Te Tahua Pūtea Tau 2021-2031
Te Tahua Pūtea Whakarauora

10-year Budget 2021-2031

Supporting Information

Our Recovery Budget

AK HAVE YOUR SAY

Auckland Council
Te Kaunihera o Tāmaki Makaurau

10-year Budget 2021-2031 Supporting Information

Table of Contents

Section 6: Local Board information

Section 7: Additional supporting information

Section One: Our key strategies

1.0 Strategic overview

Setting our long-term outcomes through Auckland Plan 2050

The Auckland Plan is our 30-year spatial plan to contribute to Auckland's social, economic, environmental and cultural well-being. As required by legislation, the plan provides direction on addressing Auckland's key challenges of high population growth and environmental degradation, and how we can ensure shared prosperity for all Aucklanders.

The six Auckland Plan outcomes align with the four wellbeings:

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.

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.

HOMES AND PLACES

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

TRANSPORT AND ACCESS

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

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.

We track progress through 33 outcome measures that are monitored annually with an in-depth assessment every three-years. This is the basis of Council's overall performance measurement framework.

Each Group of Activities (one or more related activities provided by, or on behalf of the Auckland Council Group and Auckland Council) contributes to one or more of these outcomes and their impacts are articulated in Part 2: Our activities.

The Auckland Plan also sets out our Development Strategy, that outlines how we will physically manage growth and change including how we will sequence growth and development. This provides direction for our infrastructure investments across the Council group in agreed priority areas as outlined in 1.2 Infrastructure Strategy.

Council's focus for the next 3 years

Over the next three years we will focus our efforts and investments on three recovery objectives, guided by the Auckland Plan. This will help us to address our immediate challenges while staying on track to achieve our long-term outcomes:

- **Community** - Strengthen social cohesion and build inclusive and resilient communities
- **Economy** - Restore economic activity with greater equity and longer-term resilience
- **Jobs** - Enable sustainable employment opportunities

For each of the Auckland Plan outcomes, we will prioritise our investments in the following areas, acknowledging we are one of many organisations that will need to play a role in Auckland's recovery:

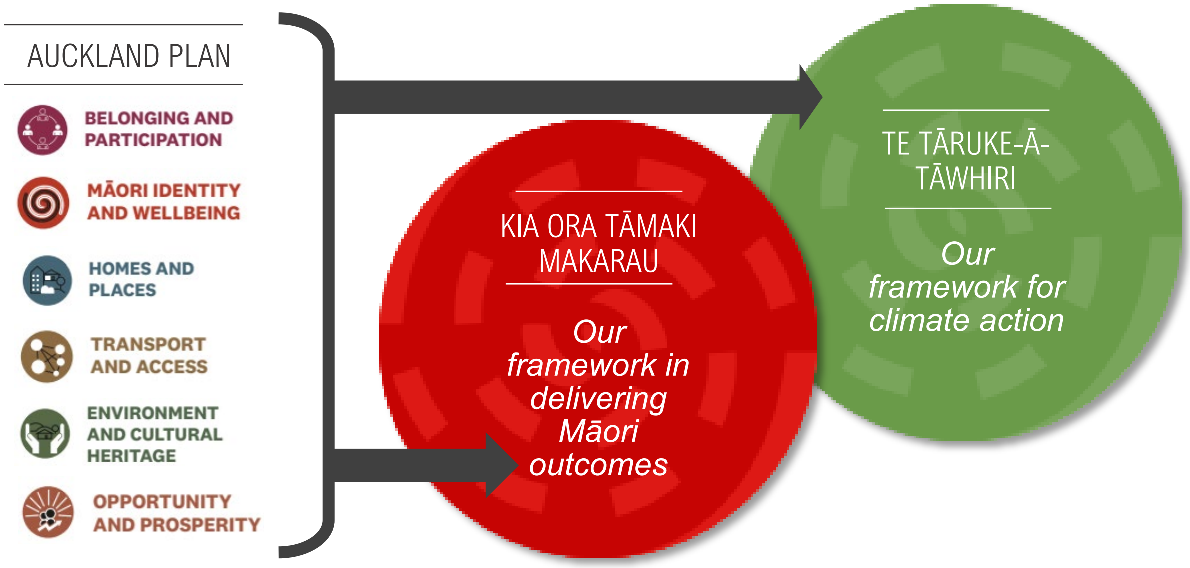
	RECOVERY FOCUS GUIDED BY OUR LONG-TERM OUTCOMES
BELONGING AND PARTICIPATION	• Deliver services in a way that builds community resilience and are adaptable to community needs (Community) • Enable community-led solutions, including mana whenua and Māori communities (Community)
MĀORI IDENTITY AND WELLBEING	• Tailor services to whānau and tamariki (focussed on essential needs) and support sustainable solutions for Māori communities (Community) • Support Māori employment and business (Economy and jobs)
HOMES AND PLACES	• Provide infrastructure to enable housing development (including social and affordable) in priority growth areas (Economy and jobs) • Create jobs through infrastructure projects (Economy and jobs) • Provide a variety of housing costs and tenure options (Community, economy and jobs)
OPPORTUNITY AND PROSPERITY	• Consider the immediate needs of businesses (Economy and jobs) • Enable local business growth and innovative business practices (Economy and jobs) • Support Māori and Pacific youth transition into workforce (Jobs)

