deed.

Protection of the real value of the Fund

Consistent with the Purposes of the Fund, the Trustee will preserve the real value of the Fund over time (the **Guiding Principle**). By 'real value' in this context, council means the capital of the Fund on the settlement date plus annual growth based on the midpoint of RBNZ's targeted inflation rate from time to time.

The surplus of the Fund's value over its 'real value' (on average over time) is intended to be distributed to the council in accordance with this Policy.

Allowable Distributions

Regular Distributions to Auckland Council

One of the Fund's purposes is to provide a strong return to council to fund services and infrastructure which occurs by way of regular distributions.

On an agreed date (or dates) in each financial year (*to be agreed as part of the Statement of Intent*), the Trustee shall make one or more distributions to Auckland Council in an aggregate amount equal to the applicable Distribution Amount.

The Distribution Amount will be the amount equal to the applicable Distribution Rate (defined below) as a percentage of the capital value of the Fund (based on the average monthly value of the fund over the preceding three years), provided that:

- for the financial year ending 30 June 2025 the Distribution Amount will be the amount equal to the applicable Distribution Rate calculated as a percentage of the capital value of the Fund as at the date the Fund was settled on the AFF Trust, pro-rated for the portion of the financial year that the Fund has been invested, and
- for the financial years ended 30 June 2026 and 30 June 2027 the Distribution Amount will be the amount equal to the applicable Distribution Rate calculated as a percentage of the capital value of the Fund as at the date the Fund was settled on the AFF Trust.

Distribution Rate

The Distribution Rate will be calculated, as below, by assessing the expected long-term median return on the Fund, deducting the expected costs of operating and transacting the Fund, and then retaining a portion of that net return to protect the long-term real value of the Fund.

Forecast long term median annual return (Gross Return)	x%
Less: operating and transaction costs	y%
Net Return	x% - y%
Less: retention to preserve capital value	z% ¹
Distribution Rate	Net return - z%

Provided that when setting the relevant Distribution Rate, the Trustee shall have regard to the long-term performance of the Fund against the Guiding Principle. This means that:

- (A) If the Trustee is confident that the Fund will be compliant with the Guiding Principle in the long term, it may set a Distribution Rate which may result in the short-term infringement of the Guiding Principle; and
- (B) Conversely, the Trustee may set a lower Distribution Rate to the extent necessary for long-term compliance with the Guiding Principle.

¹ Midpoint based on RBNZ targeted inflation rate.

The Trustee shall base its determination of the Distribution Rate on advice from suitably qualified professional advisors and provide council with an explanation of how each component of the relevant Distribution Rate has been calculated including professional advice relied on. The Trustee’s determination shall be final and binding in the absence of manifest error.

The Trustee is permitted to sell and convert capital assets of the Fund into cash to the extent necessary to enable the Trustee to make distribution payments under this policy.

Distributions for Financial Years ending 30 June 2025, 2026, and 2027

The initial Distribution Rate to be used for the regular distribution of earnings to council for the financial years ending 30 June 2025, 30 June 2026 and 30 June 2027 shall be 5.24% p.a. The initial Distribution Rate was calculated by assessing the expected long-term median return on the Fund², deducting the expected costs of operating and transacting the Fund³, and then retaining a portion of that net return to protect the long-term real value⁴ of the Fund. At the time of establishment, this has been assessed as follows:

Forecast long term median annual return (Gross Return)	7.64%
Less: operating and transaction costs	0.40%
Net Return	7.25%
Less: retention to preserve capital value	2.00%
Distribution Rate	5.24%

Amendments to this Policy

Any proposed amendments to this policy (other than amendments of a minor or technical nature) will be made through a long-term plan or long-term plan amendment process.

² Based on the median annual rate of return expected for an 80/20 growth/income investment fund Source: Russell Investments

³ Indicative annual cost of fund management as a percentage of fund balance Source: PwC

⁴ Based on midpoint of RBNZ’s targeted inflation rate (source: Stats NZ).

