

Te Pūrongo ā-Tau a Te Kaunihera o Tāmaki Makaurau 2024/2025

AUCKLAND COUNCIL ANNUAL REPORT 2024/2025



Te Wāhanga 3: Ngā Tauākī Pūtea
Volume 3: Financial Statements



Mihi

‘Tūrou Tāmaki Makaurau!’

Kei puta te pātai: ‘I ahu mai ēnei tikanga i hea?’

Māku e kī atu: ‘I ahu mai i te ahurewa tapu i Rangiatea.
Ka tau ki te Tuahu, ka tū ki te maunga tapu.
Ka whakahuatia e te tira Rangatira i ngā tau,
koia te take i whakataukiatia ai te kupu: ‘Kia Ora Tāmaki Makaurau.’

He mana ka kitea i ngā pou ora e tū watawata mai rā,
e mana ake ai te kōrero: ‘Ko Tāmaki Ora Tēnei.’

Te Mana o te Ahurewa Tapu

Mānawatia te ahurewa tapu ā ō tātou mātua tūpuna,
tatū ake ki te ahurewa tapu i nōhia e ngā Koromatua i ngā tau.
Ko Tāmaki Tūwatawata, ko Tāmaki Tuahu ā-rohe hoki tēnei.
He whenua ahu-riri, ahu-papa, ahunga-kī, ahunga-rau.

Ngā Ahu o te Whenua. He aha hoki ngā ahu?

- He ahunga-roa, he ahunga pūmau te ahu
- He ahu-ngāhuru, he ahu-ngātoru te ahu
- He ahunga-ā-tau, he ahu-amō te ahu

Nā ēnei ahunga matua i hua mai ai:

- Te Ahu ara-tapuāe
- Te Ahu wai-āriki
- Te Ahu wai-pīrau
- Te Ahu wai-āwhā
- Te Ahu wai tomo
- Te Ahu ā-rohe
- Te Ahu pā-kainga
- Te Ahu tōpu

Te Kawa o Tāmaki Ora

Mā tēnei tātou e kite ai i te ahu, uha, hau me te hua o ēnei kawa.

Ehara i te kawa o nāiane tonu, engari he kawa i tukua iho ki a tātou
te hunga e atawhaitia ana, e whangaia ana e Tāmaki Ora ē...!
Tūrou Te Ahunga Tapu, Tūrou Hawaiki, Tūrou Tāmaki Makaurau.
Tūrou Whakamaua kia Tina (Tīnā) Haumiē, Huiē, Tāiki ē!

◀ On the cover: Auckland City and Harbour Bridge

▼ Auckland City

‘Tāmaki be affirmed!’

Should the question be asked: ‘Where these values and traditions originate?’

The response: They descend from the sacred altar of Rangiātea, settling upon the Tuahu and standing firm upon the sacred mountain. These principles have been spoken by generations of Rangatira, which is why the phrase ‘Kia Ora Tāmaki Makaurau’ carries such weight. The mana is visible in the living pou that stand vigilant, affirming the declaration: ‘This is Tāmaki Ora.’

Honouring sacred and civic leadership

We acknowledge the sacred offerings of our ancestors, and those upheld by civic leaders across generations. This is Tāmaki Tūwatawata, a region of fortified identity and sacred altars. A land shaped by conflict, by terrain, by intention, and by abundance.

Therefore, what do these directions symbolise?

- They are enduring, long-standing pathways
- They are seasonal, cyclical, and purposeful
- They are strategic, resilient, and responsive

From these, traditions and directions emerge:

- Pathways of ancestral footsteps
- Waters of healing and prestige
- Waters of decay and renewal
- Waters of storm and challenge
- Waters that descend and penetrate
- Regional flow and reciprocity
- Centres of community and belonging
- Collective spaces of unity

Embedding Kawa in Contemporary Governance

Through these dimensions, we see the essence, the breath, and the outcomes of our protocols.

These are not newly invented customs, but inherited legacies entrusted to us, the people nurtured and sustained by Tāmaki Ora.

Sacred Direction be established, Origins be acknowledged, Tāmaki be affirmed.

Rārangi kōrero

Contents

About us	5	C4 Fair value and classification of financial instruments	57	Section G: Financial reporting and prudence benchmarks	103
1 Financial statements	6	Section D: Working capital and equity	61	3 Auckland Council Group funding impact statement	108
Statement of comprehensive revenue and expenditure	7	D1 Cash and cash equivalents	62	Group funding impact statement	109
Statement of financial position	8	D2 Receivables and prepayments	62	Notes to the group funding impact statement	110
Statement of changes in equity	9	D3 Payables and accruals	64	Group of activities funding impact statements	113
Statement of cash flows	10	D4 Provisions	65	Roads and footpaths	114
2 Notes to the financial statements	11	D5 Ratepayer equity	70	Public transport and travel demand management	116
Basis of reporting	12	Section E: Financial risk management	73	Water supply	118
Section A: Results of the year	16	E1 Interest rate risk	74	Wastewater treatment and disposal	120
A1 Revenue	17	E2 Credit risk	75	Stormwater management	122
A2 Expenditure	21	E3 Foreign exchange risk	76	Local council services	124
A3 Net other gains and losses	26	E4 Liquidity risk	77	Regionally delivered council services	126
A4 Income tax	27	Section F: Other disclosures	82	Council controlled services	128
Section B: Long-term assets	28	F1 Non-current assets held for sale	83	Independent auditor's report	130
B1 Property, plant and equipment	29	F2 Deferred tax assets and liabilities	83	NZX and other exchange listing requirements	141
B2 Intangible assets	45	F3 Investment in other entities	84	Main differences between IFRS and PBE Accounting Standards	143
B3 Investment property	48	F4 Contingencies and commitments	86	Glossary	148
Section C: Borrowings and financial instruments	50	F5 Related party transactions	90		
C1 Borrowings	51	F6 Note to statement of cash flows	95		
C2 Derivative financial instruments	53	F7 Regional fuel tax	98		
C3 Other financial assets	55	F8 Other material matters	100		
		F9 Subsequent events	102		

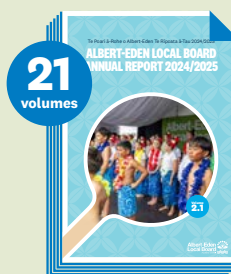
Annual Report 2024/2025 Volumes



1

Overview and service performance

An overview of the financial and non-financial performance of the group.



2

Local board reports

A collection of individual annual reports for each of the 21 local boards, reporting financial and non-financial performance.



3

Financial statements

The financial statements of the Auckland Council Group and Auckland Council for the year ended 30 June 2025.



4

Climate statement

A summary of the group's approach to climate-related risks and opportunities.

He kōrero mō mātou

About us

Auckland Council is the local authority that is responsible for all local government decisions and responsibilities in the Auckland region and is the largest local authority in New Zealand.

The Auckland Council Group (the group) works to improve the daily lives of Aucklanders. The group includes Auckland Council and its subsidiaries (council-controlled organisations and Port of Auckland Limited). It provides a diverse range of activities, services, facilities and infrastructure to deliver positive outcomes for Aucklanders. This annual report explains:

- how we performed relative to the first year of our Long-term Plan 2024-2034
- what we did as the group to deliver activities and services for Aucklanders and help address the challenges facing our communities
- how we contributed to delivering the best possible outcomes for Aucklanders and the broader economy.



About this volume

Volume 3 of the Auckland Council Annual Report 2024/2025 provides a comprehensive overview of our financial results, cash flows, financial position and funding impacts for the year ended 30 June 2025. It comprises three main sections:

1. **The Financial Statements and Notes to the Financial Statements** sections outline our financial performance, financial position and cash flows for the year ended 30 June 2025 compared to the Long-term Plan 2024-2034 and the prior year. The notes to the financial statements contain detailed financial information as well as the relevant accounting policies, judgements and estimates applied in preparing the financial statements, explanations of significant variances against budget and local government financial disclosures.
2. The **Funding Impact Statement section** contains a summary of how we funded our services and capital expenditure for the year ended 30 June 2025 compared to the Long-term Plan 2024-2034 both as a group, and by group of activities. The funding impact statements are prepared in accordance with Schedule 10, sections 26 and 30 of the Local Government Act 2002.
3. To assist users to compare our financial statements to other entities, we summarise the most significant differences between International Financial Reporting Standards (IFRS) and the Public Sector Standards (PBE) applied in preparing the financial statements in the **Main differences between IFRS and PBE Accounting Standards** section.

The references to documents and information on Auckland Council's and other websites are provided solely for the convenience of readers who might need more detailed information. The content of those websites is not part of the Auckland Council Annual Report 2024/2025.

1

Ngā tauākī ā-pūtea

Financial statements

Key



Accounting policy



Significant judgements and estimates



Explanation of significant variances against budget



Local government disclosures

▲ Jubilee Bridge, Panmure

Te tauākī mō te tōtōpūtanga o ngā pūtea whiwhi,
o ngā whakapaunga pūtea hoki

Statement of comprehensive revenue and expenditure

For the year ended 30 June 2025

\$Million	Note	Group			Auckland Council		
		Actual 2025	Budget 2025	Actual 2024	Actual 2025	Budget 2025	Actual 2024
Revenue							
Rates		2,786	2,782	2,523	2,798	2,794	2,534
Fees and user charges		1,785	1,787	1,678	387	351	364
Grants and subsidies		1,591	1,730	1,265	458	364	151
Development and financial contributions		185	230	222	185	230	222
Other revenue		713	697	764	300	218	370
Vested assets		877	672	698	292	330	222
Finance revenue from financial assets at amortised cost		64	8	36	27	27	28
Finance revenue from financial assets at fair value through surplus or deficit		4	4	4	205	197	187
Total revenue excluding other gains	A1	8,005	7,910	7,190	4,652	4,511	4,078
Expenditure							
Employee benefits expense		1,267	1,267	1,195	693	710	662
Depreciation and amortisation		1,518	1,410	1,375	374	367	342
Grants, contributions and sponsorship		206	170	200	1,524	1,555	1,260
Other operating expenses		3,034	2,674	3,145	1,381	955	1,656
Finance costs		648	619	562	639	606	554
Total expenditure excluding other losses	A2	6,673	6,140	6,477	4,611	4,193	4,474
Operating surplus/(deficit) before gains and losses		1,332	1,770	713	41	318	(396)
Net other (losses)/gains	A3	(178)	-	(44)	(120)	(2)	23
Share of net deficit in associates and joint ventures		(63)	(130)	(5)	(67)	(133)	(10)
Surplus/(deficit) before income tax		1,091	1,640	664	(146)	183	(383)
Income tax expense	A4	58	55	80	-	-	-
Surplus/(deficit) after income tax		1,033	1,585	584	(146)	183	(383)
Other comprehensive revenue/(expenditure)							
Net gains/(losses) on revaluation of property, plant and equipment	B1	2,781	71	(265)	114	-	(438)
Tax on revaluation of property, plant and equipment		(385)	-	1	-	-	-
Fair value movement on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure		103	13	(247)	85	-	(234)
Impairment losses on revalued property, plant and equipment		(1)	-	-	(1)	-	-
Total other comprehensive revenue/(expenditure)		2,498	84	(511)	198	-	(672)
Total comprehensive revenue/(expenditure)		3,531	1,669	73	52	183	(1,055)

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements. They include explanations of significant variances against budget.

Te tauākī mō te tūāhua pūtea

Statement of financial position

As at 30 June 2025

\$Million	Note	Group			Auckland Council		
		Actual 2025	Budget 2025	Actual 2024	Actual 2025	Budget 2025	Actual 2024
Assets							
Current assets							
Cash and cash equivalents	D1	527	100	616	434	80	506
Receivables and prepayments	D2	734	874	764	440	219	430
Derivative financial instruments	C2	136	110	13	136	110	18
Other financial assets	C3	40	110	139	251	117	148
Inventories		42	42	41	-	-	-
Non-current assets held-for-sale	F1	169	254	176	169	132	52
Total current assets		1,648	1,490	1,749	1,430	658	1,154
Non-current assets							
Receivables and prepayments	D2	59	104	88	48	84	77
Derivative financial instruments	C2	600	626	551	599	626	552
Other financial assets	C3	1,472	1,464	1,361	4,548	4,837	5,507
Property, plant and equipment	B1	72,781	70,817	67,697	21,086	21,260	20,433
Intangible assets	B2	521	505	479	201	224	212
Investment property	B3	687	681	657	521	541	528
Investment in subsidiaries*	F3	-	-	-	21,319	21,417	20,019
Investment in associates and joint ventures	F3	1,953	1,915	1,803	1,949	1,906	1,799
Other non-current assets		9	11	9	3	4	1
Total non-current assets		78,082	76,123	72,645	50,274	50,899	49,128
Total assets		79,730	77,613	74,394	51,704	51,557	50,282
Liabilities							
Current liabilities							
Payables and accruals	D3	1,273	1,703	1,304	1,227	1,399	1,258
Employee benefits		140	136	126	73	69	64
Borrowings	C1	1,659	2,707	1,371	1,657	2,715	1,369
Derivative financial instruments	C2	4	1	7	7	2	7
Provisions	D4	476	352	375	472	329	366
Total current liabilities		3,552	4,899	3,183	3,436	4,514	3,064
Non-current liabilities							
Payables and accruals	D3	230	317	197	207	244	179
Employee benefits		5	5	5	1	1	1
Borrowings	C1	12,984	11,351	11,546	12,810	11,172	11,374
Derivative financial instruments	C2	396	567	569	396	568	569
Provisions	D4	406	144	700	395	133	688
Deferred tax liabilities	F2	3,013	2,647	2,570	-	-	-
Total non-current liabilities		17,034	15,031	15,587	13,809	12,118	12,811
Total liabilities		20,586	19,930	18,770	17,245	16,632	15,875
Net assets		59,144	57,683	55,624	34,459	34,925	34,407
Equity							
Contributed equity	D5	26,682	26,693	26,693	26,539	26,539	26,539
Accumulated funds	D5	9,136	9,418	7,564	433	517	155
Reserves	D5	23,326	21,572	21,367	7,487	7,869	7,713
Total equity		59,144	57,683	55,624	34,459	34,925	34,407

* Total investment in council-controlled organisations and entities listed in section 6(4) of the Local Government Act 2002 of Auckland Council for 2025 is \$21 billion (2024: \$20 billion).

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements. They include explanations of significant variances against budget.

Te tauākī mō ngā panonitanga o te tūtanga

Statement of changes in equity

For the year ended 30 June 2025

Group \$Million	Note	Contributed equity	Accumulated funds	Reserves	Total equity	Budget
Balance as at 1 July 2023		26,693	6,803	22,055	55,551	56,145
Surplus after income tax		-	584	-	584	1,170
Other comprehensive (expenditure)/revenue		-	-	(511)	(511)	3,297
Total comprehensive revenue/(expenditure)		-	584	(511)	73	4,467
Transfers to/(from) reserves	D5	-	177	(177)	-	-
Balance as at 30 June 2024	D5	26,693	7,564	21,367	55,624	60,612
Balance as at 1 July 2024*		26,693	7,564	21,367	55,624	56,014
Surplus after income tax		-	1,033	-	1,033	1,585
Other comprehensive revenue		-	-	2,498	2,498	84
Total comprehensive revenue		-	1,033	2,498	3,531	1,669
Disestablished council-controlled organisations		(11)	-	-	(11)	-
Transfers to/(from) reserves	D5	-	539	(539)	-	-
Balance as at 30 June 2025	D5	26,682	9,136	23,326	59,144	57,683

Auckland Council \$Million	Note	Contributed equity	Accumulated funds	Reserves	Total equity	Budget
Balance as at 1 July 2023		26,539	382	8,541	35,462	36,427
(Deficit)/surplus after income tax		-	(383)	-	(383)	101
Other comprehensive (expenditure)/revenue		-	-	(672)	(672)	422
Total comprehensive (expenditure)/revenue		-	(383)	(672)	(1,055)	523
Transfers to/(from) reserves	D5	-	156	(156)	-	-
Balance as at 30 June 2024	D5	26,539	155	7,713	34,407	36,950
Balance as at 1 July 2024*		26,539	155	7,713	34,407	34,741
(Deficit)/surplus after income tax		-	(146)	-	(146)	183
Other comprehensive revenue		-	-	198	198	-
Total comprehensive (expenditure)/revenue		-	(146)	198	52	183
Transfers to/(from) reserves	D5	-	424	(424)	-	-
Balance as at 30 June 2025	D5	26,539	433	7,487	34,459	34,924

* The budgeted total equity opening balance has been updated in Long-term plan to reflect a forecasted balance and is different from budgeted closing balance of prior year.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Te tauāki mō te whiwhinga mai me te whakapaunga o te moni

Statement of cash flows

For the year ended 30 June 2025

\$Million	Note	Group			Auckland Council		
		Actual 2025	Budget 2025	Actual 2024	Actual 2025	Budget 2025	Actual 2024
Cash flows from operating activities							
Receipts from rates revenue		2,769	2,781	2,523	2,798	2,793	2,533
Receipts from grants and other services		4,334	4,296	3,886	1,224	1,069	973
Interest received		63	13	34	52	223	206
Dividends received		15	56	23	107	56	56
Payments to suppliers, employees and third parties*		(4,554)	(3,984)	(3,873)	(3,640)	(2,981)	(2,786)
Interest paid		(605)	(618)	(531)	(595)	(605)	(520)
Advances to external parties		(8)	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	F6	2,014	2,544	2,062	(54)	555	462
Cash flows from investing activities							
Repayment of loans to related parties		-	-	-	1,077	-	877
Advances to related parties		-	-	-	(1,446)	(638)	(1,452)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		22	64	22	50	64	22
Acquisition of property, plant and equipment, investment property and intangible assets		(3,172)	(3,837)	(2,658)	(710)	(1,211)	(550)
Acquisition of other financial assets		(1,435)	(1,300)	(86)	(120)	(12)	(89)
Proceeds from sale of other financial assets^		1,514	1,288	885	149	1,288	885
Investment in subsidiaries^		-	-	-	(73)	(1,288)	-
Investment in joint ventures		(228)	(258)	(323)	(139)	(258)	(326)
Proceeds (to)/from external parties		3	-	1	-	-	-
Proceeds from community loan repayments		-	2	-	-	2	-
Net cash outflow from investing activities		(3,296)	(4,041)	(2,159)	(1,212)	(2,053)	(633)
Cash flows from financing activities							
Proceeds from borrowings		3,488	3,919	5,292	3,488	3,920	5,291
Repayment of borrowings		(2,301)	(2,422)	(4,846)	(2,301)	(2,422)	(4,846)
Receipts from derivative financial instruments		1,394	-	2,879	1,394	-	2,878
Payments for derivative financial instruments		(1,386)	-	(2,691)	(1,387)	-	(2,691)
Repayment of finance lease principal		(2)	-	(1)	-	-	-
Net cash inflow from financing activities	F6	1,193	1,497	633	1,194	1,498	632
Net (decrease)/increase in cash and cash equivalents		(89)	-	536	(72)	-	461
Opening cash and cash equivalents		616	100	80	506	80	45
Closing cash and cash equivalents	D1	527	100	616	434	80	506

* Income tax payments have been grouped under Payments to suppliers, employees and third parties in the current year as the amounts are immaterial. Prior year comparatives have been restated accordingly.

^ The budget allowed for Auckland Council selling shares in Auckland International Airport Limited and the sales proceeds would be invested in Auckland Future Fund (AFF), but the shares were gifted to and sold by AFF.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

2

He pito kōrero mō ngā tauākī pūtea

Notes to the financial statements

Eden Park ▲

Te pūtake o te pūrongo

Basis of reporting

This section contains the significant accounting policies of the Auckland Council Group and Auckland Council that relate to the financial statements as a whole. Significant accounting policies relating to specific account balances are included in the related note disclosures. They also include explanations of significant variances against budget.

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

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

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

Auckland Council's principal address is 135 Albert Street, Auckland Central, Auckland 1010, New Zealand.

The group consists of Auckland Council (the council), its subsidiaries, associates and joint ventures. A list of significant subsidiaries (including substantive council-controlled organisations, or CCOs¹) is provided in the following pages. Other significant investees that are not controlled by group entities or the council are listed in Note F3 Investment in other entities. All these entities are domiciled in New Zealand.

The primary objective of the group and the council is to provide services and facilities to the Auckland community for public benefit rather than to make a financial return. Accordingly, the council has designated itself and the group as public benefit entities (PBEs) and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.

Basis of preparation

The financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA 2002, the LGACA 2009 and the Local Government (Financial Reporting and Prudence) Regulations 2014 and comply with PBE Accounting Standards;
- on a historical cost basis, except for certain financial instruments which have been measured at fair value (refer Notes C2 Derivative financial statements and C3 Other financial assets), certain classes of property, plant and equipment (refer Note B1 Property, plant and equipment) and investment property (refer Note B3 Investment property) which have been subsequently measured at fair value;
- on a going concern basis and the accounting policies have been applied consistently throughout the period; and
- in New Zealand dollars (NZD), rounded to the nearest million dollars, unless otherwise stated.

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

The budget figures presented in the financial statements are those included in the Long-term Plan 2024-2034.

¹ Section 4(1) of the LGACA 2009 defines substantive CCOs as a CCO that is either wholly owned or wholly controlled by Auckland Council and either is responsible for the delivery of a significant service or activity on behalf of Auckland Council or owns or manages assets with a value of more than \$10 million. It includes Auckland Transport and excludes entities exempted from CCO status.

Significant judgements and estimates



The preparation of the financial statements requires judgements, estimates and assumptions. These are applied based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances. Judgements and estimates which are considered material to understand the performance of the group and the council are found in the following notes:

Note B1: Property, plant and equipment

Note C2: Derivative financial instruments

Note D4: Provisions

Note F3: Investment in other entities

Basis of consolidation

The consolidated financial statements are made up of the financial statements of the council and its CCOs and subsidiaries as at 30 June 2025.

CCOs and subsidiaries are entities controlled by the group. Control is achieved when the group has the power to govern the entity's financial and operating policies. To establish control, the controlling entity has either exercisable power to govern decision-making to be able to benefit from, or predetermined rights to direct the relevant activities of the other entity.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements from the date the group gains control until the date the group ceases to control the subsidiary.

The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment with the group's accounting policies. All intra-group balances, transactions, income, expenses, and cash flows between members of the group are eliminated in full on consolidation.

Following recent changes in management directives and updates to applicable legislation, the basis upon which subsidiaries are consolidated has been reassessed and modified accordingly.

- Eke Panuku Development Auckland Limited and the economic development function of Tātaki Auckland Unlimited Limited were integrated into Auckland Council from 1 July 2025. Refer to Note F8 Other material matters for further information on changes to Council-Controlled Organisation (CCO) delivery model.
- Following the Local Government (Water Services) Act 2025 enacted in August 2025, despite legal changes to the status of Watercare Services Limited (Watercare) and its relationship with the council, the council continues to retain control over Watercare in accordance with PBE IPSAS 35 *Consolidated Financial Statements*. Accordingly, Watercare will remain consolidated in the group. Refer to Note F8 Other material matters for further information on water services reform.
- Based on the latest announcement on Local Government (Auckland Council) (Transport Governance) Amendment Bill, we do not expect a significant impact on the Auckland Council Group overall. However, the proposed legislation is likely to have a notable effect on Auckland Council's financial statements. At this stage, we cannot reliably estimate the impact. Refer to Note F9 Subsequent events for further information on transport governance reform.

Basis of consolidation (continued)

The significant subsidiaries in the group are as follows:

Name	Principal activities and nature of relationship where there is no direct ownership	CCO	Percentage of ownership/control	
			2025	2024
Auckland Future Fund Trustee Limited	Manages Auckland Future Fund. ¹ Auckland Future Fund Trustees Limited was incorporated on 24 September 2024	Yes	100 ¹	-
Auckland Future Fund	Protects the value of the council's intergenerational assets that are put into the Fund so they can benefit future generations, and to provide an enhanced return to Auckland Council to fund the region's services and infrastructure. ² Auckland Future Fund was formed on 27 September 2024	Yes	100 ²	-
Auckland Transport	Owns the public transport network and manages the transport infrastructure and services in Auckland. ³ Auckland Transport is a body corporate with ongoing succession and is treated under the LGACA 2009 as if Auckland Council is its sole shareholder.	Yes	100 ³	100 ³
Eke Panuku Development Auckland Limited	Facilitates the redevelopment and rejuvenation of urban locations including the Auckland waterfront. Optimises the council's property portfolio of urban locations. Contributes to accommodating residential and commercial growth.	Yes	100	100
Port of Auckland Limited	Owns and operates Auckland's port which provides container bulk cargo handling, freight hubs, cruise industry facilities and other related services. ⁴ Although Auckland Council owns 100 per cent of Port of Auckland Limited (POAL), it is governed under the Port Companies Act 1988 and is not a council-controlled organisation (CCO).	No	100 ⁴	100 ⁴
Tātaki Auckland Unlimited Limited	Manages projects for tourism and events promotion in the Auckland region.	Yes	100	100
Tātaki Auckland Unlimited Trust	Supports and promotes the arts, culture, heritage, leisure, sports and entertainment, and owns and manages the venues for these activities. ⁵ Tātaki Auckland Unlimited Trust is a charitable trust of which Tātaki Auckland Unlimited Limited, a 100% owned subsidiary of Auckland Council, is the sole trustee.	Yes	100 ⁵	100 ⁵
Watercare Services Limited	Provides water and wastewater services and owns and operates the water and wastewater infrastructure.	Yes	100	100

Significant restrictions

Despite Auckland Council's ability to control its subsidiaries, there are significant restrictions on accessing the assets of Auckland Future Fund (AFF), Tātaki Auckland Unlimited Trust (TAUT) and Watercare.

- Auckland Future Fund has a range of protections against future changes that could diminish the value of its assets. These protections include being an unincorporated non-charitable trust which in combination with key policies in Auckland Council's Long-term Plan, restrict Auckland Council's ability to make decisions about the operation of the fund and about cash distributions from the fund. Auckland Council is also seeking legislative protection for AFF via a local bill. Refer to Notes C3 Other financial assets and E4 Liquidity risk for further information of AFF's available funding as at 30 June 2025.
- Tātaki Auckland Unlimited Trust is a charitable trust, and as a result, Auckland Council is unable to access its assets.
- In accordance with section 109 of the Local Government (Water Services Preliminary Arrangements) Act 2024 and section 56A of the Local Government (Auckland Council) Act 2009, Auckland Council may not receive equity returns from Watercare. The council also may not provide loans or credit facilities to Watercare that would result in a financial return to the council. Notwithstanding these restrictions, Watercare remains obligated to repay its existing debt to Auckland Council by 2030. For further details, refer to the 'Water Services Reform' section in Note F8 Other material matters.

Accounting standards issued but not yet effective

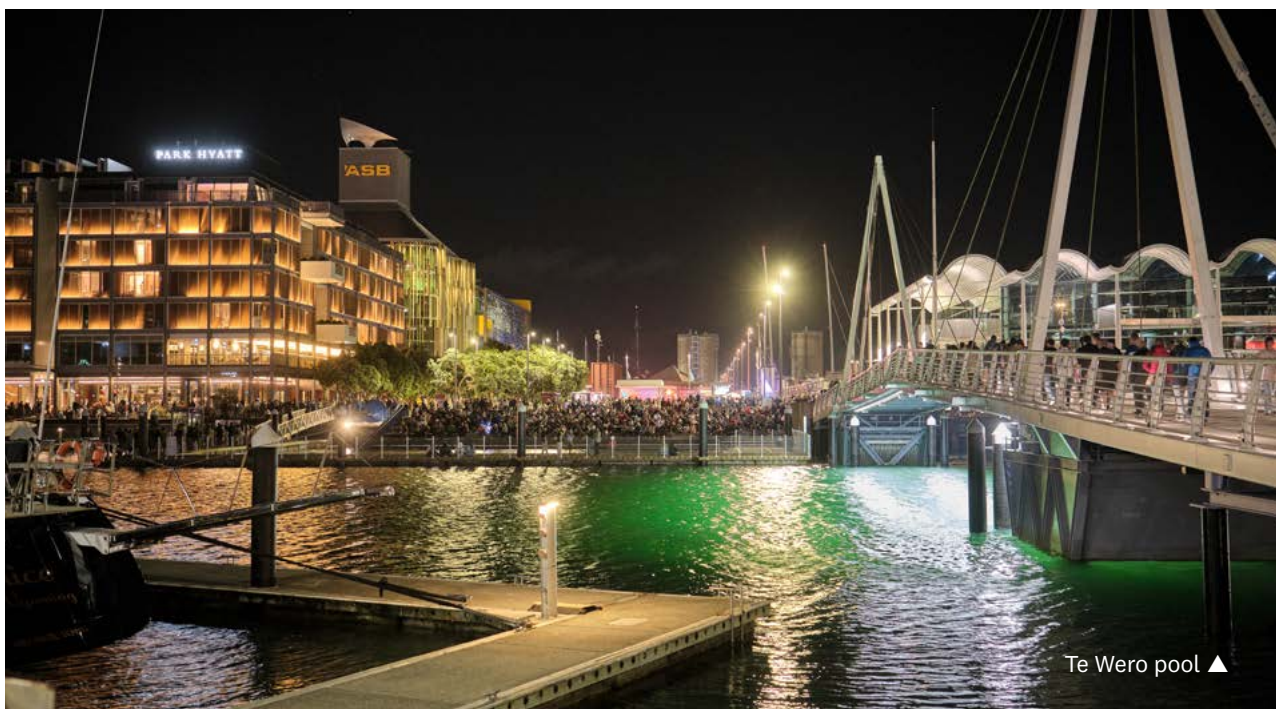
The group will adopt the following accounting standards in the reporting period after the effective date.

2024 Omnibus Amendments to PBE Standards

The 2024 Omnibus Amendments issued in October 2024 include updates to PBE IPSAS 1 *Presentation of Financial Reports* to clarify the principles for classifying liabilities as current or non-current. The amendments are effective from reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed the effect of the amendments in detail.

PBE IFRS 17 Insurance Contracts

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



Te Wehenga A: Ngā hua o te tau

Section A: Results of the year

This section focuses on the financial performance of the Auckland Council Group and Auckland Council during the year. It outlines significant accounting policies adopted in the recognition of revenue and expenditure and provides detail about rates and other revenue, as well as significant expenditure such as employee benefits, goods and services purchased, depreciation, amortisation, and other costs.

The notes in the section are:

- A1 Revenue**
- A2 Expenditure**
- A3 Net other gains and losses**
- A4 Income tax**

▲ Britomart high rises

A1 Revenue

Accounting policies



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

Type	Recognition and measurement
Rates	Rates are set annually by resolution of the council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002. Rates comprise general and targeted rates and are stated net of rates remissions. Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.
Grants and subsidies	Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.
Development contributions	Development contributions are charged for new property developments to contribute to the group's costs of building supporting infrastructure such as stormwater, roads and footpaths. Revenue is recognised at the later of, the point when the group is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in the group's development contributions policy, and the point when the group can provide the service for which the contribution was charged. The timing of recognition is dependent on the type of consent granted and the nature of the development.
Vested assets	Vested asset revenue represents infrastructure received from the Crown, property developers and other government agencies for no or nominal consideration. Vested asset revenue is recognised when control of the asset is transferred to the group and/or the council and is measured at the fair value of the asset received.
Finance revenue	Finance revenue comprises interest income earned on financial assets. Interest income from financial instruments measured at amortised cost is calculated using the effective interest method. Interest income from assets measured at fair value are disclosed separately under Finance revenue from financial assets at fair value through surplus or deficit.
Dividend revenue	Dividend revenue is recognised when the group and/or the council's right to receive payment has been established.
Fees and user charges	
Water and wastewater	Water revenue comprises the amounts received and receivable at balance date for water supplied to customers in the ordinary course of business. Wastewater revenue is a combination of a fixed charge and a volumetric charge based on a percentage of water used. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily average water consumption of customers between meter readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.

A1 Revenue (continued)

Type	Recognition and measurement
Sale of goods and services	Sales revenue is recognised when the substantial risks and rewards of ownership have been passed to the buyer.
Port operations	Revenue from port operations includes revenue from marine services, ship exchange, berthage, goods wharfage, and collection and transport of containers. Revenue is recognised when the services are provided, by reference to the stage of completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total services to be provided.
Consents	Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Consent revenue is recognised when consents are provided at the fair value of the amount receivable.
Licences and permits	Revenue is recognised on receipt of application as they are non-refundable.
Other revenue	
Infrastructure growth charge revenue	Infrastructure growth charge revenue is recognised when payment is received for approved connections.

The split of exchange and non-exchange revenue is disclosed below:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Revenue from non-exchange transactions:				
Revenue from rates				
General	2,405	2,206	2,417	2,216
Targeted	357	302	357	303
Penalties	39	32	39	32
Rates remissions	(10)	(12)	(10)	(12)
Discounts	(5)	(5)	(5)	(5)
Total revenue from rates	2,786	2,523	2,798	2,534
Revenue from transfers				
Capital grants and subsidies	1,031	696	394	83
Vested assets	877	698	292	222
Operating grants and subsidies	560	569	64	68
Sales of goods and services	358	314	109	104
Consents, licences and permits	281	260	278	256
Fines and infringements	77	67	7	4
Regional fuel tax revenue*	4	143	4	143
Other transfer revenue	162	212	77	121
Total revenue from transfers	3,350	2,959	1,225	1,001
Total revenue from non-exchange transactions	6,136	5,482	4,023	3,535

* Regional fuel tax was ended on 30 June 2024. Refer to Note F7 Regional fuel tax for further information.

A1 Revenue (continued)

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Revenue from exchange transactions:				
Water and wastewater	719	670	-	-
Port operations	374	323	-	-
Infrastructure growth charges	227	198	-	-
Development and financial contributions	185	222	185	222
Finance revenue	68	40	232	215
Sales of goods and services	53	44	-	1
Dividends received	12	20	153	52
Other exchange revenue	231	191	59	53
Total revenue from exchange transactions	1,869	1,708	629	543
Total	8,005	7,190	4,652	4,078

For the purposes of the Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed disclosure, the council's annual rates revenue for the year ended 30 June 2025 is \$2.8 billion (2024: \$2.5 billion).

Refer to Note F4 Contingencies and commitments for further information on the LGFA guarantees and indemnities.

Local government disclosures



The council's rating base information relating to the preceding financial year as at 30 June 2024 was:

	2024
Number of rating units	628,819
Total capital value of rating units (in \$million)	1,051,326
Total land value of rating units (in \$million)	720,930

During the year, the council wrote off lower rates than prior year mainly due to Māori freehold land rates that are written off every three years took place in 2023/2024, and lower rates were written off for abandoned land. Rates written off during the year were:

\$Thousand	2025	2024
Rates written off for Māori freehold land	-	326
Other rates written off	50	532
Total rates written off	50	858

Te Kori Scott Point ▼



A1 Revenue (continued)

Explanation of significant variances against budget



2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Rates	2,786	2,782	2,798	2,794
Fee and user charges	1,785	1,787	387	351
Grants and subsidies	1,591	1,730	458	364
Vested assets	877	672	292	330
Development and financial contributions	185	230	185	230
Finance revenue	68	12	232	224
Other revenue	713	697	300	218
Total	8,005	7,910	4,652	4,511

The group

Revenue was \$95 million higher than the budget. The most significant reasons were:

- Vested assets were \$205 million above budget mainly due to receipt of \$230 million of old State Highway 1 Puhoi to Warkworth assets from NZ Transport Agency Waka Kotahi (NZTA).
- Finance revenue was \$56 million higher than budget primarily driven by interest income from placing AFF and the council's available funds in short-term deposits. AFF revenue was budgeted in Other revenue and Fair value movement on revaluation of financial assets (in Other comprehensive income), and overall, AFF revenue was \$19 million below budget.
- Fees and user charges were largely on plan, however, there were several significant revenue sources that were above and below plan.
 - Consenting, licences and permits revenue was \$20 million higher than plan largely due to stronger than anticipated volume of consenting activities.
 - Revenue from port operations was \$19 million above plan driven by strong performance in container terminal, breakbulk, higher than anticipated number of cruise passengers and ship calls.
 - Water and wastewater revenue was below plan by \$32 million due to lower consumption volumes than expected and the mix of revenue from retail and commercial customers differed from what was originally planned.
 - Public transport revenue was \$20 million below plan because of lower than planned transport users, reflecting the ongoing impacts of flexible working arrangements.
- Other revenue was also largely on plan, however there were significant revenue sources that were above or below plan.
 - Watercare's Infrastructure Growth Charges (IGCs) were \$32 million above plan in quarter four driven by developers paying IGCs ahead of price increases.
 - As mentioned above, AFF dividend revenue was planned in this line (\$36 million), however AFF only earned interest revenue.

The above favourable revenues were partly offset by the following:

- Grants and subsidies were \$139 million lower than budget mainly due to funding constraints as a result of the 2024-2027 National Land Transport Plan (NLTP) and lower NZ Transport Agency Waka Kotahi (NZTA) capital funding allocated to Auckland Transport for fewer capital works completed than originally planned.
- Development contributions which were \$45 million lower than budget mainly from slower development growth than planned and delays in updating the contributions policy which was adopted by the Governing Body in May 2025 and takes effect from July 2025.

The remaining variances against budget were individually insignificant.

