Staff advice to support the Mayoral Proposal

December 2025

Annual Plan 2026/2027

aucklandcouncil.govt.nz

Contents

Attachment 1 – Budget advice and analysis

Budget advice and analysis

Executive summary

1. The process to develop the budget for the Annual Plan 2026/2027, covering the third year of the Long-term Plan 2024-2034 (LTP), follows the direction and parameters established through the LTP.
2. Political direction for the Annual Plan 2025/2026 was to get on with delivering on the LTP, with no significant changes to the programme. While there remain challenges to address, the Annual Plan 2026/2027 is being developed in a similar operating environment.
3. Staff used high-level economic indicators and unit specific information to review and update the draft budget position, confirm movements planned in the earlier LTP years, and identify any unavoidable new cost pressures for year three.
4. This analysis has concluded that we're generally in line with the high-level budget parameters as set out in the LTP, particularly in relation to residential rates increases and debt levels.
5. Initial budget reviews show that we currently have a projected $50 million operating budget gap that needs to be addressed, and staff are developing options to mitigate this gap without any material changes to service levels while still meeting existing savings targets agreed in the LTP.
6. A number of budget risks continue to be monitored. Staff recommend consultation materials leave flexibility to ensure elected members can take into consideration any further budget movements when making decisions on the final budget.

Context

Direction and scope

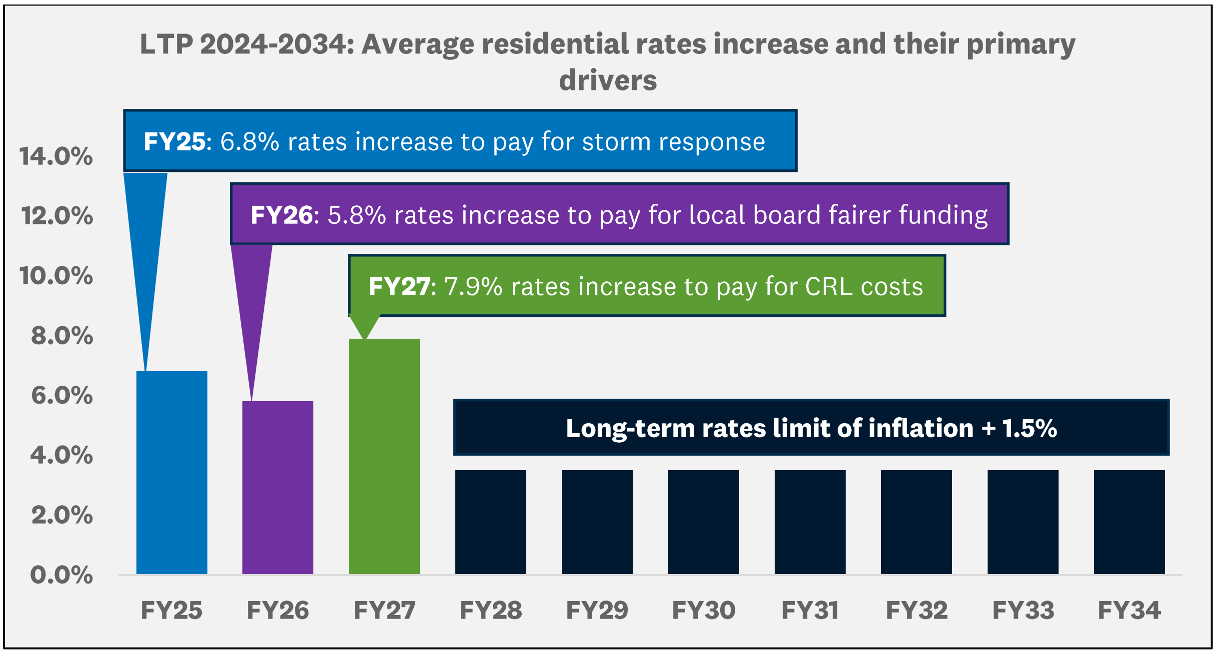
7. The annual plan is being developed based on the direction and financial settings already agreed in the LTP and previous annual plan. This ensures a consistent focus on agreed priorities and supports the council group to deliver on the commitments outlined for year three of the LTP.
8. The council's financial strategy requires us to use a fixed nominal baseline approach when updating budgets. This meant that as a starting point, operating expenditure budgets were not automatically increased each year by the rate of inflation and the group was encouraged to identify efficiencies and savings to help offset inflationary cost pressures wherever possible.
9. Staff guidance emphasised identifying and assessing any unavoidable operational expenditure pressures for the 2026/2027 budget, with clear justification for any proposed budget increases from the 2025/2026 financial year. No new investment proposals or "budget bids" were to be submitted unless specifically requested by elected members.

Financial context and budget assumptions

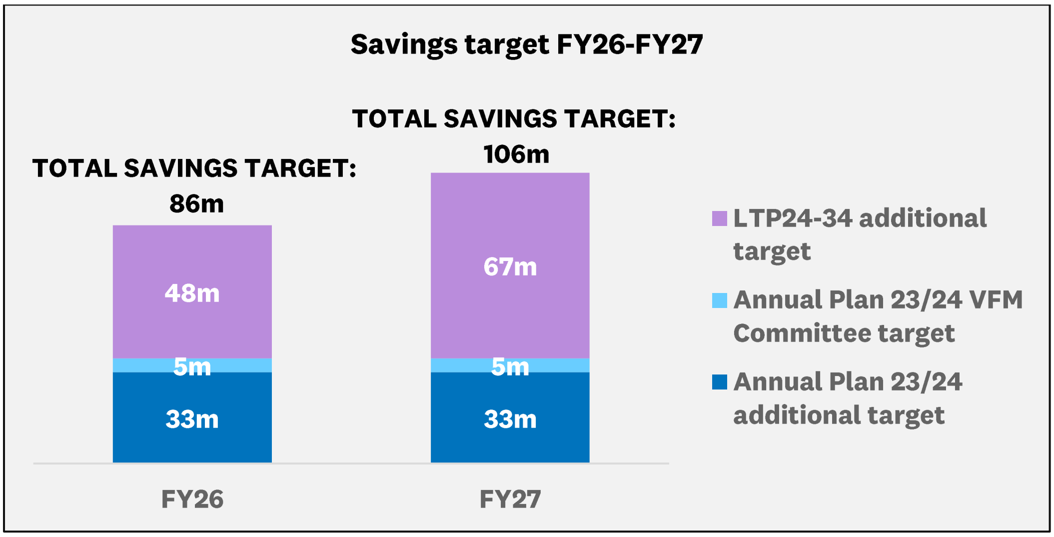
10. The Annual Plan 2026/2027 continues to navigate financial and economic challenges, coordinating advice across the council group, and prioritising initiatives within available resources.

Budget starting point

11. The LTP sets out the council's revenue and investment settings over the timeframe of the plan.
12. Through the LTP, the council has set a long-term limit on average rate increases of 1.5 per cent above inflation. However, for the first three years of the plan, higher increases were allowed for to allow for some specific budget items. In the 2026/2027 year, the LTP allowed for 7.9% average residential rates increase primarily to allow for the additional costs of CRL as well as an additional $15 million funding for local boards under the Fairer Funding approach.



13. The LTP also sets out savings targets for the council. For the 2026/2027 year, the total savings target is $106 million, an increase of $20 million on 2025/2026. This is made up of $67 million new savings in the Long-term Plan 2024-2034, on top of $39 million savings set in the Annual Plan 2023/2024 which has not been permanently addressed. While not shown in the chart below, these savings targets build on the ongoing $90 million annual savings target established in the previous long-term plan, which has already been achieved on an enduring basis.



14. The LTP financial settings allow the council to fund $3.9 billion in capital investment and $5.3 billion in operating costs to run services and maintain our assets in the 2026/2027 financial year.

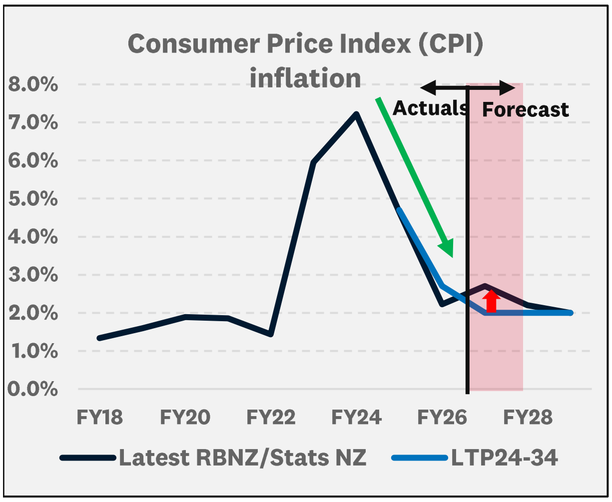
Previously identified budget challenges

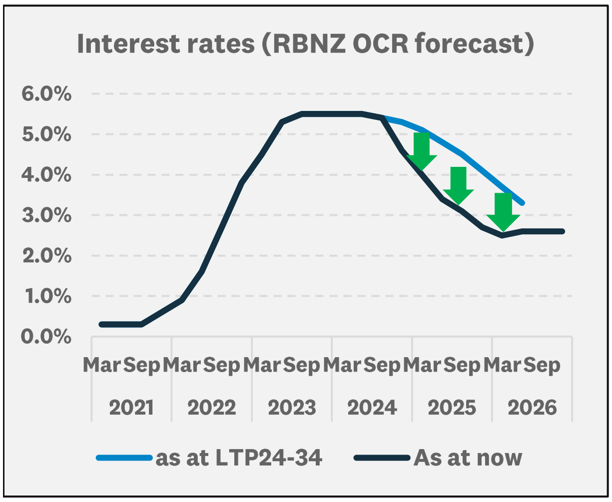
15. The LTP seeks to build the council's physical and financial resilience, after previous budgets faced challenges from COVID-19, droughts, storms, and economic conditions. The previous annual plan, Annual Plan 2025/2026, was developed in a more stable operating environment and was able to continue "get on with" delivering the LTP.
16. Despite this, challenges remain, and staff highlighted a number of risks during the Annual Plan 2025/2026 process that would need to be monitored including:

- Several budget mitigations used were one-off in nature while cost increases were ongoing.
- Savings targets set in the LTP still needed to be achieved.
- Possible changes to the global economic environment and legislative settings
- Challenges to transport revenue and expenditure and
- Local board cost pressures that were covered with regional funding for 2025/2026 only.

Economic environment update

17. Inflation remains a key factor, impacting staff costs and contracted services. There is currently an anticipated short-term increase to inflation with latest forecasts suggesting that CPI inflation for the December 2025 quarter will be 2.7 per cent, compared to the LTP assumption of 2.0 per cent. After this quarter, inflation is expected to begin to trend back to the 2.0 per cent midpoint.
18. The Official Cash Rate (OCR), which influences borrowing cost and overall financing conditions, has eased since its peak in 2023 when it averaged around 5.5 per cent. By October 2025, the OCR had fallen to approximately 2.5 percent, and at a faster rate than forecast during the LTP.





Updated group budget projections for financial year 2026/2027

Operating budgets

19. The initial budget review identified a range of costs pressures, along with potential mitigations, resulting in a projected operating budget gap of $50 million. This is summarised in the following table, with full details of budget movements included in the entity sections below:

Entity	Key Drivers	$ m
Auckland Council (parent)	FY26 local board cost increases (temporarily mitigated)	15
	Internal rate expense	12
	Other net cost increases (e.g. dam safety legislation, facility maintenance contracts, insurance modelling)	10
	Reduced insurance costs	(10)
Auckland Transport	Lower PT and parking and enforcement revenue and higher track access charges partially offset by some mitigations	10
Tātaki Auckland Unlimited	Staffing and utilities increases	1
Auckland Future Fund	Additional distribution from fund	(2)
Group	FY26 regional cost increases (temporarily mitigated)	25
	Provision for additional staff costs (e.g. KiwiSaver changes, contractual inflation)	14
	Lower interest costs	(25)
Current projected operating gap		**50**

20. The current operating gap of approximately $50 million is broadly in line with the challenges faced at this stage of the Annual Plan 2025/2026.
21. Council staff are currently working hard to mitigate the budget gap without material changes to service levels while also meeting existing savings targets. This includes reviewing budget projections and programme timing forecasts, looking for opportunities to deliver outcomes more cost-effectively and providing governance direction to CCOs.
22. Elected members will continue to play a critical oversight role throughout this process. Governance will be maintained through the Budget and Performance Committee and Value for Money Committee, ensuring that decisions remain prudent and are aligned with council priorities.
23. Auckland Council staff will provide an updated budget position to elected members in April 2026. This update will show where we currently stand, enable informed decision-making, and maintain transparency throughout the remainder of the budgeting process.

Auckland Council (parent) operating items

Local board budgets

24. Cost increases and revenue pressures relating to community services and facilities for local boards were temporarily mitigated by regional funding in 2025/2026. Enduring solutions for these need to be identified.
25. Based on an initial budget review for Annual Plan 2026/2027, local boards collectively have $15.2 million of financial pressures to address compared to LTP projections. While all boards have received a two per cent increase to allow for inflation and most local boards are receiving additional funding, seven local boards with little to no additional top-up funding have $6 million of financial pressures to address by reducing service levels, increasing fees and/or setting local service targeted rates.
26. The mayor has also requested options for interim measures to address the $15 million of 2026/2027 cost pressures for local boards until these can be sustainably addressed in next LTP. A separate report will cover staff advice on these interim measures.