Read the Auckland Plan here:

https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/auckland-plan/Pages/default.aspx

How it fits together

The Auckland Plan is implemented through our key strategies, regulatory plans, and funding programmes as set out in this 10-year Budget. It provides the strategic direction for council's priorities and forms the basis for alignment with Kia Ora Tāmaki Makaurau and Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan - to lead a Council-wide response to delivering Māori outcomes and contributing to our regional climate goals.



Auckland Plan Outcomes	Māori Outcomes	Climate Priorities
Belonging and Participation		Community and coast Food
Māori identity and wellbeing	Whānau and Tamariki Wellbeing Realising Rangatahi Potential Marae development Te Reo Māori Māori identity and culture Effective Māori participation	Te puāwaitanga ō te Tātai (Intergenerational whakapapa relationships of taiao (nature), whenua (land) and tangata (people) are flourishing)
Homes and Places	Papakāinga and Māori housing	Built environment
Transport and access		Transport
Environment and cultural heritage	Kaitiakitanga	Natural environment
Opportunity and prosperity	Māori business, tourism and development	Economy Energy and industry

Leading and influencing better outcomes for and with Māori

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

KIA ORA TĀMAKI MAKARAU

Where do we need to focus our efforts?

MARAE DEVELOPMENT

Goal: Marae are centres of excellence for whānau Māori and have an abundant presence in communities

Auckland Council contributes by:

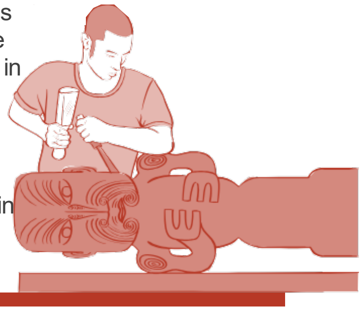
- providing holistic support to marae as to ensure they are resilient, sustainable and thriving.
- supporting the role of marae through effective relationships, funding and planning

MĀORI BUSINESS, TOURISM AND EMPLOYMENT

Goal: Intergenerational wealth is created through a thriving Māori economy

Auckland Council contributes by:

- ensuring Mana Whenua, Mataawaka and key stakeholders are well-informed and have access to robust information on the shape and drivers of the Māori economy in Tāmaki Makaurau
- Supporting Māori businesses to innovate and thrive
- creating strategic alignment of stakeholders and key influencers in the Māori economy in Tāmaki Makaurau.



PAPAKĀINGA AND MĀORI HOUSING

Goal: Whānau Māori live in warm, healthy and safe homes and housing options meet the individual and communal needs

Auckland Council contributes by:

- improving infrastructure to support needs and aspirations
- providing expert advice and investment

MĀORI IDENTITY AND CULTURE

Goal: Tāmaki Makaurau is rich with Māori identity and culture.

Auckland Council contributes by:

- ensuring matauranga Māori is valued and informs council activities
- ensuring Māori identity is reflected and promoted in the environment

REALISING RANGATAHI POTENTIAL

Goal: Rangatahi Māori realise their potential

Auckland Council contributes by:

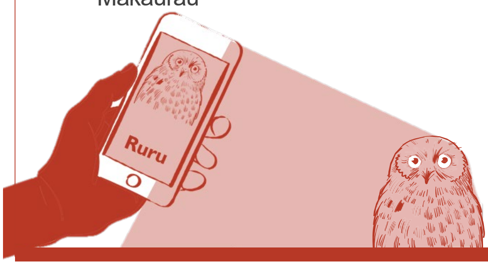
- implementing programmes for rangatahi wellbeing and career development
- enabling rangatahi to participate in council's decision-making processes