A1 Revenue (continued)

Explanation of significant variances against budget (continued)

Auckland Council

Revenue was higher than budget by \$141 million. This was largely due to:

- Grants and subsidies were higher than budget by \$94 million mainly due to capital subsidies received from central government for additional Category 3 property buy-outs related to 2023 severe weather events in Auckland.
- Fee and user charges were \$36 million higher than budget. The main reasons were:
 - There was a higher than anticipated volume of consenting activities.
 - Bin tag non-rates revenue increased due to residents switching from third-party providers to council's bin tag service for waste disposal.
- Other revenue was \$82 million higher than budget mainly due to:
 - \$21 million higher rental revenue from Haumaru housing as a result of increase in the number of tenants and more commercial properties staying in the council's property portfolio than expected.
 - Dividend revenue was \$65 million higher than budget mainly attributable to the higher dividends received from Port of Auckland Limited (Port of Auckland) — including a special dividend of \$45 million from the sale of their shareholding in Marsden Maritime Holdings. The council also received unbudgeted dividends from Eke Panuku Development Auckland Limited (Eke Panuku) and Tātaki Auckland Unlimited Limited (TAUL) in relation to the integration of their urban regeneration, property management and economic development functions to the council. Refer to Changes to Council-Controlled organisation (CCO) delivery model in Note F8 Other material matters.

The favourable results above were partly offset by:

- Development contributions which were \$45 million lower than budget as explained above.
- Vested assets which were \$38 million unfavourable mainly driven by fewer assets transferred from City Rail Link (CRL) due to timing and deferrals into 2025/2026.

The remaining variances against budget were individually insignificant.

A2 Expenditure

Accounting policies



Employee benefits expense

Employee entitlements for salaries and wages, contribution to KiwiSaver scheme, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.

Depreciation and amortisations

Depreciation is provided on all property, plant and equipment except for land, certain assets in works of art and specified cultural heritage assets. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight-line basis over their useful economic lives. Refer to Note B1 Property, plant and equipment for the estimated useful lives of each class of property, plant and equipment.

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over their useful economic lives. Refer to Note B2 Intangible assets for the estimated useful lives of each class of intangible assets.

Grants, contributions and sponsorship

Discretionary grants, contributions and sponsorship are recognised as expenses when the group and the council have advised their decision to pay and when the attached conditions, if any, are satisfied. Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.

Finance costs

Finance costs include interest expense, interest on derivatives, amortised borrowing costs, and costs related to managing funding. Interest on debt and finance leases is recognised using the effective interest method.

A2 Expenditure (continued)

Employee benefits expense

Employee entitlements are made up of the following costs:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Salaries and wages	1,167	1,085	661	612
Contributions to defined contribution schemes	38	35	19	17
Termination benefits	9	9	5	6
Other	53	66	8	27
Total employee benefits expense	1,267	1,195	693	662

Refer to Note F5 Related party transactions for further information on the remuneration of key management personnel and elected representatives.

Depreciation and amortisation

Local government disclosures



As required by the Local Government (Financial Reporting and Prudence) Regulations 2014, the group's depreciation and amortisation expense by group of activities are:

Group of activity \$Million	Group	
	2025	2024
Roads and footpaths	460	432
Public transport and travel demand management	104	101
Water supply	203	202
Wastewater	258	193
Stormwater	102	92
Local council services	4	4
Regionally delivered council services	285	267
Council controlled services	102	84
Total depreciation and amortisation	1,518	1,375

Grants, contributions and sponsorship

We provided financial support in the form of grants, contributions, and sponsorships to various community groups, clubs, and not-for-profit organisations. Auckland Council also provides grants to our CCOs to enable their activities.

The table below shows how these costs were broken down.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Grants, contributions and sponsorship:				
Funding to CCOs	-	-	1,336	1,083
Other grants	206	200	188	177
Total grants, contributions and sponsorship	206	200	1,524	1,260

A2 Expenditure (continued)

Local government disclosures

**Other financial contributions (presented under ‘Grant, contributions and sponsorship’)**

As required by the Auckland War Memorial Museum Act 1996, Museum of Transport and Technology Act 2000 and Auckland Regional Amenities Funding Act 2008, the council confirms the following financial contributions made during the year.

\$Million	Auckland Council	
	2025	2024
Auckland War Memorial Museum	34	33
Museum of Transport and Technology	19	19
Auckland Regional Amenities Funding Board	18	17

Other operating expenses

Other operating expenses include the costs of providing our services and operating our infrastructure (excluding staff costs) as well as some costs that the council is obligated to pay being Auckland's local authority.

A summary of these costs is in the table below.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Outsourced works and services	461	412	353	299
Goods and services	813	713	14	13
Consultancy and professional services	129	137	58	60
Repairs and maintenance	452	433	298	286
Utilities and occupancy	79	79	48	49
Rental and lease	171	168	19	23
Net impairment/(reversal) of receivables	15	-	6	(4)
Fees paid to elected members	12	12	12	12
Fees paid to auditors	6	6	2	3
Provision expense for Risk Category 3 property buy-outs (Refer to Note D4 Provisions)	386	649	386	649
Other expenses	510	536	185	266
Total other operating expenses	3,034	3,145	1,381	1,656

Fees paid to auditors

The group and the council's financial statements and service performance information (the “financial report”) are audited on behalf of the Controller and Auditor-General. During the year, the following fees were incurred for services provided on behalf of the Controller and Auditor-General.

A2 Expenditure (continued)

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Audit and review of the financial report	5,220	4,802	1,725	1,656
Audit or review related services				
Assurance engagement related to foreign borrowings	51	46	51	46
Assurance engagement related to debenture trust deed	19	18	19	18
Audit of Long-term Plan and amendments	35	829	35	829
Agreed-upon procedures engagement related to negative pledge reporting	10	10	-	-
	115	903	105	893
Other assurance services and other agreed-upon procedures engagements				
Performance audit of ensuring public transport reliability ¹	150	-	150	-
Limited assurance of climate related disclosure	130	-	130	-
	280	-	280	-
Taxation services				
Tax services	-	17	-	-
	-	17	-	-
Total fees to auditors	5,615	5,722	2,110	2,549

¹ Includes \$100,000 contribution from Auckland Transport

Finance costs

Finance costs include interest on our debt and derivatives, adjustments to provisions to reflect the time-value of money and other minor costs related to debt arrangements.

The table below shows the split of these costs.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Interest expense on debt and finance leases using the effective interest method	459	434	450	425
Interest expense on provisions	33	(21)	32	(21)
Total interest expense	492	413	482	404
Interest on derivative financial instruments	151	142	151	142
Other finance costs	5	7	6	8
Total finance costs	648	562	639	554

Refer to Note E1 Interest rate risk for information about interest rate risk management.

Explanation of significant variances against budget

2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Employee benefits expense	1,267	1,267	693	710
Depreciation and amortisation	1,518	1,410	374	367
Grants, contributions and sponsorship	206	170	1,524	1,555
Other operating expenses	3,034	2,674	1,381	955
Finance costs	648	619	639	606
Total	6,673	6,140	4,611	4,193

A2 *Expenditure (continued)***Explanation of significant variances against budget****The group**

While our direct operating expenses (refer glossary and Volume 1 page 26) were on budget this year, total operating expenses were \$533 million higher than budget. The most significant reasons were:

- Depreciation and amortisation were \$108 million above budget mainly due to higher-than-expected vested assets and changes in mix and timing of the capital programme. These changes primarily relate to transport assets.
- Grants, contributions and sponsorship were \$36 million higher than budget due to some of the grant programmes progressing earlier than anticipated.
- Other operating expenses were \$360 million higher than budget mainly due to an increase in provisions of \$414 million, mostly relating to Risk Category 3 property buy-outs, and grants to Risk Category 2P property homeowners. Refer to Note D4 Provisions for more details. These increases were partially offset by lower than budgeted public transport costs as fewer people used the services than expected. In addition, consultancy and professional services expenses were below budget due to the timing of planned projects.
- Finance costs were \$29 million above plan mainly due to time-value adjustments on our provisions, some of which extend out 30 years. Refer to Note D4 Provisions for further information.

The remaining variances against budget were individually insignificant.

Auckland Council

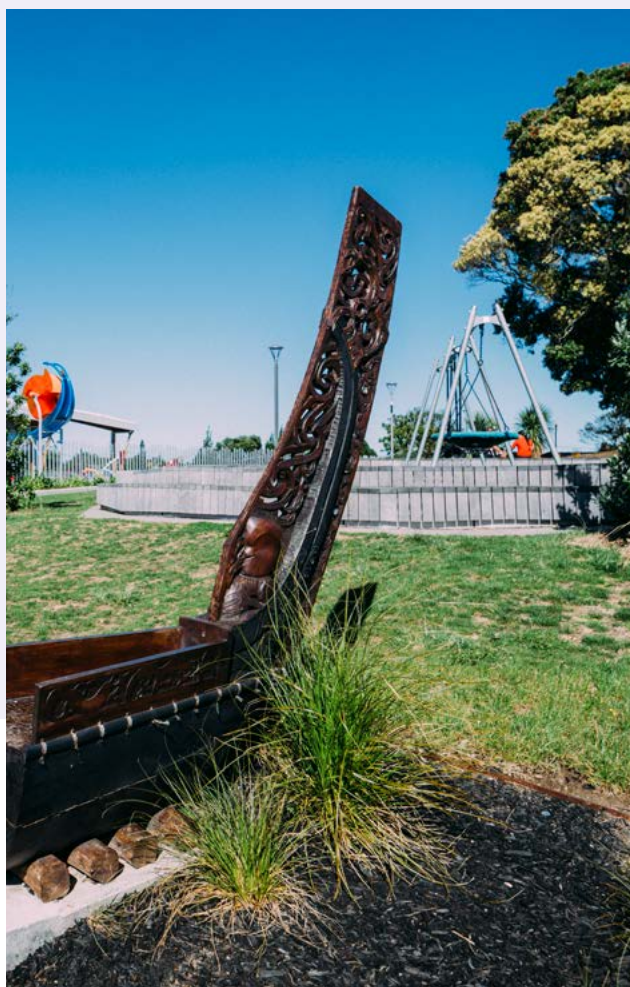
Operating expenditure was \$418 million higher than budget. This was largely due to:

- Other operating expenses were \$426 million higher than budget as explained above.
- Finance costs were \$33 million above budget as explained above.

The above unfavourable expenses were partly offset by:

- Employee benefits were \$17 million lower than budget mainly because of the high number of vacancies. This was partially offset by salaries for temporary staff to fill vacant roles while recruitment had been ongoing.
- Grants, contributions and sponsorships were \$31 million below budget mainly due to lower capital grants to Auckland Transport driven by delays in capital investment.

The remaining variances against budget were individually insignificant.



Tōia Ōtāhuhu
Recreation Precinct

A3 Net other gains and losses

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Financial instruments				
Net gains/(losses) on change in fair value of derivative financial instruments:				
Net gains/(losses) attributable to foreign exchange movements	527	(36)	518	(30)
Net (losses)/gains attributable to interest rate movements	(161)	21	(161)	21
	366	(15)	357	(9)
Net foreign exchange (losses)/gains recognised in surplus or deficit on financial instruments held at amortised cost	(518)	29	(518)	29
Net increase in financial instruments designated at fair value through surplus or deficit	7	5	50	24
Property, plant and equipment				
Net losses on disposal of property, plant and equipment and intangible assets	(33)	(72)	(5)	(48)
Impairment/(reversal of impairment) on property, plant and equipment and intangible assets	(6)	(15)	2	(2)
Investments				
Net (decrease)/increase in fair value of investment property	(3)	3	(6)	2
Net (losses)/gains on sale of other assets	(3)	27	-	27
Other				
Other gains/(losses)	12	(6)	-	-
Total net other (losses)/gains	(178)	(44)	(120)	23

Explanation of significant variances against budget



2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Net other losses	(178)	-	(120)	(2)

The group and Auckland Council

\$178 million net other losses related to:

- \$152 million net unrealised losses from the change in the fair value of derivatives due to adverse interest rates movements led to unrealised losses on our interest rate hedging contracts.
- \$33 million losses on disposals and asset write-offs not budgeted for.

The remaining variances were individually insignificant.

The group uses hedging contracts (derivative financial instruments) to increase the certainty of interest costs over multiple time periods which enable us to execute our planned expenditure programmes with confidence.

It uses foreign exchange hedging contracts to lock in foreign currency rates on our borrowings that are denominated in foreign currency, and interest rate hedging contracts to fix interest costs.

Accounting standards require hedging contracts to be recognised at their fair value at the reporting date. Hedging contracts are generally held to maturity.

A4 Income tax

Accounting policy



Income from the council and some CCOs is exempt from income tax under the Income Tax Act 2007, except for certain income received by CCOs and port-related commercial undertakings.

Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantively enacted by the balance date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity.

Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Refer to Note F2 Deferred tax assets and liabilities for further information.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be used.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Components of income tax expense				
Current tax	-	-	-	-
Deferred tax	58	80	-	-
Total income tax expense	58	80	-	-
Relationship between income tax and accounting surplus/(deficit)				
Net surplus/(deficit) before tax	1,091	664	(146)	(383)
(Surplus)/Deficit from non-taxable activities	(1,013)	(515)	146	383
Taxable surplus	78	149	-	-
Prima facie income tax at 28%	22	42	-	-
Prior period adjustment	25	1	-	-
Tax effect of permanent differences	16	5	-	-
Other	(5)	32	-	-
Total income tax expense	58	80	-	-

Local Government (Water Services) Act 2025 was enacted after the year end and water organisations including Watercare became exempt from income tax. For more information, refer to the 'Water Services Reform' section in Note F8 Other material matters.

Te Wehenga B: Ngā rawa ukiuki

Section B: Long-term assets

This section provides information about the investments the Auckland Council Group and Auckland Council have made in long-term assets to provide services and facilities to the people of Auckland. Long-term assets include physical assets such as infrastructure, land and buildings, parks and reserves and non-physical assets such as computer software.

The notes in this section are:

- B1 Property, plant and equipment**
- B2 Intangible assets**
- B3 Investment property**

▼
Maungawhau
Station

B1 Property, plant and equipment

Accounting policy



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

- **Infrastructure assets** include land under roads and systems and networks integral to the city's water and transport infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
- **Operational assets** include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books, furniture and fittings.
- **Restricted assets** include property and improvements where the use or transfer of title outside the group or the council is legally restricted.

Initial recognition and subsequent measurement

Property, plant and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs and internal surpluses.

Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

Refer to Note D4 Provisions for judgements and assumptions on the valuation of Risk Category 3 properties buy-out.

Useful lives

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

Asset class	Estimated useful life (years)	Asset class	Estimated useful life (years)
Infrastructure		Operational (continued)	
Land and road formation	Indefinite	Public transport facilities	3 to 100
Roads	5 to 100	Marinas	9 to 42
Water and wastewater	5 to 200	Rolling stock	10 to 35
Machinery	5 to 200	Wharves	10 to 100
Stormwater	19 to 132	Works of art	13 to indefinite
Other infrastructure	10 to 69	Other operational assets	1 to 50
		Other operational assets (Risk Category 3 properties buy-out)	Indefinite
Operational		Restricted	
Land	Indefinite	Parks and reserves	Indefinite
Buildings	10 to 100	Buildings	5 to 100
Specialised sporting and cultural venues	3 to 100	Improvements	3 to 87
Specialised sporting and cultural venues (land)	Indefinite	Specified and cultural heritage assets	Indefinite

Disposals

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

B1 *Property, plant and equipment (continued)***Accounting policy****Impairment**

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. Any impairment loss is recognised immediately in surplus or deficit unless the asset is revalued, in which case any impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When previously recognised impairment indicator no longer exists, the recoverable amount is re-assessed and impairment loss is reversed.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

Damaged assets

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

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

Costs to repair assets

Costs to repair damaged assets are recognised in surplus or deficit within other operating expenses when incurred. Costs that renew the entire asset or improve the economic benefits or service potential of an asset are capitalised. For assets that have been impaired on a restoration cost approach, subsequent costs incurred to restore damaged assets to their original condition is capitalised unless the damage is minor and service potential of the asset values are unaffected.

Okahu Landing ▼



B1 Property, plant and equipment (continued)

Group 2025	Opening balance			Movement during the year	Closing balance		
\$Million	Cost/ valuation	Accumulated depreciation and impairment	Carrying amount	Movement*	Cost/ valuation	Accumulated depreciation and impairment	Carrying amount
Infrastructure							
Roads and formation	16,615	(886)	15,729	1,913	17,681	(39)	17,642
Water and wastewater	10,943	(240)	10,703	2,431	13,226	(92)	13,134
Machinery	2,060	(91)	1,969	1	2,164	(194)	1,970
Stormwater	7,054	-	7,054	91	7,228	(83)	7,145
Land under roads	8,144	-	8,144	330	8,474	-	8,474
Work in progress	3,166	-	3,166	(337)	2,829	-	2,829
Other	10	-	10	25	36	(1)	35
	47,992	(1,217)	46,775	4,454	51,638	(409)	51,229
Operational							
Land and buildings	6,381	(24)	6,357	108	6,603	(138)	6,465
Specialised sporting and cultural venues	1,668	(78)	1,590	(205)	1,414	(29)	1,385
Public transport facilities^	949	(24)	925	140	1,117	(52)	1,065
Marinas	167	(13)	154	112	266	-	266
Rolling stock	594	(42)	552	98	714	(64)	650
Wharves	965	(6)	959	(14)	986	(41)	945
Works of art	602	(10)	592	2	608	(14)	594
Work in progress	706	-	706	(50)	656	-	656
Other	1,682	(945)	737	238	1,991	(1,016)	975
	13,714	(1,142)	12,572	429	14,355	(1,354)	13,001
Restricted							
Parks, reserves and buildings	6,702	-	6,702	76	6,784	(6)	6,778
Improvements	2,002	(792)	1,210	121	2,218	(887)	1,331
Specified cultural and heritage	151	-	151	-	151	-	151
Work in progress	287	-	287	4	291	-	291
	9,142	(792)	8,350	201	9,444	(893)	8,551
Group total	70,848	(3,151)	67,697	5,084	75,437	(2,656)	72,781

* Refer to next page for further details

^ Train stations, bus stations and shelters were merged into a single asset class named Public transport facilities during the current year. Opening balances have been reclassified accordingly.

B1 Property, plant and equipment (continued)

Group 2025		Movement during the year						
\$Million	Transfers from capital work in progress	Additions	Depreciation (Note A2)	Impairment	Disposals	Transfers*	Revaluations, net of accumulated depreciation	Total
Infrastructure								
Roads and formation	922	-	(455)	-	(16)	(7)	1,469	1,913
Water and wastewater	1,105	-	(305)	-	-	244	1,387	2,431
Machinery	328	-	(114)	-	-	(213)	-	1
Stormwater	183	-	(83)	-	(9)	-	-	91
Land under roads	330	-	-	-	-	-	-	330
Work in progress	(2,894)	2,557	-	-	-	-	-	(337)
Other	26	-	(1)	-	-	-	-	25
	-	2,557	(958)	-	(25)	24	2,856	4,454
Operational								
Land and buildings	190	-	(98)	(1)	(52)	69	-	108
Specialised sporting and cultural venues	72	-	(63)	-	(23)	-	(191)	(205)
Public transport facilities^	58	-	(28)	-	-	110	-	140
Marinas	1	-	(6)	-	-	1	116	112
Rolling stock	121	-	(22)	-	(1)	-	-	98
Wharves	5	-	(18)	-	-	(1)	-	(14)
Works of art	6	-	(4)	-	-	-	-	2
Work in progress	(649)	599	-	-	-	-	-	(50)
Other	196	-	(129)	-	(1)	172	-	238
	-	599	(368)	(1)	(77)	351	(75)	429
Restricted								
Parks, reserves and buildings	85	-	(6)	-	(5)	2	-	76
Improvements	216	-	(97)	-	-	2	-	121
Specified cultural and heritage	-	-	-	-	-	-	-	-
Work in progress	(301)	305	-	-	-	-	-	4
	-	305	(103)	-	(5)	4	-	201
Group total	-	3,461	(1,429)	(1)	(107)	379	2,781	5,084

* Includes transfers between asset classes within property, plant and equipment, as well as between property, plant and equipment, intangible assets, investment property and assets held-for-sale.

^ Train stations, bus stations and shelters were merged into a single asset class named Public transport facilities during the current year. Opening balances have been reclassified accordingly.

B1 Property, plant and equipment (continued)

Group 2024	Opening balance			Movement during the year	Closing balance		
\$Million	Cost/ valuation	Accumulated depreciation and impairment	Carrying amount	Movement*	Cost/ valuation	Accumulated depreciation and impairment	Carrying amount
Infrastructure							
Roads and formation	15,910	(456)	15,454	275	16,615	(886)	15,729
Water and wastewater	10,394	-	10,394	309	10,943	(240)	10,703
Machinery	1,888	-	1,888	81	2,060	(91)	1,969
Stormwater	6,857	(74)	6,783	271	7,054	-	7,054
Land under roads	7,815	-	7,815	329	8,144	-	8,144
Work in progress	2,622	-	2,622	544	3,166	-	3,166
Other	21	-	21	(11)	10	-	10
	45,507	(530)	44,977	1,798	47,992	(1,217)	46,775
Operational							
Land and buildings	6,600	(107)	6,493	(136)	6,381	(24)	6,357
Specialised sporting and cultural venues	1,429	(28)	1,401	189	1,668	(78)	1,590
Public transport facilities^	943	-	943	(18)	949	(24)	925
Marinas	166	(6)	160	(6)	167	(13)	154
Rolling stock	592	(21)	571	(19)	594	(42)	552
Wharves	784	(34)	750	209	965	(6)	959
Works of art	598	(7)	591	1	602	(10)	592
Work in progress	787	-	787	(81)	706	-	706
Other	1,483	(846)	637	100	1,682	(945)	737
	13,382	(1,049)	12,333	239	13,714	(1,142)	12,572
Restricted							
Parks, reserves and buildings	7,208	(6)	7,202	(500)	6,702	-	6,702
Improvements	1,849	(707)	1,142	68	2,002	(792)	1,210
Specified cultural and heritage	151	-	151	-	151	-	151
Work in progress	271	-	271	16	287	-	287
	9,479	(713)	8,766	(416)	9,142	(792)	8,350
Group total	68,368	(2,292)	66,076	1,621	70,848	(3,151)	67,697

* Refer to next page for further details

^ Train stations, bus stations and shelters were merged into a single asset class named Public transport facilities during the current year. Opening balances have been reclassified accordingly.

B1 Property, plant and equipment (continued)

Group 2024		Movement during the year						
\$Million	Transfers from capital work in progress	Additions	Depreciation (Note A2)	Impairment	Disposals	Transfers*	Revaluations, net of accumulated depreciation	Total
Infrastructure								
Roads and formation	694	-	(430)	-	-	11	-	275
Water and wastewater	561	-	(255)	(5)	-	8	-	309
Machinery	177	-	(98)	(2)	-	4	-	81
Stormwater	267	-	(77)	-	(16)	(7)	104	271
Land under roads	329	-	-	-	-	-	-	329
Work in progress	(2,031)	2,575	-	-	-	-	-	544
Other	3	-	-	-	-	(14)	-	(11)
	-	2,575	(860)	(7)	(16)	2	104	1,798
Operational								
Land and buildings	234	23	(92)	(1)	(81)	(306)	87	(136)
Specialised sporting and cultural venues	32	-	(49)	-	(6)	218	(6)	189
Public transport facilities^	6	-	(24)	-	-	-	-	(18)
Marinas	-	-	(6)	-	-	-	-	(6)
Rolling stock	2	-	(21)	-	-	-	-	(19)
Wharves	17	-	(14)	-	-	1	205	209
Works of art	6	-	(3)	-	-	(4)	2	1
Work in progress	(466)	385	-	-	-	-	-	(81)
Other	169	47	(117)	-	-	1	-	100
	-	455	(326)	(1)	(87)	(90)	288	239
Restricted								
Parks, reserves and buildings	158	5	(6)	(1)	(2)	3	(657)	(500)
Improvements	160	1	(87)	(2)	(1)	(3)	-	68
Specified cultural and heritage	-	-	-	-	-	-	-	-
Work in progress	(318)	334	-	-	-	-	-	16
	-	340	(93)	(3)	(3)	-	(657)	(416)
Group total	-	3,370	(1,279)	(11)	(106)	(88)	(265)	1,621

* Includes transfers between asset classes within property, plant and equipment, as well as between property, plant and equipment, intangible assets, investment property and assets held-for-sale.

^ Train stations, bus stations and shelters were merged into a single asset class named Public transport facilities during the current year. Opening balances have been reclassified accordingly.

B1 Property, plant and equipment (continued)

Auckland Council 2025	Opening balance			Movement during the year	Closing balance		
\$Million	Cost/ valuation	Accumulated depreciation and impairment	Carrying amount	Movement*	Cost/ valuation	Accumulated depreciation and impairment	Carrying amount
Infrastructure							
Stormwater	7,054	-	7,054	91	7,228	(83)	7,145
Work in progress	150	-	150	61	211	-	211
Other	10	-	10	25	35	-	35
	7,214	-	7,214	177	7,474	(83)	7,391
Operational							
Land and buildings	3,931	-	3,931	(7)	4,004	(80)	3,924
Wharves	343	-	343	(6)	344	(7)	337
Works of art	49	(10)	39	-	53	(14)	39
Work in progress	203	-	203	7	210	-	210
Other	857	(504)	353	280	1,189	(555)	634
	5,383	(514)	4,869	274	5,800	(656)	5,144
Restricted							
Parks, reserves and buildings	6,702	-	6,702	76	6,784	(6)	6,778
Improvements	2,002	(792)	1,210	121	2,218	(887)	1,331
Specified cultural and heritage	151	-	151	-	151	-	151
Work in progress	287	-	287	4	291	-	291
	9,142	(792)	8,350	201	9,444	(893)	8,551
Auckland Council total	21,739	(1,306)	20,433	652	22,718	(1,632)	21,086

* Refer to next table for further details

Auckland Council 2025		Movement during the year						
\$Million	Transfers from capital work in progress	Additions	Depreciation (Note A2)	Impairment	Disposals	Transfers*	Revaluations, net of accumulated depreciation	Total
Infrastructure								
Stormwater	184	-	(83)	-	(10)	-	-	91
Work in progress	(209)	270	-	-	-	-	-	61
Other	25	45	(1)	-	(44)	-	-	25
	-	315	(84)	-	(54)	-	-	177
Operational								
Land and buildings	98	66	(81)	(1)	(111)	22	-	(7)
Wharves	1	-	(7)	-	-	-	-	(6)
Works of art	2	2	(4)	-	-	-	-	-
Work in progress	(153)	160	-	-	-	-	-	7
Other	52	159	(49)	-	-	3	115	280
	-	387	(141)	(1)	(111)	25	115	274
Restricted								
Parks, reserves and buildings	85	14	(6)	-	(6)	(11)	-	76
Improvements	215	2	(96)	-	-	-	-	121
Specified cultural and heritage	-	-	-	-	-	-	-	-
Work in progress	(300)	304	-	-	-	-	-	4
	-	320	(102)	-	(6)	(11)	-	201
Auckland Council total	-	1,022	(327)	(1)	(171)	14	115	652

* Includes transfers between asset classes within property, plant and equipment, as well as between property, plant and equipment, intangible assets, investment property and assets held-for-sale.

B1 Property, plant and equipment (continued)

Auckland Council 2024		Opening balance		Movement during the year		Closing balance	
\$Million	Cost/valuation	Accumulated depreciation and impairment	Carrying amount	Movement*	Cost/valuation	Accumulated depreciation and impairment	Carrying amount
Infrastructure							
Stormwater	6,857	(74)	6,783	271	7,054	-	7,054
Work in progress	186	-	186	(36)	150	-	150
Other	21	-	21	(11)	10	-	10
	7,064	(74)	6,990	224	7,214	-	7,214
Operational							
Land and buildings	4,004	(75)	3,929	2	3,931	-	3,931
Wharves	229	(7)	222	121	343	-	343
Works of art	47	(6)	41	(2)	49	(10)	39
Work in progress	230	-	230	(27)	203	-	203
Other	725	(460)	265	88	857	(504)	353
	5,235	(548)	4,687	182	5,383	(514)	4,869
Restricted							
Parks, reserves and buildings	7,208	(5)	7,203	(501)	6,702	-	6,702
Improvements	1,846	(707)	1,139	71	2,002	(792)	1,210
Specified cultural and heritage	150	-	150	1	151	-	151
Work in progress	271	-	271	16	287	-	287
	9,475	(712)	8,763	(413)	9,142	(792)	8,350
Auckland Council total	21,774	(1,334)	20,440	(7)	21,739	(1,306)	20,433

* Refer to next table for further details

Auckland Council 2024		Movement during the year						
\$Million	Transfers from capital work in progress	Additions	Depreciation (Note A2)	Impairment	Disposals	Transfers*	Revaluations, net of accumulated depreciation	Total
Infrastructure								
Stormwater	266	-	(76)	-	(16)	(7)	104	271
Work in progress	(270)	234	-	-	-	-	-	(36)
Other	4	-	-	-	(15)	-	-	(11)
	-	234	(76)	-	(31)	(7)	104	224
Operational								
Land and buildings	98	23	(76)	(1)	(75)	37	(4)	2
Wharves	5	-	(4)	-	-	1	119	121
Works of art	3	-	(3)	-	(2)	-	-	(2)
Work in progress	(188)	161	-	-	-	-	-	(27)
Other	82	52	(47)	-	-	1	-	88
	-	236	(130)	(1)	(77)	39	115	182
Restricted								
Parks, reserves and buildings	158	4	(6)	(1)	(2)	3	(657)	(501)
Improvements	160	1	(87)	(2)	-	(1)	-	71
Specified cultural and heritage	-	1	-	-	-	-	-	1
Work in progress	(318)	334	-	-	-	-	-	16
	-	340	(93)	(3)	(2)	2	(657)	(413)
Auckland Council total	-	810	(299)	(4)	(110)	34	(438)	(7)

* Includes transfers between asset classes within property, plant and equipment, as well as between property, plant and equipment, intangible assets, investment property and assets held-for-sale.

*B1 Property, plant and equipment (continued)***Work in progress by asset class**

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Infrastructure				
Roads and formation	1,126	940	-	-
Water and wastewater	1,492	2,077	-	-
Stormwater	182	119	182	120
Other	29	30	29	30
	2,829	3,166	211	150
Operational				
Land and buildings	207	254	160	156
Specialised sporting and cultural venues	29	46	-	-
Public transport facilities*	72	76	-	-
Rolling stock	77	91	-	-
Wharves	165	135	6	9
Works of art	8	6	8	5
Other	98	98	36	33
	656	706	210	203
Restricted				
Parks, reserves and buildings	32	29	32	29
Improvements	259	258	259	258
	291	287	291	287
Work in progress total	3,776	4,159	712	640

* Train stations, bus stations and shelters were merged into a single asset class named Public transport facilities during the current year. Prior year comparatives have been presented accordingly.

Accounting policies**Revaluation**

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

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

B1 Property, plant and equipment (continued)

Significant judgements and estimates



The method used by the group in revaluing its property, plant and equipment, is depreciated replacement cost (DRC), except for operational land and buildings, marinas, restricted parks, reserves and buildings and works of art. DRC, referred to by valuers as ODRC (optimised depreciated replacement cost), is calculated based on the replacement cost of the property, plant and equipment depreciated over their useful lives. This method takes into account the age and condition of the assets, estimated optimisation rates and estimated remaining useful lives of those assets. It is assumed that all asset classes have no residual value at the end of their useful lives.

Operational land and buildings and works of art are revalued based on available market information relating to these assets.

The group uses two valuation processes – a full revaluation and a desktop valuation. The full revaluation process values each asset individually and involves physical inspection of selected assets at various sites to note aspects such as condition, use, replacement timing and asset optimisation. A desktop valuation involves the valuation of the portfolio as a whole, considering any changes in the condition of any specific assets. Fair value changes are determined using relevant indices such as Capital Goods Price Index published by Statistics New Zealand Tatauranga Aotearoa (Stats NZ) and assets are not physically inspected. This valuation method may be used where there are recent changes in the fair value of a class of assets and a fair value assessment indicates that a valuation may be required. Where a desktop valuation is undertaken and the desktop valuation indicates that the fair value of a class of assets have changed significantly, a full revaluation is required in the following reporting period. No desktop valuations were undertaken in the current year.

Water and wastewater, Roads and formation, Specialised sporting and cultural venues, and Marina assets underwent a revaluation as at 30 June 2025.

Independent valuer and key assumptions

Infrastructure

Water and wastewater

Water and wastewater infrastructures have been revalued as at 30 June 2025.

Independent valuer: Beca Projects NZ Limited.

Key valuation methodology and assumptions

- The ODRC approach method uses the assessment of replacement cost of a modern equivalent asset (MEA), which reflects recent contract-based construction work and the unit rates reflect the costs of replacing assets as the starting point and applies optimisation and depreciation to adjust for age, condition, performance and remaining useful life.
- The standard lives of the assets are assessed with consideration of quality and type of materials, construction specifications, use of the asset, location including environmental considerations and condition of the asset at inspection.

Machinery

Machinery assets were revalued as at 30 June 2023.

The machinery of the group comprises engines and turbines installed at water and wastewater pump stations.

Independent valuer: Beca Projects NZ Limited.

Key valuation methodology and assumptions

- Construction costs based on recent contract-based construction work and the unit rates reflect the costs of replacing assets.
- Useful lives of assets are calculated as the lesser of their physical or economic lives.

Fair value assessment

Management performed an assessment of the change in fair value using the market movement assessment provided by Beca Projects NZ Limited to approximate changes in fair value at 30 June 2025. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

B1 *Property, plant and equipment (continued)***Significant judgements and estimates (continued)****Infrastructure (continued)**

Stormwater Stormwater assets were last revalued as at 30 June 2024.

Independent valuer: In-house valuation subject to peer review by Aon New Zealand.

Key valuation methodology and assumptions

- Two types of valuation were carried out on different assets: condition-based valuation (where condition data was available), or age-based valuation. Condition information and age have been used to determine remaining useful lives and hence depreciation.
- Unit rates for replacement were applied to the assets based on size, material, depth, asset sub-type and location.
- The 2024 replacement rates were largely based on 2022 valuation unit rates modified with known changes to material cost and indexed using Stats NZ CGPI for civil constructions to convert them to current dollar value.
- Condition information and age were used to determine remaining useful lives.

Fair value assessment

Management performed an assessment of the change in fair value using Stats NZ CGPI for pipelines and irrigation and land drainage to approximate changes in fair value at 30 June 2025. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

Roads and formation

Roads and formation assets have been revalued as at 30 June 2025.

Independent valuer: Beca Projects NZ Limited.

Key valuation methodology and assumptions

- When estimating the unit rate for the construction of roading assets the most current contracted unit rates for road construction have been used. Where current contracted unit rate information is unavailable, the most recent rates have been adjusted for inflation.
- Assumptions on the remaining useful life for asset depreciation are based on the asset's age, condition, and future service potential. For roading assets, factors like ground type, weather, and usage can influence these assumptions.

Operational**Land and buildings**

Land and buildings were last revalued as at 30 June 2024.

Independent valuers: Opteon NZ Limited, Beca Projects NZ Limited, CBRE Limited, Colliers International Limited.

Key valuation methodology and assumptions

- Fair value was measured based on assumption that market participants act in their economic best interest, assuming the highest and best use of the asset.
- Land and buildings were mainly valued based on recent equivalent sales information and/or market evidence.
- Where no market existed for the buildings, ODRC was used with allowance for age, condition and configuration of the building.

Fair value assessment

Management performed an assessment of the change in fair value using the market movement assessment provided by independent valuers to approximate changes in fair value at 30 June 2025. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

B1 *Property, plant and equipment (continued)*

Significant judgements and estimates (continued)

**Operational (continued)****Specialised sporting and cultural venues**

Specialised sporting and cultural venues have been revalued as at 30 June 2025.

Independent valuer: Beca Projects NZ Limited.

Key valuation methodology and assumptions

- The valuation was based on either market value or ODRC.
- Specialised construction costs continue to align to the actual market construction index.

Public transport facilities

Train stations and Bus stations and shelters are now consolidated into a single asset class named Public transport facilities. Public transport facilities were last revalued as at 30 June 2023.

Independent valuer: Beca Projects NZ Limited and in-house valuation performed by Auckland Transport.

Key valuation methodology and assumptions

- The valuation was based on ODRC.
- Residual values, asset lives and condition assessments were considered as part of the revaluation.
- Sources of information included inflation indices from Stats NZ and in-house cost building methodologies.
- Train shelters were valued using unit rates that were determined for a sample of six structures.
- Bus stations and shelters were valued using unit rates that were determined for a sample of nine common structures.

Fair value assessment

Management performed an assessment of the change in fair value using the market movement assessment provided by Beca Projects NZ Limited to approximate changes in fair value at 30 June 2025. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

Wharves

Wharves were last revalued as at 30 June 2024.

Independent valuer: Beca Projects NZ Limited, John Foord (International), industrial valuers and registered Quantity Surveyors.