3.11 Auckland Airport Shareholding Policy

Policy purpose and overview

The purpose of this policy is to set out the strategy for managing the council's investment in Auckland International Airport Limited (AIAL), the NZX listed company that owns and operates Auckland Airport.

On 16 May 2024, Governing Body agreed to establish a regional wealth fund, the Auckland Future Fund (the **Fund**) capitalised with council's shareholding in AIAL. This policy enables the council to transfer its shareholding in AIAL to the Auckland Future Fund, and the subsequent sale of AIAL shares by the Trustee to achieve the purposes of the Fund, as set out in Section 3.10 Auckland Future Fund Policy.

To the extent that there is any inconsistency between this policy and the Auckland Future Fund Policy set out in Section 3.10, the Auckland Future Fund Policy takes precedence.

Policy background

As at 31 January 2024, the council owned 163,231,446 shares in AIAL, which equated to around 11 per cent of the total shares in AIAL.

Section 5 of the Local Government Act 2002 (the LGA) defines the council's shareholding in AIAL as a strategic asset. Under section 97 of the LGA, a transfer of ownership or control of a strategic asset can only occur if the decision to do so is provided for in the council's long-term plan.

As part of the Long-term Plan 2024-2034, the council decided to establish a regional wealth fund, the Auckland Future Fund, (**Fund**) capitalised with council's shareholding in AIAL. The Fund is intended to be established and commence operations as soon as possible after 1 July 2024.

In this policy, references to the council (or Governing Body) should be read as references to the Trustee following a transfer of the AIAL shares to the Fund.

Policy details

Objective for shareholding

The objective is to manage shares in Auckland Airport as a financial investment.

Strategy

The council's strategy is to transfer the council's AIAL shareholding to the Fund and to enable the Trustee to manage the AIAL shareholding (which may include selling some or all shares) to achieve the purpose of the Fund as set out in Section 3.10 Auckland Future Fund Policy.

Dividend reinvestment plan

The council's default position will be to not participate in AIAL's Dividend Reinvestment Plan.

Rights and securities issues

The council will decide whether or not to participate in rights and securities issues (or similar) on a case-by-case basis. In determining whether it will participate, council will take into account the:

- objective of this policy
- impact on the council's budget of funding an additional investment

- extent of any discount to market in the issue price, taking into account the likelihood of the council being able to realise this
- future prospects for the business
- economic effects of the rights or other securities issue structure.

Takeover offers, mergers and capital restructuring

The council will assess any options that may become available to it against the purpose of the Fund (as set out in Section 3.10 Auckland Future Fund Policy).

Implementation options

A change in ownership or control of some or all of the council's shareholding in AIAL or a restructure of the council's interest may take place by any of the options listed below, or by a combination of those options, or in any other ways that satisfy the council's policy set out above.

Option 1: The council joins a consortium, which will execute a full or partial takeover or otherwise acquire a substantial stake in AIAL.

Option 2: The council agrees to AIAL merging with another company, exchanging the council's shares in the airport for shares or other securities in the new entity.

Option 3: The council agrees to AIAL being restructured so that its business units separate into stand-alone entities, with the council receiving a proportionate equity stake in one or all of the stand-alone entities.

Option 4: The council sells shares, or other securities, in Auckland Airport for cash or some other form of consideration.

Option 5: The council buys shares or other securities in Auckland Airport.

Option 6: The council transfers its ownership stake in Auckland Airport to a holding company, or Auckland Future Fund.

Option 7: The council exchanges its share in the airport for other securities in the airport.

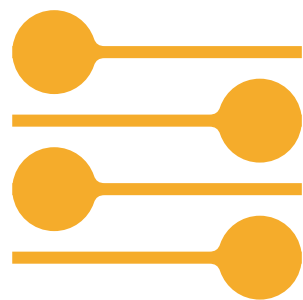
Decision-making under this policy

Any decision made under this policy will require the prior approval of the Governing Body. If it is not practicable to hold a meeting within the required timeframes to make a decision, the decision can be made by the Mayor and the Deputy Mayor, after receiving advice from the Chief Executive and Group Chief Financial Officer.