Other items

27. Internal rates have increased due to higher asset valuations, particularly for the stormwater network and property portfolio. There are also other minor cost increases that relate to items such as dam safety legislation, regional facility contracts and insurance modelling.
28. These additional costs have been partially mitigated. In particular a review of insurance costs has resulted in a $10 million saving for next year. Other mitigations include additional revenue from Westhaven Trust berths and absorbing some non-staff inflation.

Auckland Transport operating items

29. Public transport revenue continues to be a challenge as patronage levels remain lower than anticipated due to prevalence of hybrid working. Enforcement income is lower reflecting higher levels of compliance and pipeline of new initiatives. Increase in track access charges are placing pressures on operating costs. Mitigations include increased advertising revenue, reduction in PT contract cost indexation, and additional NZTA subsidy and a number of other mitigations.

Tātaki Auckland Unlimited (TAU) operating items

30. TAU has signalled cost increases due to electricity pricing increases and staff cost contractual increases amounting to $0.9 million per annum.

Auckland Future Fund operating items

31. The Auckland Future fund is projected to distribute $2 million higher dividends, reflecting the reinvestment of proceeds from the sale of Marsden Maritime holding stakes.

Group operating items

32. A number of ongoing regional cost increases in 2025/2026 were offset by one-off reductions mitigations such as programme deferrals. While this enabled the council to balance the budget in Annual Plan 2025/2026, it does mean more enduring solutions still need to be found.
33. Staff recommend providing for an additional $14 million for group staff costs. This is to allow for additional costs as a result of increasing inflation which can impact on contractual terms as well as the overall market. This also allows the legislated increase in KiwiSaver contributions from 3.0 per cent to 3.5 per cent.
34. Reductions in interest rates faster than projected in the LTP results in $25 million of additional cost savings for the group.
35. At this stage of the budget process, there are no material changes to Watercare and Port of Auckland operating projections.

Capital investment updates

36. The proposed 2026/2027 budget includes a $3.9 billion package of capital investment to enable the council to maintain existing levels of services while providing for growth and enhancing our resilience.
37. While the overall group capital programme is broadly in line with what was adopted in the LTP, AT's draft 2026/2027 programme, shows a $161 million reduction versus the LTP. This reduction is largely driven by National Land Transport Funding (NLTF) impacts and partially offset by accelerated Level Crossing Removal delivery.
38. The updated draft capital investment for 2026/2027 by entity is outlined below:

Entity	$million		
	Long-term Plan year three (2026/2027)	Draft Annual Plan 2026/2027	Movement
Auckland Council	850	858	8
Auckland Transport	1,475	1,314	(161)
Tātaki Auckland Unlimited (TAU)	65	77	12
Watercare	1,367	1,373	6
City Rail Link (CRL)	185	158	(27)
Port of Auckland	159	159	-
Total	**4,101**	**3,939**	(162)

Budget risks

39. Throughout the Annual Plan process, areas of the group have outlined items that pose potential risks. Staff will continue to monitor these risks for potential financial impacts and update elected members as appropriate.

Sustainably realising operating mitigations and long-term plan savings targets

40. Council staff have advised Budget and Performance Committee that in the 2026/2027 year there is a currently projected operating funding gap of $50 million, on top of an additional $20 million of existing long-term plan savings target. Staff advised that they are working hard to mitigate the budget gap without material changes to service levels while also meeting existing savings targets.
41. The council's Budget and Performance and Value for Money committees will continue to be regularly briefed and have oversight as staff work through these budget challenges.

Impact of asset revaluations on depreciation

42. In the Annual Report 2024/2025, the council group recognised $2.8 billion of revaluation gains on its assets. This increase in asset values will impact the council group's annual depreciation cost.
43. As the council funds depreciation in order to sustainably fund asset renewals, this would put pressure on general rates funding. However, this may be offset by under-delivery of the capital programme and changes to estimates of the useful lives of some assets. A full review of depreciation budgets will take place in March 2025.

Transport reform

44. Current budgets assume that any impact of the outcomes of transport reform will be budget neutral. While there will be both costs and efficiencies from the reform, it remains too early in the programme to reasonably forecast these. Further work will occur for final budget decision-making in May-June.

Timing of City Rail Link (CRL) opening

45. Once the CRL opens, the council will need to fund any associated direct operating costs, interest and depreciation. These are forecast to be incurred from 1 July 2026, as an assumed go-live date given the position that opening will occur in 2026. If the opening date differs, this will impact when the council would need to start funding these costs.

Major events funding

46. The Long-term Plan 2024-2034 assumed a bed night levy enabling a $7 million reduction in general rates funding for major events activity. Since the levy was not available for the 2025/2026 financial year, the $7 million shortfall was managed on an interim basis from the City Centre Targeted Rate ($2.5m), Mayor's Office ($0.5m), Major Events reserve ($1.5m) and Destination Partnerships ($2.5m).
47. To provide a short-term solution to Auckland to continue to bid for and secure the right to host future major events, the council also agreed to provide an underwrite facility to TAU. It is intended that any events supported by this underwrite would ultimately be paid for by sustainable long-term funding source such as the proposed levy.
48. With the major event reserve forecast to be depleted this year and destinations partnerships contributions uncertain, for 2026/2027 there may be a need to identify either an alternative funding source or agree a change to the level of the future major events activity for that year.

Other changes to the economic/operating environment e.g. inflation, government funding, climate

49. Our current budgets have been developed using a set of assumptions relating to our broad economic and operating environment. As we refine and refresh our budgets over the next few months, we will continue to monitor movements to these key external factors and ensure that we remain responsive to any changes.
50. By maintaining flexibility and providing ourselves options through consultation, we will be able to produce a balanced budget and maintain financial resilience into the future.

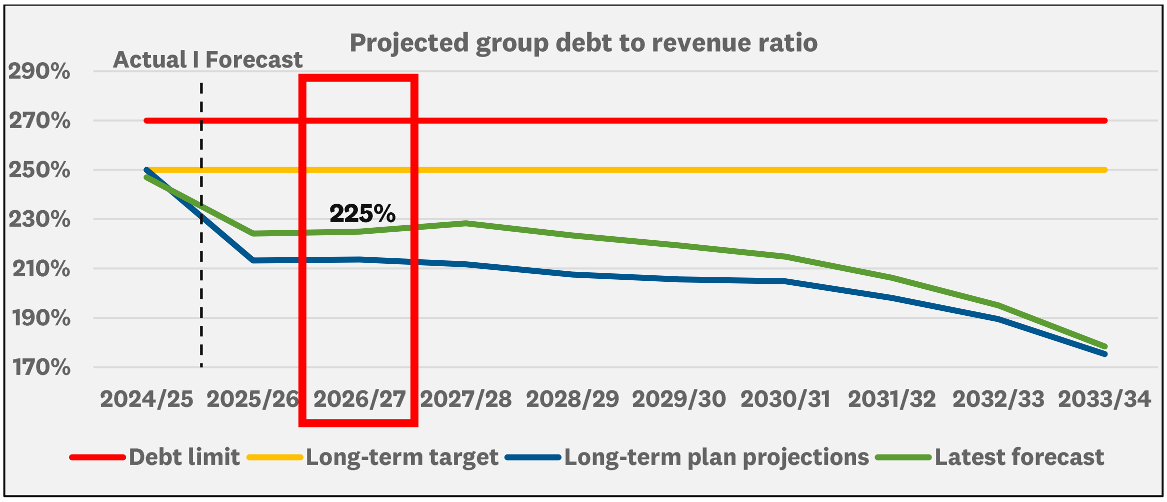
Impact on residential rates

51. The updates to group budget projections do not indicate a need to change the LTP projected rates increase of 7.9 per cent for an average-value residential property. However, given the budget risks that have been identified and the $50 million operating gap that needs to be addressed, staff recommend that the council maintain sufficient budget flexibility to address any emerging risks after public consultation.

Impact on borrowing

52. Group borrowings are currently forecast to remain around long-term plan projected levels, with closing 2026/2027 borrowings forecast to be around $17.2 billion. Debt-to-revenue is forecast to be 225 per cent, well within prudential ratios, while debt-to-assets remains under 20 per cent.

53. Maintaining adequate headroom below the prudential limit is crucial to ensuring the council can respond to challenges, such as future severe weather events or economic shocks. In addition, any additional use of debt to fund new expenditure will put pressure on rates to service that debt and fund any associated ongoing operating costs.



Watercare is excluded in the debt-to-revenue figures from 2025/2026 onwards due to becoming financially separated from Auckland Council.

Conclusion and next steps

54. Our analysis suggests that, following updates to draft 2026/2027 budgets, we are generally in line with the high-level budget parameters as set out in the LTP and at this stage there is currently no need to adjust rates or debt projections.
55. Staff will continue to monitor budget risks, identify savings and efficiency opportunities, and refine budget projections through the group-wide budget refresh process beginning in January 2026.
56. On 15 December 2025, the Governing Body will meet to agree the proposed budget and items for public consultation. Staff will then update budgets and prepare the consultation document to reflect these political decisions.
57. Staff recommend that the decisions and materials provide sufficient budget flexibility to accommodate further budget movements ahead of final budget decisions in May 2026.
58. In February 2026, the Governing Body will adopt the Annual Plan 2026/2027 consultation document and supporting material, with public consultation taking place from late February to March 2026. In May 2026, the Governing Body will make decisions on the final budget for the Annual Plan 2026/2027. These decisions will then be incorporated into the final Annual Plan, which the Governing Body will adopt in June 2026.

Appendix 1 - Fixed nominal baseline movements

The table below shows current projected net direct operating cost movements from 2025/2026 to 2026/2027:

Entity	$ million			Drivers
	2025/2026	2026/2027	Variance	
Auckland Council (Parent)	1,541	1,557	16	• Additional local board funding under fairer funding • Contractual indexation for staff costs and maintenance contracts • Additional internal rates expense • Partly mitigated through insurance reductions, revenue uplifts and absorbed inflation
Auckland Transport (council share of operating funding)	530	555	25	• Contractual indexation for PT services and maintenance • Track access charges • Reduction in parking revenue from downtown carpark sale
Tātaki Auckland Unlimited	86	84	(2)	• 2025/26 includes carried forward from the previous financial year, resulting in a net reduction.
Auckland Future Fund	(69)	(71)	(2)	• This is the distribution from the Auckland Future Fund (AFF) to Auckland Council, net of management fees and overhead costs.
Watercare Services	(683)	(788)	(105)	• Higher price path for water and wastewater charges and Infrastructure growth charges (IGC).
Port of Auckland (NPAT)	(85)	(100)	(15)	• Maximisation of revenue streams on existing volumes through continuation of pricing uplift and broadening of revenue base coupled with volume growth

Note: The figures presented in the table above represent net direct expenditure or revenue for each entity in the Group and include Auckland Council's share of operating expenditure funding for Auckland Transport and net profit after tax for Port of Auckland.

Final figures may differ due to accounting reclassifications not yet included. These reclassifications do not have a funding impact.

Attachment 2 – Balancing local board budgets

Balancing local board budgets

Purpose

1. As part of his direction the mayor has asked for advice on additional options to support local boards to balance their budgets for the Annual Plan 2026/2027.

Context

2. The Fairer Funding approach introduced in the Long-term Plan 2024-2034 sought to begin to address legacy inequity of the provision of assets and facilities between local boards.
3. Additional operating funding of $35 million was provided by the Governing Body in 2025/2026, increasing to $50 million per year from 2026/2027.
4. The funding model (based on population, deprivation, and land area) allocated this additional funding to those boards which had experienced relative underinvestment historically while ensuring that no board was worse off. All boards still receive an annual increase to their funding in line with the council's LTP inflation assumptions.
5. For each annual plan staff review the projected costs of delivering local services and compare these to the budgets allowed for in the long-term plan.
6. For the previous annual plan (Annual Plan 2025/2026) cost increases and revenue pressures relating to running local facilities and assets were projected to exceed LTP allowances by around $14 million. A temporary solution (one-off regional funding) was provided to allow more time for the organisation to provide sufficient advice for local board decision making to address these issues in the Annual Budget 2026/2027.
7. Latest projections for 2026/2027 indicate that there remains a gap of $15.2 million between the projected operating costs and the LTP allowances. In any budget process, it is normal for costs and revenue projections to vary from one year to the next as external circumstances change.
8. All boards are receiving advice on options to address this challenge and to balance their budgets. Some boards will have capacity through the $50 million additional funding, but seven local boards are not receiving sufficient additional funding to balance the budgets without other action. These seven local boards have a combined gap of $6 million.
9. Other boards have sufficient additional funding to cover their cost pressures, but this may mean that other priorities they would like to fund with that additional money are no longer affordable.
10. The nature of the model means that the boards where this pressure is most acute are those with proportionately more assets.
11. Staff from across the organisation have worked hard over the last six months to provide those boards with the most acute problems with sufficient advice to be able to consult with the community on a range of options to balance their budget for 2026/2027.
12. The advice boards are receiving includes options such as:
    - Reduction to local grants, events and other community outcome and environmental projects
    - Reducing library operating hours
    - Reducing maintenance of open spaces, such as bollard maintenance
    - Increasing some fees at council run pools for a revenue increase
    - Introducing or amending local activity targeted rates
13. In addition to this, staff are working with boards to look at long-term adjustments to the local board funding model that could be introduced through the next long-term plan. These include considering how to treat significant assets and facilities that deliver services across multiple local board areas.
14. The mayor has been clear in his guidance memo that it is the responsibility of local board members to balance their budgets but has requested advice on whether there may be further temporary options to support this.