Key valuation methodology and assumptions

- The valuation was based on ODRC to the extent that optimisation can occur in the normal course of business using commercially available technology.
- Useful lives were estimated at 100 years or less at an element level, reflecting the marine environment, rate of change and obsolescence, loadings, and the predominance of concrete and steel structural elements.

Fair value assessment

Management performed an assessment of the change in fair value using either the Stats NZ CGPI for non-residential buildings or a market movement assessment provided by independent valuers to approximate changes in fair value at 30 June 2025. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

B1 Property, plant and equipment (continued)

Significant judgements and estimates (continued)

**Restricted****Parks, reserves and buildings**

Parks, reserves and buildings were revalued as at 30 June 2024.

Independent valuer: Quotable Value Limited.

Key valuation methodology and assumptions

- Large reserves were valued based on a rural land value with a locational adjustment taking into consideration active/passive zone differentials which were based on the valuers' professional judgements. The rural land value had historically been based on metropolitan single residential land sales. Following recent regulatory and Auckland Plan changes there are less of these sales in the market and the 2023/24 valuation relied more on multi-unit land sales data.
- Specialised buildings and non-specialised buildings (commercial and residential) located on open space zoned land were assessed using optimised depreciated replacement cost method. Non-specialised buildings (commercial and residential) located on non-reserve zoned land were valued using current market valuation approach.

Fair value assessment

Management performed an assessment of the change in fair value using the market movement assessment provided by Quotable Value Limited to approximate changes in fair value at 30 June 2025. The assessment indicated no material movement in the asset value and therefore a revaluation of the asset class was not required at balance date.

Asset class \$Million	Last revalued date	Asset revaluation reserve				Net change for the period	
		Group		Auckland Council		Group	Auckland Council
		2025	2024	2025	2024		
Infrastructure							
Water and wastewater	30 June 2025	3,859	2,916	-	-	943	-
Machinery	30 June 2023	453	448	-	-	5	-
Stormwater	30 June 2024	2,554	2,557	2,554	2,557	(3)	(3)
Roads and formation	30 June 2025	8,749	7,322	-	-	1,427	-
Operational							
Land and buildings	30 June 2024	3,099	3,114	1,708	1,732	(15)	(24)
Specialised sporting and cultural venues	30 June 2025	609	813	-	-	(204)	-
Public transport facilities*	30 June 2023	321	321	-	-	-	-
Marinas	30 June 2025	231	95	138	22	136	116
Rolling stock	30 June 2022	68	68	-	-	-	-
Wharves	30 June 2024	328	328	138	138	-	-
Works of art	30 June 2023	131	131	36	36	-	-
Restricted							
Parks, reserves and buildings	30 June 2024	2,340	2,344	2,340	2,344	(4)	(4)
Total		22,742	20,457	6,914	6,829	2,285	85

* Train stations, bus stations and shelters were merged into a single asset class named Public transport facilities during the current year. Prior year comparatives have been presented accordingly.

B1 *Property, plant and equipment (continued)***Explanation of significant variances against budget**

2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Net gain on revaluation of property, plant and equipment	2,781	71	114	-
Tax on revaluation of property, plant and equipment	(385)	-	-	-

The group

Asset classes revalued during the year were roads and formation, water and wastewater and marinas, as well as specialised sporting and cultural venues. While the first three asset classes had gains on revaluation totalling circa \$3 billion this was offset by the \$191 million reduction in value of specialised sporting and cultural venues. The key difference between the increases and decrease is that while inflation has increased the depreciated replacement cost of built assets, the cooling of the property market, and the revision of useful lives and unit rates as a result of a more detailed valuation review have reduced the value of specialised sporting and cultural venues assets within the Auckland region.

The significant variance to the group's budgeted amount is primarily due to the budget assuming that the asset revaluations for Watercare and Auckland Transport were completed in the prior year. However, these revaluations were undertaken in the current year, resulting in the variance.

Auckland Council

The variance against budget is mainly due to the current year revaluation for marinas. The increase in marina valuations is driven by higher berthage rents and improved cash flows.

Heritage assets

Some assets are designated as heritage assets because of their cultural or historical significance. The heritage assets of the group and the council are classified to specific asset classes according to their nature and are subsequently measured as part of those asset classes. The group and the council have identified the following heritage assets with a net book value of \$447 million:

- heritage books valued at \$151 million as at 30 June 2025 (2024: \$151 million); and
- 345 heritage buildings valued at \$296 million as at 30 June 2025 (2024: 345 buildings valued at \$290 million).

Restrictions on property, plant and equipment**Restrictions on proceeds from assets**

Various properties held by the group and the council have restrictions on the use of proceeds generated from them including the sales proceeds. These proceeds may only be applied to specified purposes, generally being to benefit the Auckland region. The current carrying value of property, plant and equipment where restrictions apply are:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Land and buildings	544	585	195	197
Parks, reserves and buildings	32	32	32	32
Total	576	617	227	229

America's Cup 36 (AC36) assets

Assets built for AC36 are included in wharves and have a carrying value of \$205 million (2024: \$208 million). The council has committed to the Ministry of Business, Innovation and Employment (MBIE) that the assets constructed for the event will remain in situ for future America's Cup events until 25 September 2038.

B1 Property, plant and equipment (continued)

Restrictions on property, plant and equipment (continued)

The Robertson Collection of international artworks

The Robertson Collection, a collection of significant artworks donated to the Auckland Art Gallery Toi o Tāmaki is subject to a donor restriction preventing the deaccessioning, exchange, or disposal of these artworks, ensuring continued access by the public in the future. The Robertson Collection has a carrying value of \$178 million (2024: \$178 million) and is included in the works of art asset class.

Security over property, plant and equipment

Other than property, plant and equipment subject to finance leases, no other property, plant and equipment is pledged as security for liabilities (2024: \$nil) of the group and the council.

Service concession assets

Watercare and Veolia Agreement

The group's service concession assets including infrastructure assets owned by Watercare and operated by Veolia Water Services (ANZ) Pty Limited (Veolia) for the provision of water and wastewater services in the Papakura district.

The franchise agreement stipulates the services Veolia must provide, to whom it must provide them and it also regulates the price. Veolia is responsible for upgrading and maintaining the entire network in Papakura so that at the end of the contract period (initial term of 30 years ending on 30 June 2027 with a 20-year right of renewal), the network shall be in a better overall condition than when the contract began in 1997. The group retains ownership of the assets and the assets will be returned for use by the group after the contract expires.

Service concession asset upgrades by Veolia are recognised by the group as an asset with a corresponding liability. This liability is amortised over the remaining period of the service concession arrangement. The carrying value of the service concession asset was \$388 million at 30 June 2025 (2024: \$317 million).

Local government disclosures



Core assets

Information about the group and the council's core assets as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 is:

\$Million	Water supply treatment plants and facilities	Water supply other assets	Sewerage treatment plants and facilities	Sewerage other assets	Storm water drainage	Flood protection and control works	Roads and footpaths
2025							
Assets constructed	111	201	216	966	74	5	604
Assets transferred	-	-	-	-	105	-	191
Closing book value	1,880	4,840	1,870	6,515	7,100	45	17,642
Estimated replacement cost	3,182	7,854	2,539	11,448	9,816	61	31,442
2024							
Assets constructed	67	233	129	308	149	6	673
Assets transferred	-	-	-	-	111	-	96
Closing book value	1,105	4,057	2,049	5,461	7,013	41	15,729
Estimated replacement cost	2,967	7,129	2,553	9,982	9,637	56	25,958

B1 *Property, plant and equipment (continued)**Local government disclosures (continued)***Insurance of assets**

Information related to the group's assets at 30 June 2025 as required by the LGA 2002 is:

\$Million	Book value	Insured value	Replacement value of self-insured assets	Commentary
Roads and formation	18,768	-	31,442	Uninsured. However, subject to meeting defined criteria, the cost associated with the immediate response, reopening and/or restoration of these assets as a result of a short natural event, e.g. earthquake or tsunami, could be subsidised by Waka Kotahi New Zealand Transport Agency.
Water and wastewater and machinery	16,596	27,256	-	Insured value includes both above ground and below ground infrastructure assets for Watercare Services Ltd. Above ground Material Damage assets include water supply and wastewater treatment plants, pump stations and plant and equipment to a value of \$4.77 billion with a maximum insured value of \$1 billion per event reducing to \$450 million per event for fire and \$500 million per event for flood. For below ground infrastructure assets, the group obtains insurance cover up to 40% of the \$1.5 billion per event and in aggregate for loss or damage to the assets due to natural disaster. Currently central government funds 60% of the loss limit for eligible costs.
Stormwater	7,327	11,104	-	Below ground stormwater infrastructure is mainly pipes, culverts and valves. For this, the group obtains insurance cover up to \$1.5 billion per event and in aggregate for loss or damage to the assets due to natural disaster. Currently central government funds 60% of the loss limit for eligible costs.
Buildings, wharves, other above ground structures and other operational assets	9,847	20,984	-	Insured value is the total above ground assets insured for the group covering up to \$1 billion per event and in the aggregate for the loss or damage to the assets due to natural disaster reducing to \$450 million per event and in the annual aggregate for fire and \$500 million per event for flood. Includes assets for Port of Auckland, Auckland Council, Tātaki Auckland Unlimited, Auckland Transport and Watercare Services Limited.
Rolling stock	727	916	-	Insurance is for the entire network and includes the electric trains. The group has a maximum coverage of \$60 million per event. Electric Multiple-Unit train (EMU) rolling stock – Agreed value per unit \$10.9 million.
Land	19,385	-	19,385	All land (including restricted land) held by the group and the council is not insured, as natural land is uninsurable.
Total	72,650	60,260	50,827	

Self-insurance fund

The group has a self-insurance fund (SIF) of \$71 million (2024: \$60 million) which together with externally sourced insurance, insures certain categories of risk. The SIF is managed by an external investment fund manager. It provides insurance cover of up to \$10 million per policy per event across the group on qualifying claims after various policy deductions. Claim amounts over \$10 million are referred to external insurers. The SIF did not pay any claims during the year (2024: nil).

B2 Intangible assets

Accounting policy



Initial recognition and subsequent measurement

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

Useful lives

The useful lives used to calculate the amortisation of intangible assets in a straight-line method are:

Asset class	Estimated useful life (years)
Community rights	5 to 35
Computer software	1 to 15
Intellectual property	5 to 35
Other intangible assets	1 to 85

Disposals

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

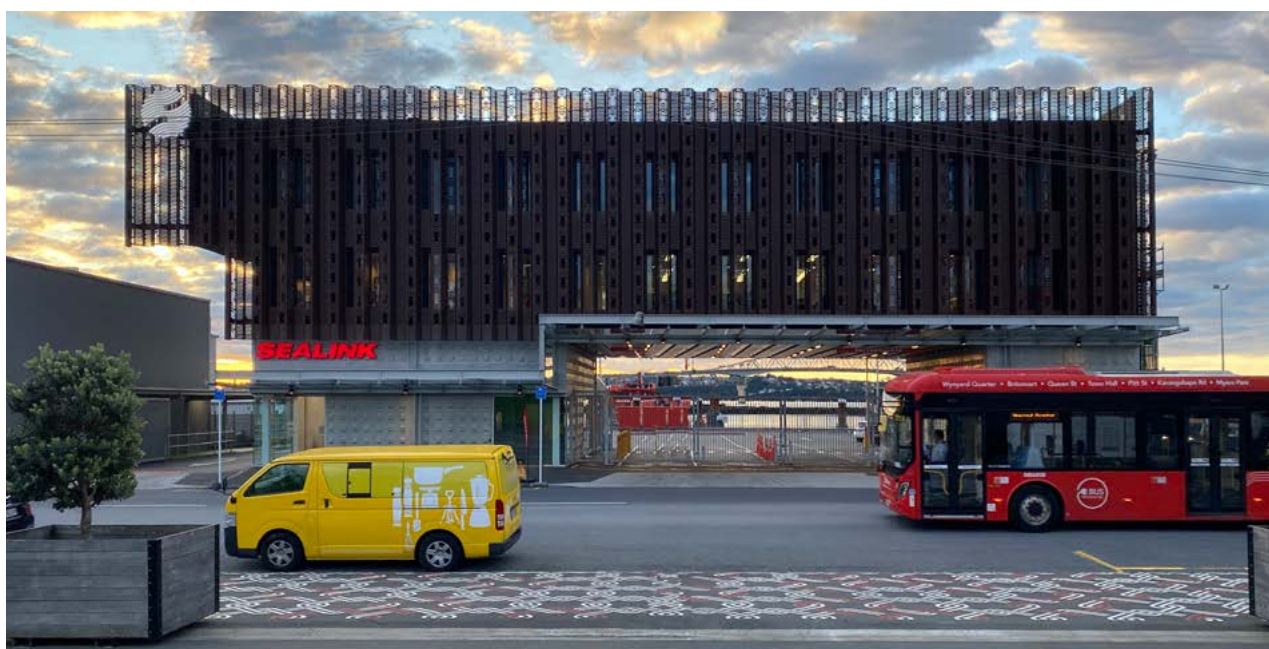
Impairment

Intangible assets are assessed annually for impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

Sealink terminal ▼



B2 Intangible assets (continued)

Group 2025 \$Million	Opening balance		Movement		Closing balance		
	Cost	Accumulated depreciation and impairment	Carrying amount	Movement	Cost	Accumulated depreciation and impairment	Carrying amount
Computer software	933	(694)	239	(40)	857	(658)	199
Rights to acquire	11	-	11	-	11	-	11
Intellectual property	170	(95)	75	21	211	(115)	96
Other	154	(58)	96	1	161	(64)	97
Work in progress	58	-	58	60	118	-	118
Group total	1,326	(847)	479	42	1,358	(837)	521
Group 2024							
\$Million							
Computer software	843	(629)	214	25	933	(694)	239
Rights to acquire	11	-	11	-	11	-	11
Intellectual property	150	(78)	72	3	170	(95)	75
Other	159	(52)	107	(11)	154	(58)	96
Work in progress	63	-	63	(5)	58	-	58
Group total	1,226	(759)	467	12	1,326	(847)	479

Group 2025 \$Million	Movement						
	Transfers from work in progress	Internally developed	Acquisition	Amortisation (Note A2)	Impairment	Disposals	Transfers* Total
Computer software	39	-	-	(61)	-	(3)	(15) (40)
Rights to acquire	-	-	-	-	-	-	-
Intellectual property	38	-	-	(23)	-	-	6 21
Other	6	-	-	(5)	-	-	- 1
Work in progress	(83)	22	121	-	-	-	- 60
Group total	-	22	121	(89)	-	(3)	(9) 42
Group 2024							
\$Million							
Computer software	98	-	-	(73)	-	-	- 25
Rights to acquire	-	-	-	-	-	-	-
Intellectual property	19	-	-	(16)	-	-	- 3
Other	17	-	-	(7)	-	(21)	- (11)
Work in progress	(134)	22	107	-	-	-	- (5)
Group total	-	22	107	(96)	-	(21)	- 12

*Includes transfers between classes within intangibles, as well as between intangibles and property, plant and equipment.

B2 Intangible assets (continued)

Auckland Council 2025 \$Million	Opening balance			Movement		Closing balance	
	Cost	Accumulated depreciation and impairment	Carrying amount	Movement	Cost	Accumulated depreciation and impairment	Carrying amount
Computer software	536	(440)	96	(19)	542	(465)	77
Rights to acquire	11	-	11	-	11	-	11
Intellectual property	159	(89)	70	7	183	(106)	77
Other	49	(30)	19	1	54	(34)	20
Work in progress	16	-	16	-	16	-	16
Auckland Council total	771	(559)	212	(11)	806	(605)	201
Auckland Council 2024							
\$Million							
Computer software	516	(415)	101	(5)	536	(440)	96
Rights to acquire	11	-	11	-	11	-	11
Intellectual property	142	(74)	68	2	159	(89)	70
Other	41	(26)	15	4	49	(30)	19
Work in progress	16	-	16	-	16	-	16
Auckland Council total	726	(515)	211	1	771	(559)	212

Auckland Council 2025 \$Million	Movement						
	Transfers from work in progress	Internally developed	Acquisition	Amortisation (Note A2)	Impairment	Disposals	Transfers* Total
Computer software	6	-	-	(24)	-	(1)	- (19)
Rights to acquire	-	-	-	-	-	-	- -
Intellectual property	25	-	-	(18)	-	-	- 7
Other	6	-	-	(5)	-	-	- 1
Work in progress	(37)	36	1	-	-	-	- -
Auckland Council total	-	36	1	(47)	-	(1)	- (11)
Auckland Council 2024							
\$Million							
Computer software	20	-	-	(25)	-	-	- (5)
Rights to acquire	-	-	-	-	-	-	- -
Intellectual property	17	-	-	(15)	-	-	- 2
Other	7	-	-	(3)	-	-	- 4
Work in progress	(44)	44	-	-	-	-	- -
Auckland Council total	-	44	-	(43)	-	-	- 1

*Includes transfers between classes within intangibles, as well as between intangibles and property, plant and equipment.

B2 Intangible assets (continued)

Intellectual property

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

Other intangible assets

Other intangibles assets of the group include Access rights to land for public transport services valued at \$39 million (2024: \$44 million) and Resource consents for future capital works valued at \$37 million (2024: \$37 million).

Restrictions to title and security over intangible assets

There are no restrictions over the title of intangible assets of the group and the council, nor are any intangible assets pledged as security for liabilities (2024: \$nil).

B3 Investment property

Accounting policy



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

Investment property	Valuation method and assumptions used
Land	Independent valuer: Colliers International New Zealand. - Individually considered and valued in accordance with current market-based evidence. - Valued as vacant under freehold or leasehold tenure. - Valuations consider the size, contour, quality, location, zoning, designation, and current and potential use.
Commercial property	Independent valuer: Colliers International New Zealand. - Based on indicative yields derived from current prices of comparable property in an active market taking into account current and forecast lease terms.

B3 Investment property (continued)

The valuation of investment property did not result in a material change to its carry value in the current or prior year.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Opening balance	657	655	528	520
Net increase/(decrease) in fair value of investment property	(4)	3	(6)	2
Additions from acquisition	15	7	15	6
Disposals	-	(10)	-	-
Net transfers to property, plant and equipment and assets held for sale	19	2	(16)	-
Closing balance	687	657	521	528

Rental income and expenses relating to investment properties as follows:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Rental income	25	23	20	19
Expenses	8	10	8	9

The group and the council have no investment property pledged as security for liabilities during the year (2024: \$nil).

Auckland Emergency Management fleet ▼



Te Wehenga C: Ngā pūtea taurewa
me ngā rawa tauhokohoko

Section C: Borrowings and financial instruments

This section provides details of the Auckland Council Group and Auckland Council's borrowings - a major source of financing used to fund Auckland's infrastructure and other assets. The section also includes information about the group's financial instruments that are used to manage the risks associated with borrowings.

The notes in this section are:

- C1 Borrowings**
- C2 Derivative financial instruments**
- C3 Other financial assets**
- C4 Fair value and classification of financial instruments**

C1 Borrowings

Accounting policy



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

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

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Current				
Secured borrowings	1,659	1,371	1,657	1,369
Total current borrowings	1,659	1,371	1,657	1,369
Non-current				
Secured borrowings	12,814	11,376	12,810	11,374
Unsecured borrowings	170	170	-	-
Total non-current borrowings	12,984	11,546	12,810	11,374
Total borrowings	14,643	12,917	14,467	12,743
Consisting of:				
Fixed rate borrowings	10,387	8,907	10,211	8,733
Floating rate borrowings	4,256	4,010	4,256	4,010
Total borrowings	14,643	12,917	14,467	12,743

The group uses borrowings to fund capital investment to help achieve intergenerational equity, a principle promoted in the LGA 2002. Intergenerational equity requires today's ratepayers only to meet the cost of using the group and the council's assets, not the full cost of purchasing or creating long-term assets that will benefit future ratepayers.

Borrowings are sourced from domestic and offshore debt markets and the Local Government Funding Agency Limited (LGFA). The foreign currency denominated debt of the group and the council was \$8,031 million as at 30 June 2025 (2024: \$6,718 million) and was hedged to eliminate foreign exchange risk. Refer to Note E3 Foreign exchange risk for further information.

Secured borrowings have a charge over current and future rates revenue.

Port of Auckland Limited's borrowings are included in unsecured borrowings. These are borrowed under negative pledge arrangements which do not grant security over their assets. Certain financial ratios are set as requirements in these arrangements which were in place for both 2025 and 2024.

There were no defaults or breaches by the group or the council on any borrowing arrangements during the year (2024: nil).

Interest rates

As at 30 June 2025, the group's weighted average interest rate on borrowings—after accounting for interest rate hedging instruments—was 4.4% (2024: 4.8%). Refer to Finance costs in Note A2 Expenditure and E1 Interest rate risk for information on net finance costs during the period and the interest rate risk analysis, respectively.

C1 Borrowings (continued)

Explanation of significant variances against budget



2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Current borrowings	1,659	2,707	1,657	2,715
Non-current borrowings	12,984	11,351	12,810	11,172
Total borrowings	14,643	14,058	14,467	13,887

The group

Total gross borrowings for the group were \$585 million higher than budget. This was partly due to raising debt early to cover expected cash outflows after 30 June 2025. After adjusting for \$427 million of higher cash and cash equivalents at balance date, group net debt at 30 June 2025 was \$14.1 billion, which was \$159 million higher than budget.

Group debt also included a \$317 million increase in the book value of our fully hedged foreign currency debt. Excluding foreign currency adjustments, underlying net debt was \$158 million lower than budget, primarily due to lower than budgeted capital investment.

Auckland Council

The drivers for the Auckland Council budget variances are the same as for the group.

Local government disclosures

**Internal borrowings**

The council borrows on a consolidated level and as such does not use internal borrowing, therefore does not prepare internal borrowing statements. The group and the council always maintain sufficient cash balances.

Credit ratings

The council has a S&P's credit rating of AA (Stable outlook) and Moody's credit rating of Aa2 (Stable outlook). The S&P's rating was reaffirmed in April 2025 and the Moody's rating in September 2025. Refer to the Water services reform in Note F8 Other material matters for Watercare's credit ratings.

Sustainable finance mechanisms

The council is committed to issuing debt through sustainable finance mechanisms to drive sustainability action. Green bonds are used to finance or refinance assets and activities that deliver positive environmental benefits. Other sustainable finance mechanisms provide financial incentives for the council to achieve sustainability performance targets which are ambitious and are material to the council's operations.

The council's sustainable finance products at 30 June 2025 included:

- green bonds¹ - \$4.0 billion on issue (2024: \$3.8 billion) in New Zealand and offshore
- sustainability linked standby facilities - of \$500 million (2024: \$800 million)
- sustainability linked bond - \$250 million (2024: nil)

The council's Sustainable Finance Framework provides details of how the council issues and manages its sustainable finance debt. It outlines the sustainability performance targets that the council uses for its sustainability-linked instruments and explains how the financial outcomes of these instruments may change, depending on the council's performance.

The council did not have any sustainability linked derivatives at 30 June 2025 (2024: \$120 million).

¹ Green bonds denominated in foreign currencies are translated at the spot rates as at 30 June. This differs from the values presented in the Green Bond Report which are reported at bond issue values.

C2 Derivative financial instruments

Accounting policy



The group and the council use derivative financial instruments, such as forward foreign currency contracts and interest rate swaps as hedging instruments to reduce risks associated with foreign currency and interest rate fluctuations. The group and the council do not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are recognised in surplus or deficit.

Derivatives are recognised as assets when they have a positive fair value representing amounts receivable and as liabilities when they have a negative fair value representing amounts payable.

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

Significant judgements and estimates used in the valuation of derivative financial instruments



The derivatives of the group and the council are all under Level 2 of the fair value hierarchy (refer to Note C4 Fair value and classification of financial instruments). The fair values of Level 2 derivatives are determined using discounted cash flow valuation techniques based on the terms of each contract and valuation inputs from independently sourced market parameters as summarised below:

Instrument	Valuation input
Interest rate swaps	Spot and forward interest rate yield curve
Forward foreign currency contracts	Forward foreign exchange rate curve
Cross-currency interest rate swaps	Spot and forward interest rate yield curve and spot foreign exchange rates
Basis swaps	Forward basis swap curve

The notional value of a derivative financial instrument represents the underlying amount of the asset or liability on which the hedging contract is based. It is a reference amount used to calculate the cashflows for the hedging contract and is not the amount that is actually exchanged between parties to the contract.

The fair value represents the net present value of expected future cashflows under each contract and is the carrying value of the instrument at balance date.

C2 Derivative financial instruments (continued)

The notional and fair values of the group and the council's derivative financial instruments are:

Group \$Million	2025				2024			
	Assets		Liabilities		Assets		Liabilities	
	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value
Current								
Interest rate swaps	1,050	3	170	1	474	4	125	2
Forward foreign currency contracts*	79	3	-	-	-	-	183	5
Cross-currency interest rate swaps	448	130	111	3	267	9	-	-
Total current	1,577	136	281	4	741	13	308	7
Non-current								
Interest rate swaps	4,160	159	9,584	252	10,059	385	3,205	86
Forward foreign currency contracts	-	-	-	-	-	-	15	1
Cross-currency interest rate swaps	4,907	438	1,825	144	1,458	163	4,752	482
Basis swaps	358	3	-	-	358	3	-	-
Total non-current	9,425	600	11,409	396	11,875	551	7,972	569
Total derivatives	11,002	736	11,690	400	12,616	564	8,280	576

Auckland Council \$Million	2025				2024			
	Assets		Liabilities		Assets		Liabilities	
	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value
Current								
Interest rate swaps	1,050	2	170	1	475	4	125	2
Forward foreign currency contracts*	79	3	79	3	183	5	183	5
Cross-currency interest rate swaps	448	131	111	3	267	9	-	-
Total current	1,577	136	360	7	925	18	308	7
Non-current								
Interest rate swaps	4,160	159	9,584	252	10,059	385	3,205	86
Forward foreign currency contracts	-	-	-	-	15	1	15	1
Cross-currency interest rate swaps	4,907	437	1,825	144	1,458	163	4,752	482
Basis swaps	358	3	-	-	358	3	-	-
Total non-current	9,425	599	11,409	396	11,890	552	7,972	569
Total derivatives	11,002	735	11,769	403	12,815	570	8,280	576

*The Forward foreign currency contracts for Auckland Council relate to contracts taken out for Auckland Transport to hedge foreign exchange exposure on their future train purchases. The transactions between the group entities have been eliminated from the group numbers.

Explanation of significant variances against budget



2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Net derivative asset	336	168	332	166

The group and Auckland Council

We use derivatives to manage the risks arising from changes in interest rates and foreign exchange rates on our borrowings.

How we apply our Treasury Management Policy to our borrowings portfolio will determine the level of hedging we undertake and our derivative exposure. This includes consideration of the type of borrowing, its tenor, and structure within the overall debt portfolio. Market conditions, such as movements in interest and exchange rates both in New Zealand and globally, also affect derivative values.

The budget reflected our best estimate of derivative values at balance date. However, actual market movements, including more favourable changes in local and foreign interest rates and exchange rates, resulted in a higher-than-forecast increase in the value of our net derivative asset. As a result, we recorded a positive variance of \$168 million and \$166 million for the group and the council, respectively.

Refer to Note A3 Net other gains and losses for further explanation.

C3 Other financial assets

Accounting policy



Other financial assets of the group and the council include loans to related parties, credit support annexures, borrower notes, community loans and listed and unlisted shares.

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

Other financial assets are classified as current when they are expected to be realised within 12 months of the balance date, otherwise they are classified as non-current.

The accounting policies on the classification of these financial assets for the purpose of measurement are outlined in Note C4 Fair value and classification of financial instruments.

Impairment of loans to related parties

Impairment of loans to related parties reflect the group and the council's expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group and the council expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Current				
Borrower notes	4	8	4	8
Investments in managed funds	-	60	-	60
Loans to related parties	-	-	211	10
Short-term deposits	3	21	3	20
Other	33	50	33	50
Total current	40	139	251	148
Non-current				
Borrower notes	66	69	66	69
Investments in managed funds	81	10	71	-
Listed shares	-	1,262	-	1,234
Loans to related parties	4	4	4,397	4,189
Auckland Future Fund and on-call cash deposits	1,306	-	-	-
Other	15	16	14	15
Total non-current	1,472	1,361	4,548	5,507
Total other financial assets	1,512	1,500	4,799	5,655

Listed shares

As at 30 June 2025, the group holds no investment in listed shares as these were sold during the year, including its investment in Auckland International Airport Limited (AIAL). In December 2024, the council transferred its remaining 11.03% stake in AIAL to AFF. The shares were sold at \$8.08 per share, generating proceeds of \$1.3 billion. Refer to Note D5 Ratepayer equity for further information on the gain from the sale of remaining AIAL shares in current financial year. These funds have been used to capitalise AFF for future investment.

C3 *Other financial assets (continued)*

Investment in managed funds

The group's self-insurance fund is included in the investment in managed funds, refer to Note B1 Property, plant and equipment for details. The SIF investment was reclassified from current to non-current financial assets as at 30 June 2025 to reflect the group's investment intention.

Loans to related parties

The council has loans to Auckland Transport, Watercare and Port of Auckland.

The interest rates on these are fixed annually in advance, using the council's expected cost of borrowing. Interest rates are reviewed annually at the end of the financial year to align loan charges with the council's actual borrowing costs, as required by the loan agreements. For the year ended 30 June 2025 the interest rates on these loans were:

- Auckland Transport 4.6% (2024: 4.8%)
- Watercare 4.9% (2024: 4.6%)
- POAL 4.9% (2024: 4.6%).

These loans are classified as fair value through surplus or deficit, with their fair values being calculated using the discounted cashflow method. The significant inputs used in the fair value measurements are the observable market rates, adjusted for counterparty and credit considerations which resulted in a market yield of 3.6% (2024: 5.8%).

From 1 July 2025, Watercare became financially separate from Auckland Council under the Local Government (Water Services Preliminary Arrangements) Act 2024. The intercompany loan outstanding as at 30 June 2025 was replaced by a new loan, repayable over five years, in accordance with the Transitional Debt Facility Agreement. Pursuant to section 57A of the LGACA 2009, the Auckland water organisation must repay all outstanding debt owed to the council, including any interest payable, by no later than 28 June 2030.

The loan agreement sets minimum and maximum repayment thresholds. Watercare is required to repay a minimum of \$200 million by 30 June 2026. This has been classified as a current asset in the council's statement of financial position. Subsequent to balance date, Watercare notified the council of its intention to make an additional repayment of \$300 million. This has not been included in current assets.

Refer to Note A2 Expenditure for details of other financial contributions provided by the council to CCOs.

Auckland Future Fund

During the year the council successfully set up the Auckland Future Fund (AFF), a major step forward in enhancing our long-term financial sustainability. It is designed to provide a strong annual return to help the council fund services and infrastructure, while reducing our reliance on rates.

The fund's long-term investment strategy is to allocate capital to a diversified portfolio of greater return assets. As at 30 June 2025, all available funds were held in term deposits or on-call cash. This approach was adopted during the fund's initial establishment phase to preserve capital and maintain liquidity while an investment manager and custodian were being appointed. Refer to Note F9 Subsequent events for information on the appointment of an investment manager.

AFF has legal protections which restrict the use of its funds by the council and other group entities (refer to Basis of reporting for further information). For this reason, AFF's term deposits and on-call cash are classified as non-current Other financial assets. This also reflects AFF's long-term investment strategy.

During the year, Auckland Council entered into a liquidity facility agreement with AFF to enable the council to draw on AFF's funds if needed during times of financial stress or market disruptions. This agreement does not change the legislative protection of the funds. Refer to Note E4 Liquidity risk for information about the agreement.

Credit Support Annexures (CSAs)

The group and the council are exposed to counterparty credit risk through their derivative contracts.

This risk is reduced by entering into CSAs with counterparties to collateralise derivative exposures. The CSAs require the posting of cash between derivative counterparties. The group and the council have transactions covered by CSAs with Citibank and Hong Kong and Shanghai Banking Corporation (HSBC).

As at 30 June 2025, the group and the council had an asset for cash collateral pledged to HSBC of \$31 million (2024: \$47 million). Citibank has pledged cash collateral to the council which has been disclosed under current liabilities.

C3 Other financial assets (continued)

Other

The council has an agreement with Eden Park Trust (EPT) to provide a revolving loan facility in the maximum aggregate amount of \$54 million. EPT pledged its stadium asset to fulfil the collateral requirement for the facility.

As at 30 June 2025, the EPT owed \$48.8 million (2024: \$48.8 million) on the revolving loan facility. The carrying value of the loan is nil in the financial statements, as a full provision for impairment has been recognised.

There were no changes to the loss allowance during the year as there were no drawdowns (2024: no change). Due to continued uncertainty around EPT's ability to repay the facility, the council recognised a provision for the full undrawn amount of the loan commitment. Refer to Note D4 Provisions.

C4 Fair value and classification of financial instruments

Accounting policy



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

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

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

Level 3 - Inputs for the asset or liability that are not based on observable market data.

Refer to Note C2 Derivative financial instruments and C3 Other financial assets for the valuation techniques used to value derivative financial instruments and other financial assets, respectively.

The fair value hierarchies for the group and the council are:

\$Million	Level	Group		Auckland Council	
		2025	2024	2025	2024
Derivative assets	2	735	564	735	569
Financial assets at fair value through surplus or deficit					
Investments in managed funds	1	81	70	71	60
Borrower notes	2	70	77	70	77
Receivables (excluding GST receivables, prepayment and rates debtors)	2	-	7	-	-
Loans to related parties	2	-	-	4,604	4,196
Unlisted shares	3	11	11	11	11
Financial assets at fair value through other comprehensive revenue and expenditure					
Listed shares	1	-	1,262	-	1,234
Total financial assets		897	1,991	5,491	6,147
Derivative liabilities	2	400	576	403	576
Total financial liabilities		400	576	403	576

There were no transfers between the different levels of the fair value hierarchy during the year (2024: \$nil).

C4 Fair value and classification of financial instruments (continued)

Accounting policy



For the purpose of measurement, the group and the council's financial assets and liabilities are classified into categories according to the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

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

Derivatives are categorised as fair value through surplus or deficit. Hedge accounting is not used.

All financial assets and liabilities at fair value through surplus or deficit are mandatorily measured at fair value through surplus or deficit.

The fair values for financial assets and financial liabilities at amortised cost have been calculated as the net present value of future cashflows using discount rates from appropriate interest rate curves unless the carrying value approximates the fair value. The valuation for foreign debt instruments is based on market data from Bloomberg.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

Kai-pāwhara, Kirikiri Reserve, Papakura ▼



C4 Fair value and classification of financial instruments (continued)

The carrying amounts and fair values of the group and the council's financial instruments by category are:

\$Million	Group			
	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
ASSETS				
Financial assets at fair value through surplus or deficit				
Derivative assets	736	736	564	564
Borrower notes	70	70	77	77
Investments in managed funds	81	81	70	70
Receivables (excluding GST receivables, prepayment and rates debtors)	-	-	7	7
Unlisted shares	11	11	11	11
	898	898	729	729
Financial assets at fair value through other comprehensive revenue and expenditure				
Listed shares	-	-	1,262	1,262
	-	-	1,262	1,262
Financial assets at amortised cost				
Cash and cash equivalents	527	527	616	618
Receivables (excluding GST receivables, prepayment and rates debtors)	531	531	560	560
Other financial assets*	1,349	1,349	80	80
	2,407	2,407	1,256	1,258
Total assets	3,305	3,305	3,247	3,249
LIABILITIES				
Financial liabilities at fair value through surplus or deficit				
Derivative liabilities	400	400	576	576
Financial liabilities at amortised cost				
Borrowings	14,643	14,549	12,917	12,554
Payables and accruals (excluding income received in advance)	1,148	1,149	1,207	1,208
	15,791	15,698	14,124	13,762
Total liabilities	16,191	16,098	14,700	14,338

*Loans to related parties were included into Other financial assets during the current year as the amounts are immaterial. Prior year comparatives have been restated to align with the current year's presentation.

C4 Fair value and classification of financial instruments (continued)

\$Million	Auckland Council			
	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
ASSETS				
Financial assets at fair value through surplus or deficit				
Loans to related parties	4,604	4,604	4,196	4,196
Derivative assets	735	735	569	569
Borrower notes	70	70	77	77
Investments in managed funds	71	71	60	60
Unlisted shares	11	11	11	11
	5,491	5,491	4,913	4,913
Financial assets at fair value through other comprehensive revenue and expenditure				
Listed shares	-	-	1,234	1,234
	-	-	1,234	1,234
Financial assets at amortised cost				
Cash and cash equivalents	434	434	506	508
Receivables (excluding GST receivables, prepayment and rates debtors)	272	272	268	268
Other financial assets*	42	42	77	77
	748	748	851	853
Total assets	6,239	6,239	6,998	7,000
LIABILITIES				
Financial liabilities at fair value through surplus or deficit				
Derivative liabilities	403	403	576	576
Financial liabilities at amortised cost				
Borrowings	14,466	14,355	12,743	12,383
Payables and accruals (excluding income received in advance)	1,128	1,128	1,198	1,198
	15,594	15,483	13,941	13,581
Total liabilities	15,997	15,886	14,517	14,157

* Loans to related parties were merged into Other financial assets during the current year as the amounts are immaterial. Prior year figures have been reclassified to align with the current year's presentation.