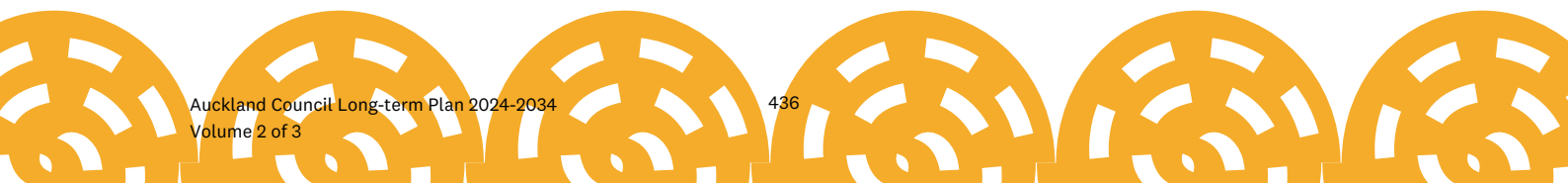
Following a transfer of the council's shareholding in AIAL to the Fund, any decision made under this policy must be made by the Trustee.

Adoption and amendment of this policy

The council may be required to use a long-term plan amendment process and the special consultative procedure set out in the LGA to make any significant amendments to this policy.



Section four: Co-governance



4.0 Co-governance and co-management | Whakahaere takinga ā-rua

Auckland Council has entered into several agreements with joint decision-making bodies. These are referred to as either **co-governance** or **co-management** arrangements.

A **co-governance** entity is generally made of appointed members from each partner organisation and the kaupapa includes strategic decisions such as policy and planning matters. Further information is in the table below.

A **co-management** entity generally includes appointed members from each partner organisation and the kaupapa focuses on operational management. Co-management arrangements include:

- Mutukaroa (Hamlins Hill) Trust
- Pukaki Co-Management Agreement
- Rangihoua and Tawaipareira Management Committee
- Waiomanu Pa Kainga Reserve Co-Management Agreement
- Te Motu a Hiaroa (Puketutu Island)
- Pukekiwiriki Paa Joint Management Committee.

The aim of the arrangements is effective management of maunga (mountains), wahapū (harbours) and motu (islands), whenua (land) and awa (rivers). They foster a strong, healthy relationship with Māori through shared decisions about these vital taonga, as well as improving the quality of life for all Aucklanders.

Co-governance and co-management arrangements bring a new approach to management that rests upon the Treaty of Waitangi relationship and which provides valuable connectivity between mana whenua and local government, and opportunities to deliver mutually beneficial social, environmental and resource management outcomes.

Co-governance entities

Co-governance entities	Purpose
Tūpuna Maunga o Tāmaki Makaurau Authority	The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Settlement vested the Crown-owned land in 14 tūpuna maunga ('Maunga') in Ngā Mana Whenua o Tāmaki Makaurau, on the basis that they are held in trust for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The tūpuna maunga are vested as reserves. The Maunga Authority is responsible as the administering body for the tūpuna maunga.

Co-governance entities	Purpose
<p>Ngāti Whātua Ōrākei Reserves Board</p>	<p>The Ngāti Whātua Ōrākei Reserves Board (reserves board) is the statutory authority established under the Ngāti Whātua Ōrākei Settlement Act 2012 (and prior to that the Ōrākei Act 1991) to co-govern the Whenua Rangatira and Pourewa Creek Recreation Reserve.</p> <p>The reserves board is responsible for an expansive area of land lying on the harbour edge between Paratai Drive and Mission Bay, including Ōkahu Bay - the Whenua Rangatira - as well as an expansive area of bush and grassland to the east of Ōrākei Basin known as the Pourewa Creek Recreation Reserve.</p>
<p>Te Poari o Kaipātiki ki Kaipara</p>	<p>Te Poari o Kaipātiki ki Kaipara (formerly the Parakai Recreation Reserve Board), is a co-governance entity that oversees Kaipātiki (formerly the Parakai Recreation Reserve).</p> <p>Kaipātiki provides access to Te Awa Kahawai, the Parakai geothermal field, and is located in the small township of Parakai in the South Kaipara region.</p> <p>Te Poari aims to manage Kaipātiki in a way that harnesses the healing qualities of the geothermal spring and reflects Ngāti Whātua o Kaipara and local community values.</p>

Further information on the co-governance entities can be found [here](#).