TE REO MĀORI OUTCOMES

Goal: Ko te reo Māori te mauri o te mana Māori

Auckland Council contributes by:

- making sure te reo Māori is learned and practiced
- ensuring te reo Māori is seen, heard, spoken and learned throughout Tāmaki Makaurau

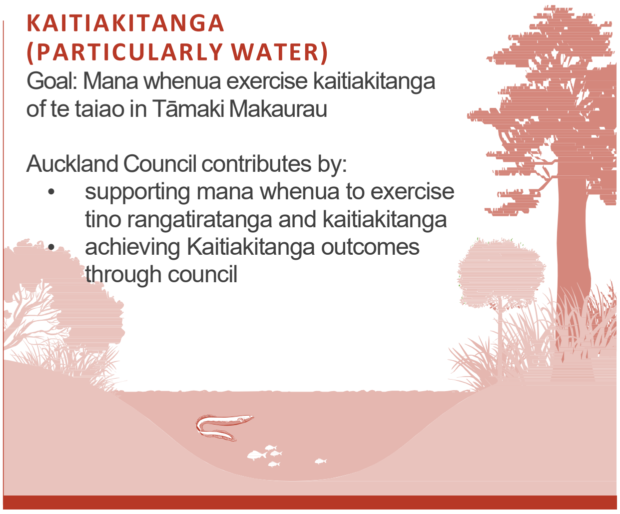


KAITIAKITANGA (PARTICULARLY WATER)

Goal: Mana whenua exercise kaitiakitanga of te taiao in Tāmaki Makaurau

Auckland Council contributes by:

- supporting mana whenua to exercise tino rangatiratanga and kaitiakitanga
- achieving Kaitiakitanga outcomes through council



WHĀNAU AND TAMARIKI WELLBEING

Goal: Empowered whānau Māori across Tāmaki Makaurau

Auckland Council contributes by:

- supporting Māori-led services
- creating welcoming spaces informed by te ao Māori

EFFECTIVE MĀORI PARTICIPATION

Goal: Mana whenua and Māori are active partners, decision-makers and participants alongside Auckland Council

Auckland Council contributes by:

- ensuring Māori are active Te Tiriti o Waitangi partners and decision- makers
- supporting a Mana Whenua governance forum and its strategic plan

AN EMPOWERED ORGANISATION

Goal: Council achieves outcomes and benefits for and with Māori

Auckland Council contributes by:

- honouring commitments and obligations under Te Tiriti o Waitangi
- developing competency of elected members and staff to work effectively with Māori
- supporting career development and progression of Māori and specialist staff
- ensuring Māori staff are connected
- and supported

Council's focus for the next 3 years

Delivering on Kia Ora Tāmaki Makaurau across the Council Group and establishing a clear pathway to monitor the impacts against the Māori outcomes:

- **Whānau and Tamariki Wellbeing** Supporting whānau and tamariki wellbeing through services delivered in council facilities (e.g. libraries) as well as support whānau safety through licensing activities.
- **Realising Rangatahi Potential** Council enables rangatahi participation in council activities to support rangatahi in leadership, training and employment.
- **Marae development** Delivering the Marae Infrastructure Programme that aims to ensure
- that marae are healthy and sustainable cultural hubs. Delivering the Cultural Initiatives Fund, and annual contestable grant available for marae and papakāinga covering capital works, maintenance, feasibility and concept design, strategic financial planning, governance and asset management.
- **Te Reo Māori** Delivering the Te Reo Action Plan that provides a strategic framework for council's contribution to revitalising te reo Māori. Delivering bi-lingual signage at key council and CCO sites and within parks and on other council assets, as well as announcements in Te Reo on public transport and in Council venues.
- **Māori identity and culture** Māori identity and culture is advanced through cultural experiences, such as events, and placemaking activities such as urban design and the application of Te Aranga design principles in our spaces and places, sites of significance work, and Māori public art.
- **Papakāinga and Māori housing** Providing dedicated resources and support to Māori and mana whenua with technical matters related to resource and building consent processes, through the Regulatory Services Directorate and Māori Housing Unit to develop individual and communal housing.
- **Kaitiakitanga** Council actively provides for Māori participation in the management of taonga resources. Council works with Mana Whenua and Māori in the management, restoration and protection of our water resources, and works with Mana Whenua and Māori to design/co-design and deliver environmental management and community-led conservation initiatives
- **Māori business, tourism and development** Council actively provides economic opportunities for Māori and supports Māori growth in business, tourism and enterprise. This includes promoting the growth of Māori and Pasifika entrepreneurship through smarter use of procurement and supply chains.