Te Rimutahi, Ponsonby ▼



Te Wehenga D: Te pūrawa
tauhokohoko me te tūtanga

Section D: Working capital and equity

This section provides information about the operating assets and liabilities available for the Auckland Council Group and Auckland Council's day-to-day activities. This section also contains analysis of the net assets of the group and the council, accumulated funds and restricted reserves.

The notes in this section are:

- D1 Cash and cash equivalents**
- D2 Receivables and prepayments**
- D3 Payables and accruals**
- D4 Provisions**
- D5 Ratepayer equity**

West coast beach ▲

D1 Cash and cash equivalents

Accounting policy



Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments. The carrying value of cash on hand, on demand bank deposits and short-term deposits with original maturities of three months or less approximates the fair value.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Cash on hand and on-demand bank deposits	425	271	332	161
Short-term deposits (original maturity $\leq$ 91 days)	102	345	102	345
Cash and cash equivalents	527	616	434	506

The group and the council maintain funds that relate to trusts and bequests received, and other funds with restrictions, where the spending of the funds is closely monitored. Unspent funds subject to restrictions were:

\$Million	2025	2024
Group	77	84
Auckland Council	19	15

D2 Receivables and prepayments

Accounting policy



Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Current				
Trade receivables	369	361	113	142
Less provision for impairment	(63)	(55)	(19)	(18)
Rates receivables	119	103	119	103
Related party receivables	-	-	67	38
Net receivables	425	409	280	265
Accrued income	146	183	22	27
GST receivable	25	84	24	75
Prepayments	61	61	36	36
Other	77	27	78	27
Total current	734	764	440	430
Receivables from exchange transactions	355	280	130	71
Receivables from non-exchange transactions	379	484	310	359
Non-current				
Rates receivables	11	10	11	10
Prepayments	37	27	26	15
Other	11	51	11	52
Total non-current	59	88	48	77
Receivables from exchange transactions	48	78	37	67
Receivables from non-exchange transactions	11	10	11	10
Total receivables and prepayments	793	852	488	507

D2 Receivables and prepayments (continued)

Explanation of significant variances against budget



2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Receivables and prepayments	793	978	488	303

The group

The group receivables and prepayments were \$185 million lower than budget mainly due to higher-than-expected GST output to offset GST input.

Auckland Council

Auckland Council receivables and prepayments were \$185 million higher than budget driven by changes in working capital, increases in revenue from council services, and a \$45 million special dividend receivable from POAL. This special dividend was confirmed in June 2025 following the sale of POAL's shareholding in Marsden Maritime Holdings.

Most receivables are non-interest bearing and the carrying value approximates the fair value. In relation to rates receivable, ratepayers may apply for payment plan options in special circumstances which may defer the balance to non-current receivables.

Provision for impairment

Accounting policy



The provision for impairment of receivables is determined based on an expected credit loss (ECL) model.

In assessing credit losses for receivables, the group and the council apply the simplified approach and record lifetime ECL on receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. The group and the council use a provision matrix based on historical credit loss experience upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

In assessing ECL on receivables the group and the council consider both quantitative and qualitative inputs. Quantitative inputs include past collection rates, ageing of receivables and trading outlook. Qualitative inputs include past trading history with the group and the council.

To measure the ECL, all receivables have been grouped based on shared credit risk characteristics and the days overdue. Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debt.

The provision for impairment on receivables determined for both exchange transactions and non-exchange transactions are:

\$Million	Gross carrying amount	2025		Provision for impairment	2024		Provision for impairment
		Expected loss rate (%)			Gross carrying amount	Expected loss rate (%)	
Group							
Current	186	0.0%	-		175	0.0%	-
Past due 1 to 60 days	127	(1.6%)	(2)		118	(1.7%)	(2)
Past due > 60 days	175	(34.9%)	(61)		171	(31.0%)	(53)
Total	488		(63)		464		(55)
Auckland Council							
Current	122	0.0%	-		106	0.0%	-
Past due 1 to 60 days	80	(1.3%)	(1)		79	(1.9%)	(1)
Past due >60 days	97	(18.6%)	(18)		98	(17.4%)	(17)
Total	299		(19)		283		(18)

D3 Payables and accruals

Accounting policy



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

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

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Current				
Trade payables and accruals	918	984	329	403
Revenue received in advance	173	129	116	66
Deposits and bonds	66	72	62	67
Credit support annex (refer to Note C3)	11	35	11	35
Amounts due to related parties	-	-	618	611
Other	105	84	91	76
Total current	1,273	1,304	1,227	1,258
Payables from exchange transactions	1,203	1,086	392	452
Payables from non-exchange transactions	70	218	835	806
Non-current				
Revenue received in advance	182	165	192	173
Other	48	32	15	6
Total non-current	230	197	207	179
Payables from exchange transactions	227	193	184	157
Payables from non-exchange transactions	3	4	23	22
Total payables and accruals	1,503	1,501	1,434	1,437

Explanation of significant variances against budget



2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Payables and accruals	1,503	2,020	1,434	1,643

The group and Auckland Council

The group and the council's payables and accruals were \$517 million and \$209 million lower than budget respectively. This was mainly due to lower-than-anticipated operating and capital purchases. Also, the release of retentions to suppliers as a result of Watercare's Central Interceptor project nearing completion contributed to the group's lower payables than budget.

The council's non-current revenue received in advance includes an obligation to give Watercare unrestricted and sole access to land on Puketutu Island until 2066 or until such time Watercare surrenders its lease over the island. The balance of the deferred revenue as at 30 June 2025 amounted to \$18.2 million (2024: \$18.6 million) and is amortised on a straight-line basis over the lease period of 70 years, being 55 years with a 15-year right of renewal. The lease period is longer than the resource consent period of 35 years as the land will be used beyond the consent period for aftercare.

D4 Provisions

Accounting policy



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

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

Discount rate

The present value of cash flows is calculated using a discount rate equivalent to the appropriate risk-free rate relevant for the timing of cash flows, published by New Zealand Treasury as the government bond rate ranging from 3.1% to 6.0% (2024: 4.3% to 5.4%). At 30 June 2025, the group and the council determined that risk-free rates, appropriately represented risks specifically related to time value of money.

Explanation of significant variances against budget

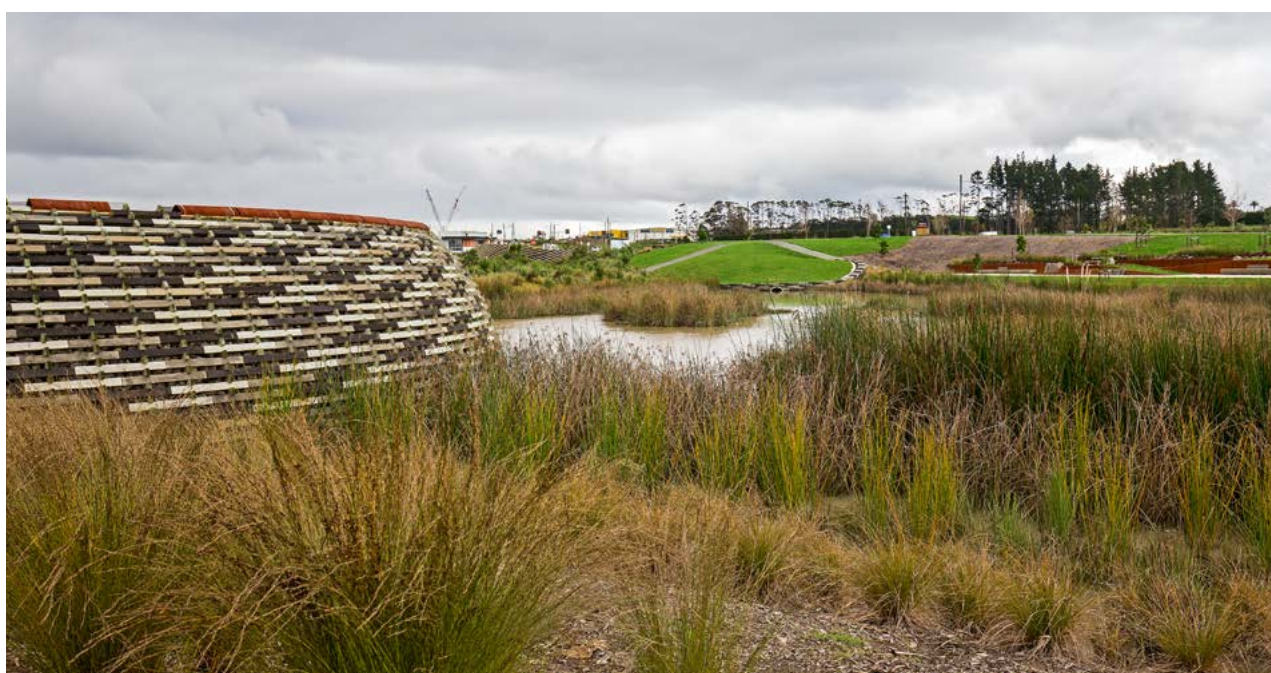


2025 \$Million	Group		Auckland Council	
	Actual	Budget	Actual	Budget
Provisions	882	496	867	462

The group and Auckland Council

Provisions of the group and the council were \$386 million and \$405 million higher than budget respectively mainly due to additional provision provided for the increase in the number of Risk Category 3 property buy-outs.

Kopupaka Reserve Development, Westgate ▼



D4 Provisions (continued)

Group \$Million	Risk category 3 property buy-outs	Weather-tightness and associated building defect claims	Contaminated land and closed landfills	Other	Total
Opening balance	523	263	223	66	1,075
Additional provisions and increases to existing provisions	386	-	1	27	414
Amounts used	(568)	(22)	(5)	(18)	(613)
Reversal of previously recognised provisions	-	(7)	-	(19)	(26)
Change in discount rate	2	(1)	1	-	2
Discount unwind	13	10	6	1	30
Balance as at 30 June 2025	356	243	226	57	882
Current	356	53	21	46	476
Non-current	-	190	205	11	406
Opening balance	-	257	161	48	466
Additional provisions and increases to existing provisions	649	44	85	57	835
Amounts used	(132)	(25)	(10)	(21)	(188)
Reversal of previously recognised provisions	-	-	-	(18)	(18)
Change in discount rate	(5)	(19)	(16)	-	(40)
Discount unwind	11	6	3	-	20
Balance as at 30 June 2024	523	263	223	66	1,075
Current	268	47	20	40	375
Non-current	255	216	203	26	700

Auckland Council \$Million	Risk category 3 property buy-outs	Weather-tightness and associated building defect claims	Contaminated land and closed landfills	Other	Total
Opening balance	523	263	213	55	1,054
Additional provisions and increases to existing provisions	386	-	1	25	412
Amounts used	(568)	(22)	(5)	(11)	(606)
Reversal of previously recognised provisions	-	(7)	-	(18)	(25)
Change in discount rate	2	(1)	1	-	2
Discount unwind	13	10	6	1	30
Balance as at 30 June 2025	356	243	216	52	867
Current	356	53	21	42	472
Non-current	-	190	195	10	395
Opening balance	-	257	152	24	433
Additional provisions and increases to existing provisions	649	44	84	51	828
Amounts used	(132)	(25)	(10)	(8)	(175)
Reversal of previously recognised provisions	-	-	-	(12)	(12)
Change in discount rate	(5)	(19)	(16)	-	(40)
Discount unwind	11	6	3	-	20
Balance as at 30 June 2024	523	263	213	55	1,054
Current	268	47	20	31	366
Non-current	255	216	193	24	688

D4 Provisions (continued)

Provision for weathertightness and associated building defect claims

The group and the council have recognised a provision for weathertightness and associated building defect claims which covers active, reported and unreported claims.

This provision includes uninsured costs for which the council is liable, such as remediation of weathertightness issues, fire and structural engineering defects, and any additional costs associated with managing and resolving these claims. There is a high degree of uncertainty with estimates for the provision. The provision is comprised of:

\$Million	Multi-unit buildings	Single buildings	Total
Active provision	139	4	143
Reported provision	13	10	23
Unreported provision	65	12	77
Balance as at 30 June 2025	217	26	243
Active provision	149	6	155
Reported provision	16	17	33
Unreported provision	63	12	75
Balance as at 30 June 2024	228	35	263

Active claims are those lodged with the council and are progressing through the resolution process. They have a loss reserve which represents remediation costs, and a cost reserve, representing the cost of managing and resolving the claim.

Reported claims are those lodged, but not yet progressing through the resolution process. Unreported claims are those the council may be liable for but have not yet been reported or identified. The provision for reported and unreported claims is based on statistical analysis performed by independent actuaries.

The council may be subject to further liability due to the significant degree of estimation.

Significant judgements and estimates used in calculating provision for weathertightness and associated building defect claims


The significant assumptions used to determine the valuation of claims are based on single units and multi-units dwelling types, as follows:

Reported claims

- There are 185 dwellings currently reported (110 multi-unit and 75 single-unit) with an assumption that 5% of the multi-unit and 30% of the single-unit claims will not proceed to a formal claim. Claims were discounted if the dwellings had been sold after they were notified to the council, or if the claim was more than 15 years old.

Unreported claims

- Prevalence rates indicate an estimated 478 dwellings (442 multi-unit and 36 single-unit) will notify in the future, 5% of multi-unit and 30% of the single-unit claims will not proceed to a formal claim.

Reported and unreported claims

- The assessed quantum for repair which differs between multi-unit and single-unit.
- Settlement amounts which are expected to be 55% for a multi-unit and 60% for a single-unit of the assessed quantum.
- Contribution by the group toward the settlement which is 75% for a multi-unit and 50% for a single-unit
- Timing of claim payments which is assumed to follow historical trends.

Active claims

- The active provision is determined through a combination of case estimates and the relevant cost assumptions used to produce the reported provision. The key assumption that is applied to these case estimates is a certainty weighting, ranging from 10% to 75% depending on the stage of the claim.

D4 Provisions (continued)**Provision for weathertightness and associated building defect claims (continued)**

The expected discounted cash outflow for the weathertightness provision is:

Settled year ended 30 June (\$Million)

2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	Total
53	91	10	24	7	8	9	9	8	7	6	6	5	243

The significant assumptions above that are most sensitive on surplus or deficit are:

\$Million	2025		2024	
	10%	-10%	10%	-10%
	Effect on surplus or deficit		Effect on surplus or deficit	
Amount claimed	(24)	24	(26)	26
Council contribution to settlement	(24)	24	(26)	26
Settlement level award	(24)	24	(26)	26
Discontinuance rate	11	(6)	12	(7)

Provision for remediation of contaminated land and closed landfills

The group and the council have provided for the management and remediation of sites where contamination has been identified and the existing land-use requires remediation. No provision has been made for sites where contamination is not confirmed. The reason is that the level of contamination, if any, is unknown and therefore costs of management and/or remediation cannot be reliably estimated.

The group and the council may be subject to further liability because of the significant degree of estimation included in determining the provision. This liability is reflected in unquantifiable contingencies (refer to Note F4 Contingencies and commitments).

Significant judgements and estimates used in calculating provision for remediation of contaminated land and closed landfills

- The provision includes sites where the group and the council hold a resource consent, or a constructive obligation exists. It does not include property with unidentified contamination issues or where the current land-use does not require management or remediation.
- Expected future costs are based on the expected level of work required to meet each resource consent and the current cost of management and/or remediation.
- Expected future costs are inflated using the CPI assumptions provided by New Zealand Treasury.
- Estimated costs are assessed over 30 years, being the average resource consent period.
- The provision assumes there is no change in land-use and discharges complying with consent conditions.
- The provision is adjusted for the time value of money by discounting year one to year 30 costs at the yearly risk-free discount rates provided by New Zealand Treasury.

The significant assumptions above that are most sensitive on surplus or deficit are:

\$Million	2025		2024	
	2%	-2%	2%	-2%
	Effect on surplus or deficit		Effect on surplus or deficit	
Inflation Rate	(53)	39	(52)	37
Discount Rate	38	(53)	36	(51)

D4 Provisions (continued)

Provision for Risk Category 3 property buy-outs and Risk Category 2P properties

The co-funding agreement with central government for recovery and resilience efforts for the 2023 severe weather events was amended in March 2025. The amendment partly transfers the central government's contribution for Risk Category 2 mitigation projects to Risk Category 3 property buy-outs due to an increase in the estimated number of eligible Risk Category 3 properties. The total contribution of up to \$877 million from central government remained unchanged (refer to Note F4 Contingencies and commitments).

The provision for Risk Category 3 property buy-outs is based on the best estimate of the present value of the expenditure needed to settle the obligations to property owners. The estimates are determined based on the judgements and assumptions made by management and independent actuaries.

The council estimated there will be 1,200 Risk Category 3 properties, of which the council has bought 792 and paid \$863 million since the beginning of the buy-out programme.

The provision decreased by \$167 million from 30 June 2024 to \$356 million. The decrease in the provision was mainly due to net settlements of \$731 million from the purchase of 667 properties and partly offset by the changes in the following significant assumptions based on experience:

- the estimated number of Risk Category 3 properties rose to 1,200 (30 June 2024: 900)
- the average market value per property increased by \$0.1 million.

Other than the changes in the two assumptions above, there have been no significant changes in judgements and estimates used in calculating provision for Risk Category 3 property buy-outs since the preparation of the group's annual report for year ended 30 June 2024.

The provision for Risk Category 2P grants remains unchanged at \$30 million as at both 30 June 2025 and 30 June 2024, with additional provisions of \$8 million offset by net settlements of \$8 million.

Significant judgements and estimates used in calculating provision for Risk Category 3 property buy-outs



- The number of eligible Risk Category 3 properties that will opt into the scheme has been estimated based on the properties that opted into the voluntary assessment process after the severe weather events, and assessments performed by the council for categorisations.
- Proportion of properties that are insured is assumed to be in line with the statistics prepared by the Insurance Council of New Zealand and Risk Category 3 properties settled to date.
- Expected market value of properties is based on market value as provided by the valuer, and if no valuation is available, average value of properties in affected areas, sourced from the latest reliable public information that is adjusted for uncertainty and fluctuations in the housing market since the severe weather events.
- Expected insurance recoveries per property (from private insurers and Natural Hazards Commission Toka Tū Ake) is estimated to be the actual average insurance payout per property for Risk Category 3 properties settled to date.
- Estimated value of land post-acquisition is based on the average market value of existing restricted reserve vacant land in the affected area from Auckland Council's 2023/2024 valuations (which was the last revaluation). Based on the fair value assessment in Note B1 Property, plant and equipment, there was no material movement in the asset value and the asset class was not revalued as at 30 June 2025.
- We have assumed that all buildings on eligible properties will be demolished, with the demolition costs being based on a combination of actual demolition costs and quotes from demolition service providers.

The significant assumptions from above that are most sensitive on surplus or deficit are:

	2025		2024	
	10%	-10%	10%	-10%
\$Million	Effect on surplus or deficit		Effect on surplus or deficit	
Number of eligible Category 3 properties that opt in to the scheme	(100)	100	(62)	62
Expected market value per property	(108)	108	(89)	89
Expected insurance recoveries per property	15	(15)	18	(18)
Estimated value of land post-acquisition	24	(24)	17	(17)

D5 Ratepayer equity

Accounting policy



Ratepayer equity is the Auckland community's interest in the group and the council. Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes. Contributed equity is the net asset position excluding restricted reserves, at the time the council was formed.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Contributed equity	26,682	26,693	26,539	26,539
Accumulated funds	9,136	7,564	433	155
Reserves				
Asset revaluation reserves				
Opening balance	20,457	20,773	6,829	7,298
Transferred to accumulated funds	(111)	(52)	(29)	(31)
Change in fair value recognised during the year	2,396	(264)	114	(438)
Closing balance	22,742	20,457	6,914	6,829
Restricted equity				
Opening balance	639	578	628	566
Transfer in/(out) during the year	(55)	61	(55)	62
Closing balance	584	639	573	628
Financial investments - Fair value through other comprehensive revenue and expense reserve				
Opening balance	271	704	256	677
Gain/(loss) on equity instruments designated at fair value through other comprehensive revenue	103	(247)	85	(234)
Transfer between classes*	(374)	(186)	(341)	(187)
Closing balance	-	271	-	256
Total reserves	23,326	21,367	7,487	7,713
Total ratepayer equity	59,144	55,624	34,459	34,407

* The fair value movement on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure includes the current year gain of \$85 million up to the point of the sale of the council's remaining AIAL shares. Upon selling the remaining AIAL shares in December 2024, the council transferred the total cumulative gain of \$341 million from the revaluation reserve to accumulated funds.

Capital management

The group and the council's capital is its ratepayer equity, which comprises contributed equity, reserves and accumulated funds. Equity is represented by net assets. The Local Government Act 2002 (the LGA 2002) requires the council to manage the group's revenue, expenses, assets, liabilities and general financial dealings cautiously and in a manner that promotes the current and future interests of the community. Ratepayer equity is largely managed through managing revenue, expenses, assets, liabilities and general financial dealings. The group monitors the prudence in its financial management with the use of the financial reporting and prudence benchmarks as set out in the Local Government (Financial Reporting and Prudence) Regulations 2014. Refer to Section G for the financial reporting and prudence benchmarks of the group for the year ended 30 June 2025.

The objective of managing the group and the council's capital is to achieve intergenerational equity which is a principle promoted in the LGA 2002 and applied by the group and the council. Intergenerational equity requires today's ratepayers only to meet the cost of using the group and the council assets, not the full cost of purchasing or creating long-term assets that will benefit future ratepayers.

To achieve this objective, the group and the council have asset management plans in place for major classes of assets detailing renewal and maintenance programmes to ensure that these costs are not deferred.

D5 Ratepayer equity (continued)

An additional objective of capital management is to ensure that the expenditure identified in the Long-term plan and Annual Plan is spent in the manner set out in these budgets.

Auckland's legacy councils only funded 63 per cent of depreciation and our policy in prior years was to gradually move to 100 per cent by 2025. In 2020/2021 the impacts of COVID-19 disruption on our revenue streams caused us to revisit our policy for funding depreciation and the group's Revenue and Financing Policy was updated to include a commitment to achieve 100 per cent funding of depreciation by 2028.

No changes were made in the objectives, policies or processes for managing capital of the group and the council during the years ended 30 June 2025 and 30 June 2024.

Local government disclosures



Restricted equity includes trusts and bequests, targeted rates and reserves, where use of the funds is specified by statute, trust deed or contract. The reserve funds held by the group and the council during the year are as follows:

\$Million	Activity	Opening balance	Transfers to reserve	Transfers from reserve	Closing balance	Purpose
Trusts and bequests						
Leys Institute Trust Capital	Local council services	1	-	-	1	Purchase of library equipment and operation
Leys Institute Restoration Reserve	Local council services	-	3	-	3	Restoration of the Leys Institute
Total trusts and bequests		1	3	-	4	
Targeted Rates						
City Centre Targeted Rate	Local council services	79	32	(28)	83	Development and revitalisation of the city centre
Financial Assistance Targeted Rate	Roads and footpaths, stormwater and wastewater	(1)	-	-	(1)	Financial assistance to the local community
Natural Environment Targeted Rate	Local council services	(1)	33	(33)	(1)	Protection of the natural environment
Rodney Local Board Transport Targeted Rate	Roads and footpaths and public transport and travel demand management	(3)	5	(3)	(1)	Improvement in transport services in the Rodney area
Targeted Rates Open Spaces/Volcanic Cones	Regionally delivered council services	3	-	-	3	Purchase of open spaces, and maintenance and enhancement of volcanic cones
Water Quality Targeted Rate	Stormwater	22	7	(7)	22	Create cleaner beaches, streams and harbours
Electricity Network Resilience Targeted Rate	Regionally delivered council services	1	12	(12)	1	Funding tree management programme around the Vector overhead electricity supply network
Climate Action Targeted Rate	Public transport and regionally delivered council services	51	50	(29)	72	Funding of projects have meaningful impact on climate action goals
North Shore Holdings Reserve Fund	Regionally delivered council services	3	-	-	3	Projects approved by Auckland Transition Agency and the legacy North Shore City Council
Franklin Local Board Pathway	Roads and footpaths and public transport and travel demand management	-	2	-	2	Funding helps paths and pedestrian safety improvements across Franklin
Total targeted rates		154	141	(112)	183	

D5 Ratepayer equity (continued)

Local government disclosures (continued)

\$Million	Activity	Opening balance	Transfers to reserve	Transfers from reserve	Closing balance	Purpose
Reserves						
Community Recreation and Sport Fund	Local council services	3	-	-	3	Sports and recreational initiatives
Greenmount Park Development Reserve - ARC	Local council services	4	-	-	4	Conversion of land into a public park and recreation ground
Greenmount Park Development Reserve - AC	Local council services	11	1	-	12	Development of Styak-Lushington Park
Harbourview / Orangihina UAC Reserve	Local council services	1	-	-	1	Development of Harbourview-Orangihina Park
Hobsonville Domain Compensation Reserve	Local council services	2	-	-	2	Hobsonville Domain Replacement project
New Windsor Road Reserve (Whau Local Board)	Local council services	1	-	-	1	Re-investment in local area
Strand Municipal Reserve	Local council services	3	-	-	3	Restoration of Takapuna Library
Marlowe Mew Reserve	Regionally delivered council service	2	-	-	2	Pensioner housing
Off-street Parking Funds	Public transport and travel demand management	4	-	-	4	Off-street parking initiatives
Papakura Golf Course Reserve	Regionally delivered council services	2	-	-	2	Development of Papakura Golf course
Regional Fuel Tax Reserve	Roads and footpaths	430	4	(111)	323	Funding specified transport projects, refer to Note F7 Regional fuel tax
Civic space and Victoria Street Linear Park project	Local council services	9	-	(5)	4	Development of a civic space and Victoria Street Linear Park
Waste Minimisation Reserve	Waste and environmental services	-	32	(7)	25	Supporting the implementation of waste minimisation initiatives
Total reserves		472	37	(123)	386	
Auckland Council total restricted equity		627	181	(235)	573	
Trusts and bequests						
Trusts related to art activities	Regionally delivered council services	1	-	-	1	Purchase of works of art for the Auckland Art Gallery
Reserves						
Zoo Conservation Fund	Council controlled services	5	4	(4)	5	Support of conservation efforts in the wild
Major Events Fund	Council controlled services	6	-	-	6	Funding of major events
Council-controlled organisations total restricted equity		12	4	(4)	12	
Group total restricted equity		639	185	(239)	585	

Te Wehenga E: Te whakahaere tūraru ā-pūtea

Section E: Financial risk management

This section provides information on how the Auckland Council Group and Auckland Council are exposed to a variety of financial risks and how these risks are managed.

The group's core policies relating to financial risk are contained in the Treasury Management Policy (TMP). The TMP meets the requirements of the LGA 2002 and sets out the group's policies on how it will manage its key financial risks including risks associated with borrowing, interest rates, foreign exchange, counterparty credit, liquidity and investment.

Any changes to the TMP require the approval of the Governing Body. More detailed treasury policies are contained in the Treasury Operating Manual which must be consistent with the TMP and is approved by the Treasury Management Steering Group.

The significant financial risks to the group and the council are set out in the sub-sections below. Each sub-section provides an explanation of the risk (risk definition) and how it is managed by the council (risk management).

The following are the financial risks that are significant to the group and the council:

- E1 Interest rate risk**
- E2 Credit risk**
- E3 Foreign exchange risk**
- E4 Liquidity risk**

E1 Interest rate risk

Risk definition

Interest rate risk is the risk that the group and the council are exposed to adverse changes in interest rates which may result in net financing costs exceeding annual budget or long-term plan forecasts. The group and the council are exposed to interest rate risk on all debt obligations and cash investments including amounts on-lent to council-controlled organisations.

Risk management

The group seeks to limit interest rate risk by:

- actively managing interest rates using a mix of derivatives and fixed rate debt; and
- managing interest rates on both current and forecast debt.

The group manages interest rates on a portfolio basis. Over the long-term, the group's risk management approach aims to:

- minimise volatility and provide certainty of interest costs thereby reducing the likelihood that adverse movements in interest rates will materially impact the operating surplus;
- minimise the cost of borrowings within acceptable risk parameters; and
- manage the divergence between the group's effective interest rate and prevailing market interest rates.

Mechanisms used to manage interest rate risk are:

- interest rate swaps, including forward start swaps to hedge the base rate on anticipated borrowings;
- matching the interest rate risk profile of the group and the council's financial assets and liabilities when appropriate; and
- fixing rates through fixed rate borrowings or interest rate hedging instruments to fix rates on floating rate borrowings.

To identify the exposure to movements in interest rates the group and the council measure and control the risk through sensitivity analysis. This is based on possible movements in the NZD interest rate curve, with all other variables held constant, measured as a basis points movement (where 100 basis points equal 1 per cent). The methods and assumptions used remain the same as those used in the previous period. The impact on potential surplus or deficit and equity (excluding accumulated funds) calculated using the group and the council's financial instrument exposures at balance date are:

Group \$Million	2025				2024			
	-100bps/-1% Surplus/ (deficit)	Equity	+100bps/+1% Surplus/ (deficit)	Equity	-100bps/-1% Surplus/ (deficit)	Equity	+100bps/+1% Surplus/ (deficit)	Equity
Cash and cash equivalents and term deposits	(5)	-	5	-	(5)	-	5	-
Derivative financial instruments ¹	(124)	-	122	-	(146)	-	141	-
Fixed rate borrowings (repricing within next 12 months)	5	-	(5)	-	3	-	(3)	-
Floating rate borrowings	41	-	(41)	-	40	-	(40)	-
Other financial assets	(14)	-	14	-	(1)	-	1	-
Total sensitivity to interest rate risk	(97)	-	95	-	(109)	-	104	-

¹ The sensitivity for derivatives has been calculated using a derivative valuation model based on a parallel shift in interest rates of plus and minus 100 basis points.

E1 Interest rate risk (continued)

Auckland Council \$Million	2025				2024			
	-100bps/-1%		+100bps/+1%		-100bps/-1%		+100bps/+1%	
	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity	Surplus/ (deficit)	Equity
Cash and cash equivalents and term deposits	(4)	-	4	-	(5)	-	5	-
Derivative financial instruments ¹	(124)	-	122	-	(146)	-	141	-
Fixed rate borrowings (repricing within next 12 months)	5	-	(5)	-	3	-	(3)	-
Floating rate borrowings	41	-	(41)	-	40	-	(40)	-
Loans to related parties	(6)	-	6	-	(42)	-	42	-
Other financial assets	(2)	-	1	-	(2)	-	2	-
Total sensitivity to interest rate risk	(90)	-	87	-	(152)	-	147	-

¹ The sensitivity for derivatives has been calculated using a derivative valuation model based on a parallel shift in interest rates of plus and minus 100 basis points.

E2 Credit risk**Risk definition**

Credit risk is the risk that a third party will default on its obligation to the group and the council, causing the group and the council to incur a loss. Credit risk may arise from cash and cash equivalents, deposits with banks, credit exposures to receivables, related party loans, financial guarantees as well as derivative financial instruments and other financial assets.

The group and the council's maximum credit risk exposure for each class of financial assets is the carrying amount of these financial assets which is presented in Note C4 Fair value and classification of financial instruments.

Risk management

The group seeks to limit counterparty exposure by:

- only transacting with counterparties with acceptable credit ratings;
- avoiding concentrations of credit exposure to one counterparty by spreading exposures amongst many counterparties;
- executing Credit Support Annex's (CSAs) with selected counterparties to manage derivative risk; and
- having netting provisions in International Swaps and Derivatives Association (ISDA) arrangements.

Acceptable credit standings are determined with reference to long-term credit ratings published by S&P Global Ratings (or similar international credit rating agency).

The group and the council are not exposed to material concentrations of credit risk around rates and other receivables from non-exchange transactions as there is a large number of ratepayers and customers, and the council has a statutory right to recover outstanding funds under the Local Government (Rating) Act 2002. Refer to Note D2 Receivables and prepayments for the breakdown and ageing profile of receivables.

The council identifies concentration risk in relation to loans to related parties. Loans to Auckland Transport, Port of Auckland and Watercare amounted to \$452 million, \$120 million and \$4,032 million respectively (2024: \$454 million, \$206 million and \$3,536 million respectively). Refer to Note C3 Other financial assets for further information.

Other exposures

In addition to the above credit exposures, the group and the council are exposed to financial guarantees provided to third parties. At 30 June 2025, total financial guarantees for the group and the council were \$22.1 billion (2024: \$19.1 billion). Refer to Note F4 Contingencies and commitments for further information.

E2 Credit risk (continued)

Rated counterparties

At balance date, \$2.7 billion (2024: \$1.3 billion) of assets with credit risk held by the group and \$1.3 billion (2024: \$1.2 billion) of assets with credit risk held by the council had a S&P Global Ratings rating (or equivalent) of single A or better. In the year to 30 June 2025, there were no defaults on any of the group and the council's rated counterparties (2024: nil).

Unrated counterparties

Except for certain community loans, the council did not invest with unrated counterparties. In the year to 30 June 2025, there were no defaults on any of the group and the council's community and supplier loans (2024: nil).

Rates and other receivables

Receivables mainly arise from the group and the council's statutory functions. Therefore, procedures are not required to monitor or report the credit quality of receivables.

Loans to related parties at amortised cost

There were no significant changes to estimation techniques or assumptions during the reporting period.

The group and the council assessed the expected credit losses in relation to related parties as at 30 June 2025. The financial effects and the balances are not material, therefore not adjusted.

The gross carrying amount of loans to related parties measured at amortised cost as at 30 June 2025 are disclosed in Note C4 Fair value and classification of financial instruments.

Financial guarantees

The group and the council compute expected credit losses for financial guarantees using the probability of default approach. In determining expected credit losses for financial guarantees, the group and the council consider events such as breach of loan covenants and default on instalment payments and determine that significant increase in credit risk occurs when there are changes in the risk that the specified borrower will default on the contract.

In calculating the expected credit loss rates, the group and the council consider implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty and adjusts for forward looking macroeconomic data such as central bank base rates.

The group and the council have assessed expected credit loss for financial guarantees as at 30 June 2025 and the results are disclosed in Note F4 Contingencies and commitments.

E3 Foreign exchange risk

Risk definition

Foreign exchange risk is the risk that costs materially exceed budget due to adverse movements in foreign exchange rates.

The group is exposed to foreign exchange risk when it buys equipment and services denominated in a foreign currency or has borrowings denominated in a foreign currency.

Risk management

The group seeks to limit foreign exchange risk by:

- hedging exposures on material foreign currency denominated capital and operating expenditure (foreign exchange exposure is recognised when the expenditure has been approved and a contract is expected to follow); and
- hedging all foreign currency exposure on borrowings denominated in a foreign currency at the time of execution of the borrowing.

The group does not receive foreign currency revenue in its normal course of business.

E3 Foreign exchange risk (continued)

Exposure

The group and the council have foreign currency denominated borrowings of \$8,031 million at 30 June 2025 (30 June 2024: \$6,718 million) that are exposed to foreign exchange risk. The percentage of foreign currency denominated borrowings for each currency is shown below (note: the foreign currency borrowings are translated into New Zealand dollars using the spot rates at 30 June):

	Australian Dollar	Swiss Franc	Euro	Norwegian Krone	United States Dollar	Total
2025	21%	15%	55%	5%	4%	100%
2024	17%	13%	64%	6%	0%	100%

Refer to Note C1 Borrowings for the total foreign currency denominated borrowings of the group and the council. Refer to Note C2 Derivative financial instruments for the derivative financial instruments that hedge the foreign exchange risk on these borrowings.

At 30 June 2025, the group and the council did not have remaining material exposure to foreign exchange risk since all foreign currency denominated borrowings and material purchases were hedged (2024: none).

E4 Liquidity risk

Risk definition

Liquidity risk is the risk that the group is unable to meet its funding obligations as they fall due.

The group is exposed to liquidity risk whenever it refinances existing debt or when it is contractually committed to make cash payments.

Risk management

The group seeks to limit liquidity risk by:

- maintaining sufficient unused committed funding facilities;
- ensuring investments are short-term and liquid in nature; and
- maintaining longer term cash flow forecasts to recognise potential future financing pressures early, allowing time for a financing strategy to be planned and implemented.

In addition, the group seeks to limit financing risk by:

- spreading financing over a range of maturities to minimise the risk of large concentrations of debt having to be refinanced in periods where credit margins are high for reasons beyond the group's control. This includes the spreading of short-term debt where practical and economical to do so;
- avoiding concentrations of exposure to any single borrowing market by having financing options across a range of markets;
- maintaining a mixture of short-term facilities (which generally have lower credit margins and flexibility) and long-term facilities to achieve an effective funding mix, balancing the requirements of cost minimisation and limiting re-financing risk;
- not giving financial covenants in respect of any borrowing except for a most favoured lender clause and those already given to the Local Government Funding Agency Limited (LGFA);
- complying with borrowing covenants imposed by the LGFA;
- maintaining an AA/Aa2 credit rating; and
- reviewing the funding principles in the revenue and finance policy every three years as part of the long-term plan process.

The group and the council had standby facilities of \$0.9 billion (2024: \$1.3 billion) that could be drawn at any time based on the facility notice period. The group also has overdraft facilities of \$25 million (2024: \$22 million). The standby facilities were undrawn at 30 June 2025 and will mature between March 2026 and December 2026. This included the council's committed bank facilities of \$600 million (2024: \$1.0 billion), and an LGFA standby facility of \$300 million (2024: \$300 million). At 30 June 2025, the council had \$500 million (2024: \$800 million) of its committed bank facilities, that were sustainability linked facilities.