TŪPUNA MAUNGA O TĀMAKI MAKĀURAU

CO-GOVERNANCE OF THE TŪPUNA MAUNGA

4.1 Summary of the Tūpuna Maunga Authority Operational Plan 2024/2025

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) requires the Tūpuna Maunga o Tāmaki Makaurau Authority (Tūpuna Maunga Authority) and Auckland Council to prepare an Annual Operational Plan and a summary of that plan for inclusion in the Auckland Council’s Annual Operational Plan 2024/25 process.

The Tūpuna Maunga Authority and Auckland Council are required to approve the Annual Operational Plan. The Tūpuna Maunga Authority Operational Plan 2024/25 must be considered and adopted concurrently with the Auckland Council’s Operational Plan 2024/25. A summary of the Tūpuna Maunga Authority’s indicative funding requirements are outlined in this Section.

Ngā Mana Whenua o Tāmaki Makaurau

Ngā Mana Whenua o Tāmaki Makaurau negotiated a collective settlement of their historical Treaty claims with the Crown. Ngā Mana Whenua o Tāmaki Makaurau is the collective name of the 13 iwi/hapū with historical Treaty claims in wider Tāmaki Makaurau. The iwi/hapū are grouped into the following three rōpū:

Marutūāhu Rōpū	Ngāti Whātua Rōpū	Waiohua Tāmaki Rōpū
Ngāti Maru	Ngāti Whātua o Kaipara	Ngāi Tai ki Tāmaki
Ngāti Pāoa	Ngāti Whātua Ōrākei	Ngāti Tamaoho
Ngāti Tamaterā	Te Rūnanga o Ngāti Whātua	Ngāti Te Ata
Ngāti Whanaunga		Te Ākitai Waiohua
Te Patukirikiri		Te Kawerau ā Maki

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014

The Collective Redress Act 2014 vested the Crown owned land in 14 Tūpuna Maunga (ancestral mountains) in Ngā Mana Whenua o Tamaki Makaurau. They are held for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The Tūpuna Maunga are vested as reserves under the Reserves Act 1977.

THE 14 TŪPUNA MAUNGA ARE:

Matukutūruru/Wiri Mountain	Ōtāhuhu/Mount Richmond
Maungakiekie/One Tree Hill	Ōwairaka/Te Ahi-kā-a-Rakataura/ Mount Albert
Maungarei/Mount Wellington	Puketāpapa/Pukewīwī/Mount Roskill
Maungauika/North Head	Rarotonga/Mount Smart *
Maungawhau/Mount Eden	Takarunga/Mount Victoria
Ōhinerau/Mount Hobson	Te Kōpuke/Tītīkōpuke/Mount St John
Ōhūiarangi/Pigeon Mountain	Te Tātua a Riukiuta/Big King

Co-governance

The Act also established the Tūpuna Maunga Authority, a bespoke co-governance entity, to administer the Tūpuna Maunga.

The Authority has six representatives from Ngā Mana Whenua o Tāmaki Makaurau and six from Auckland Council. The term of the Authority aligns with the term of the Council.

Under the Act, the Tūpuna Maunga Authority is the administering body for each Maunga for the purposes of the Reserves Act 1977, with one exception of Rarotonga / Mount Smart.

Maungauika / North Head has previously been administered by the Crown (Department of Conservation) but has now been transferred to the Tūpuna Maunga Authority. Routine management is now undertaken by council under the direction of the Tūpuna Maunga Authority in the same way as for the other Maunga.