Leading our regional response to climate change

TE TĀRUKE-Ā-TĀWHIRI

Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan sets the blueprint for a zero-carbon, climate-resilient Auckland. This will require combined efforts from all of us – Auckland Council, government, mana whenua, mataawaka, businesses, communities and individuals. Collectively we need to:

- **Reduce our greenhouse gas emissions:** We have committed to playing our part in limiting temperature increase to 1.5 degrees Celsius above pre-industrial levels. This requires Auckland to halve our emissions by 2030 and achieve net zero emissions by 2050. Even with this increase, the impact on our natural environment, communities and infrastructure, will be significant. The longer we wait, the harder it will be to reach net zero emissions by 2050.
- **Prepare for climate change impacts** It is likely that our current emissions pathway will result in an average warming of 3.5 degrees Celsius or more by 2110. Therefore, we must plan for uncertainty and prepare to adapt to the impacts of a continued 'business as usual' emissions pathway. This includes building low-carbon and climate resilient infrastructure and homes and increasing the resilience of our communities and natural environment to climate impacts.
- **Tailor our approach** Auckland is unique: Our approach to climate action is strengthened through diversity and indigenous knowledge, with Māori cultural values and practices underpinning our actions for the benefit of all. By taking a holistic and equitable approach we can deliver better outcomes for Auckland.

Where do we need to focus our efforts?

TRANSPORT

Transport accounts for 43.6 per cent of Auckland's total production emissions. We need to increase walking and cycling and provide accessible and affordable transport options. We also need to support a fair transition to zero emission travel.

INFRASTRUCTURE

Much of our existing infrastructure was not designed to cope with increasingly extreme weather events, sea level rise or increased flooding. We need to adapt physical assets that are at risk, expand green infrastructure networks, improve water management and enhance and protect our urban and rural ngahere (forest).

WATER SUPPLY

This will become a bigger issue as Auckland's population increases and rainfall patterns change. We need to consider alternative water supply options and increase the resilience of our water system.

COASTAL CHANGE

Auckland has 1,800km of coastline. Climate change will increase the risk of coastal erosion, storm surges and flooding. We need to work with communities to plan for and manage the impacts.

ENVIRONMENT

A healthy natural environment is essential to our economy and society and 20 per cent of our birds, reptiles and plants are under threat. We need to restore and enhance our natural environment, and help build the resilience of native species to climate change

MĀORI

Māori connection to natural environments, through their role as kaitiaki, will be significantly affected by climate change. Sites of significance to Māori, such as coastal marae and urupa, also need to be protected.

PLANTING TREES

We need to grow and protect our rural and urban ngahere/forests to maximise carbon capture and build resilience to climate change.

WASTE

Auckland has low rates of recycling and reuse of waste (35 per cent) compared to world leading cities. We need to support a zero-waste, circular economy that maximises the lifecycle of our natural resources and reduces waste.

ENERGY

We need to work across sectors to support a decarbonised energy system. This means more distributed and renewable energy options, improved energy efficiency and low carbon heat solutions.

BUILDING RESILIENT COMMUNITIES

Extreme weather events, droughts and the economic impacts of climate change will put increasing pressure on Auckland's diverse communities. We need to work with our communities and support them in developing the skills, knowledge and capacity to respond to climate change.

BUILDING A RESILIENT ECONOMY

Businesses must plan for increasing climate related disruption. Transitioning away from carbon intensive practices can deliver long-term growth, skills, job creation and sustainability. We need to focus on building a resilient and regenerative economy that allows Aucklanders to thrive.

CHANGING BEHAVIOUR

The consumption carbon footprint of the average Aucklander is around 13.5 tonnes per year. We need to reduce this to around 5.9 tonnes by 2030. This means making changes to our everyday choices about what we choose to eat, buy and how we travel.

PLANNING AND DEVELOPMENT

Past land-use and planning decisions have led to a car-dependent and emissions-intensive Auckland. We need to ensure our policies and the way we grow supports our climate goals.

ADVOCACY AND PARTNERSHIP

We need to strongly advocate to government and business to play their part in building resilient communities and introducing nationwide policy to limit rising temperatures. We also need to form partnerships with diverse groups to achieve our regional climate goals.

FOOD

Climate change will affect food production and the availability and affordability of food. We need to plan for a low-carbon, climate resilient local food system that makes the most of surplus food to feed people, plants and animals.