Advice

Options considered

15. Staff have considered a number of options, including additional regional funding (either operating or capital), a change to the allocation of additional funding, and centralisation of some costs.
16. The Local Boards Funding Policy 2025/2026 has been adopted by the council as part of its Long-term Plan 2024-2034 and therefore any option that materially departs from this policy would require a formal amendment to the long-term plan, with associated consultation and audit requirements.
17. Additional operating funding towards local activities would need to come from rates and therefore would require either higher rates or savings elsewhere. Rates increases for 2026/2027 are already projected to be 7.9 per cent, significant LTP savings targets still need to be achieved, and mitigations need to be identified for the regional funding gap.
18. Increasing rates to provide a further $15m of additional local board funding over and above the $50m already included in the long-term plan to fully cover the cost pressures would mean an average rate increase of around 8.4% would be required for 2026/2027.
19. Any change to the allocation of the additional operating funding provided to local boards would impact progress towards the full equitable funding for local boards. This would, in effect, involve reallocating funding from the boards with relative underinvestment historically to the boards with a comparatively higher asset base.
20. The centralisation of some costs, such as utilities, was considered as these have been areas of notable market price movements delivering cost pressure. The majority of utility costs are also related to facilities such as pools and leisure facilities where the consideration of "multi-board" treatment is ongoing. This option has been discounted for now as it would still, in effect, constitute an immediate reallocation of funding towards boards with more assets, at the expense of boards looking for more equitable investment.

Capital funding option

21. If there is no appetite to address the cost pressures for local boards in 2026/2027 through higher rates increases or cuts to regional services, then some kind of reallocation of local board funding will probably be necessary. The question is how to do this in a fair way that respects the principle of improving equity for historically underfunded local boards and leaving no local board worse-off.
22. One solution could be to reallocate some of the new operating funding allocated to previously underfunded boards but then compensates those boards with some one-off capital funding. This would enable the cost pressures to be covered without any additional operating funding or rates requirement while still enabling previously underfunded boards to make some meaningful progress in terms of investment in their local community.
23. This would mean:
    - no additional operating funding provided to local boards overall
    - no change to the overall rates requirement
    - providing for up to $10 million of additional capital funding in 2026/2027 to be funded from additional borrowing
    - enabling local boards who are due to receive a share of the $50m of additional operating funding to convert some of that operating funding to capital funding, subject to the overall $10m cap and the board being able to fund the long-term consequential operating costs associated with the new assets
    - allocation of the freed-up operating funding for 2026/2027 to those boards who need it to cover their cost pressures
    - no changes to funding levels beyond the 2026/2027 year, so the ongoing cost pressure issue would still need to be considered through next year's long-term plan process.
24. If boards were to take up this option it would release some rates funding (through the foregone operating funding) that could be used to, temporarily, help address any remaining budget gap that boards are not able to fully close through the options provided by staff.
25. Through the Fairer Funding approach, a number of the boards with relatively fewer assets, are seeing their operating funding levels increase faster than their cost base. This is intended to enable a move toward more equitable service provision across the region.

26. A number of these boards are looking to address the inequities through increased capital investment and have enquired about using their operating funding for capital expenditure. The Fairer Funding model provides them the operating funding to maintain new assets and deliver services through them.
27. Some examples of the kinds of investment that this facility could be used for can be taken from the Fix and finish Fund process earlier this year. A number of the boards with large operating funding increases had projects only partially funded through the fund (on the basis of finishing just the highest priority components) and could look to this proposal to fund other components. Examples include:
    - Albert-Eden – $1 million to fund fitout following the Epsom library roof repair.
    - Whau – $400,000 for equipment for the Avondale Central Reserve.
    - Manurewa – $1 million to complete the multi-sport pavilion to the desired scope.
    - Maungakiekie-Tāmaki – $2 million for further sportsfield renewals.
28. Giving some limited flexibility to local boards to spend on capital projects may lead to higher quality spend and greater value for money compared to the alternative of only allowing them to spend it on operating costs. Fairer funding top-ups could be applied to new enduring assets with strong community support, rather than short-term grants or one-off events and operational costs. It is in keeping with the intent of Fairer Funding which is to address the historic inequities in assets and will allow for some balancing in the level of assets among local boards. The ongoing operating costs of these new assets would be the responsibility of the local boards and it would remain crucial that these boards could demonstrate that they could sustainably fund these.
29. It is important to note that this additional capital investment would also drive additional depreciation and interest cost that would need to be funded regionally (around $800,000 per annum from 2027/2028) which would need to be factored into group budget projections.
30. While this may be a pragmatic and prudent option to address the immediate budgeting challenge, the additional borrowing required, and ongoing regional funding requirement mean that it is recommended as a temporary solution only and that work should continue to refine the local funding approach for the next long-term plan.

Attachment 3 – CCO reform

CCO reform

3A - Auckland Urban Development Office status update

Context

1. In December 2024 the Governing Body made decisions relating to the structure of the council group. These decisions were intended to ensure that elected members were responsible for setting strategic direction for the council group, and that CCOs were more focused delivery organisations. The CCO reform package seeks to:
   - align and reinvigorate the CCO model.
   - strengthen council's ability to support elected members to make integrated decisions, and
   - ensure the Auckland council group is set up in the best way to deliver on its Long-term Plan and broader vision for Auckland.
2. In addition to the decisions made by the Governing Body, the government introduced legislation to transfer some of Auckland Transport's functions to Auckland Council.
3. As a result of these decisions, work has been done to transfer and integrate all the functions from Eke Panuku and economic development from Tātaki Auckland Unlimited to Auckland Council. This work will also consider how events activity is managed across the group to avoid duplication and giving careful consideration to local events.

Executive summary

4. The Auckland Urban Development Office (AUDO) was established on 1 July 2025.
5. With the purpose to support growth, development and prosperity, the Auckland Urban Development Office is focussed on enabling integrated implementation and delivery in growth areas and leading place-based regeneration programmes. This includes catalysing commercial and residential opportunities, leveraging council and crown investment programmes and optimising council assets. New partnerships, funding tools and delivery models are being explored to support good growth and a green and efficient city.
6. AUDO is engaging with developers and stakeholders to understand and explore development barriers and opportunities, to support increased council group and crown integration and provide enhanced customer service.
7. In recognition of the Mayor's and Crown priorities, AUDO has commenced some new work:

Drury

8. With the southern expansion of urban Auckland, Drury will be home to more than 25,000 new dwellings, supporting a future population of over 60,000 residents. Between 13,000 and 30,000 jobs are expected to emerge in and around Drury over time. These will be driven by industries such as logistics, healthcare, education, and advanced manufacturing. Land and infrastructure investment valued at $20bn+ is estimated over 20 years.
9. As a champion for good growth, the AUDO will provide leadership across Crown, Council, private sector and iwi interests — to coordinate infrastructure providers making sure forecasting, planning and funding connect at the right time for the right outcomes. Operational relationships are in place to keep momentum up on the Drury integration programme (Oversight Group, Waananga Group).
10. The cross-AUDO team is now established and Drury as a programme has been formalised within our internal systems, ensuring it's properly programmed, resourced, and monitored. Early tasks will focus on reviewing existing spatial/masterplans, developing a stakeholder engagement plan, setting up the data file for growth and impact forecasting, and building visual and narrative material for engagement. This includes working with the economic development office to support investment attraction and employment growth.

Maungawhau

11. A strategic review for the precinct has been completed to future-proof the transport network in the precinct and bring some buses closer to the train station in the future. The review also considered how to achieve best value and best outcomes for the land available for private development and the “go-to-market" strategy.
12. We are also working on progressing the release of sites for sale to future developers. This process is expected to take several years and must be delivered according to central government legislation priorities alongside Auckland Council planning requirements. We have commenced the statutory rights of first refusal (RFR) process with Whenua Haumi Limited Partnerships to consider the development opportunities.
13. We are supporting Auckland Transport on a transitional activation strategy for the sites before the long-term development begins. This will likely include some temporary open spaces for the community to enjoy.

Kingsland - New North Road Corridor (Maungawhau to Morningside)

14. With high connectivity and demand, proximity to the city centre, access to transport and other services and jobs, Kingsland and the wider corridor has significant opportunity for growth. A scoping study is underway to identify the urban development opportunities and the delivery models. This includes consideration of Eden Park and the options and tools required to deliver transit-oriented development at scale.

Infrastructure for Growth - Enhanced Infrastructure Analysis

15. The AUDO provides infrastructure phasing, funding and financing information for the council. It brings together all the major infrastructure requirements—from transport and water to parks, community facilities and schools—across Auckland Transport, Watercare, Council and key Crown agencies. We are looking at the options to build the council’s knowledge base on infrastructure requirements for growth across the entire region. While council holds good information on some areas that has supported the setting of development contributions, the data is not comprehensive across all growth areas. The opportunity is to develop a methodology to support the LTP, input to fast-tracked applications and enable council to better communicate and encourage growth to the areas where there is sufficient infrastructure capacity.

Optimizing wider development opportunities

16. Work has commenced to explore the urban development opportunities associated with council and crown investment programmes such as the level crossing programme. (Others include the NZTA 30-year plan and investment programme and Making Space for Water, both yet to be explored). The AUDO will work with these programmes to identify opportunities, options and priorities to support future decision making.

Continuing delivery in urban regeneration locations – summary of work underway

17. The AUDO continues to implement the agreed urban regeneration plans for the current priority locations – Northcote, Takapuna, Henderson, Avondale, Panmure, Old Papatoetoe, Onehunga, Manukau, and Pukekohe.

Development

18. While the property market remains challenging the AUDO is continuing to work with development partners to facilitate residential and commercial development, to optimise council surplus sites and to achieve revenue for council.
19. The AUDO is progressing the marketing of development sites in Onehunga and Manukau subject to market conditions and progressing development sites to conditional development agreements including 111 Lake Road, Northcote for a new supermarket and 38-47 College Road, Northcote for residential development and a number of sites in Panmure. Working with our development partners to progress key sites such as Dominion and Valley Road (to settlement), Avondale Central, Edinburgh Superblock in Pukekohe, the Waiapu Precinct Woolworths in Onehunga, the Auburn Street development site in Takapuna to unconditional development

agreements and development of the first block of the Anzac St site in Takapuna. At the waterfront a new development on North Wharf has recent;y been announced.

20. In other locations we are supporting the provision of new social homes for the elderly through the sale of a site to Haumaru Housing and have taken sites to the market in Hobsonville and New Lynn.

Capital programme

21. Improving the attractiveness, safety, amenity, and connectivity of town centres is important to attract new business, residents, and investors, and to enable development sites and optimise council property. The current capital investment programme includes:
22. Commencing construction of the Northcote Carness Reserve upgrade, adjacent to the future community hub renovation and Ernie Mays Street, a central connection providing for new development blocks and flood protection. The contracts have been awarded.
23. In Manukau, delivering the Hayman Park Wetlands upgrade and Te Aka Raataa (Stage 1) which is part of the Puhinui Regeneration.
24. In Old Papatoetoe we have recently completed the new community green space and playground at Stadium Reserve, extended Cambridge Tce and upgraded a laneway to improve connectivity and create new development sites. Whare Tupu, a partnership between Te Akitai Waiohua and Avant Group is well underway with a mix of 2 and 3-bedroom homes on Tavern Lane, right beside the open space.   The show home is expected to be open in the summer.
25. Pukekohe's upgraded Te Pae Mahara Roulston War Memorial Park is now open. The market precinct project is in the resource consent phase. This project will enable community uses and market activities, celebrate heritage and support a future development site.
26. In Avondale, Te Hono, the community hub and town square, has commenced construction. The inclusive public space and library will be a neighbourhood destination and support the future intensification of the town centre where many more apartments are planned.
27. Lagoon Edge upgrade, a playground and key walking connection to the town centre in Panmure is nearing completion.
28. Working with the Economic Development Office, we are exploring the opportunity to provide more homes and jobs in Henderson including supporting Te Puna Creative Hub.
29. In Onehunga development of the Waiapua Precinct is underway. The new open space and connectivity will support the new supermarket and enable future residential development.

Placemaking

30. Placemaking is one of several practical tools used to support effective urban regeneration. Its value lies in reducing project risk, improving community uptake, and keeping places functional and appealing as major change occurs.
31. By drawing on local insight, placemaking helps identify what will work on the ground, allowing early testing of ideas and preventing costly missteps in larger capital programs.
32. Used strategically alongside other regeneration tools such as commercial strategy, property, and development, placemaking ensures public spaces remain purposeful, valued and economically productive through periods of transformation. Its role is to manage the human and experiential dimensions of change. As density increases and construction disrupts established patterns of use, placemaking helps maintain activity, stabilise perceptions of place, and support social cohesion.
33. Our work focuses on five targeted functions:
    - Change management: Building understanding and resilience around major shifts.
    - Disruption mitigation: Minimising business and community impacts during construction.
    - Design testing: Trialling ideas on-site to guide investment and shape final designs.

- Place programming: Activating spaces to sustain foot traffic and civic life.
- Transitional uses: Repurposing vacant sites to reduce negative impacts.