As stipulated in the Auckland Future Fund Policy, the council also has an approved liquidity facility from the AFF of \$1.2 billion as at 30 June 2025 (2024: nil). This facility is available to provide liquidity support to the council if needed, ensuring the council has necessary funds during times of financial stress or market disruptions.

E4 Liquidity risk (continued)

Group	2025							Total contractual cash flows
\$Million	Carrying amount	On demand	<1 year	1-2 years	2-5 years	5-10 years	>10 years	
Non-derivative financial assets								
Cash and cash equivalents	527	371	155	-	-	-	-	526
Receivables (excluding GST receivables, prepayment and rates debtors)	531	-	521	11	-	-	-	532
Other financial assets ¹	1,419	32	81	1,251	55	28	3	1,450
Total non-derivative financial assets	2,477	403	757	1,262	55	28	3	2,508
Derivative financial assets								
Derivative financial assets net settled	165	-	31	26	88	62	(1)	206
Derivative financial assets gross settled ²	571							
Inflows		-	795	1,089	2,154	2,879	-	6,917
Outflows		-	(741)	(941)	(2,304)	(2,728)	-	(6,714)
		-	54	148	(150)	151	-	203
Total derivative financial assets	736	-	85	174	(62)	213	(1)	409
Total financial assets	3,213	403	842	1,436	(7)	241	2	2,917
Non-derivative financial liabilities								
Payables and accruals (excluding income received in advance)	1,148	12	1,121	15	-	-	-	1,148
Secured borrowings ³	14,473	-	2,070	2,581	6,985	4,023	969	16,628
Unsecured borrowings	170	-	-	-	58	112	-	170
Financial guarantees ⁴	-	22,070	-	-	-	-	-	22,070
Total non-derivative financial liabilities	15,791	22,082	3,191	2,596	7,043	4,135	969	40,016
Derivative financial liabilities								
Derivative financial liabilities net settled	253	-	83	91	96	7	-	277
Derivative financial liabilities gross settled ²	147							
Inflows		-	(143)	(275)	(1,456)	(170)	-	(2,044)
Outflows		-	189	327	1,540	185	-	2,241
		-	46	52	84	15	-	197
Total derivative financial liabilities	400	-	129	143	180	22	-	474
Total financial liabilities	16,191	22,082	3,320	2,739	7,223	4,157	969	40,490
Net contractual cash flows		(21,679)	(2,478)	(1,303)	(7,230)	(3,916)	(967)	(37,573)

¹ Other financial assets includes the available funds for AFF. The cashflows have been disclosed under the < 1 year and 1-2 years because the funds are held for long-term investments. Refer to C3 for further information about the Auckland Future Fund.

² Includes both forward foreign exchange contracts and cross-currency interest rate swaps; cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

³ Cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

⁴ The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information on the LGFA borrowings is disclosed in Note F4 Contingencies and commitments. It is highly unlikely that the guarantee will be called upon, therefore no carrying amount is disclosed in the table above as it is not recognised as a liability.

E4 Liquidity risk (continued)

Group	2024							Total contractual cash flows
\$Million	Carrying amount	On demand	<1 year	1-2 years	2-5 years	5-10 years	>10 years	
Non-derivative financial assets								
Cash and cash equivalents	616	223	396	-	-	-	-	619
Receivables (excluding GST receivables, prepayment and rates debtors)	567	-	516	52	-	-	-	568
Other financial assets	157	48	34	9	51	42	3	187
Total non-derivative financial assets	1,340	271	946	61	51	42	3	1,374
Derivative financial assets								
Derivative financial assets net settled	392	-	163	84	129	97	4	477
Derivative financial assets gross settled ¹	172							
Inflows		-	306	465	1,089	198	-	2,058
Outflows		-	(374)	(428)	(999)	(213)	-	(2,014)
		-	(68)	37	90	(15)	-	44
Total derivative financial assets	564	-	95	121	219	82	4	521
Total financial assets	1,904	271	1,041	182	270	124	7	1,895
Non-derivative financial liabilities								
Payables and accruals (excluding income received in advance)	1,207	41	1,160	6	-	-	-	1,207
Secured borrowings ²	12,747	-	1,814	1,504	5,462	5,352	996	15,128
Unsecured borrowings	170	-	-	-	58	112	-	170
Financial guarantees ³	-	19,077	-	-	-	-	-	19,077
Total non-derivative financial liabilities	14,124	19,118	2,974	1,510	5,520	5,464	996	35,582
Derivative financial liabilities								
Derivative financial liabilities net settled	88	-	9	16	52	15	(1)	91
Derivative financial liabilities gross settled ¹	488							
Inflows		-	(275)	(321)	(1,300)	(3,720)	-	(5,616)
Outflows		-	485	479	1,758	3,946	-	6,668
		-	210	158	458	226	-	1,052
Total derivative financial liabilities	576	-	219	174	510	241	(1)	1,143
Total financial liabilities	14,700	19,118	3,193	1,684	6,030	5,705	995	36,725
Net contractual cash flows		(18,847)	(2,152)	(1,502)	(5,760)	(5,581)	(988)	(34,830)

¹ Includes both forward foreign exchange contracts and cross-currency interest rate swaps; cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

² Cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

³ The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information on the LGFA borrowings is disclosed in Note F4 Contingencies and commitments. It is highly unlikely that the guarantee will be called upon, therefore no carrying amount is disclosed in the table above as it is not recognised as a liability.



E4 Liquidity risk (continued)

Auckland Council			2025					
\$Million	Carrying amount	On demand	<1 year	1-2 years	2-5 years	5-10 years	>10 years	Total contractual cash flows
Non-derivative financial assets								
Cash and cash equivalents	434	332	102	-	-	-	-	434
Receivables (excluding GST receivables, prepayment and rates debtors)	272	-	262	10	-	-	-	272
Other financial assets	4,716	32	242	45	4,107	184	432	5,042
Total non-derivative financial assets	5,422	364	606	55	4,107	184	432	5,748
Derivative financial assets								
Derivative financial assets net settled	164	-	31	26	88	62	(1)	206
Derivative financial assets gross settled ¹	571							
Inflows		-	795	1,089	2,154	2,879	-	6,917
Outflows		-	(741)	(941)	(2,304)	(2,728)	-	(6,714)
		-	54	148	(150)	151	-	203
Total derivative financial assets	735	-	85	174	(62)	213	(1)	409
Total financial assets	6,157	364	691	229	4,045	397	431	6,157
Non-derivative financial liabilities								
Payables and accruals (excluding income received in advance)	1,126	12	1,099	16	-	-	-	1,127
Secured borrowings ²	14,467	-	2,067	2,579	6,981	4,023	969	16,619
Financial guarantees ³	-	22,070	-	-	-	-	-	22,070
Total non-derivative financial liabilities	15,593	22,082	3,166	2,595	6,981	4,023	969	39,816
Derivative financial liabilities								
Derivative financial liabilities net settled	252	-	83	91	96	7	-	277
Derivative financial liabilities gross settled ¹	151							
Inflows		-	(222)	(275)	(1,455)	(170)	-	(2,122)
Outflows		-	271	327	1,540	185	-	2,323
		-	49	52	85	15	-	201
Total derivative financial liabilities	403	-	132	143	181	22	-	478
Total financial liabilities	15,996	22,082	3,298	2,738	7,162	4,045	969	40,294
Net contractual cash flows								
		(21,718)	(2,607)	(2,509)	(3,117)	(3,648)	(538)	(34,137)

¹ Includes both forward foreign exchange contracts and cross-currency interest rate swaps; cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

² Cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

³ The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information on the LGFA borrowings is disclosed in Note F4 Contingencies and commitments. It is highly unlikely that the guarantee will be called upon, therefore no carrying amount is disclosed in the table above as it is not recognised as a liability.

E4 Liquidity risk (continued)

Auckland Council			2024					
\$Million	Carrying amount	On demand	<1 year	1-2 years	2-5 years	5-10 years	>10 years	Total contractual cash flows
Non-derivative financial assets								
Cash and cash equivalents	506	161	348	-	-	-	-	509
Receivables (excluding GST receivables, prepayment and rates debtors)	268	-	216	52	-	-	-	268
Other financial assets	4,351	48	65	3,664	375	203	476	4,831
Total non-derivative financial assets	5,125	209	629	3,716	375	203	476	5,608
Derivative financial assets								
Derivative financial assets net settled	393	-	163	84	129	97	4	477
Derivative financial assets gross settled ¹	177	-	-	-	-	-	-	-
Inflows	-	-	489	480	1,089	198	-	2,256
Outflows	-	-	(550)	(442)	(999)	(213)	-	(2,204)
		-	(61)	38	90	(15)	-	52
Total derivative financial assets	570	-	102	122	219	82	4	529
Total financial assets	5,695	209	731	3,838	594	285	480	6,137
Non-derivative financial liabilities								
Payables and accruals (excluding income received in advance)	1,198	40	1,152	6	-	-	-	1,198
Secured borrowings ²	12,743	-	1,812	1,502	5,461	5,352	996	15,123
Financial guarantees ³	-	19,077	-	-	-	-	-	19,077
Total non-derivative financial liabilities	13,941	19,117	2,964	1,508	5,461	5,352	996	35,398
Derivative financial liabilities								
Derivative financial liabilities net settled	88	-	9	16	52	15	(1)	91
Derivative financial liabilities gross settled ¹	488	-	-	-	-	-	-	-
Inflows	-	-	(275)	(321)	(1,300)	(3,720)	-	(5,616)
Outflows	-	-	485	479	1,758	3,946	-	6,668
	-	-	210	158	458	226	-	1,052
Total derivative financial liabilities	576	-	219	174	510	241	(1)	1,143
Total financial liabilities	14,517	19,117	3,183	1,682	5,971	5,593	995	36,541
Net contractual cash flows	(18,908)	(2,452)	2,156	(5,377)	(5,308)	(515)	(30,404)	

¹ Includes both forward foreign exchange contracts and cross-currency interest rate swaps; cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

² Cash flows denominated in foreign currencies are translated at the spot rates as at 30 June.

³ The council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. Information on the LGFA borrowings is disclosed in Note F4 Contingencies and commitments. It is highly unlikely that the guarantee will be called upon, therefore no carrying amount is disclosed in the table above as it is not recognised as a liability.

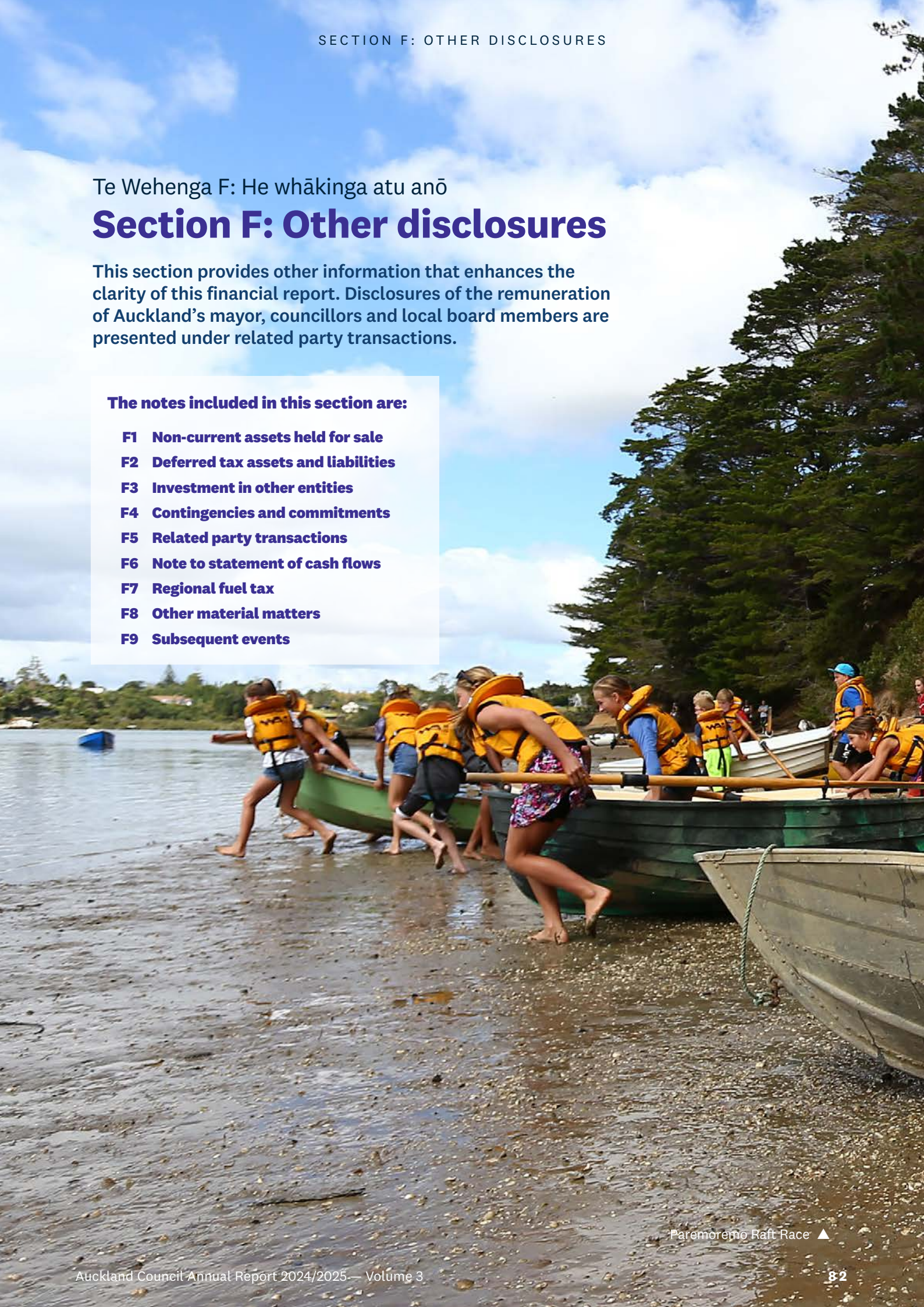
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Section F: Other disclosures

This section provides other information that enhances the clarity of this financial report. Disclosures of the remuneration of Auckland's mayor, councillors and local board members are presented under related party transactions.

The notes included in this section are:

- F1 Non-current assets held for sale**
- F2 Deferred tax assets and liabilities**
- F3 Investment in other entities**
- F4 Contingencies and commitments**
- F5 Related party transactions**
- F6 Note to statement of cash flows**
- F7 Regional fuel tax**
- F8 Other material matters**
- F9 Subsequent events**



F1 Non-current assets held for sale

Accounting policy

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

Non-current tangible and intangible assets

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

Fair value movements are recognised in surplus or deficit.

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Land and buildings	169	176	169	52
Non-current assets held for sale	169	176	169	52

The accumulated reserves for assets held for sale were asset revaluation reserve related to property, plant and equipment of \$60 million (2024: \$63 million).

Our financial strategy includes asset recycling programme whereby the group identifies assets that are surplus to requirements in providing council services. This will help match funding with investment demand over the next 10 years. At 30 June 2025, there were 11 land and buildings assets held for sale including the Downtown carpark. They were expected to be sold within the next 12 months.

F2 Deferred tax assets and liabilities

The movement in the group's deferred tax assets/(liabilities) is:

\$Million	Property, plant and equipment	Intangible assets	Other	Tax losses carried forward	Total
Opening balance	(2,851)	(3)	24	260	(2,570)
Prior period adjustment	3	-	(7)	4	-
Credited/(charged) to surplus/(deficit)	7	1	(2)	(64)	(58)
Charged to other comprehensive revenue	(385)	-	-	-	(385)
Balance at 30 June 2025	(3,226)	(2)	15	200	(3,013)
Opening balance	(2,705)	(4)	(13)	231	(2,491)
Prior period adjustment	-	-	-	-	-
Credited/(charged) to surplus/(deficit)	(147)	1	37	29	(80)
Charged to other comprehensive revenue	1	-	-	-	1
Balance at 30 June 2024	(2,851)	(3)	24	260	(2,570)

Although Watercare is tax exempt from 1 July 2025, the group expects the \$200 million deferred tax asset that represents the tax effect of Watercare's accumulated income tax losses will be available for use. For more information, refer to the 'Water Services Reform' section in Note F8 Other material matters.

F2 Deferred tax assets and liabilities (continued)

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Deferred tax assets	31	30	-	-
Deferred tax liabilities	(3,044)	(2,600)	-	-
Net deferred tax liabilities	(3,013)	(2,570)	-	-

F3 Investment in other entities

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Investment in subsidiaries	-	-	21,319	20,019
Investment in joint ventures	1,953	1,803	1,949	1,799
Total Investment in other entities	1,953	1,803	23,268	21,818

Investment in subsidiaries

The Basis of Reporting provides information about the council's significant subsidiaries. In addition, the council is the sole shareholder/owner of several other council-controlled organisations (CCOs), and other entities exempted from CCO status, which together represent less than 0.1% of the group's total assets. They include:

- Arts Regional Trust*
- Contemporary Art Foundation
- Māngere Mountain Education Trust*
- Mount Albert Grammar School Community Swimming Pool Trust*
- Te Motu a Hiaroa (Puketutu Island) Management Trust*
- Westhaven Marina Limited*.

*Entities exempted from CCO status under s 7(3) of LGA 2002.

Investment in joint ventures and associates

Accounting policy



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

Significant judgements and estimates used in classifying joint arrangements



For all joint arrangements structured in separate vehicles, management must assess the substance of each joint arrangement to determine if it is classified as a joint venture or joint operation. This assessment requires management to consider if it has rights to the joint arrangement's net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, revenues and expenses (in which case it is classified as a joint operation). Factors management must consider include structure, legal form, contractual agreements and other facts and circumstances. On consideration of these factors, management has determined that all of its joint arrangements structured through separate vehicles give it rights to the net assets and has therefore classified them as joint ventures.

F3 Investment in other entities (continued)

The group and the council hold investments in the following joint ventures and associates as at 30 June 2025:

Entity	Held by	Entity type	Relationship	Interest		Nature
				2025	2024	
City Rail Link Limited	Council	Limited company	Joint venture	50%	50%	Design and construction of CRL
North Tugz Limited	Group	Limited company	Joint venture	50%	50%	Towage and pilotage services
PortConnect Limited	Group	Limited company	Joint venture	50%	50%	Online cargo management system
Waste Disposal Services	Council	Partnership	Joint venture	50%	50%	Landfill business
Haumaru Housing Limited Partnership	Council	Limited partnership	Joint venture	49%	49%	Social rental housing for older people in Auckland
Tāmaki Redevelopment Company Limited	Council	Limited company	Associate	41%	41%	Property development

All entities are incorporated, domiciled and operate in New Zealand.

City Rail Link Limited

City Rail Link Limited (CRL) is a Crown entity co-funded by the central government and the council (the sponsors). It was created for the purpose of designing and constructing an underground rail line linking Waitematā station and the city centre with the existing western line near Maungawhau. The council is committed to funding 50% of this \$5.5 billion project. Constructed assets will be owned by the sponsors and related entities such as KiwiRail and Auckland Transport. Construction of the CRL stations and supporting rail infrastructure is anticipated to be completed in the next year. The group expects that the formal transfer of these assets will occur following completion and commissioning of the infrastructure.

On 31 July 2025, the Auckland Council Governing Body approved the final asset ownership arrangements of CRL assets between the group and central government. Under this arrangement, the group is expected to receive a greater proportion of CRL assets than its capital investment in the project. The Crown is expected to approve the arrangements in September 2025. The assets that will be received by the group will only be officially confirmed once construction and testing are complete and the transfer paperwork signed.

At the reporting date, the asset is still under construction and therefore the value and timing of the transfer has not been confirmed.

CRL's key financial information was:

\$Million	2025	2024
Current assets:		
Cash and cash equivalents	29	40
Other current assets	28	13
	57	53
Non-current assets	3,804	3,533
Current liabilities	51	57
Equity	3,810	3,529
Net assets of joint venture (100%)	3,810	3,529
Group's share of net assets (50%)	1,905	1,765
Carrying amount of interest in joint venture	1,905	1,765
Revenue	4	7
Expenses	161	49
Deficit for the year	(157)	(42)
Total comprehensive loss	(157)	(42)
Group's share of results for the year	(79)	(21)

The council's remaining share of commitment to fund the CRL project is \$0.3 billion (2024: \$0.5 billion).

F3 Investment in other entities (continued)

Investments in other joint ventures and associates

The financial information of the group's investments in other joint ventures and associates are not material in aggregate and are therefore not disclosed.

F4 Contingencies and commitments

Contingent assets and liabilities

Accounting policy



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

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

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

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

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

Quantifiable contingent liabilities

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Guarantees and indemnities	22,070	19,077	22,070	19,077
Uncalled capital	2	2	2	2
Legal proceedings and disputes	13	11	13	11
Total quantifiable contingent liabilities	22,085	19,090	22,085	19,090

Guarantees and indemnities

New Zealand Local Government Funding Agency (LGFA)

The council is a shareholder and guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from S&P Global Ratings of AAA (Stable).

As a guarantor

The council is one of 71 local authority guarantors of the LGFA. The LGFA's loans to local authorities total \$25.5 billion (2024: \$23.0 billion), of which the group and the council have borrowed \$3.5 billion (2024: \$3.9 billion). As a result, the group and the council's cross-guarantee on LGFA's loans to other local authorities is \$22.1 billion (2024: \$19.1 billion).

PBE Accounting Standards require the group and the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the group and the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the LGFA.

The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months, and therefore, the group and the council have not recognised a liability.

F4 Contingencies and commitments (continued)

Uncalled capital

LGFA The council is one of 31 shareholders of the LGFA. In that regard, it has uncalled capital of \$2 million (2024: \$2 million). When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified.

Legal proceedings and disputes

Legal proceedings and disputes

- Legal claims against the group and the council exist for contract challenges, building defects, land issues, consents, flooding damage, valuations and other sundry disputes.
- The group and the council have recognised a provision for legal claims that meet the recognition criteria as disclosed in Note D4 Provisions, however, where the likelihood of having to make a payment under the claim is more than remote, the group and the council have shown the amount claimed or the maximum potential cost as a quantifiable contingent liability.
- Disclosing a contingent liability does not represent either an admission that the claim is valid or an estimation of the possible amount of any award against the group and the council. Amounts shown do not include any interest or costs that may be claimed if these cases were decided against the group and the council.

Unquantifiable contingent liabilities

Contaminated land

- A significant degree of estimation has been involved to calculate the provision for remediation of contaminated land. As a result, the group and the council may be subject to further liability that is not currently recognised.
- Further sites are likely to be identified in the future and should testing confirm contamination, the group and the council may be obliged to undertake remedial action.
- Details of provision for contaminated land is provided in Note D4 Provisions.

Contingent and future assets

Repurchase of heritage buildings

- In June 2004, one of the former councils sold several heritage buildings that form part of the Britomart precinct.
- The council has a right to repurchase these buildings for \$1 after 150 years (the term was extended to March 2168). No estimate has been made of the financial effect of this transaction due to the long period involved. The council anticipates an estimate will be established 20 years before this repurchase occurs.

Entrust (previously named Auckland Energy Consumer Trust)

- The council is currently a capital beneficiary of Entrust when it terminates on 27 August 2073.
- As at 30 June 2025, the group and the council were not able to reliably estimate the value of any future benefit that may result from this arrangement. The council anticipates an estimate will be established 20 years before the termination.

Shared Responsibility Scheme assets

- The council's Shared Responsibility Scheme was created to assist clubs with the construction of facilities on council-owned land.
- Under the scheme, the clubs will control the use of the asset constructed and the council will gain control of the asset if the club vacates the facility.
- The group is currently unable to determine the likelihood that clubs might vacate their facilities, and consequently the amount of an asset that might vest with the council.

Impacts of significant weather events in the financial year ended 30 June 2023

- The ultimate quantum of the insurance proceeds for the significant weather event claims cannot currently be reliably measured as there will continue to be uncertainty around the range of possible outcomes and insufficient information to form a reasonable judgement for a number of years.

F4 Contingencies and commitments (continued)

Central government grants under North Island Weather Events (2023) – Auckland Crown Funding Agreement

- The group will receive further funding from central government to buy out Category 3 properties, funding for Risk Category 2 Risk mitigation projects and regional transport projects. Based on the current agreement, the total central government funding is capped at \$877 million. The group recognises the central government funding as a receivable when a payment request is sent to central government with the forecasted funding required to settle each tranche of Category 3 property buy-outs, regional transport projects and Risk Category 2 Risk mitigation projects. Refer to Note D4 Provisions for further details of the agreement.

Commitments

Capital commitments

Capital commitments are obligations which the group and the council have committed to. They specifically relate to work that is yet to start and the expenditure that is yet to be incurred.

The group's and the council's capital commitments are:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Property, plant and equipment				
Roads and formation ¹	812	1,233	-	-
Water and wastewater	341	357	-	-
Stormwater	82	81	92	86
Operational land and buildings	84	88	56	50
Public transport facilities ²	34	32	-	-
Rolling stock	85	213	-	-
Wharves	46	35	2	4
Other operational assets	42	75	17	23
Restricted parks, reserves and buildings	14	7	14	7
Restricted improvements	86	84	86	85
Total property, plant and equipment	1,626	2,205	267	255
Intangible assets	20	23	10	11
Share of capital commitments from joint venture (CRLL)	125	284	137	299
Total capital commitments	1,771	2,512	414	565

¹ Road corridor contract commitments are based on specific infrastructure work for the coming year. The prior year amount has been restated — reducing it by \$460 million. This reflects a revised approach for determining capital commitments.

² Auckland Transport merged Train stations and Bus stations and shelters into a single asset class named Public transport facilities during the current year. Prior year comparatives have been presented accordingly.

Operating lease commitments

The group and the council as lessee

Accounting policies

The group and the council lease property, plant and equipment from third parties in the normal course of business with lease terms varying from 1 month to 150 years (2024: 1 month to 150 years). Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the lease term.

The majority of operating lease payments for the group relate to bus peak vehicle requirements within public transport operator contracts. There are no restrictions placed on Auckland Transport by any of the leasing arrangements.

F4 Contingencies and commitments (continued)

The future aggregate minimum lease payments payable under non-cancellable operating leases are:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Minimum operating lease payments payable				
Not later than one year	154	137	16	13
Later than one year and not later than five years	518	377	52	44
Later than five years	285	152	42	50
Total minimum operating lease payments payable	957	666	110	107

Leases may be renewed at the group's and the council's discretion with rents set by reference to current market rates for items of equivalent age and condition. In some circumstances, the group and the council have the option to buy the asset at the end of the lease term.

No contingent rent has been recognised during the year by the group and the council (2024: nil). The total future sublease payments expected to be received under non-cancellable subleases at balance date was \$1.8 million for the group and the council (2024: \$2.2 million).

The group and the council as lessor

Accounting policies

The group and the council lease certain property, plant and equipment to third parties including land and buildings and some commercial and residential property. The leases have non-cancellable periods ranging from 1 month to 100 years (2024: 1 month to 100 years) with subsequent renewals negotiated with the lessee. Rental revenue (net of any incentives given to lessees) is recognised as revenue on a straight-line basis over the lease term.

Future aggregate minimum lease payments to be collected under non-cancellable operating leases are:

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Minimum operating lease payments receivable				
Not later than one year	64	65	30	30
Later than one year and not later than five years	143	141	66	59
Later than five years	188	174	119	118
Total minimum operating lease payments receivable	395	380	215	207

Contingent rent of \$0.9 million (2024: \$0.8 million) was recognised during the year by the group and the council.

Finance lease commitments

The group and the council as lessee

The group and the council entered into finance leases to buy various items of plant and equipment. The net carrying amount of the plant and equipment held under finance leases was \$37 million for the group (2024: \$34 million) and \$30 million for the council (2024: \$30 million). At 30 June 2025, the present value of minimum lease payments related to finance lease agreements was \$7 million for the group (2024: \$4 million).

F5 Related party transactions

Accounting policy

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

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

All transactions with related parties were made on an arm's length basis in the current and prior financial years.

Local government disclosures

Key management personnel remuneration

Key management remuneration comprises of the total remuneration paid to the mayor, councillors, chief executives and executive leadership team of Auckland Council, and excludes non-financial remuneration that is less than \$1,000 or car parking as the council considers it immaterial and not practical to include this information.

	2025 \$	Auckland Council 2024 \$	2025 FTE	2024 FTE
Mayor and councillors				
Remuneration	3,005,681	2,888,272		
Total mayor and councillors	3,005,681	2,888,272	21	21
Payments during the year to the chief executive				
Salary and other short-term employee benefits	617,679	703,060		
Post-employment benefit (KiwiSaver contributions)	30,884	32,875		
Total chief executive remuneration*	648,563	735,935	1	1
Executive leadership team				
Salary and other short-term employee benefits	3,422,959	4,137,120		
Post-employment benefit (KiwiSaver contributions)	110,346	119,559		
Termination benefits	-	375,335		
Total executive leadership team remuneration	3,533,305	4,632,014	8	10
Total key management personnel remuneration	7,187,549	8,256,221	30	32

*The prior year chief executive remuneration includes a period of overlap during the transition between outgoing and incoming chief executives.

Employee numbers and remuneration bands of the group and the council

The group may include Auckland Council, Port of Auckland, Auckland Future Fund Trustee Limited (AFFTL), Auckland Future Fund (AFF), Auckland Transport, Eke Panuku, TAUL, TAUT and Watercare.

	Group		Auckland Council	
Full-time equivalent	2025	2024	2025	2024
Full-time employees	10,789	10,251	5,882	5,549
Part time employees (full-time equivalent)	1,154	1,109	908	869
Total full-time equivalent	11,943	11,360	6,790	6,418

F5 Related party transactions (continued)

The number of employees who were employed at 30 June are detailed below. Those receiving remuneration of \$60,000 or more are grouped into \$20,000 bands. If there are fewer than six employees in a band, they are combined upwards with the next banding as stipulated in the LGA 2002. The remuneration amount includes salary, KiwiSaver, superannuation and contractual allowances.

Group \$	Number of employees 2025	\$	Number of employees 2024
<\$60,000	2,372	<\$60,000	2,601
\$60,000-\$79,999	2,670	\$60,000-\$79,999	2,695
\$80,000-\$99,999	2,266	\$80,000-\$99,999	2,189
\$100,000-\$119,999	2,109	\$100,000-\$119,999	1,967
\$120,000-\$139,999	1,614	\$120,000-\$139,999	1,423
\$140,000-\$159,999	1,060	\$140,000-\$159,999	877
\$160,000-\$179,999	561	\$160,000-\$179,999	422
\$180,000-\$199,999	315	\$180,000-\$199,999	241
\$200,000-\$219,999	153	\$200,000-\$219,999	121
\$220,000-\$239,999	92	\$220,000-\$239,999	74
\$240,000-\$259,999	58	\$240,000-\$259,999	53
\$260,000-\$279,999	45	\$260,000-\$279,999	28
\$280,000-\$299,999	27	\$280,000-\$299,999	18
\$300,000-\$319,999	17	\$300,000-\$319,999	12
\$320,000-\$339,999	20	\$320,000-\$339,999	21
\$340,000-\$379,999*	14	\$340,000-\$359,999	7
\$380,000-\$419,999*	9	\$360,000-\$379,999	8
\$420,000-\$439,999	6	\$380,000-\$419,999*	14
\$440,000-\$459,999	6	\$420,000-\$459,999*	10
\$460,000-\$499,999*	7	\$460,000-\$479,999*	7
\$500,000-\$639,999*	6	\$480,000-\$579,999	6
\$640,000-\$1,179,999*	4	\$580,000-\$1,179,999*	5
Total number of employees	13,431	Total number of employees	12,799

Auckland Council \$	Number of employees 2025	\$	Number of employees 2024
<\$60,000	1,480	<\$60,000	1,594
\$60,000-\$79,999	1,504	\$60,000-\$79,999	1,502
\$80,000-\$99,999	1,297	\$80,000-\$99,999	1,259
\$100,000-\$119,999	1,334	\$100,000-\$119,999	1,240
\$120,000-\$139,999	857	\$120,000-\$139,999	769
\$140,000-\$159,999	576	\$140,000-\$159,999	436
\$160,000-\$179,999	249	\$160,000-\$179,999	173
\$180,000-\$199,999	136	\$180,000-\$199,999	96
\$200,000-\$219,999	73	\$200,000-\$219,999	63
\$220,000-\$239,999	44	\$220,000-\$239,999	28
\$240,000-\$259,999	25	\$240,000-\$259,999	18
\$260,000-\$279,999	17	\$260,000-\$279,999	8
\$280,000-\$299,999	9	\$280,000-\$299,999	11
\$300,000-\$339,999*	13	\$300,000-\$319,999	12
\$340,000-\$419,999*	6	\$320,000-\$379,999*	7
\$420,000-\$499,999*	6	\$380,000-\$459,999*	7
\$500,000-\$659,999*	1	\$460,000-\$659,999*	3
Total number of employees	7,627	Total number of employees	7,226

*This band was grouped with the next banding upwards given there are fewer than six employees in a band as stipulated in the LGA 2002.

F5 Related party transactions (continued)

Severance payments

Severance payments relate to the termination of employment whether monetary in nature or otherwise. These payments are additional to any final payment of salary, holiday pay or superannuation contributions.

For the year ended 30 June 2025, other members of the group made 38 severance payments to employees totalling \$1,465,122 (30 June 2024: 44 payments totalling \$2,010,236). The other members of the group may include Port of Auckland, AFFTL, AFF, Auckland Transport, Eke Panuku, TAUL, TAUT and Watercare. The values of each of these severance payments were \$176,667, \$155,000, \$130,692, \$109,814, \$58,964, \$51,746, \$50,843, \$47,628, \$47,000, \$45,000, \$41,000, \$40,750, \$38,635, \$38,521, \$32,375, \$30,000, \$30,000, \$28,323, \$27,905, \$24,000, \$22,508, \$21,500, \$21,045, \$21,000, \$20,000, \$20,000, \$17,235, \$15,778, \$15,000, \$15,000, \$14,102, \$13,421, \$12,603, \$10,500, \$7,190, \$5,000, \$4,352 and \$4,025.

For the year ended 30 June 2025, Auckland Council made 36 severance payments to employees totalling \$945,586 (30 June 2024: 27 payments totalling \$675,453). The values of each of these severance payments were \$143,336, \$87,071, \$70,275, \$64,918, \$55,000, \$53,380, \$44,660, \$37,056, \$33,290, \$33,040, \$30,882, \$30,750, \$28,155, \$25,000, \$24,535, \$20,361, \$18,987, \$16,275, \$13,923, \$12,951, \$12,183, \$12,076, \$10,008, \$9,500, \$9,000, \$7,917, \$6,547, \$6,470, \$5,295, \$4,448, \$4,430, \$4,196, \$4,025, \$4,000, \$1,096 and \$550.

Mayor, councillor and local board members' remuneration

The Remuneration Authority determines the remuneration to be paid to the mayor, councillors and local board members. The Local Government Members (2024/25) (Local Authorities) Determination 2024 detailed the rates which apply from 1 July 2024 to 30 June 2025.

Remuneration to mayor and councillors as per the LGA 2002 is:

\$	Auckland Council	
	2025	2024
Mayor		
Wayne Brown	306,741	296,000
Councillors		
Andrew Baker	138,433	107,794
Josephine Bartley	135,725	130,908
Angela Dalton	135,603	130,340
Chris Darby	124,362	109,825
Julie Fairey	133,749	127,794
Alf Filipaina, MNZM	130,539	117,796
Hon Christine Fletcher, QSO	135,078	130,340
Lotu Fuli	133,749	127,794
Shane Henderson	135,725	130,815
Richard Hills	144,605	139,488
Mike Lee	134,041	127,309
Kerrin Leoni	134,041	129,156
Daniel Newman, JP	135,725	130,908
Greg Sayers	142,815	130,248
Desley Simpson, JP	168,756	162,794
Sharon Stewart, QSM	134,559	129,794
Ken Turner	134,462	129,340
Wayne Walker	115,947	129,433
John Watson	134,763	139,488
Maurice Williamson	116,263	130,908
Total mayor and councillor remuneration	3,005,681	2,888,272

F5 Related party transactions (continued)

Local board members' remuneration

Under the LGA 2002, the council is required to disclose remuneration to local board members.