Responsibility for administration and management of Rarotonga / Mount Smart remains with Auckland Council (Auckland Stadiums a division of Tātaki Auckland Unlimited) under the Mount Smart Regional Recreation Centre Act 1985 and Reserves Act 1977.

The Tūpuna Maunga Authority is also the administering body for Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain and the Maungakiekie / One Tree Hill northern land.

The legislation provides for funding and staff resourcing through Auckland Council. The Authority is currently supported by a small team of council staff within the unit Te Waka Tai-ranga-whenua.

The scale of this co-governance arrangement is unparalleled in Auckland and the resulting unified and cohesive approach to caring for the Maunga has garnered widespread support.

Strategic framework

Tūpuna Maunga Integrated Management Plan

The Tūpuna Maunga Integrated Management Plan (“IMP”) sets the foundations for how the Tūpuna Maunga are valued, protected, restored, enhanced, and managed in the future with equal consideration and reverence. The IMP established a set of Values for the Tūpuna Maunga which are outlined below.

The IMP was developed in accordance with Section 41 of the Reserves Act to provide for and ensure the use, enjoyment, maintenance, protection, preservation, and development as appropriate for the reserve purposes for which each of the Tūpuna Maunga is classified. This single integrated plan replaces the former separate legacy reserve management plans for the Tūpuna Maunga.

The IMP was approved in 2016 and amended in 2022 following a public consultation processes and is available at www.maunga.nz.

Tūpuna Maunga Integrated Management Plan Strategies

The Tūpuna Maunga Integrated Management Plan Strategies are the next level of policy development for the Tūpuna Maunga and aim to support the Values and Pathways in the Tūpuna Maunga Integrated Management Plan 2016.

The IMP Strategies was approved in 2019 following a public consultation process and are available at www.maunga.nz.

Individual Tūpuna Maunga Plans

In 2023 the Tūpuna Maunga Authority adopted its first tranche of three individual Tūpuna Maunga Plans. Further tranches will be drafted in the future and made available for public comment.

The Individual Tūpuna Maunga Plans are available at www.maunga.nz.

Tūpuna Maunga Values

Within the Tūpuna Maunga Integrated Management Plan, the Tūpuna Maunga Authority has articulated a set of values of the Tūpuna Maunga. The values promote the statutory purpose of the Tūpuna Maunga under section 109 of the Collective Redress Act, where in exercising its powers and functions the Authority must have regard to the spiritual, ancestral, cultural, customary and historical significance of the Tūpuna Maunga to Ngā Mana Whenua.

The values provide a strategic framework to guide the Tūpuna Maunga Authority in making any decision about the Tūpuna Maunga.

The values weave together and give expression to mana whenua and other world views, and the connections and histories in a manner that highlights the way in which these views complement each other and create a richness to the relationship people have with the Tūpuna Maunga and multiple ways in which ways in which these relationships are thought of and expressed.

VALUE

PATHWAYS

WAIRUATANGA /
SPIRITUAL

- Restore and recognise the relationship between the Maunga and its people.
- Recognise the tihi is sacred.
- Tread gently.
- Treat the Maunga as taonga tuku iho – treasures handed down the generations.

MANA AOTŪROA /
CULTURAL
AND HERITAGE

- Enable mana whenua role as kaitiaki over the Tūpuna Maunga.
- Recognise European and other histories, and interaction with the maunga.
- Encourage culturally safe access.
- Restoring customary practices and associated knowledge.

TAKOTORANGA
WHENUA /
LANDSCAPE

- Protect the integrity of the landscape of the Tūpuna Maunga.
- Active restoration and enhancement of the natural features of the Maunga.
- Encourage activities that are in keeping with the natural and indigenous landscape.
- Encourage design that reflects Tūpuna Maunga values.
- Promote a connected network of Tūpuna Maunga.
- Preserve the visual and physical integrity of the Maunga as landmarks of Tāmaki.