City Centre and Waterfront

34. The Auckland Urban Development Office is continuing to lead the delivery of the city centre and waterfront programme. Refer to separate attachments 6 and 7.

3B CCO reform - Property status

Purpose and priorities

35. The property department has been established effective 1 July 2025. The mayor has requested an update on its purpose, role and activities.
36. The purpose and role of the new department has been refined as summarised below:

Oversight and Leadership

37. Leadership and oversight of the performance of the council group's large property portfolio to enable strategic outcomes, support operational services and leverage value. Primary objective is to drive performance and optimise the portfolio including the sale of assets surplus to requirements.
38. Under the role of oversight and leadership the priorities for the new department include:
    - Establishing a consolidated sales pipeline to support optimising the portfolio and meeting sales targets is a top priority. The below priorities will also complement a better performing sales pipeline to realise disposals in an efficient and timely manner.
    - The new department owns and leads implementation of the recently approved Group Property Framework. To do this it needs oversight of the group portfolio and its performance. A portfolio review is underway to capture what we own, why it is owned (clear purpose), and how each of the sub portfolios are performing.
    - A group wide steering group has been established to implement the framework, drive performance, and resolve issues.
    - These initiatives will enable the maximisation of value, improved utilisation, and the achievement of outcomes.

Management of Non-Service Portfolio

39. The direct management of the council's non-service, marinas, and community lease portfolio to achieve commercial and community outcomes. Primary objective is to maximise returns and outcomes.
40. Under the role of Management of Non-Service Portfolio, the priorities for the new department include:
    - Review and disposal of all non-service properties that are not required.
    - Maximise the commercial returns achieved on non-service properties that continue to be held for future use.
    - Review underway of the community leasing portfolio to assess whether it is achieving the outcomes sought, value for money and being managed as effectively and efficiently as possible.
    - Progress planning for berth license reversions to convert to full rental model for Westhaven Marina to maximise value while achieving a quality experience for boat customers and the general public.

Centre of Excellence and Best Practice

41. The provision of a range of property services and advice through a property centre of excellence supporting best practice across the group. Primary objective to support and enable council programmes with a property dimension and ensure consistency and best practise.
42. Under the role of Centre of excellence and best practise the priorities for the new department include:
    - Lead property related improvements including asset management, local board advice, systems and data, business case development, leasing arrangements, optimisation of portfolios, etc.
    - Support the wider group with key programmes outlined below.
    - Production and roll out of guidance and templates to support professional property advice and best practise.
    - Develop appropriate performance metrics and reporting formats to monitor and lift property performance.

- Ensure property decisions are informed by Te Tiriti o Waitangi and proactively identify opportunities for Mana Whenua participation.

Summary of work programmes (excludes BAU activity)

Establish new department

43. Scope includes - clear purpose, interim performance metrics and performance reporting, staff goals and professional development plans, department delivery plan, adequate resourcing and department culture aligned to purpose. Purpose, interim metrics, goals, and delivery plan in place. Range of work ongoing around performance metrics and targets, reporting, culture, and engagement:

    - **Asset sales:** Consolidate asset sales pipeline, focus resource and make improvements to ensure healthy pipeline with clear accountability, strong oversight and asset targets are met over time. Pipeline consolidated across various sub pipelines, oversight and performance tool in progress, initiatives to improve performance underway.
    - **Asset management:** Progress asset management maturity through actions and refreshed AMPs for next LTP. Underway.
    - **Group Property Framework:** Implement framework through application of principles through portfolio review and Property Group Steering committee. Progressing in line with action plan dates. Interim portfolio picture prepared across group portfolio. Performance assessment underway. Steering committee to meet in November and set priorities and opportunities for balance of the year guided by group property framework.
    - **Urban regeneration programmes:** Support AUDO through property management, advice including statutory processes and property transactions. Ongoing.
    - **Flood risk property:** Storm affected Land and Blue green network: Complete cat 3 acquisitions and commence blue green network acquisitions, manage portfolio and dispose of property when feasible. Cat 3 progressing and reaching completion. First blue green network acquisitions underway. Property management for various categories of land being progressed including disposal of land that can be sold.
    - **Deliver differently, Fairer funding, Local board service portfolio optimisation and cost pressure advice:** Support local boards with property advice and opportunities to lift performance and drive efficiencies and savings. Ongoing.
    - **City Centre Marinas:** Progress a range of plans, initiatives and projects including changes to berth management model. In progress.
    - **Own Your Own Portfolio:** Complete refurbishment, generate income and consolidate this portfolio into council ownership ready for development and sale. Refurbishment largely complete and consolidation of ownership progressing steadily.
    - **Auckland cemetery requirements:** Progress identification and acquisition of sites to meet the future cemetery requirements of the region. Opportunities being explored and conditional offers have been made.
    - **Transport infrastructure programmes:** Support Level crossing and Northwestern busway programmes to ensure transport, urban and commercial outcomes met. Ongoing.
    - **Community leasing review:** Assess this portfolio for strategic alignment, outcomes being achieved, value for money and being managed as effectively and efficiently as possible. Review underway.

Key metrics (delivery plan)

- Property sales: LTP: $ 300 m over 10 years. Cash proceeds from sales Fy 26 target $223m.
- Net operating surplus: target $ 22m Fy 26 (non-service portfolio only).
- Occupancy rates: commercial 90 % Residential 95 % (non-service portfolio).
- Group Property Framework: in line with action plan.
- Customer satisfaction: Marinas 88 % satisfaction.

3C CCO reform - Economic Development Strategy

Problem definition

44. Auckland's economy is central to lifting living standards for Aucklanders and plays a critical role in driving national prosperity as New Zealand's only major international city. The region has major strengths but also faces long-standing productivity challenges, uneven access to jobs and skills, and the need to adapt to rapid shifts in technology, climate impacts, energy transition, demographic change, and population growth.

45. The council influences economic outcomes through many of its core functions, such as planning, infrastructure delivery and specific economic development initiatives supporting innovation, creative industry, events and destination. However, we have not had a clear, shared strategy to guide this work or to enable us to prioritise economic outcomes.

46. Bringing the core economic development function in-house, and now developing a unified economic development strategy, provides an opportunity to reset direction, align priorities, and ensure we are using the full range of council levers most effectively. While responsibilities for innovation, investment, visitor attraction, sector development, Māori economic development, and local economic activity were previously dispersed across multiple teams and entities, the creation of the Economic Development Department has brought much of this capability together.

47. By setting a clear direction, shared priorities, and alignment between council and Tātaki Auckland Unlimited, the council can make the most of opportunities to lift prosperity and improve living standards for Aucklanders.

What we want to achieve

48. The Governing Body has requested the development of a strong Economic Development Strategy, and the mayor has supported this as a priority of this term. This must start with a clear definition of objectives and the council's role in achieving them. Staff will return early next year with the detailed scope of this work.

49. The strategy is expected to establish a unified direction for economic development that strengthens Auckland's role as an international city and lifts long-term prosperity for all Aucklanders. The strategy will focus on the areas where the council can make the most difference, including:
    - A vibrant, outward-facing city that attracts visitors, talent, and investment.
    - Stronger international connections, especially across the Asia-Pacific region.
    - A thriving innovation ecosystem supporting research, start-ups, and high-growth industries.
    - Higher productivity and better jobs, supported by business-friendly regulatory and investment settings.
    - A resilient, green inclusive economy aligned with Te Tāruke-ā-Tāwhiri.
    - Lifting the iwi and Māori enterprises to support the growing Māori economy.
    - Supporting more equitable access to jobs, skills, and investment across the region.
    - A coordinated council group approach, with clear roles between the parent and TAU and consistent use of our planning, investment, and regulatory levers.

50. A clearly defined strategy will support elected members the clarity they need to prioritise, make trade-offs, and direct resources to where they can make the greatest impact.

Council's role and levers

51. The Auckland Council Group has significant influence over the shape and performance of the regional economy. This influence comes both from the targeted programmes we deliver and from the wider system settings we control.

52. **Specific economic initiatives:** Through the Economic Development Office and in partnership with Tātaki Auckland Unlimited, the council delivers programmes that support innovation and high-growth sectors, Māori enterprise, investment attraction, skills and talent pathways, local economic development, and the visitor and major events economy. These activities help firms grow, strengthen industry ecosystems, and promote Auckland internationally.

53. **Broader levers:** The council also shapes the broader economic environment through its core functions: planning, transport and infrastructure investment, regulatory settings, consenting, procurement, and asset management. These decisions influence where businesses locate, how easily people and goods move, the cost of doing business, and the overall attractiveness of Auckland as a place to invest, innovate, and create jobs. Applying a consistent economic lens to these levers is critical to improving long-term productivity and living standards.

Proposed direction for the next term

54. To complete the shift to an integrated model and respond to the direction set through CCO reform, staff intend to explore the following direction in the next term:
    - **Develop a new economic development strategy for Auckland**. This will set the priorities, focus areas and expectations for how the council group supports a stronger, more productive and more internationally connected economy.
    - **Strengthen Auckland's position as an international city**. This includes deepening Asia-Pacific partnerships, especially with China and India, and presenting Auckland as a compelling destination for talent, visitors and investment.
    - **Support a thriving innovation ecosystem**. This will focus on the sectors that drive Auckland's future, particularly technology and creative industries, and back research, start-ups and high-growth firms.
    - **Improve productivity and make it easier to do business in Auckland**. This will use planning, consenting and infrastructure levers to remove barriers and support business growth and job creation.
    - **Strengthen Māori economic leadership**. This will support a thriving Māori economy, in partnership with iwi and Māori businesses, and ensure council investment, procurement and programmes create opportunities for Māori enterprise and rangatahi.
    - **Lift local economic outcomes**. Local boards and business improvement districts play a key role in shaping local economies. The strategy will set direction for how the council supports local economic development across the region.
    - **Refresh direction for the visitor economy and major events**. This will set clearer priorities and performance expectations for TAU's destination and events functions to strengthen Auckland's global profile and attract visitors year-round. Development of a long-term events and venue plan that effectively use public and private investments and partnership to drive long-term economic growth.
    - **Embed climate and equity**. The strategy will align with Te Tāruke-ā-Tāwhiri and Tāmaki Ora to support a green, resilient, and more equitable economy.

Actions already underway

55. While the strategy is being developed, staff are progressing practical initiatives that support entrepreneurs, small businesses, Māori and Pasifika enterprises, rangatahi and the wider innovation ecosystem.
56. Current activity includes:
    - **A significant number of support programmes (some delivered in partnership with central government)** including Auckland Startup Week, Māori Pasifika Trades Training, the Pacific Insights series, Migrants in Tech, India and Tech workshops and a full GridAKL start-up support programme.
    - **Amotai's supplier diversity programme,** connecting more than one thousand Māori and Pasifika businesses with procurement opportunities.
    - **Climate Connect Aotearoa's ClimateWise programme** for small businesses, and an energy-sharing pilot in Franklin, Development of an Energy Transition Pathway for Auckland (collaboration with EECA)
    - **The Te Puna creative innovation hub** in partnership with Te Kawerau ā Maki, supporting rangatahi, gaming, digital content and creative tech businesses.
    - **Supporting GridMNK in Manukau** and The Reserve in Glen Innes entrepreneurship programmes.
    - **Transformation programmes aligned with council and Crown priorities**, including city centre, North-West, and Drury economic impact work.
    - **The Tech Auckland storytelling platform** and early work of the Mayor's Tech and Innovation Alliance to strengthen Auckland's global technology brand.
57. These initiatives show momentum and highlight the value of bringing economic development functions in-house. The new strategy will provide the framework that ties them together and directs future investment.

3D CCO reform – TAU events function
Advice

Consolidation of events under Auckland Council Events

58. In December 2024 Governing body directed that events activity be consolidated across the group. In May 2025 decisions for the structural change process confirmed:

59. **that Tātaki Auckland Unlimited:**

- will deliver all city centre events activity.
- will be primarily responsible for activations in the city centre.
- deliver the venue and booking management, programming and content curation of Aotea Square and Te Komititanga
- Matariki and Waitangi Day events

60. **and that the Auckland Urban Development Office:**

- will deliver placemaking in the city centre.
- will only deliver activations in the city centre directly related to capital works and development programmes, particularly where needed to support transformation in regeneration areas or mitigate disruption from construction.
- If an event is required, commission one from Tātaki.