\$	2025	2024	\$	2025	2024
Albert-Eden			Aotea/Great Barrier		
José Fowler	50,295	48,534	Laura Caine	29,083	30,030
Julia Maskill	50,295	48,534	Izzy Fordham	62,239	60,060
Christina Robertson	50,295	48,534	Chris Ollivier	37,343	31,046
Liv Roe	50,295	48,534	Patrick O'Shea	31,120	35,020
Kendyl Smith	100,591	64,214	Neil Sanderson	31,120	30,030
Rex Smith	50,295	48,534			
Jack Tan	50,295	48,534			
Margi Watson	60,354	91,095			
Total	462,715	446,513	Total	190,905	186,186
Devonport-Takapuna			Franklin		
Peter Allen	47,331	45,674	Malcolm Bell, JP	49,466	47,734
Gavin Busch	47,331	45,674	Alan Cole	59,359	57,281
Terence Harpur	59,567	54,809	Sharlene Druyven	49,466	47,734
Melissa Powell	59,901	45,674	Angela Fulljames	98,932	95,468
Toni van Tonder	62,601	91,348	Gary Holmes	49,466	47,734
George Wood, CNZM	47,331	45,674	Amanda Hopkins	49,466	47,734
			Andrew Kay	49,466	47,734
			Amanda Kinzett	49,466	47,734
			Logan Soole	46,610	47,734
Total	324,062	328,853	Total	501,697	486,887
Henderson-Massey			Hibiscus and Bays		
Brenda Brady, JP	55,401	53,460	Gary Brown	60,709	91,631
Hon Chris Carter, JP	110,801	106,921	Jake Law	50,591	48,820
Peter Chan, JP	55,401	53,460	Sam Mills	50,591	48,820
Dan Collins	55,401	53,460	Julia Parfitt, JP	50,591	57,082
Dr Will Flavell	66,480	55,105	Alexis Poppelbaum, JP	101,183	56,331
Oscar Kightley	55,401	53,460	Victoria Short	50,591	48,820
Brooke Loader	55,401	62,507	Gregg Walden	50,591	48,820
Ingrid Papau	55,401	53,460	Leanne Willis	50,591	48,820
Total	509,687	491,833	Total	465,438	449,144
Howick			Kaipātiki		
Katrina Bungard	52,978	51,122	John Gillon	100,382	96,867
Bo Burns	63,572	61,347	Paula Gillon	50,192	48,434
David Collings	52,978	51,122	Danielle Grant, JP	60,230	58,120
Bruce Kendall, MBE	52,978	51,122	Erica Hannam	50,192	48,434
Damian Light	105,954	102,244	Melanie Kenrick	50,192	48,434
John Spiller	52,978	51,122	Tim Spring	50,192	48,434
Mike Turinsky	52,978	51,122	Dr Raymond Tan	13,136	-
Adele White	52,978	51,122	Dr Janet Tupou	50,192	48,434
Peter Young, JP	52,978	51,122	Adrian Tyler	31,453	48,434
Total	540,372	521,445	Total	456,161	445,591
Māngere-Ōtāhuhu			Manurewa		
Tauanu'u Nanai Nick Bakulich	111,546	107,640	Joseph Allan	55,083	53,154
Joe Glassie-Rasmussen	55,773	53,820	Heather Andrew	55,083	53,154
Makalita Kolo	55,773	53,820	Anne Candy, QSO, JP	17,983	53,154
Christine O'Brien	55,773	53,820	Angela Cunningham-Marino	55,083	53,154
Papaliitele Lafulafu Peo	55,773	53,820	Andrew Lesa, JP	55,083	53,154
Togiatolu Walter Togiamua	66,913	55,353	Rangi McLean, JP	55,083	53,154
Harry Fatu Toleafoa	55,773	62,252	Glenn Murphy	66,100	99,766
			Matt Winiata	110,165	70,327
Total	457,324	440,525	Total	469,663	489,017

F5 Related party transactions (continued)

\$	2025	2024	\$	2025	2024
Maungakiekie-Tāmaki			Ōrākei		
Don Allan	52,261	50,431	Troy Churton	48,954	47,240
Debbie Burrows	142,059	136,216	Angus McPhee	48,954	47,240
Nerissa Henry	52,261	50,431	Scott Milne, JP	97,908	94,479
Chris Makoare	52,261	50,431	Sarah Powrie	58,745	56,688
Peter McGlashan	52,261	50,431	Penny Tucker	48,954	47,240
Maria Meredith	104,523	100,863	Margaret Voyce	48,954	47,240
Tony Woodcock	52,261	50,431	David Wong, JP	48,954	47,240
Total	507,887	489,234	Total	401,423	387,367
Ōtara-Papatoetoe			Papakura		
Apulu Reece Autagavaia	111,098	107,207	Felicity Auva'a	50,838	49,058
Dr Ashraf Choudhary, QSO, JP	55,549	53,604	Brent Catchpole	101,676	98,116
Dr Ofa Dewes, MNZM	55,549	62,675	Hon George Hawkins, QSO	50,838	49,058
Topou Folau	55,549	53,604	Kelvin Hieatt	50,838	49,058
Vi Hausia	66,658	55,253	Jan Robinson, JP	61,006	58,869
Li'amanaia Lorenzo Kaisara	53,604	52,985	Andrew Webster	50,838	49,058
Albert Lim	55,549	53,604			
Total	453,556	438,932	Total	366,034	353,217
Puketāpapa			Rodney		
Ella Kumar, JP	96,936	93,542	Brent Bailey	97,030	93,633
Roseanne Hay	48,469	46,771	Michelle Carmichael	48,516	46,817
Fiona Lai	58,162	56,125	Mark Dennis	48,516	46,817
Mark Pervan	48,469	46,771	Tim Holdgate	48,516	46,817
Bobby Shen	48,469	46,771	Louise Johnston	58,218	56,180
Jon Turner	48,469	46,771	Colin Smith	48,516	46,817
			Geoff Upson	48,516	46,817
			Ivan Wagstaff	48,516	46,817
			Guy Wishart	48,516	46,817
Total	348,974	336,751	Total	494,860	477,532
Upper Harbour			Waiheke		
Anna Atkinson	95,766	92,413	Cath Handley	73,276	70,710
Uzra Casuri Balouch, JP	57,460	55,448	Kylee Matthews	43,966	36,524
Callum Blair	47,883	46,206	Bianca Ranson	36,638	41,257
John McLean	47,883	46,206	Robin Tucker	36,638	35,355
Kyle Parker	47,883	46,206	Paul Walden	36,638	35,355
Sylvia Yang	47,883	46,206			
Total	344,758	332,685	Total	227,156	219,201
Waitākere Ranges			Waitematā		
Mark Allen	47,408	45,748	Alexandra Bonham	52,700	50,854
Michelle Clayton	56,890	54,898	Allan Matson	52,700	50,854
Sandra Coney, QSO	47,408	45,748	Greg Moyle, JP, ED	63,240	61,025
Liz Manley	47,408	45,748	Richard Northey, ONZM	52,700	50,854
Linda Potauaine	47,408	45,748	Anahera Rawiri	52,700	50,854
Greg Presland	94,817	91,497	Genevieve Sage	105,399	101,708
			Sarah Trotman, ONZM	52,700	50,854
Total	341,339	329,387	Total	432,139	417,003
Whau			The total local board remuneration as at 30 June 2025 is \$8,714,630 (2024: \$8,474,956).		
Fasitua Amosa	61,821	59,656			
Ross Clow	51,518	49,714			
Catherine Farmer	51,518	49,714			
Valeria Gascoigne	30,337	-			
Sarah Paterson-Hamlin	51,518	49,714			
Warren Piper	51,518	49,714			
Kay Thomas	103,035	99,427			
Susan Zhu	17,215	49,714			
Total	418,480	407,653			

F6 Note to statement of cash flows

Reconciliation of surplus/ (deficit) after income tax to net cash flow from operating activities

\$Million	Group		Auckland Council	
	2025	2024	2025	2024
Surplus/(deficit) after income tax	1,033	584	(146)	(383)
Add/(less) non-cash items	979	668	285	31
<u>Movements in statement of financial position items</u>				
Vested assets	(877)	(698)	(292)	(222)
Donated artwork	(8)	(2)	-	-
Net (increase)/decrease in fair value of investment property	3	(3)	6	(2)
Net loss on disposal of property, plant and equipment and intangible assets	33	72	5	48
Impairment of property, plant and equipment, receivables and other assets	67	30	7	(2)
Net losses/(gains) on disposal of other assets	3	(27)	-	(27)
	(779)	(628)	(274)	(205)
<u>Depreciation and amortisation</u>				
Depreciation and amortisation	1,518	1,375	374	342
Amortisation of borrowing costs	(3)	(1)	2	(2)
	1,515	1,374	376	340
<u>Other non-cash items</u>				
Share of surplus in associates and jointly-controlled entities (net of dividends received)	66	8	68	10
Net change in fair value of financial instruments	145	(19)	111	(44)
Effect of discounting on long-term provisions	32	(20)	32	(20)
Other non-cash revenue	-	(47)	(28)	(50)
	243	(78)	183	(104)
Add/(less) items classified as investing or financing activities	-	11	(541)	(10)
Add/(less) movements in working capital items	2	799	348	824
Net cash inflow from operating activities	2,014	2,062	(54)	462



Maungakiekie / One Tree Hill ►

F6 Note to statement of cash flows (continued)

Reconciliation of liabilities arising from financing activities

Group 2025 \$Million	Cash movements	Non-cash movement	Total
Borrowings			
Opening balance			12,917
Proceeds from borrowings	3,488	-	3,488
Repayment of borrowings	(2,301)	-	(2,301)
Net foreign exchange losses recognised in surplus/(deficit) on financial instruments held at amortised cost	-	519	519
Amortisation of bond discounts/premiums and debt costs	-	22	22
Repayment of finance lease principal	(2)	-	(2)
Balance as at 30 June 2025	1,185	541	14,643
Derivatives			
Opening balance			12
Receipts from derivative financial instruments	1,367	-	1,367
Payments for derivative financial instruments	(1,353)	-	(1,353)
Net gains on change in fair value of derivative financial instruments	-	(361)	(361)
Balance as at 30 June 2025	14	(361)	(335)
Credit Support Annex			
Opening balance			(12)
Collateral receipts	28	-	28
Collateral payments	(33)	-	(33)
Other	-	(2)	(2)
Balance as at 30 June 2025	(5)	(2)	(19)

Group 2024 \$Million	Cash movements	Non-cash movement	Total
Borrowings			
Opening balance			12,457
Proceeds from borrowings	5,292	-	5,292
Repayment of borrowings	(4,846)	-	(4,846)
Net foreign exchange losses recognised in surplus/(deficit) on financial instruments held at amortised cost	-	(27)	(27)
Amortisation of bond discounts/premiums and debt costs	-	42	42
Repayment of finance lease principal	(1)	-	(1)
Balance as at 30 June 2024	445	15	12,917
Derivatives			
Opening balance			(166)
Receipts from derivative financial instruments	2,822	-	2,822
Payments for derivative financial instruments	(2,657)	-	(2,657)
Net gains on change in fair value of derivative financial instruments	-	13	13
Balance as at 30 June 2024	165	13	12
Credit Support Annex			
Opening balance			(32)
Collateral receipts	57	-	57
Collateral payments	(34)	-	(34)
Other	-	(3)	(3)
Balance as at 30 June 2024	23	(3)	(12)

F6 Note to statement of cash flows (continued)

Auckland Council 2025 \$Million	Cash movements	Non-cash movement	Total
Borrowings			
Opening balance			12,743
Proceeds from borrowings	3,488	-	3,488
Repayment of borrowings	(2,301)	-	(2,301)
Net foreign exchange losses recognised in surplus/(deficit) on financial instruments held at amortised cost	-	519	519
Amortisation of bond discounts/premiums and debt costs	-	17	17
Balance as at 30 June 2025	1,187	536	14,466
Derivatives			
Opening balance			6
Receipts from derivative financial instruments	1,366	-	1,366
Payments for derivative financial instruments	(1,353)	-	(1,353)
Net gains on change in fair value of derivative financial instruments	-	(351)	(351)
Balance as at 30 June 2025	13	(351)	(332)
Credit Support Annex			
Opening balance			(13)
Collateral receipts	28	-	28
Collateral payments	(33)	-	(33)
Capitalised interest on collateral deposit	-	(2)	(2)
Balance as at 30 June 2025	(5)	(2)	(20)

Auckland Council 2024 \$Million	Cash movements	Non-cash movement	Total
Borrowings			
Opening balance			12,284
Proceeds from borrowings	5,291	-	5,291
Repayment of borrowings	(4,846)	-	(4,846)
Net foreign exchange losses recognised in surplus/(deficit) on financial instruments held at amortised cost	-	(27)	(27)
Amortisation of bond discounts/premiums and debt costs	-	41	41
Balance as at 30 June 2024	445	14	12,743
Derivatives			
Opening balance			(166)
Receipts from derivative financial instruments	2,821	-	2,821
Payments for derivative financial instruments	(2,657)	-	(2,657)
Net gains on change in fair value of derivative financial instruments	-	8	8
Balance as at 30 June 2024	164	8	6
Credit Support Annex			
Opening balance			(33)
Collateral receipts	57	-	57
Collateral payments	(34)	-	(34)
Capitalised interest on collateral deposit	-	(3)	(3)
Balance as at 30 June 2024	23	(3)	(13)

F7 Regional fuel tax

The government cancelled one of the council's funding sources, the Regional Fuel Tax (RFT), ending the scheme four years early on 30 June 2024. This resulted in a \$600 million reduction in expected future RFT funding. Consequently, a number of future projects, funded by both RFT and other funding sources, had to be reprioritised, re-scoped, or deferred through the long-term plan process.

Local government disclosures



Pursuant to the Land Transport Management (Regional Fuel Tax) Amendment Act 2018, the Auckland Regional Fuel Tax scheme (RFT) came into effect from 1 July 2018, at a rate of 10 cents per litre (plus GST) on petrol and diesel and their bio-variants. The RFT replaced the Interim Transport Levy which was a targeted rate until 30 June 2018.

The Land Transport Management (Regional Fuel Tax Scheme—Auckland) Amendment Order 2023 came into effect from 11 May 2023 and amended the Land Transport Management (Regional Fuel Tax Scheme—Auckland) Order 2018. The Schedule 2 on Programme of capital projects supported by Auckland RFT scheme was amended on 8 March 2024 by Section 7 of the Land Transport Management (Repeal of Regional Fuel Tax) Amendment Act 2024 (2024 No 9). The amendment made changes to the descriptions, initiatives and benefits of the projects within the scheme. It also changed the projected expenditure, fuel tax contributions and timings of these projects. The changes were incorporated in the regional fuel tax reporting below.

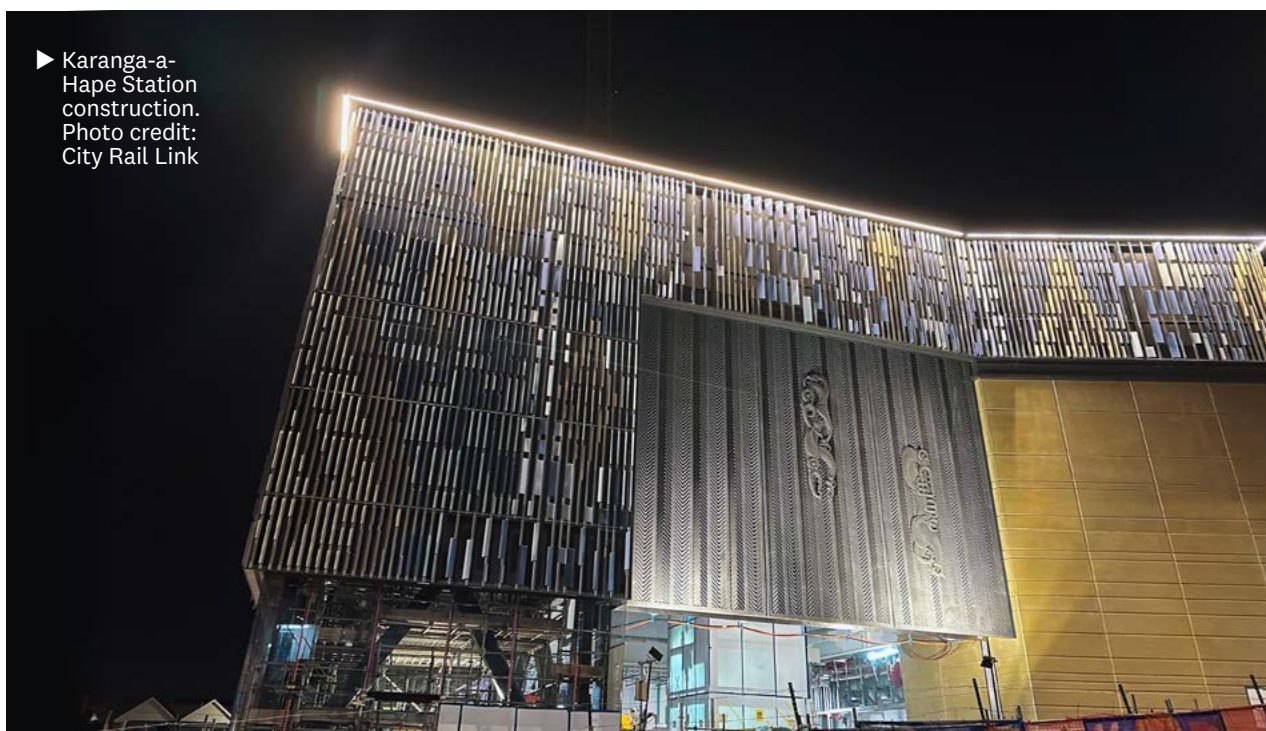
The RFT can only be spent on projects set out by regulation and any unspent amounts at the end of a reporting period are transferred and accounted for through a restricted reserve. The movement in the restricted reserve is disclosed in Note D5 Ratepayer equity.

During the financial year, the council received \$3.6 million (2024: \$143 million) from NZTA. The current year amount represents a residual payment following the finalisation of prior funding arrangements.

Revenue collected in the prior year was applied to capital and operating expenditure for eligible transport projects. Following the repeal of RFT legislation in March 2024, only the following projects remain eligible for funding from the RFT reserve:

- Project 4: Eastern Busway
- Project 6: Electric trains and stabling
- Project 12: Road corridor improvements

► Karanga-a-Hape Station construction. Photo credit: City Rail Link



F7 Regional fuel tax (continued)

Projects	2025 \$Million	2024 \$Million	Progress
Project 4: Eastern Busway	43	25	Eastern Busway Stage 1 (Panmure to Pakuranga) Ongoing activities for completing Eastern Busway Stage 1 (EB1) are: • All documents were received and submitted, awaiting final Engineering Plan Approval (EPA). • Property repairs at 2/31 Williams Ave, Pakuranga were completed in August 2024. • Works on the Panmure Swing Bridge Span Conservation and Viewing Deck were completed in July 2024 and Practical Completion issued in September 2024. • The first tranche of Eastern Busway Stage 1 legalisation was completed in January 2025. Further tranches of work are currently in progress. Final financial settlement relating to land acquisition at 2-4 Pakuranga Road was made in March 2025. • Most of the work for Mokoia Pā Park was completed. The main contract has been terminated due to issues with the contractor and other contractors will complete planting and Mahi Toi installation.
			Eastern Busway Alliance (EBA) A Project Alliance Agreement was signed in September 2022. • A significant milestone was reached in April 2024 in switching general traffic to the newly constructed westbound lanes. • Installation of Transpower pylons and the Botany Interim station were completed in October 2024. • Final Rā Hihi beams installation and all deck pours were completed. The flyover is now expected to be operational by November 2025. • The overall target operational date is now forecasted for August 2027, with a 4-month schedule risk allowance. • The reversal of speed limits mandated by government policy continues to be the primary risk to the project, which may impact project timelines and associated cost estimates. The project team is currently working on this issue and expecting to resolve it in the coming months. • Another significant risk is the impact of Transpower assets on the project, as obtaining approvals to work near these assets has been challenging and time-consuming.
Project 6: Electric trains and stabling	64	14	Electric Multiple-Unit train (EMU) Rolling Stock CAF Mexico is currently manufacturing 23 EMUs. • 13 out of 23 units have received provisional acceptance and are in service. • 25 out of 72 units are complete for retrofit. CRL-ready units now total 38 out of a planned day-one fleet of 95.
			City Rail Link Day One - Level Crossing Removal • Homai Station was completed in January 2025. • The property acquisition for Church St East, along with the detailed design was completed in June 2025. • The preliminary design for Tranche 2 station access bridges is progressing. City Rail Link roadside projects • Construction for the Karanga-a-Hape Station Neighbourhood Improvements project (CRL roadside) is progressing well, expecting to be completed by the end of November 2025. • Ongoing collaboration with Auckland Council continues to minimise disruption and impacts on local businesses and residents in city centre.

F7 Regional fuel tax (continued)

Projects	2025 \$Million	2024 \$Million	Progress
Project 12: Road corridor improvements	4	(2)	Warkworth Matakana Link Road Matakana Link Road was officially opened with the Pūhoi to Warkworth motorway in June 2023. RFT will continue to be allocated to the repayment of the advanced funding received from NZTA for this project. Glenvar Road / East Coast Road intersection upgrade Following a pause since 2024 for design revisions as a result of flood recovery work along the corridor, the corridor improvements are back in design phase with a new budget allocation in 2026. Smales Road / Allens Road Intersection Upgrade The designation has been extended to 15 November 2026. The project remains in planning phase. Lake Road Improvements Design phase in progress Seal Extensions Programme • Final programme list for 2025–2027 is being refined through feasibility and design phases • Assessed with two-stage scoring system, roads with high scores and strategic importance are prioritised for sealing. Others may receive alternative treatments.
Projects 1 to 3, 5, 7 to 11, 13, and 14	-	(7)	Under the legislation cancelling the RFT, no further RFT is able to be allocated to these projects from March 2024.
Total	111	30	

F8 Other material matters

Water services reform

Central government has been addressing New Zealand's water infrastructure challenges through the Government's Local Water Done Well programme, a three-stage process to improve water quality and update aging infrastructure. The first bill repealed the previous Government's water services legislation. The second bill established the preliminary arrangements for the new water services system. The third bill, the Local Government (Water Services) Bill 2024 (the Bill) established the enduring settings for the water services system. On the final reading, certain clauses of the Bill, were split into a separate bill - the Local Government (Water Services) (Repeals and Amendments) Bill 2024. These bills were passed into legislation on 26 August 2025 and came into effect the following day.

Implications of the Local Government (Water Services) Act 2025

The Local Government (Water Services) Act 2025 (the Act) represents a significant shift in the governance, delivery, and regulation of water services, supporting transparency, accountability and financial sustainability of water services entities.

This Act provides for:

- arrangements for the new water services delivery system
- a new economic regulation and consumer protection regime for water services
- changes to the regulatory framework for water quality and to the water services regulator.

Auckland Council remains the sole shareholder of Watercare. However, Watercare:

- continues to be prohibited from paying dividends or any surplus to Auckland Council
- is excluded from the charging provisions under the Act and continues to rely on its contractual charging method
- is unable to use the development contributions regime in the Act.

F8 Other material matters (continued)

With effect from 1 July 2025, an income tax exemption was introduced for water organisations including Watercare. Watercare's accumulated historical income tax losses are expected to continue to be available to carry forward for use by the Auckland Council Group under current income tax legislation. Once Watercare's tax return for the year ended 30 June 2025 is completed and, the total quantum of available tax losses is determined, the group expects to record a deferred tax asset based on the income tax profit projections of the group. The change in Watercare's tax status is expected to require an adjustment in 2025/2026 to reverse Watercare's net deferred tax liability in relation to temporary differences. This adjustment is expected to affect both tax expense and tax on other comprehensive revenue and expenditure.

Although the recent legislation has only just been enacted, the group has considered the implications of the Act and concluded Auckland Council continues to retain control over Watercare. Accordingly, Watercare will remain consolidated within the group.

Progress on Local Government (Water Services Preliminary Arrangements) Act 2024 obligations

Under section 77 of the Local Government (Water Services Preliminary Arrangements) Act 2024, central government approved the Watercare Charter on 12 December 2024 and it came into force on 1 April 2025. The Watercare Charter sets service quality standards and financial performance objectives, which are applicable for the three years through to 30 June 2028. The Commerce Commission (as Crown monitor) is monitoring Watercare's performance against the Watercare Charter, with full economic regulation commencing in 2028.

Under the new legislation, Auckland Council may not receive equity returns from Watercare Services Limited. The council also may not provide loans or credit facilities to Watercare that would result in a financial return to the council. Notwithstanding these restrictions, Watercare remains obligated to repay its existing debt to Auckland Council by 2030.

In the past, Auckland Council secured borrowings for water infrastructure and on-lent them to Watercare under an intercompany loan. As required under Local Government (Water Services Preliminary Arrangements) Act 2024 section 109 and the Local Government (Auckland Council) Act 2009 section 56A, Watercare's financial separation from Auckland Council was formally achieved on 1 July 2025. Under the new financial model Watercare now borrows funds in its own name for investment in water infrastructure and will repay its current loan to Auckland Council over a 5-year period under the Transitional Debt Facility Agreement.

Watercare received an Aa3 credit rating from Moody's Investor Services, supporting its ability to borrow efficiently and effectively. In accordance with the debt management policy settings in the council's financial strategy, Watercare's financial separation will result in its exclusion from the rest of the group's debt-to-revenue ratio calculation from 1 July 2025. As a result, the rest of the group's debt to revenue ratio will be lower.

Changes to Council-Controlled Organisation (CCO) delivery model

Auckland Council's Governing Body intends to enhance democratic oversight by increasing elected members' involvement in CCO decision-making, ensuring council services are more responsive to the needs of Aucklanders. To achieve this, council initiated CCO reforms in 2024/2025.

Transport reform

On 3 December 2024, central government proposed legislative change to reform the role of Auckland Transport including

- returning the strategy, policy and planning functions of Auckland Transport to the council
- establishing a new Auckland Regional Transport Committee with a focus on long-term, integrated transport planning
- making the council the Road Controlling Authority
- enabling greater local decision making about transport decisions
- council retains transport CCO focused on delivering key transport projects and services and
- council has six months post-legislation to define transport CCO's specific functions.

On 24 June 2025, the Auckland Transport Board approved the delegation of specific transport strategy and policy functions from Auckland Transport to the council which was approved by the Auckland Council Governing Body on 26 June 2025.

Transfer of urban regeneration, property management and economic development functions

On 12 December 2024, the Auckland Council Governing Body agreed to transfer all functions of Eke Panuku and the economic development functions of Tātaki Auckland Unlimited Limited (TAUL) to Auckland Council no later than 1 July 2025. There would be no changes to destination marketing and major events functions (with

F8 Other material matters (continued)

the council responsible for the relevant strategy and policy), and management of regional facilities. Tātaki Auckland Unlimited Trust would keep its charitable trust status and continue its operations.

On 30 June 2025, the council purchased the assets and operations of Eke Panuku and TAUL's economic development function for \$13 million, which was returned to the council as an unbudgeted dividend. Eke Panuku and the economic development function of TAUL were integrated into Auckland Council from 1 July 2025, leading to the establishment of council's Auckland Urban Development Office, Property department and Economic Development Office. The transition resulted in some role redundancies, however, there were no reductions in funding or services.

Looking ahead

The council is getting ready for integration of transport strategy and policy and will recommend changes to legislation. It will continue to progress other initiatives to support transport reform (refer to Transport governance reform in Note F9 Subsequent events), strengthen the group CCO model and accelerate the rollout of group shared services.

F9 Subsequent events

Building consent system changes

On 18 August 2025, the New Zealand Government announced major changes to the national building consent system—the biggest change since the Building Act was introduced in 2004. The proposed changes include:

- **Fairer liability rules:** Replacement of the joint and several liability framework with a proportionate liability model. Each party will be responsible for the part of the work they actually did.
- **Better protection for homeowners:** Options will be explored to bring in new rules for mandatory or opt-out home warranties and professional indemnity insurance for certain building projects.
- **Smarter use of council resources:** Councils will be able to combine their Building Consent Authorities. This will help them share resources and apply the Building Code more consistently across the country.

These changes are expected to reduce the financial risk for councils and ratepayers where other responsible parties can't be held accountable—especially in cases where other liable parties are insolvent or unavailable.

The Government plans to introduce these changes in early 2026. These changes are expected to impact the group's future liabilities, insurance and possibly its operations. At this stage, it's too early to reliably estimate the impact.

Auckland Future Fund

In August 2025, the directors of Auckland Future Fund's trustee appointed Vontobel Asset Management AG as its global investment manager with the responsibility to manage \$1.3 billion in funds on behalf of Auckland Council.

Transport governance reform

In September 2025, central government introduced the Local Government (Auckland Council) (Transport Governance) Amendment Bill (the Bill). The Bill aims to improve democratic accountability and long-term integrated transport planning in Auckland. It proposes a new Auckland Regional Transport Committee responsible for strategic transport planning, which includes the development of a 30-year transport plan. Along with moving the transport policy and planning function to Auckland Council, it proposes that Auckland Council be responsible for delivering the transport capital programme, as well as renewals and maintenance of transport infrastructure, and for council to become the road controlling authority for Auckland. Under the proposed legislation, the function of Auckland Transport has been streamlined to focus on public transport services. Local boards will have greater decision-making responsibilities for local transport functions on local and collector roads. The transport governance reform is still in its early stages. Based on the current wording of the bill, we do not expect it to have a significant impact on the Auckland Council Group overall. However, it is likely to have a notable effect on Auckland Council's financial statements. At this stage, we cannot reliably estimate the impact.

Other

We have provided the latest information as it relates key aspects impacting the financial statements within the disclosure notes. There are no further significant events that occurred subsequent to balance date that require disclosure.

Te Wehenga G: Te pūrongo ā-pūtea me
ngā pae whakamoamo

Section G: Financial reporting and prudence benchmarks



Te Whau Pathway ▲

Annual report disclosure statement for the year ended 30 June 2025

What is the purpose of this statement?

This statement explains how Auckland Council Group is performing financially, by comparing its results to key benchmarks. It helps assess whether the group and the council are managing their income, spending, assets, and debts responsibly.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

The benchmarks have been prepared for the group.

Unless prescribed by the regulations, the quantified limit for the current year benchmark is calculated using financial information disclosed in the Long-term Plan 2024-2034.

Rates affordability benchmark

The group meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increase equals or is less than each quantified limit on rates increases.

Rates (income) affordability

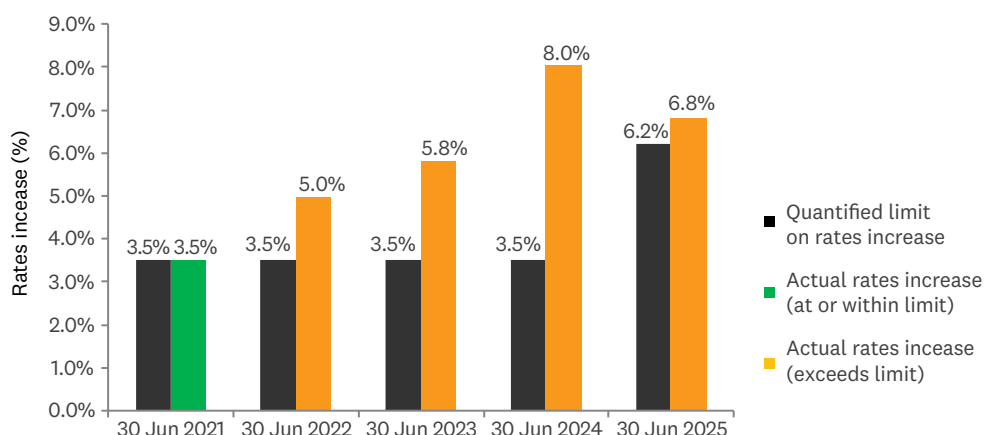
Following an amendment to the Local Government Act 2002 in 2019, the council has not included a quantified limit on rates (income) affordability in the financial strategy for Long-term Plan 2024-2034.

Rate (increases) affordability

The graph below compares the council's actual rates increases with a quantified limit on rates increases set out in the financial strategy included in the council's long-term plan. It includes targeted rates from 1 July 2018 that apply generally across Auckland and refers to the overall average increase across existing residential properties. Targeted rates that apply to specific groups of ratepayers are excluded. From 1 July 2024, the rate includes overall average rates increases for existing residential properties instead of overall average increase across all ratepayers.

The quantified limit is 6.2 per cent, per annum, an average rates increase for existing residential ratepayers. In Long-term Plan 2024-2034, the quantified limit was increased due to changes in inflation and therefore changes to the council's cost base.

The benchmark for 30 June 2025 is not met as a result of the first tranche of Risk Category 3 property buy-outs and resilience work needed because of the 2023 storm events.



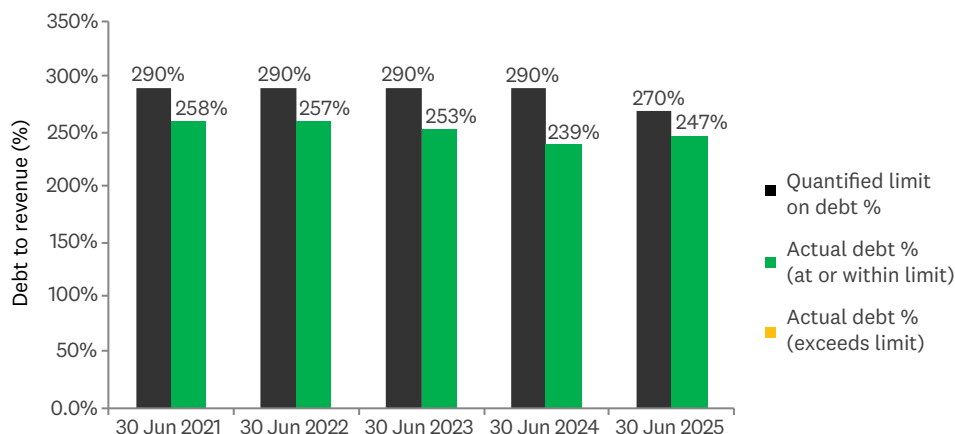
Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowings are within each quantified limit on borrowing. The graph below shows the group's debt to revenue ratio compared to the debt limits set out in our financial strategy in the Long-term Plan 2024-2034, and the council's treasury management policy.

The components used in the debt affordability benchmark are:

- **Revenue:** Cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. It excludes capital contributions and sale of assets or pass-through items (e.g. development contributions and vested assets).
- **Debt:** Long and short-term debt of the group and capital lease obligations to pay to another entity in accordance with an express agreement or for other legally binding reasons.

The quantified limit of debt at 30 June 2025 is 270% of revenue (prior years: 290%). Debt as a percentage of revenue at 30 June 2025 was 247% compared to 239% at 30 June 2024, both below the quantified limits.



Balanced budget benchmark

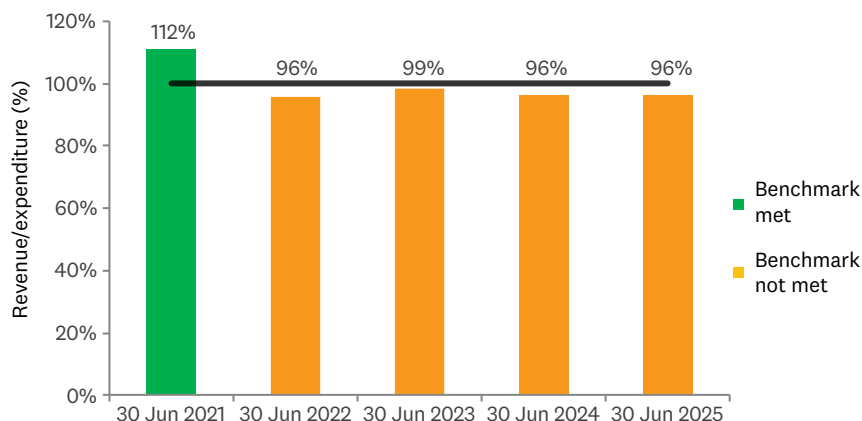
The graph below shows the group's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The group meets this benchmark if its revenue equals or is greater than its operating expenses.

The group incurs foreign exchange gains and losses on foreign denominated borrowings. These foreign exchange gains or losses are included in revenue and expenses. The group enters into derivative contracts to mitigate that foreign currency exposure as required by its risk management policies. The foreign exchange movements in derivative financial instruments are not included in revenue and expenses. This means that when the group incurs significant foreign exchange losses on borrowings, the balanced budget benchmark will be negatively impacted.

Refer to Note E3 Foreign exchange risk for further details of the council's risk management policies on foreign exchange risk.

The group did not meet the balanced budget benchmark as its adjusted operating expenses were higher than the adjusted revenue due to additional provision charged for Risk Category 3 property buy-outs. The revenue/expenditure (%) for 30 June 2024 was recalculated to include Risk Category 3 property buy-outs that had previously been excluded.

Refer to Section A 'Results of year' for analysis of operating revenues and expenses.