MAURI PŪNAHA
HAUROPI / ECOLOGY
AND BIODIVERSITY

- Strengthen ecological linkages between the Tūpuna Maunga.
- Maunga tū mauri ora, Maunga tū makaurau ora / if the Maunga are well, Auckland is well.
- Protect and restore the biodiversity of the Tūpuna Maunga.

MANA HONONGA
TANGATA / LIVING
CONNECTION

- Rekindle the sense of living connection between the Maunga and the people.
- Give expression to the history and cultural values of the Tūpuna Maunga.
- Actively nurture positive relationships.
- A place to host people.

WHAI RAWA
WHAKAUKA /
ECONOMIC /
COMMERCIAL

- Alignment with the Tūpuna Maunga values.
- Foster partnerships and collaboration.
- Focus on commercial activities that create value and enhance experience.
- Explore alternative and self-sustaining funding opportunities.

MANA WHAI A RĒHIA
/ RECREATIONAL

- Balance informal and formal recreation.
- Encourage informal inclusive recreational activities.
- Recreational activities consistent with tikanga Māori.
- Maunga are special places and treasures handed down.
- Promote health and wellbeing.

Tūpuna Maunga Operational Plan 2024/2025

Each financial year, the Tūpuna Maunga Authority and Council must agree an annual operational plan to provide a framework in which the Council will carry out its functions for the routine management of the Tūpuna Maunga and administered lands for that financial year, under the direction of the Tūpuna Maunga Authority.

The Tūpuna Maunga Operational Plan 2024/2025 identifies a number of projects to be delivered or commenced in the coming financial year and the subsequent two financial years. The Tūpuna Maunga Operational Plan 2024/2025 also sets out the 10-year work programme and funding envelope confirmed through the Long-term Plan 2024-2034. The budget for 2024/2025 and the subsequent years fits within this funding envelope.

A copy of the Operational Plan can be found at www.maunga.nz

Priority programmes and projects over the next 3 years

Policy and management

- Develop individual Tūpuna Maunga plans to provide direction on how the Values, Pathways, guidelines and strategies should be reflected on each Tūpuna Maunga.
- Progressing the potential transfer of administration over certain Maunga reserve lands from the Department of Conservation to the Authority, and the potential transfer of the administration of land contiguous to other Tūpuna Maunga.

Establishment of a compliance programme including a review of current and establishment of appropriate bylaws.

Healing the Maunga

VALUES: TAKOTORANGA WHENUA / LANDSCAPE VALUE

- Protection and restoration of the tihi (summits) including reconfiguring space and provision of cultural infrastructure.
- Protection and restoration of historic kumara pits, pā sites and wahi tapu
- Development of infrastructure to enhance visitor experience including provision of carparks, amenity areas and ancillary infrastructure such as wharepaku/ toilets.
- Removal of redundant infrastructure (built structures, water reservoirs, impermeable surfaces, etc) and returning areas to open space.

Education, communications and partnerships

VALUES: WAIRUATANGA / SPIRITUAL VALUE

- On-site staff to protect and enhance the Tūpuna Maunga and the visitor experience
- Volunteer programmes to connect communities to the Tūpuna Maunga

- Education programmes, community events and a bespoke website that celebrates the living connection that all communities have with the Tūpuna Maunga
- Implementation of the Education Strategy to promote the values of the Tūpuna Maunga and the unique history and whakapapa of Ngā Mana Whenua. This includes exploration of visitor centre opportunities, connecting with communities of learning such as schools and the development of a communications strategy.

Cultural connection

VALUES: MANA AOTŪROA / CULTURAL AND HERITAGE VALUE

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

- Development of a programme of work which enables Ngā Mana Whenua to express their living and unbroken connection with the Tūpuna Maunga. This may include cultural interpretation including distinct entrance ways, pou whenua, pa reconstructions, kaitiaki opportunities, and other cultural activities.
- Mana whenua living connection programme focusing on their role as kaitiaki (guardians), restoring customary practices and associated knowledge and enabling cultural activities.