61. To give effect to this reallocation there are four areas of work:

- **Structural change processes** responding to the shift in event responsibilities to Tātaki decided in the May CCO reform decisions:
  - i. the first proposal related to the transfer from the Community Wellbeing Department in council to Tātaki of responsibilities for Matariki and Waitangi Day which was deferred in the May CCO reform decision pending successful delivery of Matariki.
  - ii. the second was a department-led change proposal for the Auckland Urban Development Office responding to the shift of responsibilities for events and activations in the city centre to Tātaki. The proposal also responded to the wider decisions made in May about the focus of the community development team.
- **A single Auckland Council Events brand** for the council group to use on events it supports and delivers, regardless of where the event is delivered from. This is important to tell the story of our work to the public better and to support attribution of our role alongside partners.
  - i. First used at BNZ Auckland Diwali Festival in October 2025, the new Auckland Council Events brand is now in use across Auckland, applied to a range of events including:
    - (a) Farmers Santa Parade
    - (b) Auckland Live's Christmas in Aotea Square programme
    - (c) Parnell Festival of Roses (Waitematā Local Board event)
    - (d) Albert-Eden Garden Festival (Albert-Eden Local Board event)
    - (e) The Te Manaaki Lighting Event at Te Komititanga
  - ii. Rules for its use are agreed across Council Group, with clear guidance available on intranets.
- **A shared regional events calendar**, developed and managed by Tātaki to coordinate the programming and promotions of all events delivered by the council group and third parties in our region. This is a key step to make it easy for Aucklanders and visitors to find out what's on in Auckland. The link is here aucklandnz.com/events.
  - i. The new events section on the Discover Auckland website went live in mid-November 2025.
  - ii. It is not a new platform, but an enhancement of the existing Discover Auckland platform. It has new events-related features and more content and is more mobile-friendly and easier to use. Further improvements are in development with progressive launches in 2026.
  - iii. Relevant Auckland Council-supported events carry the Auckland Council Events brand, making it clear how council either delivers or supports events across the region. Clear guidance has been developed for Council group and external partners to ensure events listings added are consistent and high quality.

- **A unified approach to Auckland Council Group events** with improved ways of working for integrated outcomes and best use of resources. This is internal organisational ways of working to ensure Auckland gets the best out of its events mahi.
- 2026 is a pivotal year for the city centre, with both the NZ International Convention Centre and City Rail Link opening. TAU is working to ensure a busy and vibrant events calendar spanning the year to maximise benefit for the city. To enable this activity which drives significant visitation, the performing arts venues and business event facilities play an important role in delivering a thriving and vibrant city centre.

62. Note: specific advice on events in the city centre and waterfront is provided in Attachment 6.

Attachment 4 – Transport reform

Transport reform

Executive Summary

1. The mayor has asked staff for advice to support in-principle decisions regarding what functions will sit in the Transport CCO to reflect the statutory purpose and primary function of the Transport CCO under the Local Government (Auckland Council) (Transport Governance) Amendment Bill (the Bill), and what potential future delegations may be needed from the council to the Transport CCO to support a successful and well-functioning Transport CCO. The mayor has also asked for detail on the council's approach to transport transition and current timelines.
2. The Bill is currently progressing through the legislative process. The Bill is expected to receive Royal Assent in March-April 2026.
3. The Bill provides for the continuation of a transport council-controlled organisation (CCO) with the purpose of providing public transport services in Auckland that connect communities in an efficient, effective and safe manner. Under the Bill, the primary function of the transport CCO is to provide public transport services. All other current Auckland Transport functions and powers will transfer to Auckland Council. The council will have a six-month period to transition, supported by a dedicated transport transition programme.
4. The council-led joint transport transition programme will work to support transport reform. This report also includes current timelines and approach information for the programme.
5. Transport reform represents a significant shift from the current transport governance and delivery model, where all transport functions sit within a single entity (Auckland Transport), governed by an independent board, to a future state where responsibilities are split between the council and the new public transport-focused Transport CCO.
6. Under the Bill the council becomes the road controlling authority and transport policy and planning, maintenance and renewals and capital delivery will be functions of council.
7. Staff consider that early in-principle approval of what functions will sit with the Transport CCO, made as part of the Mayoral Proposal, is important to provide clarity to the reform programme.
8. Having direction on the Transport CCO's functions now will enable the programme to focus on how to deliver the opportunities of reform around (for example) establishing and supporting the crown-council partnership via the Auckland Regional Transport Committee, integrated land use and transport decision making at council, and looking for opportunities to make the way the council group delivers transport more effective and efficient in the future state.
9. A 'base case' has been developed setting out the following functions that staff have identified as coming within the statutory purpose and primary function of the transport CCO under the Bill:
    - Public transport service and route planning
    - Management of public transport service contracts
    - Public transport service provision
    - Fare management
    - Ticketing services
    - Public transport safety
    - Public transport engagement
    - Public transport technology products
    - Public transport customer services
10. Beyond the base case, several scenarios have been developed to include additional functions considered necessary for effective operation and efficiency for a high-performing public transport-focused Transport CCO. These are functions that could sit with the Transport CCO as they are aligned to the purpose of the CCO to deliver public transport services and may or may not be required as functions. There may be strategic objectives or operational synergies for their location in the CCO or in council. This group of functions would require formal delegation as they would otherwise sit with the council under the Bill, and according to the Bill any such delegations require the approval of the Minister of Transport. Examples of functions that could be delegated to the transport CCO (subject to Ministerial approval) include certain asset management (including

maintenance embedded in public transport operator contracts and specialist maintenance) and minor capital works.

11. This advice focuses on the public transport-specific functions of the Transport CCO. Most supporting functions such as marketing, engagement, technology, data etc. are less well considered and we are continuing to work with staff in both organisations to understand these important functions. As we develop recommendations, the programme will give effect to the intent of council's recent organisational refresh, Group Shared Services approach and new ways of working. The default position is to use common systems, processes, and shared services, integrating functions across the Auckland Council Group to improve efficiency, consistency, and value for money unless there is strong business-specific rationale not to.
12. All other functions that are currently performed by Auckland Transport (that are not listed as part of the base case) will move to council.
13. Transport is an integrated system. It will also be critical to identify and manage the interdependencies between the council and the public transport-focused Transport CCO in the future state. Appropriate mitigations will be needed to minimise disruption and ensure seamless integration of the transport network. The transport transition programme of work captures work on mechanisms to achieve coordinated mechanisms to manage dependencies in the future state.
14. Staff presented to the Transport and Infrastructure Delivery Committee on the 26th of November where the advice in this report was discussed.

Context

Previous council decisions on Transport Reform

15. In 2023, the Governing Body resolved to request that the mayor advocate for change to transport governance arrangements in Auckland. The changes sought were for legislation to provide for joint decision-making between the council and the Crown on a long-term integrated transport plan for Auckland, for the council to prepare and approve the Regional Land Transport Plan and for the council to be able to make other key regulatory decisions about the transport system in Auckland.
16. On 5 September 2025, the Government introduced the Local Government (Auckland Council) (Transport Governance) Amendment Bill. The Bill is intended to improve the transport system in Auckland by establishing the Auckland Regional Transport Committee to undertake strategic transport planning, reforming the role and functions of Auckland Transport, transferring most transport functions from Auckland Transport to Auckland Council, and allocating decision making for local transport functions to local boards. The Bill had its first reading on 16 September and was referred to the Transport and Infrastructure Select Committee.
17. The Governing Body adopted key themes for the council's submission on the Bill at its 25 September meeting and delegated final approval to the Mayor, Deputy Mayor, Chair and Deputy of the council's Transport and Infrastructure Committee and Houkura member Taipari.
18. The council made a submission on 17 October [here] and was heard by the Transport and Infrastructure Select Committee on 13 November. The submission includes:
    - support for strengthened partnership with the crown.
    - council should be able to determine the functions of the public transport CCO.
    - ministerial approval should not be required for council delegations to the CCO.
    - existing legislative provisions should be used to determine allocation of decision-making between Governing Body and local boards.
    - views from Auckland Council's 21 local boards and feedback from Houkura/Independent Māori Statutory Board.

The council's transport transition programme

19. The transport transition programme is a council-led, joint Auckland Council and Auckland Transport programme. Throughout reform, the council and Auckland Transport are clear: organisations must focus on maintaining delivery of transport services and projects.
20. Transport reform will enable:
    - the continuation of a dedicated Transport CCO, more narrowly focused on delivering efficient, reliable public transport services and a great customer experience. A growing public transport network and patronage is critical to Auckland's transport network, affordability, and emissions outcomes.
    - A strengthened crown-council partnership and creating more joined-up planning, so we agree to a plan and stick to it with governance arrangements that make sure funding follows the plan over the long-term.
    - Integrating transport planning more closely with core council functions: land-use and other infrastructure (such as stormwater), so council can provide a consistent joined-up view of and investment for growth and how our city can grow in a way that lifts living standards for Aucklanders.
    - More decisions to be made locally, closest to the communities most affected. This will help remove some sticking points, give local communities more ownership and encourage elected members to support decisions in their areas because they have been part of determining the solution.
    - an opportunity to keep and build on existing good practices and find opportunities for integration and synergies as well as drive efficiencies through greater scale of enabling functions.
21. The key milestones for the Transport Transition Programme are:
    - 5 September 2025, Bill introduced.
    - 10 October 2025, the council finalised its written submission on the Bill.
    - March-April 2026, Royal Assent expected, at which point the Bill becomes law, a six-month transition period begins, a transport CCO continues, largely with the powers and functions of Auckland Transport, its board replaced with interim board for transition period.
    - September-October 2026, end of transition period, future state public-transport focused transport CCO and all other functions will sit with council.
22. The programme is currently in the 'pre-enactment' phase, ensuring the important decisions are taken and design components in place to enable a successful transition to commence upon Royal Assent. Functional organisation design is being progressed, focused on identifying what transport-related functions the Transport CCO and Auckland Council will each deliver.
23. There are many and varied risks associated with the transition programme. Key risk focus for the programme currently includes:
    - Tight delivery timelines – while the introduction of the Bill provides increased clarity, the scale of change in the indicated timelines does represent a delivery risk. This is being mitigated by detailed programme planning and ensuring the right capacity and capability is in place to deliver within the required timeframes.
    - Decision-making during the transition period – there is a risk, prior to the enactment of the legislation and during the transition, that decisions are not managed effectively between council and Auckland Transport e.g. lack of visibility, decisions not being made, unclear ownership. In response to the operating rules approved by Governing Body in September 2025, new decision-making protocols have been implemented to ensure continuity of decision-making at Auckland Transport with appropriate council involvement and oversight. Following royal assent council will revisit these operating rules for the Transport CCO.
    - Achieving the optimal design outcome – there is a risk of sub-optimal design outcomes leading to e.g. decision-making / delivery issues, increased costs etc. from new operating model once established post transition. There is a significant focus on mitigating this risk through December workshops and advice to Governing Body, to ensure an effective design. Work is underway to develop options to support effective decision making for elected members post transition period. This is a significant programme of work.

Process to develop recommendations for Transport CCO functions:

24. The transport transition programme has:
    - reviewed international examples of public transport organisations.
    - defined outcomes and success factors for a high-performing public transport-focused CCO.
    - established principles to underpin the base case.

- developed a base case.
- created options beyond the base case where the council may wish to delegate additional functions to the CCO.

Outcomes and success factors for a high-performing public transport-focused CCO

25. To fulfil its legal obligations, the Transport CCO Board must have clarity on its accountability and decision-making remit. To deliver effectively, the Transport CCO Board needs control over the right levers for day-to-day operations while remaining aligned with the council's strategic direction. This includes responsibility for public transport service operations, fleet safety and compliance, and acting as the primary relationship holder with public transport operators.
26. The Transport CCO must have flexibility to respond to real-time operational needs and make timely decisions when required. Without sufficient control over public transport operations, the Transport CCO risks being unable to adapt quickly to customer needs.
27. The first step in our process has been to identify draft outcomes, which are considered important for a successful public transport organisation. These will be refined over time to guide the responsibilities of the Transport CCO Board and would inform performance measures which the board would be held accountable for. That would be through direction and performance accountability processes in the future such as the letter of expectation and statement of intent processes. The outcomes are:
    - the public transport network is well-functioning and delivers efficient, reliable and integrated services.
    - the public transport network is optimised and agile, responding to patronage growth.
    - public transport service contracts are optimised and remain within budget while maintaining quality and efficiency.
    - performance targets for on-time running, frequency and coverage are met or exceeded.
    - farebox recovery is maximised and commercial opportunities optimised.
    - disruption on the network is minimised, with real time response to disruption optimised.
    - public transport operators meet all safety requirements.
    - customer satisfaction of public transport in Auckland is consistently high across the network.

Staff have developed a Transport CCO Base Case, enabled by the legislation

28. The Bill provides that the Transport CCO's purpose is to "provide public transport services in Auckland that connect communities in an efficient, effective, and safe manner" and its primary function is "to provide public transport services within Auckland." The Bill's definition of "public transport services" is relatively high-level: "a service for the carriage of passengers for hire or reward by means of a large passenger service vehicle; or a small passenger service vehicle; or a ferry; or a hovercraft; or a rail vehicle; or any other mode of transport (other than air transport) that is available to the public generally".
29. The proposed base case contains what staff have to date identified as being the transport functions that come within the statutory purpose and primary function of the Transport CCO as provided for in the Bill. Supporting functions such as marketing, engagement, technology, data etc. are less well considered and we are continuing to work with staff in both organisations to understand these important functions.

Assumptions used

30. To develop the base case, the following assumptions were made:
    - there are no changes to the Bill in terms of the statutory purpose and primary function of the Transport CCO and the council's role as the road controlling authority.
    - the Transport CCO will be responsible for public transport services operational decision making (and will respond to customers in real time).
    - the council will hold the strategic and funding decision making role for public transport.
    - the council and Transport CCO will work closely together in partnership and with formal mechanisms/agreements where required (e.g. service level agreements).

- the council will own (as it does currently) and manage all transport assets (reflected in the council fixed asset register).
- the funding model doesn't change (council plus NLTF) - internal funding mechanisms will change, and council will hold the role of NLTF funding recipient.
- operational levels of service are not compromised.
- the transport CCO Interim Board (and then Transport CCO Board) will accept any delegations made by council.