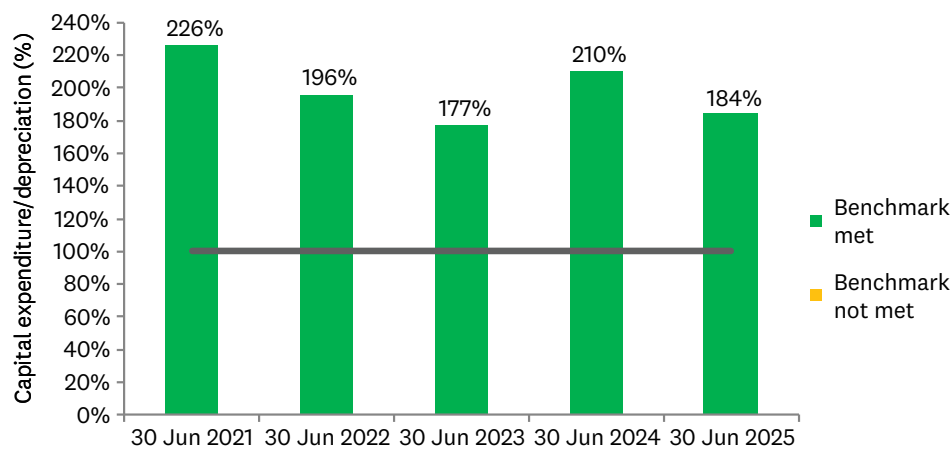


Essential services benchmark

The graph below shows the group's capital expenditure on network services as a proportion of depreciation on network services. Network services are essential services. They include:

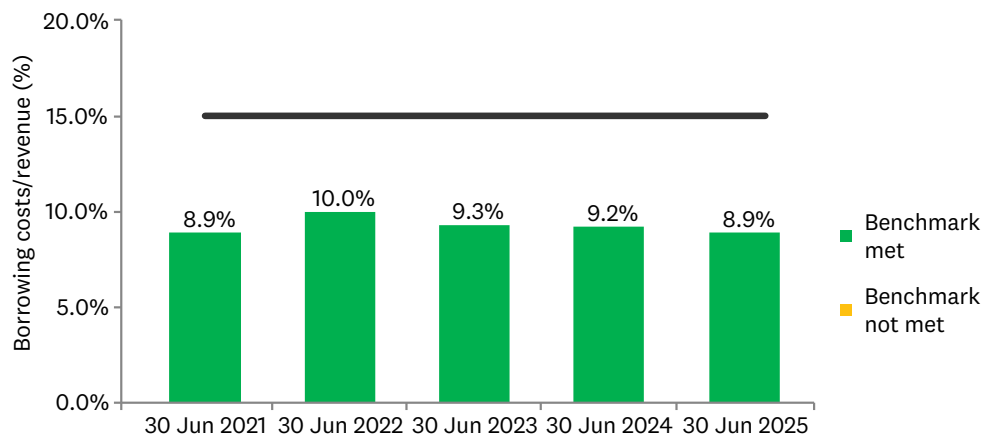
- water supply
- wastewater
- stormwater
- roading
- flood protection.

The group meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. This benchmark gives an indication of whether the group is spending enough to keep its essential services infrastructure in good, working order.



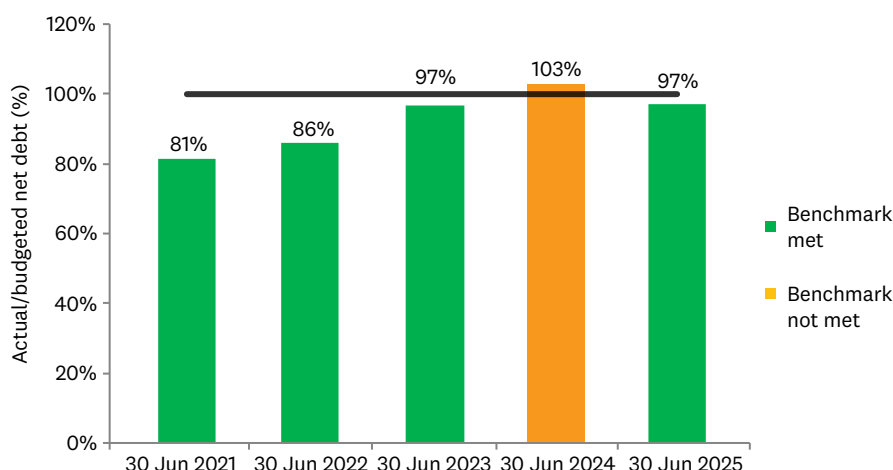
Debt servicing benchmark

The graph below shows the group's borrowing costs as a proportion of operating revenue (i.e. revenue excluding financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). It gives an indication of whether the group is keeping its interest costs under control. Because Stats NZ projects Auckland's population will grow as fast as, or faster than, the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15 per cent of its planned revenue.



Debt control benchmark

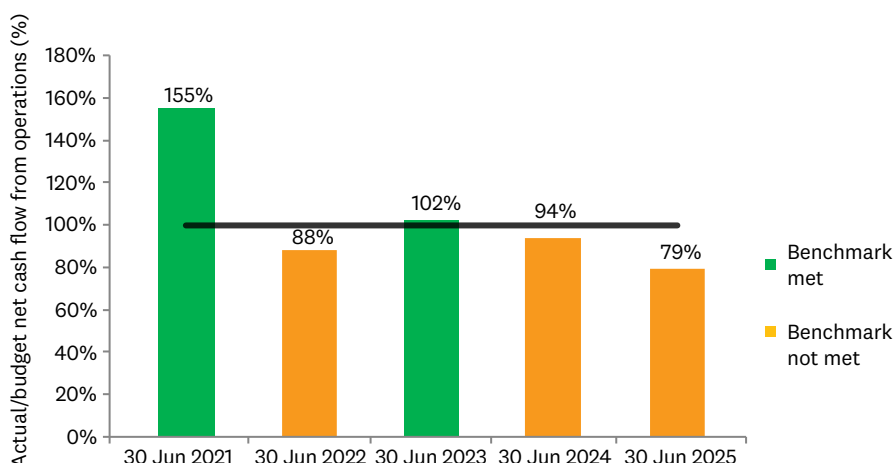
The graph below shows the group's actual net debt as a proportion of what was planned. In this context, net debt means financial liabilities less financial assets (excluding trade and other receivables). Auckland Future Fund actual and planned financial assets were included in calculating this benchmark. The group meets this benchmark if its actual net debt equals or is less than its planned net debt. The purpose of the benchmark is to highlight where additional debt is being taken on to fund cost overruns. Refer to Note C1 Borrowings for the explanation of the variance between actual and planned borrowings.



Operations control benchmark

This graph below shows the group's actual net cash flow from operations as a proportion of what was planned. The group meets this benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. The purpose of the benchmark is to show whether the group is managing its operating income and expenses responsibly—without relying too much on borrowing or using reserves.

2025 actual net cash inflows were lower than planned due to higher payments to suppliers and employees, mainly because of payments to buy out Risk Category 3 properties.



3

Te tauākī mō te pānga ā-pūtea
a te rōpū o te kaunihera o
Tāmaki Makaurau

Auckland Council Group funding impact statement

Te tauākī mō te pānga ā-pūtea a te rōpū

Group funding impact statement

For the year ended 30 June 2025

\$Million	Actual 2025	Annual plan 2025	Actual 2024	Annual plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties	2,430	2,427	2,221	2,225
Targeted rates	360	357	306	303
Subsidies and grants for operating purposes	561	551	569	562
Fees and charges	1,785	1,787	1,613	1,646
Interest and dividends from investments	83	62	62	36
Local authorities fuel tax, fines, infringement fees and other receipts	691	624	756	627
Total operating funding	5,910	5,808	5,527	5,399
Applications of operating funding:				
Payments to staff and suppliers	4,084	4,111	3,836	3,709
Finance costs	605	618	531	535
Other operating funding applications	-	-	-	-
Total applications of operating funding	4,689	4,729	4,367	4,244
Surplus (deficit) of operating funding	1,221	1,079	1,161	1,155
Sources of capital funding:				
Subsidies and grants for capital expenditure	1,031	1,179	696	617
Development and financial contributions	185	230	221	269
Increase (decrease) in debt	1,224	1,497	640	(150)
Gross proceeds from sale of assets	22	64	22	164
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	30	-	110
Total sources of capital funding	2,462	3,000	1,579	1,010
Applications of capital funding:				
Capital expenditure [^] :				
- to meet additional demand	980	1,191	712	859
- to improve the level of service*	1,586	1,526	1,062	811
- to replace existing assets	1,143	1,331	1,100	1,190
Increase (decrease) in reserves	27	90	38	62
Increase (decrease) in investments [^]	(53)	(59)	(172)	(757)
Total applications of capital funding	3,683	4,079	2,740	2,165
Surplus (deficit) of capital funding	(1,221)	(1,079)	(1,161)	(1,155)
Funding balance	-	-	-	-

[^]The 2025 capital investment balance of \$3.9 billion disclosed in Annual Report 2024/2025 Volume 1 includes capital expenditure of \$3.7 billion and investment in CRL of \$219 million (disclosed within the Increase/(decrease) in investments line).

*The capital expenditure includes \$731 million (2024: \$132 million) paid to Risk Category 3 property buy-outs. Auckland Council is carefully deciding how to use Risk Category 3 properties effectively while managing risk and reducing the financial impact to ratepayers. The purchased properties are recorded in accordance with our accounting policies, and the resulting values of these properties are different from the purchase cost.

He pito kōrero e hāngai ana ki te tauākī mō te pānga ā-pūtea a te rōpū

Notes to the group funding impact statement

For the year ended 30 June 2025

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

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

The group consists of the council, its subsidiaries, associates and joint ventures. A summary of subsidiaries is provided in the basis of reporting section of the notes to the group financial statements.

Basis of preparation

The group funding impact statement has been prepared:

- in accordance with the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014,
- on a historical cost basis using accrual accounting,
- in New Zealand dollars (NZD) and are rounded to the nearest million dollars, unless otherwise stated.

Annual plan figures

The annual plan figures presented in the funding impact statement of the group are those included in LTP 2024/25 of the Long-term Plan 2024-2034. The accounting policies used to prepare the funding impact statement are consistent with those used to prepare the planned funding impact statements.

Long-term plan figures

The long-term plan figures presented in the groups of activity funding impact statements are those included in LTP 2024/25 of the Long-term Plan 2024-2034.

Commentary

The following commentary provides details of the most significant variances between actual and budgeted sources and applications of funding during the year.

Sources of operating funding

Sources of operating funding were \$102 million favourable to plan. This variance is principally made up of a \$67 million surplus in funding from local authorities' fuel tax, fines and infringements and other receipts, and \$21 million surplus in funding from interest and dividends from investments. Further details of these variances are outlined below.

Local authorities fuel tax, fines, infringement fees and other receipts

We finished the year \$67 million ahead of plan, mainly due to higher-than-expected revenue from infrastructure growth charges and charges to developers for water connections — \$32 million and \$5 million above forecast, respectively. This was especially noticeable in the fourth quarter, as developers moved quickly to act before price changes took effect in July 2025. Rental income also exceeded the budget by \$12 million, largely because more tenants moved into Haumaru Housing and several commercial leases were extended.

Interest and dividends from investments

We earned \$21 million more in interest and dividend income than planned, mainly because we held higher term deposit balances. This was due to proceeds from the sale of the council's remaining shares in Auckland International Airport Limited and pre-funding activities. The budget had assumed these proceeds would be invested in unit trusts by the AFF, but AFF's global investment manager was appointed only after the end of the financial year.

Applications of operating funding

Applications of operating funding were \$40 million below plan, comprising a \$27 million underspend on payments to staff and suppliers, and a \$13 million saving in finance costs. Further details of these variances are outlined below.

Payments to staff and suppliers

- Consultancy and professional services were \$40 million favourable to plan mainly due to cancelled or delayed projects and the use of internal staff where possible.
- Cost of goods and services were \$17 million favourable to plan primarily driven by public transport costs where annual contract increases were lower than expected.

This was partially offset by:

- Repairs and maintenance expenditure was \$14 million unfavourable to plan mainly due to higher than anticipated price increase in council facilities management contracts including pools and leisure centres.
- Utility costs were \$6 million unfavourable driven by significant electricity and gas price increases.
- Rental and lease expenses were \$5 million unfavourable to plan due to higher than anticipated Public Transport Operating Model (PTOM) operating lease expense, resulting from higher-than-expected Peak Vehicle Requirement costs.

Source of capital funding

Sources of capital funding were \$538 million below plan due to variances outlined below.

Increase (decrease) in debt

Increase in debt was lower than plan by \$273 million mainly because of less capital expenditure than planned and a higher surplus of operating funding than planned.

Subsidies and grants for capital expenditure

We received \$148 million less in subsidies and grants for capital projects than planned. The main reason was that Auckland Transport received \$160 million less in capital grants from NZTA, due to funding constraints under the 2024–2027 National Land Transport Plan. Watercare also didn't receive the \$29 million in insurance recoveries that had been budgeted under this category. However, this was partly offset with higher-than-expected capital grants from central government for Category 3 property buy-outs, as we purchased more properties during the year than anticipated.

Development and financial contributions

We received \$45 million less in development contributions than planned. This was mainly because development activity was slower than expected, and there were delays in updating our contributions policy. The updated policy was adopted by the Governing Body in May 2025 and took effect from July 2025.

Gross proceeds from sale of assets

Gross proceeds from sale of assets were \$42 million less than planned due to the general slowdown in the property market which meant that certain assets were not sold as planned. In some cases, decisions were made to delay sales rather than accepting returns below budget expectations, on the basis that a delay was expected to achieve better long-term value.

Other dedicated capital funding

We received \$30 million less in dedicated capital funding than planned. This was mainly because insurance recoveries were lower than expected, as insurers are still processing claims related to the severe weather events in early 2023.

Applications of capital funding

Applications of capital funding were \$396 million below plan, primarily driven by a \$339 million underspend in capital expenditure, and a \$63 million less than planned increase in reserves. Further details of these variances are outlined below.

Capital expenditure

We spent less on capital projects than planned, mainly because of adjustments to transport investment plans to reflect reduced funding in the 2024–2027 National Land Transport Plan. Other delays — like supply chain issues, property purchases, and extended public consultations — also slowed down progress on several projects.

Water infrastructure spending was also behind budget. This was mostly due to slower progress on renewing pipes and plants, planning work, and upgrades to digital control systems. These delays were largely caused by uncertainty around Watercare’s financial separation and funding for the year, which meant some projects started later than expected.

Increase/(decrease) in reserves

Increase in reserves were \$63 million less than planned as payments to settle weathertightness and associated building defects were lower than anticipated in the Long-term Plan 2024-2034.

Reconciliation of surplus of operating funding to operating surplus before gains and losses

The following reconciliation bridges the difference between the funding impact statement and the statement of comprehensive revenue and expenditure.

\$Million	Actual 2025	Actual 2024
Surplus of operating funding	1,221	1,161
Operating surplus items not included in operating funding		
Depreciation and amortisation	(1,518)	(1,375)
Vested assets	877	698
Development contributions	185	222
Capital grants and subsidies	1,031	696
Provision for remediation of weathertightness claims expense	7	(44)
Provision for Risk Category 2P mitigation project grants (Note D4)	(8)	(30)
Provision for Risk Category 3 property buy-outs (Note D4)	(408)	(629)
Other revenue and expense items	(48)	21
Operating funding items not included in operating surplus		
Retrofit your home principal loan repayments	(4)	(4)
Dividends from associates and joint ventures	(3)	(3)
Operating surplus before gains and losses	1,332	713

Te tauākī mō te pānga ā-pūtea ki ngā
huinga ngohe

Group of activities funding impact statements

Measuring our progress to long-term outcomes set in the Auckland Plan 2050

The Auckland Plan 2050 is our long-term spatial plan to ensure Tāmaki Makaurau grows in a way that will meet the opportunities and challenges of the future. Key challenges that are addressed include high population growth, environmental degradation and how we can ensure shared prosperity and wellbeing for all Aucklanders.

The Auckland Plan outcomes align to the four wellbeings in the Local Government Act 2002.

The wellbeings



Environmental



Social



Cultural



Economic



BELONGING AND PARTICIPATION

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



TRANSPORT AND ACCESS

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



HOMES AND PLACES

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



MĀORI IDENTITY AND WELLBEING

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



ENVIRONMENT AND CULTURAL HERITAGE

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



OPPORTUNITY AND PROSPERITY

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



Each of Auckland Council's group of activities contributes to one or more of these outcomes. The financial impacts of these activities are outlined in the following funding impact statements.

Basis of preparation

The group of activities funding impact statements have been prepared:

- in accordance with the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014;
- on a historical cost basis using accrual accounting; and
- in New Zealand dollars (NZD) and are rounded to the nearest million dollars, unless otherwise stated.

For cost allocations between the group of activities, where costs are not directly attributable to the group of activity, they have been allocated proportionate to the budgeted cost allocation. The budgeted cost allocation is based on costs that are most likely attributable to each group of activity.

Ngā Huarahi me ngā Ara Hīkoi

Roads and footpaths

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		415	415	335
Targeted rates		2	2	2
Subsidies and grants for operating purposes	1	64	91	58
Fees and charges		6	8	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		29	23	106
Total operating funding		516	539	501
Applications of operating funding:				
Payments to staff and suppliers	2	205	268	179
Finance costs		64	63	60
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		269	331	239
Surplus (deficit) of operating funding		247	208	262
Sources of capital funding:				
Subsidies and grants for capital expenditure	3	275	297	256
Development and financial contributions		30	42	44
Increase (decrease) in debt	4	53	10	89
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		358	349	389
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	5	68	93	70
- to improve the level of service	5	179	138	291
- to replace existing assets	5	358	326	290
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		605	557	651
Surplus (deficit) of capital funding		(247)	(208)	(262)
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034

1. Subsidies and grants for operating purposes were below plan due to the funding constraints as a result of the 2024-2027 National Land Transport Plan (NLTP) and lower NZ Transport Agency Waka Kotahi (NZTA) capital funding allocated to Auckland Transport for less capital works completed than originally planned.
2. Payments to staff were below plan mainly due to more vacant positions than planned, and to suppliers through an underspend on road maintenance and lower than anticipated costs to respond to adverse weather events.
3. Subsidies and grants for capital expenditure were below plan mainly due to lower NZTA funding as a result of the revised NLTP.
4. We spent more than expected on capital projects, which led to a shortfall in funding. As a result, we had to borrow more than originally planned.
5. Capital expenditure was above plan mainly due to early delivery of flood recovery projects during the year.



Ngā Tikanga Kawe Pāhihi/Ngā Tikanga Aro Hāereere

Public transport and travel demand management

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		402	402	355
Targeted rates		52	53	3
Subsidies and grants for operating purposes		424	411	300
Fees and charges	1	244	264	347
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		122	130	111
Total operating funding		1,244	1,260	1,116
Applications of operating funding:				
Payments to staff and suppliers	2	1,172	1,134	919
Finance costs		161	167	170
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		1,333	1,301	1,089
Surplus (deficit) of operating funding		(89)	(41)	27
Sources of capital funding:				
Subsidies and grants for capital expenditure	3	344	481	383
Development and financial contributions	4	38	69	62
Increase (decrease) in debt		578	574	256
Gross proceeds from sale of assets		-	-	50
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		960	1,124	751
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	5	339	426	41
- to improve the level of service	5	229	290	461
- to replace existing assets	5	85	109	32
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments	6	218	258	244
Total applications of capital funding		871	1,083	778
Surplus (deficit) of capital funding		89	41	(27)
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034

1. Fees and charges were below plan mainly due to lower public transport revenue as a result of lower than budgeted usage across all public transport modes. Ongoing hybrid working and disruptions to the rail network have been the main reasons that fewer people are using our services.
2. Payment to staff and suppliers were above plan, mainly because of higher-than-expected Peak Vehicle Requirement (PVR) costs mostly related to increase in number of buses. This was partly offset by lower indexation costs and other operating costs for transport as a whole.
3. Subsidies and grants for capital expenditure were below plan as the public transport capital programme had to be scaled back. This was due to reduced funding from NZ Transport Agency Waka Kotahi, following changes in the revised NLTP.
4. Development contributions were below plan. This was mainly because development activity was slower than expected, and there were delays in updating our contributions policy.
5. Capital expenditure was less than planned. This reflects the funding reduction in the 2024-2027 NLTP. Also, slower progress on several projects—due to manufacturing and supply chain delays, delays in property purchases and more time needed for public consultations and consents—also contributed to lower-than-planned capital expenditure.
6. Increase in investments was lower than plan because we didn't need to invest as much in the City Rail Link as expected. This was due to the timing of the project's cash requirements, which shifted some of the planned investment to a later period.



Ngā Putunga Wai

Water supply

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		(1)	(1)	(1)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		221	236	262
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	116	144	88
Total operating funding		336	379	349
Applications of operating funding:				
Payments to staff and suppliers	2	146	180	148
Finance costs		60	52	26
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		206	232	174
Surplus (deficit) of operating funding		130	147	175
Sources of capital funding:				
Subsidies and grants for capital expenditure		9	18	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	3	131	166	64
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		140	184	64
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	4	95	102	115
- to improve the level of service	4	31	44	13
- to replace existing assets	4	144	185	111
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		270	331	239
Surplus (deficit) of capital funding		(130)	(147)	(175)
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034

1. Local authorities fuel tax, fines, infringement fees and other receipts were below plan. This was mainly due to how revenue was allocated between water supply and wastewater services. However, when looking at both activities together, the result was favourable — driven by higher-than-expected infrastructure growth charges and developer revenue for new water connections. In addition, revenue from rent, charges for third-party damages, debt collection, and change of ownership fees also exceeded expectations.
2. Payments to staff and suppliers were below plan mainly due to lower consultancy costs driven by lower than anticipated professional services and lower costs incurred for the Waikato District Council partnership agreement.
3. We spent less than expected on capital projects and payments to staff and suppliers, which left us with surplus funds, meaning we didn't need to borrow as much as originally planned.
4. Capital expenditure was below plan due to uncertainty around financial separation and its impact on funding for the year. This caused some capital projects to start later than planned.



Ngā Tikanga Tiaki me te Tuku Wai Para

Wastewater treatment and disposal

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		(2)	(2)	(2)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	498	527	495
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	245	174	86
Total operating funding		741	699	579
Applications of operating funding:				
Payments to staff and suppliers		276	257	175
Finance costs		113	129	100
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		389	386	275
Surplus (deficit) of operating funding		352	313	304
Sources of capital funding:				
Subsidies and grants for capital expenditure	3	18	41	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	362	525	229
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		380	566	229
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	5	314	326	254
- to improve the level of service	5	200	229	91
- to replace existing assets	5	218	324	188
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		732	879	533
Surplus (deficit) of capital funding		(352)	(313)	(304)
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034

1. Fees and charges were below plan because consumption volumes were lower than expected and the mix of revenue from retail and commercial customers differed from what was originally budgeted.
2. Local authorities fuel tax, fines, infringement fees and other receipts were above plan. As mentioned in the Water Supply commentary, this was mainly due to how revenue was allocated between water supply and wastewater services. When looking at both activities together, the result was favourable — driven by higher-than-expected infrastructure growth charges and developer revenue for new water connections. In addition, revenue from rent, charges for third-party damages, debt collection, and change of ownership fees also exceeded expectations.
3. Subsidies and grants for capital expenditure was below plan mainly because the budgeted insurance recoveries related to the 2023 severe weather events were not received.
4. We spent less than expected on capital projects, which left us with surplus funds, meaning we didn't need to borrow as much as originally planned.
5. Capital expenditure was below plan due to various factors including reprioritisation and delays in design, procurement, feasibility and consenting.



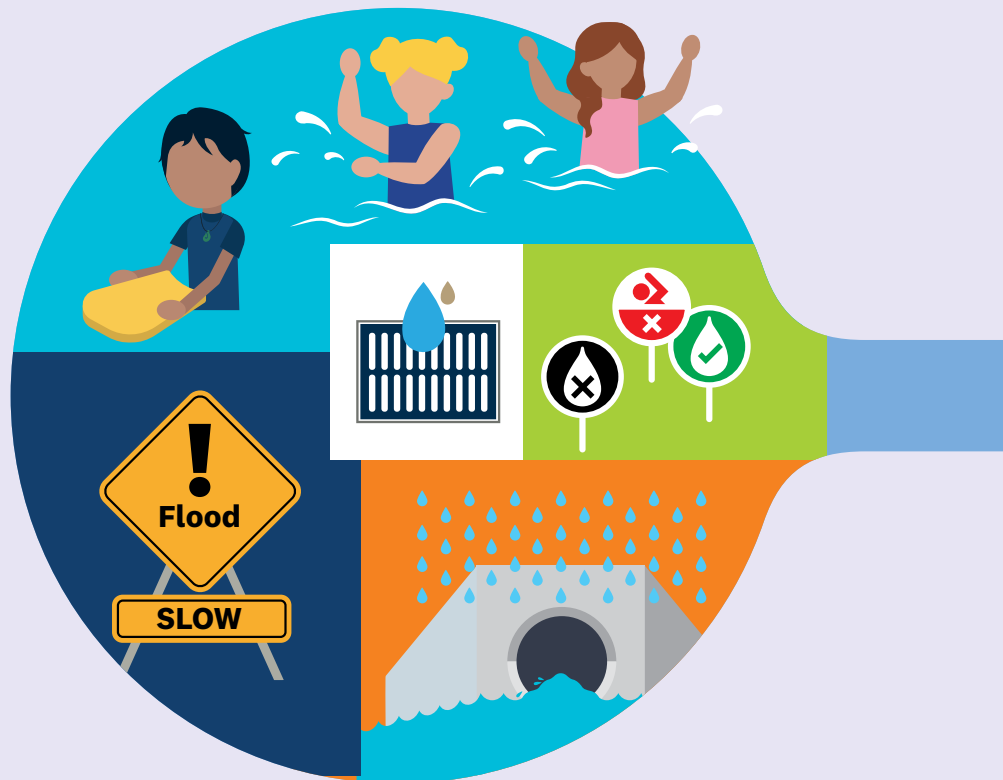
Te Whakahaere Wai Āwhā

Stormwater management

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		219	219	152
Targeted rates		7	7	51
Subsidies and grants for operating purposes		9	2	-
Fees and charges		2	1	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	1	2
Total operating funding		238	230	205
Applications of operating funding:				
Payments to staff and suppliers		101	86	57
Finance costs		53	54	15
Internal charges and overheads applied		18	18	14
Other operating funding applications		-	-	-
Total applications of operating funding		172	158	86
Surplus (deficit) of operating funding		66	72	119
Sources of capital funding:				
Subsidies and grants for capital expenditure		8	27	-
Development and financial contributions	1	14	61	37
Increase (decrease) in debt	2	81	33	(18)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		103	121	19
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	3	27	34	33
- to improve the level of service	3	66	121	61
- to replace existing assets	3	76	38	44
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		169	193	138
Surplus (deficit) of capital funding		(66)	(72)	(119)
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034

1. Development and financial contributions were below plan mainly driven by slower than expected development growth and delays in updating the contributions policy.
2. Development and financial contributions were lower than planned which resulted in a net funding deficit compared to the Long-term Plan 2024-2034. The funding deficit meant that more debt funding than expected was required.
3. Capital expenditure was below plan due to Making Space for Water blue-green network programme since funding was diverted towards higher numbers of Category 3 property buy-outs than originally anticipated.



Ngā Ratonga Kaunihera ā-Rohe

Local council services

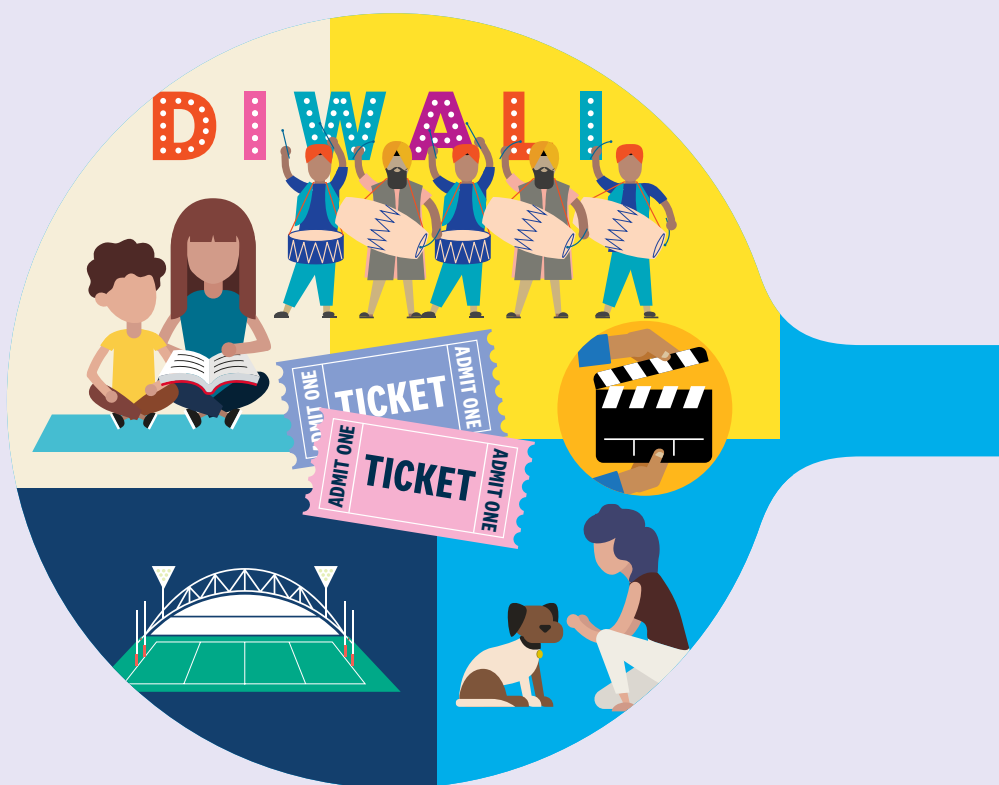
\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		394	394	383
Targeted rates		25	26	21
Subsidies and grants for operating purposes		1	1	5
Fees and charges		43	43	36
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		7	5	8
Total operating funding		470	469	453
Applications of operating funding:				
Payments to staff and suppliers	1	378	364	356
Finance costs		54	53	42
Internal charges and overheads applied		51	51	56
Other operating funding applications		-	-	-
Total applications of operating funding		483	468	454
Surplus (deficit) of operating funding		(13)	1	(1)
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions	2	42	21	79
Increase (decrease) in debt		148	151	85
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		190	172	164
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	3	18	33	24
- to improve the level of service	3	55	28	5
- to replace existing assets	3	104	112	134
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		177	173	163
Surplus (deficit) of capital funding		13	(1)	1
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034



1. Payments to staff and suppliers were above plan mainly because we extended short-term contracts to manage some pools and leisure centres. This helped keep services running smoothly while we waited for a decision on how these facilities should be managed in the future and allowed time to finalise new contracts.
2. Development and financial contributions, despite being behind budget for the council as a whole, were above budget for local council services. This is because there was a greater allocation of development contributions revenue to local community services projects than anticipated.
3. We spent more than planned on capital projects, mainly because several large projects were completed ahead of schedule—such as sections of the Te Whau Pathway and Jubilee Bridge. Some projects, like Stage 1 of the Waikaraka Park Masterplan, were prioritised after the budget was set. There was a significant overspend on the local asset renewals programme, which involved fixing and upgrading assets like playgrounds, walking tracks, community centres, and public toilets. These improvements helped keep our local assets safe, functional, and ready for our communities to enjoy. The overspend arose mainly due to assets being renewed earlier than planned.

These increases were partly offset by an underspend from delays to other projects, caused by extended public consultation, business case approvals, and planning and design phases taking longer than expected.



Ngā Ratonga Kaunihera ka Tukuna e ngā Rohe

Regionally delivered council services

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		812	809	679
Targeted rates		274	269	211
Subsidies and grants for operating purposes	1	54	19	10
Fees and charges	2	710	651	578
Internal charges and overheads recovered		315	316	228
Local authorities fuel tax, fines, infringement fees and other receipts	3	153	123	74
Total operating funding		2,318	2,187	1,780
Applications of operating funding:				
Payments to staff and suppliers		1,547	1,554	1,248
Finance costs		81	81	36
Internal charges and overheads applied		247	247	158
Other operating funding applications		-	-	-
Total applications of operating funding		1,875	1,882	1,442
Surplus (deficit) of operating funding		443	305	338
Sources of capital funding:				
Subsidies and grants for capital expenditure	4	374	311	10
Development and financial contributions		55	36	43
Increase (decrease) in debt	5	(172)	(38)	(1,190)
Gross proceeds from sale of assets	6	-	33	80
Lump sum contributions		-	-	-
Other dedicated capital funding	7	-	30	-
Total sources of capital funding		257	372	(1,057)
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	8	63	110	113
- to improve the level of service*	8	804	648	71
- to replace existing assets	8	77	145	140
Increase (decrease) in reserves	9	27	90	14
Increase (decrease) in investments	10	(271)	(316)	(1,057)
Total applications of capital funding		700	677	(719)
Surplus (deficit) of capital funding		(443)	(305)	(338)
Funding balance		-	-	-

* The 2025 capital expenditure includes \$731 million paid to Risk Category 3 property buy-outs. Land purchased is intended to be used as open space reserves, stormwater reserves that reduce flood risk, or in some cases, parts of the properties may be sold. The purchased properties are recorded in accordance with our accounting policies, and the resulting values of these properties are different from the purchase cost.

Comparison of results to the Long-term Plan 2024-2034



1. Subsidies and grants for operating purposes were favourable to plan mainly due to higher waste disposal levy grants revenue received from the Ministry for the Environment.
2. Fees and charges were favourable to plan largely because our regulatory services earned more revenue than expected. This was driven by a greater volume of consents, licences and permits. Also, Port of Auckland delivered strong results, supported by higher-than-expected container volumes and breakbulk cargo.
3. Local authorities fuel tax, fines, infringement fees and other receipts were favourable to plan mainly due to rental revenue from higher-than-expected number of tenants and interest income from greater than anticipated term deposits balance.
4. We purchased more Risk Category 3 properties during the year than budgeted. As a result, central government's co-funding received during the year was also higher than budget.
5. We had higher surplus from operating funding. This left us with extra funds, so we didn't need to borrow as much as planned.
6. Gross proceeds from sale of assets were less than planned due to the general slowdown in the property market which meant that certain assets were not sold as planned. In some cases, decisions were made to delay sales rather than accepting returns below budget expectations, on the basis that a delay was expected to achieve better long-term value.

Regionally delivered council services include the asset recycling target only, while performance against other asset sales targets is presented in Council controlled services funding impact statements.

7. Other dedicated funding was lower than plan because insurance recoveries for the damage to community assets from the 2023 severe weather events were less than expected. The recoveries are now expected to be received in 2025/2026.

8. Capital expenditure was above plan mainly due to purchases of the Risk Category 3 properties. This has been partially offset by:

- Corporate property projects were below budget due to delays in development and approvals of business cases for Records, Archives & Logistics centre, local board fit-outs, and Auckland House infrastructure renewals.
- Resource challenges and scope uncertainty delayed spend on the Resource Recovery Network (RNN) development programme.
- Delays in land acquisitions for parks and community facilities including 1080 State Highway 16, Reweti, for a new cemetery.

9. The increase in reserves was less than planned because the council didn't have to pay out as much as planned to settle weathertightness and associated building defects claims.

10. The decrease in investments is based on annual movement of cash balances and working capital. During the year, the level of working capital decreased less than planned.



Ngā Ratonga i Raro i te Mana o te Kaunihera

Council controlled services

\$Million	Note	Actual 2025	Long-term Plan 2025	Long-term Plan 2024
Sources of operating funding:				
General rates, uniform annual general charge, rates penalties		191	191	182
Targeted rates		-	-	15
Subsidies and grants for operating purposes	1	9	26	9
Fees and charges		62	57	61
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	101	84	81
Total operating funding		363	358	348
Applications of operating funding:				
Payments to staff and suppliers		259	268	258
Finance costs		19	18	22
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		278	286	280
Surplus (deficit) of operating funding		85	72	68
Sources of capital funding:				
Subsidies and grants for capital expenditure		3	4	-
Development and financial contributions		6	1	3
Increase (decrease) in debt	2	43	76	34
Gross proceeds from sale of assets		22	31	44
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		74	112	81
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	3	56	66	74
- to improve the level of service	3	22	26	13
- to replace existing assets	3	81	92	62
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		159	184	149
Surplus (deficit) of capital funding		(85)	(72)	(68)
Funding balance		-	-	-

Comparison of results to the Long-term Plan 2024-2034

1. Subsidies and grants for operating purposes were below plan due to a budget misalignment between this line and Local authorities fuel tax, fines, infringement fees and other receipts. The net variance is immaterial.
2. We spent less than expected on capital projects, which left us with surplus funds, meaning we didn't need to borrow as much as originally planned.
3. Capital expenditure was below plan due to the timing of venue renewal projects, as the renewals had to be scheduled for periods when no events were being held at the venues.



Te Pūrongo a te Kaitātari Motuhake mō te Kaute

Independent auditor's report

To the readers of Auckland Council's annual report for the year ended 30 June 2025

▼ Hidden Valley Festival, Matakana





Independent Auditor's Report

To the readers of Auckland Council and Group's annual report for the year ended 30 June 2025

We have audited the annual report of Auckland Council and its subsidiaries and controlled entities (together referred to as the Group) in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether Auckland Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of Auckland Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

Opinion

Unmodified opinion on the audited information other than the service performance information

In our opinion:

- the financial statements in Volume 3 on pages 7-102 present fairly, in all material respects, the financial position of Auckland Council and Group as at 30 June 2025, and their financial performance and cash flows for the year ended on that date, in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement in Volume 3 on page 109, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied for the year ended 30 June 2025 as compared to the information included in Auckland Council and Group's Long-term plan;
- the statement about capital expenditure for each group of activities in Volume 3 on pages 114-129, presents fairly, in all material respects, actual capital expenditure for the year ended 30 June 2025 as compared to the budgeted capital expenditure included in Auckland Council and Group's Long-term plan;
- the funding impact statement for each group of activities in Volume 3 on pages 114-129, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied for the year ended 30 June 2025 as compared to the information included in Auckland Council and Group's Long-term plan; and

- the service performance information, referred to as “Our performance report”, for the local activities of each local board in Volumes 2.1 to 2.21 for the year ended 30 June 2025:
 - provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each local board area, determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, in all material respects, the actual levels of service for each local board area, including:
 - the levels of service achieved compared with the intended levels of service, as set out in the local board agreement for the year, and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service, as set out in the local board agreement for the year; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Qualified opinion on the service performance information

In our opinion, except for the possible effects of the matter described in the Basis for our opinion on the audited information section, the service performance information in Volume 1 on pages 11, 28-105, 119-120, 122-123 for the year ended 30 June 2025:

- provides an appropriate and meaningful basis to enable readers to assess the Auckland Council and Group's actual service provision for each group of activities, determined in accordance with generally accepted accounting practice in New Zealand;
- fairly presents, in all material respects, the Auckland Council and Group's actual levels of service for each group of activities, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and

- the Council's disclosures about its performance against benchmarks required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 for the year ended 30 June 2025 are complete and accurate.