Biodiversity/Biosecurity

VALUES: MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY VALUE

- Restoration of indigenous native ecosystems; reintroducing native plants and attracting native animal species; removing inappropriate exotic trees and weeds (For context, see pages 58, 65-66, 71, 87, and 90-91 of the Tūpuna Maunga Authority Integrated Management Plan, the Amended Integrated Management Plan of 2022, and at pages 7 and 34 of the Integrated Management Plan Strategies).
- Pest control on all Maunga in line with Auckland's plan to be pest free by 2050.
- Researching options to achieve efficient and effective animal and pest control methods, which includes a phased reduction in the use of herbicides and pesticides on the Tūpuna Maunga.

Recreation and activation

VALUES: MANA HONONGA TANGATA / LIVING CONNECTION VALUE

MANA WHAI A RĒHIA / RECREATIONAL VALUE

- Exploration of facilities and activities on, around and between the Tūpuna Maunga which provide for passive and active recreational opportunities.

Commercial

VALUES: WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL VALUE

- Implementing the commercial framework which ensures continued investment back into the Tūpuna Maunga.

All projects are designed to deliver outcomes for the 13 iwi/hapū of the Tāmaki Collective and all the people of Auckland, enhance the mana and mauri of the Tūpuna Maunga and deliver improved open spaces across the eight local board areas.

They will also enable a compelling case in a future UNESCO World Heritage bid for the Tūpuna Maunga, which will contribute to a Māori identity that is Auckland's point of difference in the world. The bid for World Heritage status will require a dedicated resource and will continue to be progressed in this financial year in partnership with the Department of Conservation.

Summary of indicative funding requirements

The funding for Tūpuna Maunga is set at a regional level. The 10 Year budget to enable the priority projects and programmes in the council's 10 Year Budget (Long Term Plan) 2024-34 is shown in Table.

The budget for 2023/24 fits within this 10 Year Budget (Long Term Plan) 2024-34 funding envelope.

FUNDING ENVELOPE FOR THE TŪPUNA MAUNGA AUTHORITY IN THE COUNCIL'S 10 YEAR BUDGET (LONG TERM PLAN) 2024-2034

DRAFT LTP 2024-2034

Table 1 - Funding envelope for the Tūpuna Maunga Authority in the council's 10-year budget (Long-term Plan) 2024-2034

Funding Envelope (\$000's)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Net operating expenditure											
Net operating expenditure*	3,897	3,917	3,917	3,917	4,358	4,460	4,557	4,558	4,558	4,558	42,700
Consequential OPEX	188	196	256	256	261	266	272	72	75	79	1,921
Net operating expenditure total	4,085	4,114	4,173	4,173	4,619	4,727	4,829	4,630	4,634	4,637	44,621
Capital expenditure	9,395	9,820	12,780	12,800	13,056	13,317	13,583	3,584	3,764	3,952	96,052
Total LTP Funding Requirement 2024-34**	13,480	13,934	16,953	16,953	17,675	18,044	18,413	8,215	8,397	8,589	140,673

Notes:

* Net operating expenditure excludes depreciation

**Excludes inflation.

Auckland Council Long-term plan 2024-2034 Volume 2: Our detailed budgets, strategies and policies

ISSN 2624-0300 (Print)
ISSN 2624-0319 (Online)

ISBN 978-1-991146-46-5 (Print)
ISBN 978-1-991146-47-2 (PDF)

3-volume set
ISBN 978-1-991146-50-2 (Print)
ISBN 978-1-991146-51-9 (PDF)

Auckland Council disclaims any liability whatsoever in connection with any action taken in reliance of this document for any error, deficiency, flaw, or omission contained in it.

This document is licensed for re-use under the Creative Commons Attribution 4.0 International licence.

In summary, you are free to copy, distribute and adapt the material, as long as you attribute it to Auckland Council and abide by the other licence terms.