Principles applied

31. Principles used to develop advice for functions for the Transport CCO:
    - the function is not allocated to council in the Bill.
    - the function is consistent with the statutory purpose and primary function of the Transport CCO under the Bill – i.e. to provide public transport services that connect communities in an efficient, effective, and safe manner.
    - the function is required to ensure performance standards and value for ney are met.
    - the function is required to ensure a cohesive, multi-modal transport network.
    - the delivery of the function is integral to ensuring public transport co-funding from NZ Transport Agency.
    - the function is required to ensure customers do not experience a drop in level of service.

The Transport CCO Base Case

32. Staff have to date identified that the following functions appropriately sit with the Transport CCO as part of the base case, to reflect the statutory purpose and primary function of the transport CCO under the Bill:

Function	Scope detail includes
Public Transport Service & Route Planning	• Manage service and route planning. • Identify service/route improvements. • Drive action on under-performing routes.
Public Transport Service Contracts	• Develop contract strategy and market engagement. • Deliver procurement plans. • Development of and manage public transport contracts (bus, rail, ferry) • Approve and process contract variations. • Specify public transport infrastructure and fleet (including accessibility specs). • Manage bus and ferry operator performance including performance measures.
Public Transport Service Provision	• Monitor existing public transport services. • Manage timetabling and scheduling. • Real time response on the public transport network (planned and unplanned disruptions). • Optimise the existing public transport network including agreed patronage growth initiatives. • Benefit realisation – operational elements optimised and consistent with council direction. • Develop response to growth, spatial direction/priorities as directed by council. • Prepare operator readiness for major service and operator changes. • Develop 10-year public transport service plan aligned to the RPTP, including advice on prioritisation.
Fare management	• Manage annual fare review to achieve farebox and private revenue targets. • Provide advice to AC on fare revenue.

Function	Scope detail includes
	• Manage fare concessions.
Ticketing services	• Lead campaigns to increase patronage and supporting promotional activities. • Lead HOP branding (or future National Ticketing Solution (NTS).
Safety	• Monitor operator safety requirements. • Management of emergency help and PA systems in facilities. • Report on safety incidents. • Interface with regulator. • Transport officers. • Security, police liaison and transport officer liaison
Engagement	• Lead engagement on products and services. • Media response (public transport).
Public Transport Technology products *(further work/testing required, including phasing)*	• Likely: AT app mobile, Fareshare, Journey planner, Real time management and communications (e.g. Public Information Display Systems). • More testing required: Ownership and stewardship of data domains relating to public transport service and performance, Specifying data requirements and management of public transport data.
Relationships	
Council interface across all departments, providing input where public transport lens is required	• Subject matter expertise into road corridor decisions. • Provide input to transport policies and plans. • Provide input to transport decision-making and wider integrated decision-making. • Subject matter expertise (including operational input) to capital delivery.
Operational interface with KiwiRail	• Provide input to access / track user charges. • Freight / metro allocation slots. • Provide input to level crossing programme. • Presence in Auckland Rail Operations Centre (AROC).
Interface with NZTA	• Presence in Auckland Transport Operations Centre (ATOC)

33. This advice focuses on the public transport-specific functions of the Transport CCO. Most supporting functions such as marketing, engagement, technology, data etc. are less well considered and we are continuing to work with staff in both organisations to understand these important functions. As we develop recommendations, the programme will give effect to the intent of council's recent organisational refresh, Group Shared Services approach and new ways of working. The default position is to use common systems, processes, and shared services, integrating functions across the Auckland Council Group to improve efficiency, consistency, and value for money unless there is strong business-specific rationale not to.
34. Given the base case, there are key dependencies between the future-state Transport CCO and council that must be worked through to ensure both organisations are successful. A framework/s will need to be established to set standards for service provision and to ensure performance measures of both organisations are met. Integrated decision-making including to address tradeoffs as well as formal agreements (e.g. SLAs) will likely need to be in place. These agreements need to ensure decisions are informed by both parties and that any advice is coherent, coordinated, and integrated.
35. Staff will work through this detail and bring any decisions to elected members as appropriate.

36. Council technical transport functions that are dependencies for the future state Transport CCO given the base case include and not limited to:
    - Traffic controls (traffic lights and traffic calming)
    - Road space allocation (e.g. special vehicle lanes, bus lanes)
    - Parking location and enforcement
    - Road closure / temporary disruption
    - Public transport asset renewals and maintenance

Financial considerations

37. There are no direct financial implications arising from the advice for in-principle decisions as part of the Mayoral Proposal.
38. No service level changes are envisaged under the recommended package. As work progresses through the operating model and organisational structure design phases, potential opportunities for cost efficiencies may emerge, for example, through changes to the operating model, group shared services, or ways of working. However, it is too early to quantify these. Further analysis of the financial implications of the reform will be undertaken once functions are clearer, with any resulting budgetary changes for the council and the Transport CCO reported and approved through the Annual Plan 2026/2027 process and more likely, as appropriate, the subsequent Long-term Plan 2027-2037 process.

Additional functions that could be delegated to the Transport CCO

39. Staff have identified several functions that could sit with the Transport CCO because they directly support its core purpose of delivering public transport services. These functions would require a delegation from the Governing Body, with Ministerial approval as required under the Bill.

Management of fixed public transport assets

40. A key area requiring clarity is the future responsibilities for public transport assets (train stations, bus stations, bus shelters, ferry terminals, and associated facilities). Staff propose a simple principle that separates responsibility for asset ownership from delivery of day-to-day services:
    - Auckland Council will own all fixed public transport assets and so be responsible for long-term asset management.
    - The Transport CCO will be responsible for day-to-day operation, control, and management of public transport assets, which includes facilities management, planned and responsive maintenance and property management.
41. This model ensures council maintains strategic stewardship (aligned with its asset management of the broader transport system), while the Transport CCO holds the levers required for safe, reliable, customer-focused operations. It also avoids artificial distinctions between assets and the services delivered within them.
42. To support efficiency and service levels, the council and the Transport CCO should jointly assess where joined-up procurement delivers value for money and improved service levels. This assessment will vary by asset class:
    - Train stations: Maintenance for train stations (including park-and-ride and bus interchange areas) is embedded within Auckland One Rail and Downer contracts. Given the integrated nature of these contracts, staff propose retaining this approach.
    - Bus shelters: Over 3,000 shelters are currently maintained through road corridor maintenance contracts. Their condition strongly affects customer experience.
    - Ferry infrastructure: Specialist marine maintenance requires 24/7 capability that council does not currently provide.
    - Bus stations and ferry terminals: There may be economies of scale in joint procurement through group facilities contracts; this needs testing against operational responsiveness requirements.
43. If, for some asset classes, facilities maintenance remains with Council, the Transport CCO would act as the key client, specifying service levels and holding Council to account through agreed service level agreements and escalation processes.

Time-bound delegations

44. In addition to ongoing operational responsibilities, there are two major public transport projects (City Rail Link and the Eastern Busway) where a temporary, time-bound delegation to the Transport CCO would support an orderly transition to full operations. These delegations would allow the Transport CCO to make operational decisions during the commissioning and bedding-in phases, while long-term ownership and strategic asset management remain with council. Time-bound delegations also reduce the risk of operational gaps or uncertainty as large projects move from construction into service.

Minor public transport capital works

45. Minor public transport capital works, such as small-scale safety improvements, amenity enhancements, and customer information upgrades, are typically time-sensitive and require rapid delivery to respond to passenger needs and operational issues. Delegating delivery of these minor works to the Transport CCO would enable faster decision-making and improved customer experience, while council retains responsibility for investment settings, funding approval, and long-term network planning.

46. **Staff currently propose the following as being appropriate for delegation to the Transport CCO:**
    - Operation and day-to-day management of fixed public transport assets (train stations, bus stations, bus shelters and ferry terminals),
      noting this excludes long-term asset management, and that council and the CCO should explore joint procurement options where this will enable value for money and service levels.
    - Time-bound delegation for City Rail Link during completion and early operations.
    - Time-bound delegation for the Eastern Busway during delivery and early operation
    - Minor public transport capital works

Areas where there is potential for integrated delivery of supporting functions

47. In addition to the asset-related functions discussed above, staff have identified a small number of supporting functions which sit within the responsibilities of the Transport CCO, but where there may be value in exploring integrated or shared delivery across the council group *post*-transition. This would need to be explored jointly with the Transport CCO.
48. Areas for further exploration include:
    - **Customer service and call centre functions:**
      Public transport customer enquiries, complaints, HOP/ticketing queries and disruption updates are core to the Transport CCO's customer experience role. However, there is potential to integrate elements of call centre infrastructure, technology platforms, workforce planning and after-hours handling with council's broader customer service model within Group Shared Services.
      A more integrated approach could enable Aucklanders to access a single front door for information about public transport, roads, parking and wider Council services, improving accessibility and simplifying the experience for customers. Integration may also enhance resilience, scalability and service continuity during disruption events.
    - **Transport officers and safety roles:**
      The Transport CCO will retain responsibility for public transport safety, including deployment and management of Transport Officers. Alongside this, there is an opportunity to explore shared approaches to training, capability development, rostering, and coordination with other council public-facing or regulatory roles: such as compliance officers, community safety teams, or public venue/security staff.
      A more integrated model could support a consistent and visible safety presence across the network and public spaces, while improving workforce flexibility and reducing siloed delivery. This may also help provide Aucklanders with a more cohesive customer-facing service across multiple parts of the council group.
49. Any integration opportunities would need to ensure that the Transport CCO retains appropriate accountability for public transport service performance and safety, and that responsiveness to real-time operational issues is not diminished. Staff will continue assessing these opportunities through the transition design process and consider if these opportunities should be explored or progressed further after transition.

Next steps

50. Staff consider that early in-principle approval as part of the Mayoral Proposal of the functions that will sit with the Transport CCO would be useful.
51. The council will revisit these decisions in the new year, once the final legislation is in place (March-April). Making in-principle decisions now will guide design for both the Transport CCO and the council's new transport functions between now and when the legislation is enacted, meaning that the transport transition programme will be ready to launch consultation on a structural change process. Not making these in-principle decisions now may lead to unnecessary design effort and uncertainty.
52. It is currently expected that the Bill will receive royal assent in March-April 2026, at which point the Bill becomes law, a six-month transition period begins, a Transport CCO commences, largely with the powers and functions of Auckland Transport for the transition period. Auckland Transport's board will also be replaced with interim Transport CCO board for the transition period.
53. If the Bill is enacted in March-April 2026, the transition period will end in September-October 2026, at which point the future state public-transport focused Transport CCO will be in place with all other transport functions sitting with council under respective decision-making responsibilities.

Attachment 5 – Arts and culture sector reform

Arts and culture reform

Executive Summary

1. Following the work of the Arts, Social, Sports and Community Political Working Group last term that found the current three Acts governing Auckland's regional cultural organisations are outdated and fragmented, the council has developed a draft high level statutory model to show how a single updated framework could operate. The model is intended to improve democratic decision making, strengthen planning and accountability and support better outcomes for the organisations and the wider sector. It has been prepared to enable engagement with the organisations, with the next stage focused on refining the model and identifying a preferred option to form the basis for legislative reform.

Context

2. Auckland Council's relationship with key regional cultural organisations is governed by three separate statutes: the Auckland War Memorial Museum Act 1996, the Museum of Transport and Technology Act 2000 and the Auckland Regional Amenities Funding Act 2008. These Acts create differing funding and governance arrangements across museums, science, and heritage institutions, performing arts organisations and amenities.
3. Over the past decade multiple independent reviews and assessments have consistently found that these Acts are outdated and fragmented, limit democratic oversight of funding, create inconsistent accountability requirements, and constrain collaboration across the cultural sector. These issues affect not only the Council but also the organisations, which face misaligned planning cycles, complex reporting requirements and uncertainty.
4. In response, the mayor established the Arts, Social, Sports and Community Political Working Group, led by the Deputy Mayor, to examine these issues and consider options for reform. The Working Group recommended that Council proceed with legislative reform to create a modern statutory framework, and these recommendations were endorsed by the Governing Body. The Political Working Group also recommended progressing and embedding collaboration between the different cultural organisations, along with other improvements that could be implemented relatively quickly without requiring substantial legislative change.

Work to date and planned sector engagement.

5. In response to the Working Group's recommendation, the council has developed a draft high level statutory model showing how a single updated framework could operate. The model is intended to improve democratic decision making, support clearer forward planning, provide more sustainable funding settings, and enable better sector outcomes. To achieve this, it aims to align funding with Council's LTP cycles, apply consistent reporting requirements, reduce duplication created by the differing Acts and provide a more stable and coordinated environment for organisational planning. It also aims to establish foundations that support collaboration, shared services, and long-term sustainability across the sector.
6. The model has been prepared to enable sector engagement. Engagement will focus on testing the practicality of the model, understanding organisation specific implications, and identifying refinements that would strengthen sector wide outcomes.
7. The next stage will be focused on engagement with the Auckland War Memorial Museum, MOTAT, Stardome, the ARAFA funded amenities and other key stakeholders. Feedback from this engagement will be used to refine the model and identify a preferred option for consideration by the Governing Body that can form the basis for legislative reform.
8. The focus for the new term is to work with the sector to refine the model and shape a preferred option for Governing Body consideration. The Deputy Mayor is well placed to continue providing political leadership for this work.