Basis for our opinion on the audited information

The Group in its Long-term plan 2024-2034 has included a new performance measure for its monitoring of high-risk resource consents. The Council has reported its performance against this measure in Volume 1 on pages 82 and 84.

As explained by the Council on page 82 and footnote 8 on pages 85-86, there are data integrity issues, including inaccuracies in the risk classifications for consents. Due to these data limitations, we are unable to determine whether the reported result is materially correct. As a result, our opinion is qualified in respect of this performance measure.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the *Professional and Ethical Standards*, the *International Standards on Auditing (New Zealand)*, and New Zealand Auditing Standard 1 (Revised); *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the "Responsibilities of the auditor for the audited information" section of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

We are independent of Auckland Council and Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)*, as applicable to audits of public interest entities, issued by the New Zealand Auditing and Assurance Standards Board. We have also fulfilled our other ethical responsibilities in accordance with the Auditor-General's Auditing Standards.

In addition to the audit, the Auditor-General's staff and appointed auditors and their staff have carried out a range of assurance engagements, including an assurance engagement in respect of mandatory greenhouse gas emissions information disclosed in the Group's Climate Statement in Volume 4 of this annual report, which are compatible with those independence requirements. These engagements have not impaired our independence as auditor of Auckland Council and Group. Other than these engagements, and in exercising our functions and powers under the Public Audit Act 2001, we have no relationship with or interests in Auckland Council and Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited information of Auckland Council and Group for the current period. In applying our professional judgement to determine key audit matters, we considered those matters that are complex, have a high degree of uncertainty, or are important to the public because of their size or nature.

These key audit matters were addressed in the context of our audit of the audited information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for our opinion on the audited information section, we have determined the matters described below to be the key matters to be communicated in our report.

Description of key audit matter	How we addressed this matter
Audit of the service performance information (statement of service provision)	
Auckland Council prepares its Long-term plan and service performance information at the group level, therefore capturing the significant activities delivered by substantive Council Controlled Organisations (CCOs) including Auckland Transport and Watercare as well as the service provision for each local board area. As part of our separate audit of the 2024-2034 Long-term plan, we concluded that the Long-term plan provides a reasonable basis for: • long-term, integrated decision-making and co-ordination of the Council's resources; and • accountability of the Council to the community. Auckland Council is required by the Local Government Act 2002 (the Act) to report service performance information (a "statement of service provision") comparing the level of service achieved during the year against the measures and targets outlined in the forecast Group of Activities established in the Long-term plan. The Act also requires Auckland Council to report against the performance targets set out in local board agreements for the year. The service performance information includes the information in Volume 1 on pages 11, 28-105, 119-120 and 122-123, and "Our performance report", for the local activities for each local board in Volumes 2.1 to 2.21. Service performance information is an important tool to give the community a clear understanding of the Group's achievements and results. The reported performance information should provide appropriate and meaningful information that allows readers to understand how well the Group has performed against the key priorities and planned levels of service set out in the Long-term plan. Rates paid by the community are used to fund the planned levels of service.	In obtaining sufficient appropriate audit evidence, we: • Identified performance measures that in our view provide a reasonable basis for accountability of Auckland Council to the community and are most significant to readers of the Group's service performance information. • Assessed whether the levels of service and performance measures are reasonable estimates and reflect the main aspects of Auckland Council and Group's intended service delivery and performance. • Understood the processes Auckland Council and Group have in place to capture service performance for significant performance measures in a consistent and accurate manner across the Group. • For performance measures that we considered to be significant, tested supporting evidence. This included inspection of supporting documentation, reperformance of calculations and testing the integrity of underlying data on a sample basis. Where relevant, this involved assessing the competence, capabilities, and objectivity of Auckland Council and Group's subject matter experts. • Assessed the reasonableness of the assumptions and measurement bases underlying the reported results. • Assessed whether the service performance information was appropriately presented, complete, balanced and meaningful based on our knowledge of Auckland Council and Group's overall performance and priorities. • Evaluated the performance information for compliance with the requirements of the Local Government Act 2002, the Non-Financial Performance Measures Rules 2024, and PBE FRS 48 <i>Service Performance Reporting</i>.

Description of key audit matter	How we addressed this matter
As a result, we consider this a key focus of our audit due to its importance to the public.	Other than in respect of monitoring of high-risk resource consents as discussed in the Basis for our opinion, we considered the results of the procedures above satisfactory in forming our opinion on the Group's service performance information.
Valuation of infrastructure assets: Water and Wastewater, and Roads and Formation	
Auckland Council Group's portfolio of infrastructure assets was valued at \$51.2 billion as at 30 June 2025, as discussed in note B1 to the financial statements, in Volume 3 on pages 29-44. The infrastructure assets are carried at fair value, with revaluations performed periodically, or when the fair value is materially different to the carrying value. Infrastructure assets revalued this year include Water and Wastewater assets, and Roads and Formation assets. These valuations were carried out by independent valuers. The accuracy of the valuations depends on the completeness and accuracy of the underlying asset information, the appropriateness of the assumptions used and the judgements applied in determining the remaining useful lives for depreciation. The key assumptions for these valuations are replacement costs and useful lives. Some valuations are inherently more complex, involving sophisticated valuation methodologies and significant assumptions derived from multiple data sources. Because of the large value of the infrastructure assets held by Auckland Council Group, changes in value or expected useful life of certain components can have a significant impact on the depreciation expense recognised in the financial statements. We considered the valuation of infrastructure assets, including Water and Wastewater, and Roads and Formation, a key audit matter due to the significance of the amounts involved and the judgements applied.	In obtaining sufficient appropriate audit evidence over these valuations we: • Tested the source data used for the valuations. • Assessed the competence, capabilities, and objectivity of the external valuer (and our own independent specialists, where used). • Met with the external valuers and confirmed our understanding of the valuation methodologies and assumptions used in the valuations. We evaluated the reasonableness of those methodologies and assumptions. • Engaged our own independent roading valuation specialist to assess the methodologies and key assumptions used to value the Roads and Formation infrastructure assets. • Tested the reasonableness of unit rates and estimated useful lives used to revalue Water and Wastewater and Roads and Formation assets. • Assessed the overall valuation changes and obtained supported explanations from the valuers for any significant or unexpected changes in value. • Evaluated whether the Auckland Council Group have accounted for the valuations in accordance with the requirements of PBE IPSAS 17 <i>Property, Plant and Equipment</i> and other relevant accounting standards. • Assessed the adequacy of related financial statements disclosures. As a result of the above procedures, we are satisfied that the values of Water and Wastewater, and Roads and Formation assets held at fair value in Auckland Council Group's financial statements are reasonable and supportable.

Description of key audit matter	How we addressed this matter
Valuation of the weathertightness and property buy-out provisions	
Auckland Council recognises a provision towards the cost of repairing Auckland homes impacted by weathertightness issues. Auckland Council also recognises a provision for property buy-outs arising from severe weather events in 2023. In valuing these provisions, Auckland Council engages an external actuary. Weathertightness provision As discussed in Note D4 to the financial statements, in Volume 3 on pages 65-69, Auckland Council recognised a provision for weathertightness and associated building defect claims of \$243 million for the year ended 30 June 2025. The actuarial valuation of the provision is complex and subject to a high degree of judgement and estimation uncertainty. Property buy-out provision Auckland Council entered into a funding agreement with the Government for the cost sharing of the region's recovery from severe weather events in 2023. As part of this agreement, Council has an obligation to buy certain properties from the owners (categorised as risk category 3 properties). As disclosed in Note D4 to the financial statements, in Volume 3 on pages 65-69, Auckland Council recognised a provision of \$356 million as at 30 June 2025 towards the cost of risk category 3 property buy-outs. The actuarial valuation of the property buy-out provision is subject to judgement and estimation uncertainty. While the number of properties is now reasonably certain, the estimated settlement price for the remaining properties is based on assumptions about the property market valuation, insurance settlement amount, and homeowner contribution. Changes in certain assumptions could lead to changes in value of the provision. We considered the valuation of the property buy-out provisions and weathertightness and associated building defect claims provision a key audit matter because the impact on the financial statement is significant, and the valuation of these provisions is complex and subject to significant judgement and estimation. The provisions are also of significant	In respect of these provisions, we read the actuary's valuation report and met with the actuary to understand the valuation methodology, changes in key inputs and assumptions and reasons for valuation changes from last year. We assessed the actuary's competence, capabilities, and objectivity, including whether they had any other engagements or relationships with Auckland Council and Group. We assessed the valuation methodology and assumptions for reasonableness and compliance with the requirements of the applicable financial reporting standard. We also engaged our own actuary to assist with our review and challenge of the appropriateness of key judgements and assumptions in the valuations. In respect to weathertightness claims, we agreed active claims data to representations from Auckland Council's external legal advisers and reconciled the legal advisers' loss reserve estimates to the actuary's provision calculation. We also made enquiries of Auckland Council's in-house legal team and the actuary about any recent claims, court decisions, or any changes in legislation that could significantly affect this provision. We reassessed the reasonableness of last year's estimates considering the current year valuation, as well as relevant activity including settlements during the year. We assessed the adequacy of the related disclosures. As a result of the above procedures, we are satisfied the provisions for property buy-outs, and weathertightness and associated building defect claims in the Auckland Council and Group's financial statements are reasonable, supportable and appropriately disclosed.

Description of key audit matter	How we addressed this matter
interest to the community, as the obligation is owed to property owners in the region.	
Valuation of derivatives	
Borrowings are sourced from domestic and offshore debt markets. As discussed in Note C1 to the financial statements, in Volume 3 on pages 51-52, the foreign currency denominated borrowings of the Auckland Council Group were \$8 billion, compared to total borrowings of \$14.6 billion, as at 30 June 2025. As discussed in Note A3 to the financial statements, in Volume 3 on pages 26, Auckland Council Group reported net foreign exchange revaluation losses on borrowings held at amortised cost of \$518 million. Auckland Council and Group use derivatives to mitigate risks associated with foreign currency and interest rate fluctuations when borrowing funds. Auckland Council and Group's derivatives are recognised at fair value and are measured using discounted cash flow valuation techniques, based on inputs from independently sourced market information. As discussed in Note C2 to the financial statements, in Volume 3 on pages 53-54, Auckland Council Group reported derivative assets with a fair value of \$736 million, and derivative liabilities with a fair value of \$400 million at 30 June 2025. For the year ended 30 June 2025, as discussed in Note A3 to the financial statements, in Volume 3 on page 26, there was a net gain on derivatives of \$366 million recognised by Auckland Council Group compared to a net loss of \$15 million in the prior year. We consider derivatives a key audit matter because there is judgement needed in their valuation, the values rely on assumptions, and the values are sensitive to small movements in market interest rates and foreign exchange rates. These can have a significant effect on the value of the derivatives and the consequential gain or loss that is recognised in the financial statements.	In obtaining sufficient appropriate audit evidence we carried out audit procedures that were appropriate to the nature of the derivatives and the uncertainties associated with determining their fair value. These included: • We obtained independent confirmations to verify that all the derivatives existed, and that their terms and conditions were accurately recorded. • We reperformed market-to-market valuations, on a sample basis, to evaluate whether the fair value of derivatives had been reasonably calculated and reported by management. In performing this testing, we used our internal valuation model, or, for the more complex derivative valuations, we engaged financial instrument valuation specialists to test a sample of instruments. • Where we used independent specialists, we assessed the specialists' competence, capabilities, and objectivity, and confirmed the appropriateness of using the specialists' work as audit evidence. • We considered the adequacy of related disclosures, including the interest rate risk disclosures in Note E1 to the financial statements, in Volume 3 on pages 74-75, and disclosures explaining the gain on derivatives in Note A3 to the financial statements, in Volume 3 on page 26. • We assessed whether the information provided in the financial statements would enable a reader to understand the impact on the fair value of the derivatives as a result of the movements in the interest rates and foreign exchange rates during the financial year. As a result of the above procedures, we are satisfied that the derivative valuations, and supporting information about derivatives, in Auckland Council and Group's financial statements are reasonable, supportable, and appropriately disclosed.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or the knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report. The Council's responsibilities include the preparation and fair presentation of the financial statements of the Auckland Council and Group in accordance with Public Benefit Entity Reporting Standards.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information for audit, the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of Auckland Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Local Government Act 2002, the Local Government (Financial Reporting and Prudence) Regulations 2014 and the Financial Markets Conduct Act 2013.

Our responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to Auckland Council and Group's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also, we:

- Identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Auckland Council and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Evaluate whether the service performance information of the Auckland Council and Group includes all groups of activities that we consider are likely to be material to the readers of the annual report. We also evaluate whether the service performance information for each local board includes all local activities that we consider are likely to be material to the readers of the annual report.
- Evaluate whether the measures selected and included in the service performance information of the Auckland Council and Group, and for each local board, present an appropriate and meaningful basis that will enable readers to assess the actual performance of the Auckland Council and Group, and for each local board area. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on Auckland Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause Auckland Council and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements.

To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 accurately reflect information drawn from the Council's audited information and, where applicable, the Council's Long-term plan and annual plans.

Our other responsibilities

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Council, we determine those matters that were of most significance in our audit and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Our responsibilities arise from the Public Audit Act 2001.



Wikus Jansen van Rensburg
Appointed Auditor
Auckland, New Zealand
25 September 2025



Grant Taylor
Controller and Auditor-General
Wellington, New Zealand
25 September 2025

Ngā herenga mō NZX me ētahi rārangi tauhokohoko

NZX and other exchange listing requirements

This section provides information on waivers granted by NZX and requirements of other exchange listings.

City Rail Link construction. Photo credit: City Rail Link ▲

Summary of waivers granted by NZX

For the purposes of NZX Listing Rule 3.7.1(g), the council discloses that, in the 12-month period preceding 30 June 2025, the council has relied on:

- a waiver from NZX Listing Rules 3.6.1(b)(ii) and 3.6.3 dated 23 January 2020.

This waiver was granted from NZX Listing Rules 3.6.1(b)(ii) and 3.6.3 to the extent that these rules require the council to send to Security Holders a hard copy, or a notice that they can request a hard copy, of its annual report. The effect of the waiver is that the council must send (on request), instead of its annual report, its audited consolidated financial statements, together with the information required by the Listing Rules in relation to the annual report. It must ensure its most recent annual reports are available in hard copy at council-designated public locations.

Spread of public bondholders at 1 August 2025

Holding range	Number of bondholders	Value held (\$)	Percentage of bonds held
5,000 to 9,999	25	151,000	0.01
10,000 to 49,999	293	6,391,000	0.50
50,000 to 99,999	95	5,644,000	0.44
100,000 to 499,999	92	18,006,000	1.41
500,000 to 999,999	24	15,388,000	1.20
1,000,000 +	58	1,234,420,000	96.44
Total	587	1,280,000,000	100.00

The top 20 NZX listed bondholders of the group as at 1 August 2025 were:

Entity	Holding (\$)
Accident Compensation Corporation	194,450,000
BNP Paribas Nominees (NZ) Limited - BPSS40	122,719,000
HSBC Nominees (New Zealand) Limited O/A Euroclear Bank	98,163,000
Westpac New Zealand Limited	90,000,000
Tea Custodians Limited Client Property Trust Account	83,619,000
HSBC Nominees (New Zealand) Limited	70,925,000
Custodial Services Limited	68,823,000
Forsyth Barr Custodians Limited	43,943,000
HSBC Nominees (New Zealand) Limited A/C State Street	41,186,000
FNZ Custodians Limited	40,942,000
Citibank Nominees (New Zealand) Limited	31,980,000
ASB Bank Limited - Treasury Division	30,000,000
Kiwibank Limited - NZCSD	30,000,000
Pin Twenty Limited	24,500,000
Public Trust (American Income Life Insurance Company)	24,500,000
ANZ Custodial Services New Zealand Limited	23,476,000
Industrial and Commercial Bank of China (New Zealand) Limited	20,000,000
TSB Bank Limited	20,000,000
JBWERE (NZ) Nominees Limited	14,145,000
ANZ Wholesale NZ Fixed Interest Fund	13,540,000
	1,086,911,000

Other exchange listings

In addition to NZX, Auckland Council Group also has foreign bonds listed on Swiss Exchange and Singapore Stock Exchange.

The Swiss Exchange requires a summary of main differences between IFRS and PBE Accounting Standards. These are highlighted on the following pages.

Ngā rerekētanga matua i waenga i ngā Paerewa Kaute o IFRS me PBE

Main differences between IFRS and PBE Accounting Standards

Introduction

Under the New Zealand Accounting Standards Framework, public sector public benefit entities apply PBE Accounting Standards. The New Zealand Accounting Standards Framework defines public benefit entities (PBEs) as reporting entities ‘whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders’. Many public sector entities are classified as PBEs. The group is classified as a public sector PBE for financial reporting purposes and therefore the financial statements of the group have been prepared in accordance with PBE Accounting Standards.

The PBE Accounting Standards are primarily based on International Public Sector Accounting Standards (IPSAS). IPSAS are based on International Financial Reporting Standards (IFRS) but are adapted to a public sector context where appropriate by using more appropriate terminology and additional explanations where required. For example, IPSAS introduces the concept of service potential in addition to economic benefits in the asset recognition rules, and provides more public sector specific guidance where appropriate. This is in contrast with IFRS that are written for the for-profit sector with capital markets in mind.

The key differences in recognition and measurement between PBE Accounting Standards applicable to the group and IFRS (applicable to annual periods beginning on or after 1 July 2024) are set out below. Differences that impact only on presentation and disclosure have not been identified.

PBE Accounting Standards with comparable IFRS equivalent

Formation of Auckland Council Group

PBE

PBE IFRS 3 *Business Combinations* contains a scope exemption for business combinations arising from local authority reorganisations. This scope exemption is carried forward from NZ IFRS 3 (PBE) *Business Combinations*, the standard that was applicable to the group at the time it was formed on 1 November 2010 as a result of the amalgamation of eight predecessor Auckland local authorities.

Under the exemption, all assets and liabilities of the predecessor local authorities were recognised by the group using the predecessor values of those assets and liabilities. The initial value at which those assets and liabilities were recognised by the group is deemed to be their cost for accounting purposes.

IFRS

Without the scope exemption, the amalgamation of the predecessor local authorities into the group would have been accounted for as a business combination under IFRS 3 applying the acquisition method. Under the acquisition method, an acquirer would have been identified and all of the identifiable assets and liabilities acquired would have been recognised at fair value at the date of acquisition.

Impact

The impact of the above accounting treatment is that the carrying value of the assets and liabilities received were not remeasured to fair value and no additional assets and liabilities such as goodwill and contingent liabilities, or a discount on acquisition were recognised as would have been required if the transaction was accounted for as a business combination under IFRS 3.

Business combinations

PBE

PBE IPSAS 40 *PBE Combinations* has a broader scope compared to IFRS 3 *Business Combinations*. The scope of PBE IPSAS 40 includes combinations that are acquisitions and combinations that are amalgamations, such as combinations under common control.

Acquisitions are accounted for using the acquisition method consistent with the requirements of IFRS 3.

PBE IPSAS 40 contains additional guidance on the accounting for amalgamations. Amalgamations are accounted for using the modified pooling of interest method, where the resulting entity recognises the combining operations' assets, liabilities at their historical values as at the amalgamation date.

IFRS

All transactions in the scope of IFRS 3 are accounted for applying the acquisition method.

IFRS 3 does not contain guidance on the accounting for amalgamations. Therefore, under IFRS, an entity would need to adopt a policy on accounting for combinations under common control, either applying acquisition accounting or predecessor accounting.

Impact

Accounting for acquisitions is similar under both IFRS 3 and PBE IPSAS 40.

The accounting for amalgamations is also similar under PBE IPSAS 40 and IFRS, if, under IFRS, the entity's accounting policy for such transactions is to apply predecessor accounting.

Property, plant and equipment

PBE

In accordance with PBE IPSAS 17 *Property, Plant and Equipment*, PBEs are required to account for revaluation increases and decreases on an asset class basis rather than on an asset-by-asset basis.

IFRS

IFRS requires asset revaluations to be accounted for on an asset-by-asset basis.

Impact

Decreases on revaluation will be recognised in operating surplus except to the extent there is sufficient asset revaluation reserves surplus relating to the same class of assets under PBE Accounting Standards and relating to the same asset under IFRS. This difference could result in higher operating results under PBE Accounting Standards where there is a decrease in the carrying value of an asset. This is because, to the extent that there is sufficient revaluation surplus in respect of the same asset class (as opposed to the same asset), the group recognises a revaluation decrease in asset revaluation reserves.

Borrowing costs

PBE

PBE IPSAS 5 *Borrowing Costs* permits PBEs to either capitalise or expense borrowing costs incurred in relation to qualifying assets. A qualifying asset is defined in PBE IPSAS 5 'as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale'. The group's accounting policy is to expense all borrowing costs. As a consequence, borrowing costs are not included in the original cost or revaluations of qualifying assets.

IFRS

IAS 23 *Borrowing Costs* requires capitalisation of borrowing costs incurred in relation to qualifying assets. The definition of a qualifying asset is identical to that definition in PBE IPSAS 5.

Impact

This difference results in the group's property, plant and equipment value, and subsequent depreciation expense, being lower than they would be under IFRS. In addition, there is higher interest expense in the periods in which qualifying assets are constructed.

Impairment of Assets

PBE

PBEs apply PBE IPSAS 21 *Impairment of Non-Cash-Generating Assets* or PBE IPSAS 26 *Impairment of Cash-Generating Assets*, as appropriate to determine if a non-financial asset is impaired. PBEs are therefore required to designate non-financial assets as either cash-generating or non-cash-generating. Cash-generating assets are those that are held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The PBE Accounting Standards require the value in use of non-cash-generating assets to be determined as the present value of the remaining service potential using one of the following: the depreciated replacement cost approach; the restoration cost approach; or the service units approach.

IFRS

IFRS does not provide specific guidance for the impairment of non-cash-generating assets. The value in use of an asset or a cash generating unit is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Impact

Assets with future economic benefits that are not primarily dependent on the asset's ability to generate cash and may not be impaired under PBE Accounting Standards because of the asset's ability to generate service potential might be impaired under IFRS due to limited generation of cash flows. The group's asset values may therefore be higher under PBE Accounting Standards because some impairment may not be required to be recognised, that would be required to be recognised under IFRS. Further, the value in use of an asset may be different under PBE Accounting Standards due to differences in calculation methods.

PBE Accounting Standards that have no IFRS equivalent / IFRS equivalent is not comparable

The following standards provide guidance on the same or similar topics but are not directly comparable. The comparison below identifies the key recognition and measurement difference.

Revenue from non-exchange transactions**PBE**

The PBE Accounting Standards require revenue to be classified as revenue from exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Non-exchange transactions are transactions that are not exchange transactions.

PBE IPSAS 23 *Revenue from Non-Exchange Transactions* deals with revenue from non-exchange transactions. The group's non-exchange revenue includes revenue from general rates, fuel tax, grants and subsidies.

Fees and user charges derived from activities that are partially funded by general rates are also considered to be revenue arising from non-exchange transactions.

The group recognises an inflow of resources from a non-exchange transaction as revenue except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when a condition is attached to the revenue that requires that revenue to be returned unless it is consumed in the specified way. As the conditions are satisfied, the liability is reduced and revenue is recognised.

IFRS

IFRS does not have a specific standard that deals with revenue from non-exchange transactions. IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* contains guidance relating to the accounting for government grants. Under IAS 20, government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate. In the case of grants related to assets, IAS 20 results in setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Impact

The group's accounting policy may lead to earlier recognition of revenue from non-exchange transactions than if it was recognised under IAS 20. It may also result in differences in asset values in relation to grants related to assets.

Revenue from exchange transactions**PBE**

As discussed above, the PBE Accounting Standards require revenue to be classified as revenue from exchange or non-exchange transactions.

PBE IPSAS 9 *Revenue from Exchange Transactions* deals with revenue from exchange transactions. The group's exchange revenue includes revenue from fees and user charges (water and wastewater charges, development contributions, infrastructure charges, port operations, consents, licences and permits) and revenue from sales of goods.

The group recognises revenue related to services on a percentage of completion basis over the period of the service supplied. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership have been passed to the buyer.

IFRS

IFRS 15 *Revenue from Contracts with Customers* introduces a single revenue model for contracts with customers. It does not distinguish between sales of goods and services. It defines transactions based on performance obligations, which are promises to transfer goods or services in a contract with a customer.

The core principle of the standard is that revenue is recognised as a result of the entity satisfying performance obligations or promises to transfer goods or services at an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. These may be satisfied over time versus at a point in time based on when control of the good or service transfers to a customer.

Impact

The group's accounting policy may result in a different timing of recognition of revenue from exchange transactions compared to IFRS 15.

For example, IFRS 15 contains more detailed guidance on identifying distinct performance

obligations in a contract and allocating the consideration to these based on the standalone selling price of the performance obligations. This may result in some revenue recognised earlier or later than under PBE IPSAS 9.

Further, IFRS 15 contains detailed guidance on the accounting treatment of variable consideration which may result in change in timing of recognising revenue related to items such as rebates and price concessions.

The impact of these differences may result in revenue recognised earlier/later in the contract period however it should not impact on the total revenue recognised during the contract term.

Service Concession Arrangement (also known as Public Private Partnership Arrangements)**PBE**

PBE IPSAS 32 *Service Concession Arrangements* deals with the accounting for service concession arrangements from the grantor's perspective. Service concession arrangements are more commonly known as Public Private Partnership (PPP) arrangements. Broadly, service concession arrangements are arrangements between the public and private sectors whereby public services are provided by the private sector using public infrastructure (service concession asset).

PBE IPSAS 32 requires the grantor (public entity) to recognise the service concession asset and a corresponding liability on its statement of financial position. The liability can be a financial or other liability or a combination of the two depending on the nature of the compensation of the operator.

A financial liability is recognised if the grantor compensates the operator by the delivery of cash or another financial asset. A non-financial liability is recognised if a right is granted to the operator to charge the users of the public service related to the service concession asset (liability for unearned revenue).

IFRS

IFRS contains no specific guidance addressing the accounting by the grantor (public entity) in a service concession arrangement. However, IFRS contains guidance for the operator's accounting (private entity).

Impact

Applying IFRS to service concession arrangements would not result in a significant impact on the group's financial position or financial performance as, in absence of specific guidance in NZ IFRS, prior to the adoption of PBE Accounting Standards, NZ practice has been to 'mirror' the accounting treatment of the private entity under IFRS which is consistent with the requirements of the PBE Accounting Standards.

Fair Value Measurement**PBE**

There is no specific standard in the PBE Accounting Standards, however a number of PBE Accounting Standards contain guidance on the measurement of fair value in specific context (for example PBE IPSAS 17 *Property, Plant and Equipment* and PBE IPSAS 41 *Financial Instruments*).

IFRS

IFRS 13 *Fair Value Measurement* does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

Impact

The application of IFRS 13 may result in differences in the measurement of certain property, plant and equipment compared to PBE IPSAS 17 and financial assets and liabilities compared to PBE IPSAS 41.

Lease accounting

PBE

Under PBE IPSAS 13 *Leases*, the group's current accounting policy is to make a distinction between finance leases and operating leases.

Finance leases are recognised on the statement of financial position.

Operating leases are not recognised on the statement of financial position, instead, payments are recognised in the statement of financial performance on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee's benefit.

IFRS

IFRS 16 *Leases* requires the lessee to recognise almost all lease contracts on the statement of financial position; the only optional exemptions are for certain short-term leases and leases of low-value assets.

There is no significant difference in respect of the accounting treatment applicable to lessors, or for lessees in contracts classified as finance leases under PBE IPSAS 13.

Impact

Where the group is the lessee in contracts classified as operating leases under its current accounting policy, applying IFRS 16 would result in the group having to recognise a 'right-of-use' asset (that is, the asset that reflects the right to use the leased asset) and a corresponding lease liability (obligation to make lease payments) on its statement of financial position.

Further, applying IFRS 16 would result in the group having to recognise interest expense on the lease liability and depreciation on the 'right-of-use' asset. Due to this, for lease contracts currently classified as operating leases, the total amount of expenses at the beginning of the lease period would be higher than under the current accounting policy of the group.

There is no significant difference where the group is a lessor in the lease arrangement or a lessee in contracts classified as a finance lease under PBE IPSAS 13.

Te papakupu whāiti

Glossary

Activity or service

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

Amortisation

The systematic allocation of the value of an intangible asset over its useful life.

Annual Plan, Annual Budget

The plan that sets out what the council seeks to achieve in a financial year, the services we will provide, how much money will be spent and where that money will come from.

Annual report

A document that tracks the group and the council's annual performance and reports against the relevant annual budget.

Associates

Entities that the group and/or the council have significant influence over. Our share of the associates' surplus/deficit and net assets is recorded in the group and the council financial statements.

Auckland Council

The local government of Auckland established on 1 November 2010. Auckland Council is made up of the Governing Body, 21 local boards and the Auckland Council organisation (operational staff).

Auckland Council Group

The group consists of the council, and its subsidiaries (council-controlled organisations and Port of Auckland Limited), associates and joint ventures.

Auckland plan

A 30-year plan for Auckland. Required by the legislation that established Auckland Council, it is a comprehensive long-term strategy for Auckland's growth and development, and includes social, economic, environmental and cultural goals that support the vision for Auckland to become a world-class city.

Better-off funding

Funding was received from central government in 2022/2023 related to the water services reform programme. The funding was provided to fund operating expenditure in the short-term and in line with funding criteria. The legislation for water services reform programme was repealed in 2023/2024.

Budget

The itemised formally adopted estimate of expected revenue and expenditure through 10-year budget/annual budget for a given period.

Capital expenditure

Spending on buying or building new assets and renewing existing assets. The capital expenditure includes the amount paid to purchase Risk Category 3 damaged properties. Land purchased is intended to be used as public open space reserves, stormwater reserves that reduce flood risk, or in some cases parts of the land purchased may be sold. The purchased properties are valued in accordance with our accounting policies, and the resulting values are different from the acquisition costs.

City Rail Link (CRL)

A rail project in central Auckland designed to connect the Britomart Transport Centre with the Western Line at Mount Eden Railway Station. The project is delivered by City Rail Link Limited (CRL). Refer to Note F3 Investment in other entities.

Council-controlled organisation (CCO)

A company or other entity under the control of local authorities through their shareholding of 50 per cent or more, voting rights of 50 per cent or more, or right to appoint 50 per cent or more of the directors. Some organisations may meet this definition but are exempted as CCOs.

Credit Support Annexures (CSAs)

An agreement which provides collateral for derivative transactions. The purpose is to reduce credit risk to a counterparty by providing security.

Depreciation

This represents the reduction in the value of assets over time. When applied on intangible assets, such as IT programmes, it is known as amortisation.

Development contributions

A charge paid by developers to the council when they build or subdivide property. The council uses this money to help pay for the new assets such as roads, pipes and parks that are needed to support the new households or businesses that will occupy the new properties that have been developed.

Direct operating expenditure

Costs involved in the day-to-day running of the organisation, excluding accounting and finance-related items such as depreciation, interest expenses, and changes in provisions.

Effective interest method

A method of calculating the amortised cost of a financial instrument and of allocating the interest revenue or expense over the relevant period by using the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Fair value

Amount which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Financial Markets Conduct Act 2013 (FMCA 2013)

The Financial Markets Authority regulates capital markets and financial services in New Zealand. It is governed by the Financial Markets Conduct Act 2013, which promotes confident and informed participation of businesses, investors, and consumers in the financial markets; and promotes and facilitates the development of fair, efficient, and transparent financial markets.

Governing Body

The Governing Body is made up of the mayor (elected city wide) and 20 councillors (elected on a ward basis). It shares its responsibility for decision-making with the local boards. It focuses on the big picture and on region-wide strategic decisions. Because each ward may vary in population, some wards have more than one councillor.

Grants and subsidies

Money that someone pays to the council to cover (or help cover) the cost of providing a service to Aucklanders. Sometimes grants also refers to money the council pays to a community organisation to provide services to Aucklanders, rather than council providing those services directly.

Green bonds

Bonds issued to finance projects or assets that deliver positive environmental outcomes or refinance corporate debt that supports these projects or assets.

Green bond framework

The document which outlines how the council proposes to issue and manage its green bonds on an ongoing basis.

Group of activities

One or more related activities provided by, or on behalf of the group and the council.

Infrastructure growth charge

Amount collected by Watercare Services Limited from property owners or developers applying for new connections to help fund new infrastructure required by growth.

Joint ventures

Contractual arrangements whereby the group or the council undertakes an economic activity that is subject to joint control or an interest in an entity with an external party.

Legacy councils

The eight former territorial authorities in the Auckland region that were disestablished on 31 October 2010. They comprise Auckland City Council, Auckland Regional Council, Franklin District Council, Manukau City Council, North Shore City Council, Papakura District Council, Rodney District Council and Waitakere City Council.

Local boards

There are 21 local boards which share responsibility for decision-making with the Governing Body. They represent their local communities and make decisions on local issues, activities, and facilities.

Local Government Act 2002 (LGA 2002)

Legislation that defines the powers and responsibilities of territorial local authorities, such as Auckland Council.

Local Government (Auckland Council) Act 2009 (LGACA 2009)

The act establishes Auckland Council as a unitary authority for Auckland; and sets out its structure, functions, duties, and powers that differ from the general provisions applying to local authorities under the Local Government Act 2002 and certain other enactments. Also determines the management of transport and water supply and wastewater services for Auckland and sets out requirements relating to substantive council-controlled organisations.

Local Government (Financial Reporting and Prudence) Regulations 2014

Regulations promoting cautious financial management by local authorities requiring disclosure of performance in relation to benchmarks as a single entity and not including subsidiaries. Auckland Council must disclose, in its disclosure statements, its performance and that of its subsidiaries as a single entity.

Local Government (Rating) Act 2002 (LGRA)

Defines how territorial local authorities such as Auckland Council can set, assess and collect rates.

Local Government Funding Agency (LGFA)

An organisation jointly owned by most local authorities in New Zealand and central government to borrow on behalf of the sector.

Long-term plan

Also commonly referred to as the LTP and the 10-year Budget. This sets out the council's activities, projects, policies, and budgets for a 10-year period.

Net debt

Net debt is stated after deducting cash and term deposits with maturities greater than 90 days. The latter which are presented as other financial assets in the financial statements.

Operating expenditure

Money that the council spends on providing services in the current financial year, as opposed to building things that will provide services for years to come. It also includes paying grants spending money on staff and contractors to do process building consents, open libraries, run buses and maintain parks. It also includes things like paying grants to community organisations and paying interest on money the council has borrowed.

Optimised depreciated replacement cost

A valuation method used to estimate the price of constructing or buying a modern equivalent asset.

Rates

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

Risk Category 2P

Grant funding is provided for properties where there is assessed to be an intolerable risk to life from a future storm event for which there is a feasible mitigation at a property level.

Risk Category 3

Funding is provided for the purchase of properties as a result of severe weather events. The properties are assessed by Auckland Council to represent an intolerable risk to life with land instability or flooding and for which there are no feasible mitigation solutions. Residential properties assessed as category 3 are eligible for a buy-out.

Service concession arrangement

A binding arrangement between grantor and operator in which,

- the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement.

Service concession assets

Assets used to provide public services in a service concession arrangement.

Subsidiaries

Entities over which the group and the council have the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

Ward

An administrative and electoral area of Auckland Council. There are 13 in Auckland Council's area.

Te huarahi whakapā mai ki te kaunihera

How to contact us

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Post

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Locations that offer council services

Central City Library

44-46 Lorne Street, CBD

Great Barrier Island Library

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

Helensville Library

49 Commercial Road, Helensville

Kumeū Library

296 Main Road (SH16), Kumeū

Manukau Library

3 Osterley Way, Manukau

Ōrewa Library

12 Moana Avenue, Ōrewa

Pukekohe Library, Franklin

12 Massey Avenue, Pukekohe

Sir Edmund Hillary Library (Papakura)

1/209 Great South Road, Papakura

Takapuna Library

9 The Strand, Takapuna

Te Manawa (Westgate)

11 Kohuhu Lane, Westgate

Waiheke Library

131-133 Oceanview Road,
Oneroa, Waiheke Island

Waitākere Central Library, Henderson

3 Ratanui Street, Henderson

Warkworth Library

2 Baxter Street, Warkworth

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

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