Responding to the Arts, Sports, Social and Community Political Working Group recommendation on enhanced collaboration and an Alliance of Auckland Council Funded Cultural Organisations

9. The Cultural Sector Alliance (CSA) was established following recommendations from the Arts, Sports, Social and Community Political Working Group to strengthen collaboration among Auckland Council-funded cultural organisations. Its purpose is to improve outcomes and efficiencies across the sector by implementing shared metrics for transparency, coordinating programming and marketing, exploring shared services, and aligning strategic direction with Council and other funders. To deliver on these goals, the CSA has created four dedicated working groups: Key Metrics, Matariki programming, Education Product and Portal, and Marketing.
10. Arts and culture are an essential part of Auckland's place brand, curating and showcasing Auckland's unique stories for residents and visitors. The CSA will strengthen Auckland's ability to showcase and shape its cultural identity and reputation, with residents, domestically and internationally.

Specific venue information - Cultural Sector Alliance

11. The Governing Body resolved in March 2025 to enter into a three-year funding agreement with MOTAT, as opposed the annual funding levy process.
12. The MOTAT three-year funding agreement has been executed and is now in effect, incorporating terms and conditions set out by the Governing Body. These include quarterly performance reporting to council, delivery of 12-month action plans and a biennial MOTAT Board performance review. The executed agreement includes clear performance measures and targets to ensure accountability and alignment with Auckland Council's strategic objectives. These terms and conditions were not possible under the statutory levy process.
13. Progress against these conditions is tracking well. The MOTAT Board performance review is expected to be delivered in April 2026, and will be undertaken by an independent external reviewer. MOTAT has also set measurable targets under the agreement, and the first quarterly performance report has been received, confirming that the organisation is on track to meet its commitments. This progress demonstrates MOTAT's proactive approach to fulfilling its obligations and delivering value under the new funding framework.

ARAFA related recommendations from Political Working Group report

14. The Arts, Sports, Social and Community Political Working Group recommended that the TAU Board explore whether Stardome would benefit from closer alignment or integration with TAU, similar to the successful integration of the Maritime Museum. This recommendation is now being actively considered, with discussions elevated to the Chairs and CEOs of both organisations. A meeting is scheduled for December 2025 to explore the potential integration, although no commitments have been made at this stage.

Performing arts venues review

15. Recent financial issues with some theatres have raised concerns over the supply and demand for performing arts venues. Have we got the right number and mix to serve Auckland now/in the future? There is also concern about the ongoing sustainability of theatres amid rising costs, changes in audience participation, and the current economic challenges making it difficult for theatres to maintain operations. Have we got the right investment models?
16. Work is underway to provide elected members with robust evidence to support decisions and investment into performing arts venues and provide clarity on sustainable operating models and options moving forward. This work will look at the supply and demand for performing arts theatres/venues in Auckland, try to identify sustainable operating models, and help identify future trends in the performing arts.
17. This work is intended to be completed in June 2026, so that it can inform Long-term plan decisions.

Attachment 6 – City centre

City centre

Context

A place of regional and national significance

1. A successful city centre is a foundation to repositioning Auckland Tāmaki Makaurau as a global city and tech hub, to drive both the regions and nation's prosperity.
2. Auckland's city centre is the beating heart of Tāmaki Makaurau — the place where business, culture, learning and community from across the region converge. Although compact in size, it plays an outsized role in the success of both Auckland and Aotearoa. It is home to around 38,000 residents, supports 159,000 jobs, attracts approximately 70,000 tertiary students, and hums daily with thousands of visitors, workers, and commuters.
3. As New Zealand's financial and commercial hub, the city centre generates more than a fifth of Auckland's GDP and around 8% of the nation's GDP. More than 60% of the country's leading companies choose to base themselves here, alongside a diverse mix of service-based industries, creative sectors, retail, hospitality, arts, and entertainment. These businesses thrive on proximity — to each other, to major institutions, and to the national and global connections that the city centre enables.
4. It is also Auckland's primary cultural and transport hub. Its network of trains, buses, ferries, cycling routes and walkable streets makes it the nexus of regional mobility, linking people and places across Tāmaki Makaurau. The concentration of talent, investment, education, and activity makes the city centre a critical driver of economic growth and social vibrancy for the entire region.

A decade of progress

5. Over the past decade, Auckland has made significant progress in regenerating and revitalising its city centre. Major public and private investment have reshaped key precincts, strengthened the waterfront as a destination, and demonstrated the value of local government and private sector working in partnership.
6. The transformation of the central waterfront and Wynyard Quarter has created a vibrant focal point for business, residents, and visitors, showcasing how strategic public-sector investment can unlock high-quality private development. Britomart, once a derelict carpark, is now a thriving commercial and retail precinct, while Commercial Bay has reimagined a tired mall into a premium destination for workers, shoppers, and visitors.
7. Wynyard Quarter continues to stand out as a model for sustainable, people-centred development — a place where high-quality design, public spaces and environmental leadership come together to create a thriving mixed-use neighbourhood.
8. Across the core city streets, council group investments have significantly uplifted the quality and amenity of the city's streets and public spaces. Projects such Te Komititanga, Quay Street, Victoria Street, Karangahape Road and Freyberg Place are breathing new life into areas that were once under-used or neglected.
9. The city centre's transport network has also undergone major transformation. Enhanced ferry, bus and rail infrastructure along the central waterfront has strengthened its role as Auckland's key mobility hub - making the city centre one of the most connected, accessible and future-ready places in the region.

Challenges

10. The city centre is under sustained economic pressure. Tight discretionary spending has reduced footfall, retail turnover, and increased vacancies, reinforcing perceptions of lower relevance and convenience. Spending remains experience-led—hospitality accounts for 40% of card spend and arts/recreation 12%, far above regional averages—making the centre more vulnerable to downturns. Ongoing construction further disrupts movement and accessibility, compounding challenges for businesses.
11. The commercial property market is also undergoing change. Competitive pressures and a shift towards premium, higher-grade office and retail space are driving demand for quality, well-located buildings, while lower-grade properties are facing higher vacancies and declining relevance. This is reshaping where businesses choose to locate and influencing the overall mix of activity in the city centre.

12. Challenges associated with older building stock, in particular focused around Queen Street valley, that have poor quality frontage and are underutilised, as well as and areas of under development, impacting on the broad appeal of the city centre, for example, the SkyWorld and St James. Adaptive re-use of existing commercial buildings has been limited, and opportunities could be explored to catalyse adaptation.
13. Perceptions of safety and concerns regarding illegal, antisocial, and intimidating behaviour have also affected the appeal of the city centre.
14. Increased rates of homelessness in the city centre have further highlighted broader social challenges that extend well beyond the city centre itself. The concentration of essential social services in and around the city centre makes it a comparatively safer and more accessible place for people experiencing homelessness to be - but it also brings these complex issues into sharper public focus.

Opportunity

15. As major transport and urban transformation projects reach completion, Auckland has a pivotal opportunity to reset the city centre's trajectory and rebuild Aucklanders' connection with it. The opening of the City Rail Link (CRL) stations and the New Zealand International Convention Centre (NZICC) in 2026 will mark a step-change in how people access, use and experience the heart of Tāmaki Makaurau. These projects provide a powerful platform to re-engage the public with the city centre's unique value and to reinforce its role in supporting Auckland's and New Zealand's long-term economic competitiveness.
16. The CRL will transform how people move around the city centre. Doubling the number of trains arriving each hour, alongside significant investment in more frequent and reliable bus services, will make the city centre more accessible than ever before. This improved connectivity will support increased visitation, enable business growth, and strengthen the city centre's position as Auckland's primary transport hub.
17. The opening of the NZICC - a 32,500m² conference, exhibition and entertainment venue with capacity for up to 4,000 delegates - will inject new energy into the city centre's economy. As the largest and most versatile facility of its kind in the country, it will attract international events, support the hospitality and retail sectors, and further elevate Auckland's profile as a destination for business and tourism.
18. Investor confidence remains strong, with a private development pipeline of approximately $6.8 billion. Major projects, including the proposed $2 billion redevelopment of the Downtown Carpark site, the recently completed Formery in midtown, Manson redevelopment of the old Council building on Graham Street and the Campell House on Lorne Street.
19. A joint-agency approach between Council and Central Government agencies is underway to address antisocial and illegal behaviour and to ensure those people needing access to housing, health and other social services get at the support they need.

Advice

Our focus in the coming years

20. The City Centre Action Plan sets out the council groups collective work programme for the city centre over the short, medium, and longer term. It reflects the current context of the city centre, and what we have heard from our communities, stakeholders, partners and the likes of the Waitemata Local Board and City Centre Advisory Panel.

Getting the basics right and enhancing the experience of the city centre:

21. The experience people have when they come into the city centre plays a critical role in their perception of Auckland as a city.
22. The Council group is committed to focusing on the fundamentals - safety, cleanliness, vibrancy, and the quality of public spaces - while also strengthening the city centre's identity as a destination:

Events and attractions in the city centre and waterfront

23. Auckland's city centre and waterfront have long been the focal point for major events, particularly those linked to the harbour. The council group is continuing to build the city centre's reputation as a destination in its own right by supporting and promoting existing events more effectively, curating a diverse range of new events and activations, making promotional funding go further, and making the best use of cultural facilities.

Planned programme of events and activations

24. Under the CCO reform, Tātaki Auckland Unlimited (TAU) now leads city centre events and activations. This includes strategically programming public spaces and venues to make the most of our assets and investments.
25. Supported by the City Centre Advisory Panel, a significant uplift in funding from the City Centre Targeted Rate (circa $70M) has been allocated over the next five years to boost investment in attraction and vibrancy. The aim is to draw more people into the city centre through compelling experiences - strategically timed around major moments such as the opening of the CRL and NZICC in 2026 and sustained in the years following to embed their benefits.
26. However, the short-term uplift of city centre targeted rate for attraction and vibrancy is not sustainable and long-term provision must be made to build a long-term events pipeline, as well as to build sector capacity to deliver to deliver events without ratepayers' investments.
27. TAU's proposed programme for activating the city centre using the investment from the City Centre Targeted Rate will support the City Centre Action Plan outcome to increase investment and attraction by:
    - Supporting a night-time economy in the city centre.
    - Attracting more investment into the city centre.
    - Encouraging more people to live and study in the city centre.
    - Encouraging major events in the city centre.
    - Supporting vibrancy by increasing activation, programming, and events.
28. Investing in the attraction, development, delivery, marketing and promotion of major events, business events, performing arts events and experiences which include international and homegrown content, plus tourism and sector capability building will contribute to an additional estimated ~972,000 visits to the city centre and 310,000 visitor nights for FY26.
29. These expected benefits include:
    - An estimated $32.9m contribution to regional GDP and 246,000 visitor nights from major events supported (Destination Events)
    - An estimated $26.7m in additional spend and 64,000 visitor nights from business events supported (Travel and Tourism)
    - Total attendance of ~972,000 to the city centre across the programme of all supported events (including ticketed and free events) with an estimated 25% coming from outside of Auckland
    - An increase in event and activity associated city centre spend (approximately 60% of attendees at performing arts events report additional spend on food, drink, retail, and other activities).
    - A cohesive city centre narrative that industry and stakeholders can rally behind.
30. The initiatives delivered in this events programme are designed to directly attract and engage a wide range and scale of audiences, with many initiatives focused on highlighting the city centre's unique cultural identity, particularly our Māori and Pacific heritage, as well as strengthening the city centre's music scene to create a distinctly Auckland proposition to attract visitors and to be a vibrant night-time economy.
31. The programme of events and activities will help to strengthen Auckland's place brand, (a key to sustaining visitation beyond the injection of the boost funding) and contribute to building Auckland's distinct reputation as a desirable place to visit, live, study and invest.
32. Additional programming across the city centre aims to increase visitor spend, increase vibrancy, safety (and perceptions of safety) and provide more reasons for people to visit and stay in the city centre. This supports an "Always On' city experience for locals and visitors to Auckland (both in venues and in public realm spaces) and is expected to promote an open and inclusive city that celebrates creativity, innovation, participation and diversity.
33. The allocation of investment toward marketing and promotion initiatives are specific to city centre attraction and activation, primarily focused on:

- promoting live performances, events, and activations in the city centre
- encouraging locals and New Zealanders to spend time and money in the city centre i.e.
    - Visitor attraction (Karangahape Road Business Association)
    - Visitor attraction (Heart of the City Business Association)
    - Nighttime economy
    - It's On in Auckland
    - Student Orientation week
- communicating how people can get around in the city (transport solutions)
- performance measurement e.g. visitation, ticket sales, ancillary spend.

Considering our longer-term approach to public space and events in the city centre and waterfront

34. Alongside this programme, staff consider it useful to reflect on how well the current approach supports the ongoing use of the city centre and waterfront for events, and what may need attention over time. The city centre's venues and public spaces represent significant public and private investment and form the backbone of Auckland's events network. Taking stock of how these assets are currently used, and how they might be better coordinated or supported, can help guide future decision-making without predetermining any specific direction.
35. Considering our approach also means understanding the requirements for hosting a range of events on the waterfront, including what infrastructure, space and operational flexibility may be needed. This includes recognising the trade-offs between enabling events, protecting public access and amenity, and supporting wider city-centre development.
36. As the waterfront continues to evolve, including the redevelopment of Wynyard Quarter, the Viaduct, Halsey Wharf and the Hobson Wharf extension, it is timely to consider how these spaces can function together as a coherent network that supports a variety of event types while remaining good public places day-to-day.
37. There is value in ensuring the city centre remains easy to use for events, with public spaces that can accommodate activity of different scales, support straightforward pack-in and pack-out logistics, and balance commercial and community use. Flexible assets like The Cloud continue to play a role in this mix.
38. A more permissive approach to certain commercial activities in public spaces, such as temporary hospitality, food vendors, or other pop-up uses, may help support events and add to the vibrancy of the area, while still being managed in a way that protects public amenity.
39. From a public space perspective, the focus is on ensuring spaces such as Te Ara Tukutuku, Queens Wharf and Aotea Square remain flexible and event-capable, while continuing to function as high-quality everyday places. Effective operational management, including public amenities, cleaning, maintenance, renewals and safety initiatives, is critical to supporting events and protecting the reputation of Auckland's city centre and waterfront.
40. With the upcoming opening of the City Rail Link, more visitors will be brought directly into the Aotea and Karangahape precincts. This presents an opportunity to consider how these areas, including laneways, can be used in ways that complement waterfront activity and strengthen the overall city-centre offer.
41. The future of The Cloud will also need consideration. Its unique functionality and central location mean it plays a role that is not easily replicated elsewhere. With an estimated five years of life remaining, it is appropriate to reflect on how this type of capability is provided for in the longer term.
42. TAU's management and activation of Aotea Square and Te Komititanga provides an opportunity to take a more consistent approach to the use of civic spaces, including the recommendations from the Civic Spaces Review (December 2024).
43. More broadly, TAU will continue its role in coordinating and promoting an "always-on" city centre environment, working with partners to ensure the mix of events, exhibitions and activations contributes to a lively and welcoming city centre.

Current plans for activation for upcoming summer period across the city centre

- Christmas/New Years Eve – Farmer's Santa Parade, Christmas in Aotea Square and Te Komititanga Christmas programming.
- ASB Classic in early January.
- Moana Auckland 2026: A Festival of Ocean, Culture and Summer Vibes. This is expected to attract ~100,000 people to the waterfront, and an estimated $4.5m contribution to regional GDP.

- Summer in the Square (Aotea Square) expected to attract 60,000 people across 4 weeks of programming.
- Programming in Aotea Square and Te Komititanga between March 5-22 will be increased to bring more people into the city centre as part of Auckland Arts Festival, elevating its offering with world-class installations and a strong music programme.
- Ed Sheeran at Go Media Stadium Mt Smart, Laneways Festival 2026 at Western Springs and kick off of One NZ Warriors, Blues and Moana Pasifika 2026 seasons.
- Super weekends across summer:
  - February 11-15 Lorde, SailGP, UB40, Blues vs Chiefs Super Rugby
  - February 19-21 – Edinburgh Tattoo at Eden Park
  - February 26- 1 March - BNZ Lantern Festival
  - February 28 – 5 March - Moana Auckland across Auckland's waterfront
  - March 6-8 - Warriors vs Roosters, Blues vs Crusaders, AFC vs Perth, Champions Day – Ellerslie Racecourse
  - March 14-15 – Pasifika Festival

Safety and Wellbeing

44. City Centre Safety Plan: Ongoing delivery of the Safety Plan remains a priority, with a focus on addressing hotspots of anti-social behaviour - including around the new station neighbourhoods. Minor interventions will be used where possible to address CPTED (Crime Prevention Through Environmental Design) issues. The re-establishment of a city centre police station, a stronger police presence, and increased safety wardens have been welcomed by local businesses and communities.
45. Outreach programmes: In partnership with the Ministry of Housing and Urban Development, Council will continue to fund and support outreach programmes including providing a safe daytime space for people experiencing homelessness in the City Centre to access housing, healthcare and other social service support. This helps reduce pressure on public spaces while offering meaningful support to vulnerable community members.
46. Increased central government funding for outreach providers this year has been welcomed but ongoing funding is needed to maintain efforts to reduce illegal and anti-social behaviour, and increase accessibility to housing, health, and social services.

Making the most of our new and existing public spaces

47. Transitional and detractor Sites: Work is progressing to ensure sites in transition - such as the former Bledisloe Carpark, SkyWorld, and the St James development site - do not detract from people's experience of the city centre, particularly with NZICC and CRL openings on the horizon. The focus is on ensuring these areas are safe, clean, and less susceptible to antisocial behaviour, with minor enhancements where possible to make them more inviting.
48. Fort Street Pocket Park: The Council group is reshaping and refreshing this space so that, once maintenance and repairs are complete, reinstated street furniture, a new layout and proactive activities to enliven the area support positive, welcoming and safe public use.
49. Cleaning and Maintenance: Council and Auckland Transport are collaborating on an enhanced cleaning and maintenance programme. This includes targeted interventions above business-as-usual levels to address specific issues, uplift standards, and support a cleaner, more appealing street environment.

1. Opportunities to do more: Opportunities to uplift the service level for city centre in terms of maintenance and renewals and improve poor quality building frontages will improve perception and reputation city centre.

Public Amenities

50. Access to high-quality public amenities is essential to creating a welcoming, inclusive and functional city centre. Feedback from a wide range of stakeholders indicates that the current provision - particularly public toilets - is not meeting expectations.
51. While funding in this area is limited, the City Centre Targeted Rate has allocated $3.95 million over the next 10 years to increase both the number and standard of public toilet facilities. This investment will require careful prioritisation, including decisions about upgrading existing facilities, provision of new facilities and improving their accessibility. Consideration also needs to be given to ensuring an appropriate level of service and maintenance.
52. Public amenities, however, extend well beyond toilets. The city centre also needs accessible facilities, changing rooms, showers, lockers and other supportive infrastructure to meet the needs of workers, residents, students, visitors and people using active modes of transport. Developing a clear plan for this broader suite of amenities will be critical to supporting a more vibrant, equitable and user-friendly city centre.

Increasing Investment - Economic Development

53. Auckland's city centre has significant potential as the country's leading innovation and tech hub. Anchored by leading universities, innovation precincts, and nearly 40 of the nation's top tech companies, it is a magnet for talent, research, and enterprise. With major infrastructure investments such as the City Rail Link and NZICC, alongside new planning provisions enabling greater development capacity, the centre is poised for further expansion.
54. In FY27, business attraction efforts will focus on promoting Auckland internationally and locally to multinationals, investors, and developers, targeting priority sectors aligned with the city's economic development strategy, and leveraging city-to-city connections and business events to secure investment that sustains growth, vibrancy, and resilience.
55. These efforts will support the revitalisation and growth of Auckland's most important and productive employment area, build on existing agglomeration effects by attracting innovation driven firms, and provide further skilled employment opportunities to Aucklanders.
56. To fully realise the city centre's potential as a tech and innovation hub, clarity is needed on the level and source of funding required to support targeted investment attraction and sector development activities. A clear mandate - backed by adequate resourcing - will ensure the city centre can compete effectively, deliver on its strategic aspirations, and continue to anchor Auckland's economic success.

Realising the full benefits of the City Rail Link:

57. Maximising the benefits of the City Rail Link (CRL) is the Council group's key investment priority in the lead-up to the 2026 opening. The CRL will fundamentally reshape how people access and move around the city centre - doubling train capacity, providing faster and more reliable travel options, and significantly improving accessibility for communities and businesses across Tāmaki Makaurau, particularly those in the south and west.

Preparing station neighbourhoods for success

58. Auckland Council, Auckland Transport, Watercare and City Rail Link Ltd are jointly delivering a coordinated programme of works around the three city centre stations - Te Waihorotiu, Karanga-a-Hape and Te Waitematā. This includes:
    - Creating integrated multimodal transport hubs that seamlessly connect rail, bus, ferry, walking and cycling.
    - Delivering public realm and streetscape upgrades to improve safety, accessibility, and the overall quality of the urban environment.
    - Upgrading critical infrastructure and services to support future growth and long-term resilience.

59. Collectively, these investments will increase the capacity, efficiency, and safety of how people travel, support commercial and residential growth, and lift the attractiveness and vibrancy of the areas surrounding each station.

Positioning the City Centre to capture long-term benefits

60. Beyond the immediate opening period, the Council group is focused on ensuring the CRL generates sustained economic, social and cultural value. This involves:

- Regenerating areas near new stations to encourage investment, activate ground-floor spaces and support new housing, retail and employment opportunities.
- Improving wayfinding, accessibility and station-to-destination connections across the city centre so movement is intuitive and welcoming.
- Coordinating placemaking and activation efforts - including events, safety initiatives and public space improvements - to reinforce the city centre as an appealing and easy place to visit during and after the transition.

Integrated Transport Networks

61. Making it easy to get into and around: we are focused on removing obstacles to easy movement into and around the city centre, such as more servicing and loading areas for businesses, clearer signposting and more efficient use of temporary traffic management. Focus areas include:

- Midtown Circulation Plan
- Monitoring and optimisation of east–west traffic flows and new corridors
- Loading and servicing and pick-up/drop-off areas
- Wayfinding – helping people navigate.

Waterfront Development

62. Work is underway on further development of the waterfront. Key programmes include Te Ara Tukutuku, Central Wharves and Downtown. Further details are provided in Attachment 7.

Advancing our future programme

63. We will maintain our focus on these long-term city shaping projects:

- **Revitalise Te Tōangaroa**: this Ngāti Whātua Ōrākei redevelopment project will enhance the east-west connection along the waterfront. It provides for a mix of public realm, office, hotel, residential accommodation as well as access to Spark Arena. This makes it a popular location supported by its proximity to strong transport links.
- **Redevelop the Downtown West precinct**: this project will have a pronounced impact on the entire downtown area as it gets under way over the next four years.
- **Central wharves masterplan:** this project focuses on reconnecting people with the central wharves, managing cruise and associated facilities as part of the long-term port precinct redevelopment.
- **Aotea Quarter regeneration:** this project seeks to revitalise the heart of the city centre building on the arts precinct, Waimahara connection to Myers Park, Symphony Centre and Bledisloe house and the opening of the CRL Te Waihorotiu station.

City Centre Governance

64. Governing Body:

- Decision making responsibility for urban regeneration in the city centre and waterfront.
- Allocation of budget for regeneration plans including sequencing of projects within annual funding envelopes.
- Enable the delivery of major development infrastructure projects.

65. Waitematā Local Board

- Endorsement of plans and proposals.
- Provide feedback to the governing body/committees.
- Support advocacy and outreach to the community and other stakeholders.

66. City Centre Advisory Panel

- Mayor-appointed representatives from business, education, residents, and community.
- Provide advice on priorities and use of CCTR funding.
- Endorse CCTR programmes via Annual and Long-term Plans.
- Advocate for maximum benefit to ratepayers and the city centre.
- Will include nominated representative from Waitematā Local Board.

67. City Centre Steering Committee (SteerCo)

- Senior council group staff representatives.
- Provides cross-council governance to align investment, delivery, and advocacy across the Council Group.
- Ensure joined up view of city centre matters and resolves cross-agency barriers.

Public Spaces on the City Centre Waterfront

68. At Wynyard Quarter and the Viaduct Harbour we are gearing up for another busy summer. Through the Moana Festival over late February and March, the waterfront will make use of the land and water spaces from Wynyard Quarter to Halsey Wharf, Te Wero Island Eastern Viaduct. These spaces will host the Z Manu Competition at Karanga Plaza pool, the Boat Show, and the Wooden Boat Festival. The very popular mermaid parade will also be a highlight starting from Queens Wharf and making their way to Silo Park.

69. SailGP will return to Auckland and pack in from December 2025. Most of the major event operations will be located at the Americas' Cup Bases on Wynyard Point, Halsey Wharf, and the Viaduct Events Centre, providing theatre on the water from craning boats in and out and preparations for racing. A temporary grandstand will be located on Wynyard Point North that will host ticketed patrons on the 14th and 15th of February. The waterfront will also be a host of other activations including the Christmas Market at Karanga Plaza and Silo Park cinema will also return over the summer period. The waterfront will support the City Centre New Years Celebrations.

70. These events and activations have been designed to make the best use of the land and water space, that are available for people to enjoy their waterfront and to drive visitors to the food, beverage, and cultural offerings on the City Centre Waterfront.

Future spaces such as Te Ara Tukutuku and Central Wharves and Downtown

71. Being able to connect to the water and improving the health and mauri of our valued Te Waitemata is one of the most regular and consistent pieces of feedback we get from our Mana Whenua Partners, key stakeholders, and the public. The staged regeneration of the waterfront, particularly Wynyard Quarter, requires choices to be made about investment, both public and private.

72. Work underway through Te Ara Tukutuku will address contamination and asset conditions. Future stages of work will enable development sites that return revenue to Council and deliver a major destination park, that can host events and activations and will be an attraction for local, regional, and international visitors.

73. At the same time, the Central Wharves project is at a stage of considering the opportunities and options it can provide to support city centre vitality and the role it can play as a connector for transport, tourism and events and cultural offerings, and a showcase of our city. Adjoining landowners will benefit from the uplift in investment in these spaces representing a next wave of enthusiasm for progress of these major projects.

74. Alongside the transformation of Downtown Public spaces, including Quay Street and Te Komititanga and private investment it is necessary and important how these spaces contribute being public, connected, liveable spaces that contribute to the economic vitality of the city and its connection to the rest of the Tamaki Makaurau.