Council's focus for the next 3 years

There are a number of climate action initiatives across the Council group that are already underway. For example, we have:

- committed to improving our public transport options, walking and cycling infrastructure
- invested in increasing the resilience of our water supply infrastructure to climate change
- invested in reducing energy use from our Council properties and fleet.

Major shifts across all sectors will require additional investments with a focus on:

- changing what is within our direct control, recognising that this is limited

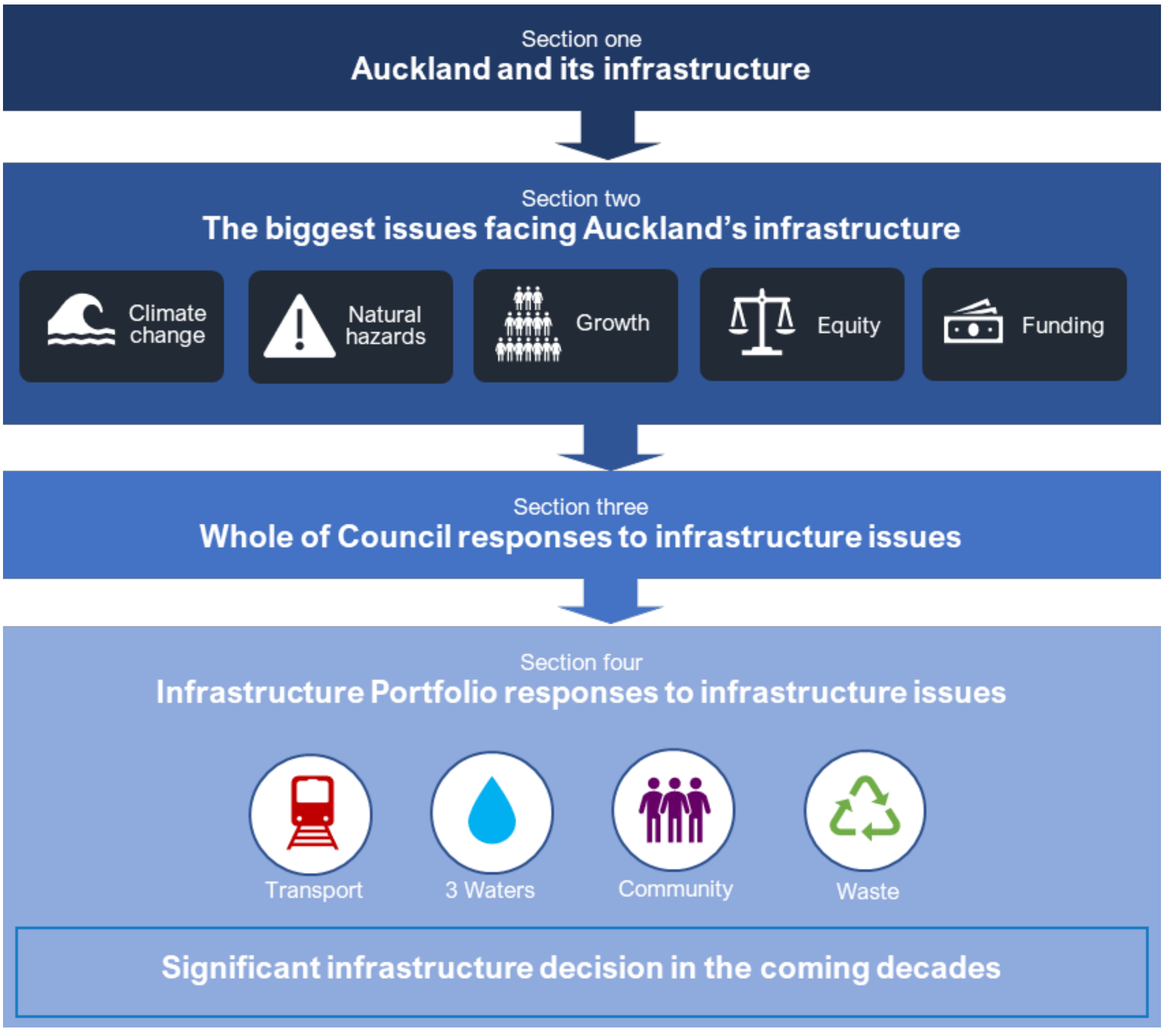
- establishing partnerships to empower individuals, mana whenua and community groups to achieve broader change across Auckland
- collaborating with businesses to identify innovative solutions for reducing emissions
- setting the foundations for larger projects and government partnerships in future

Read the Auckland's Climate Action Plan here:

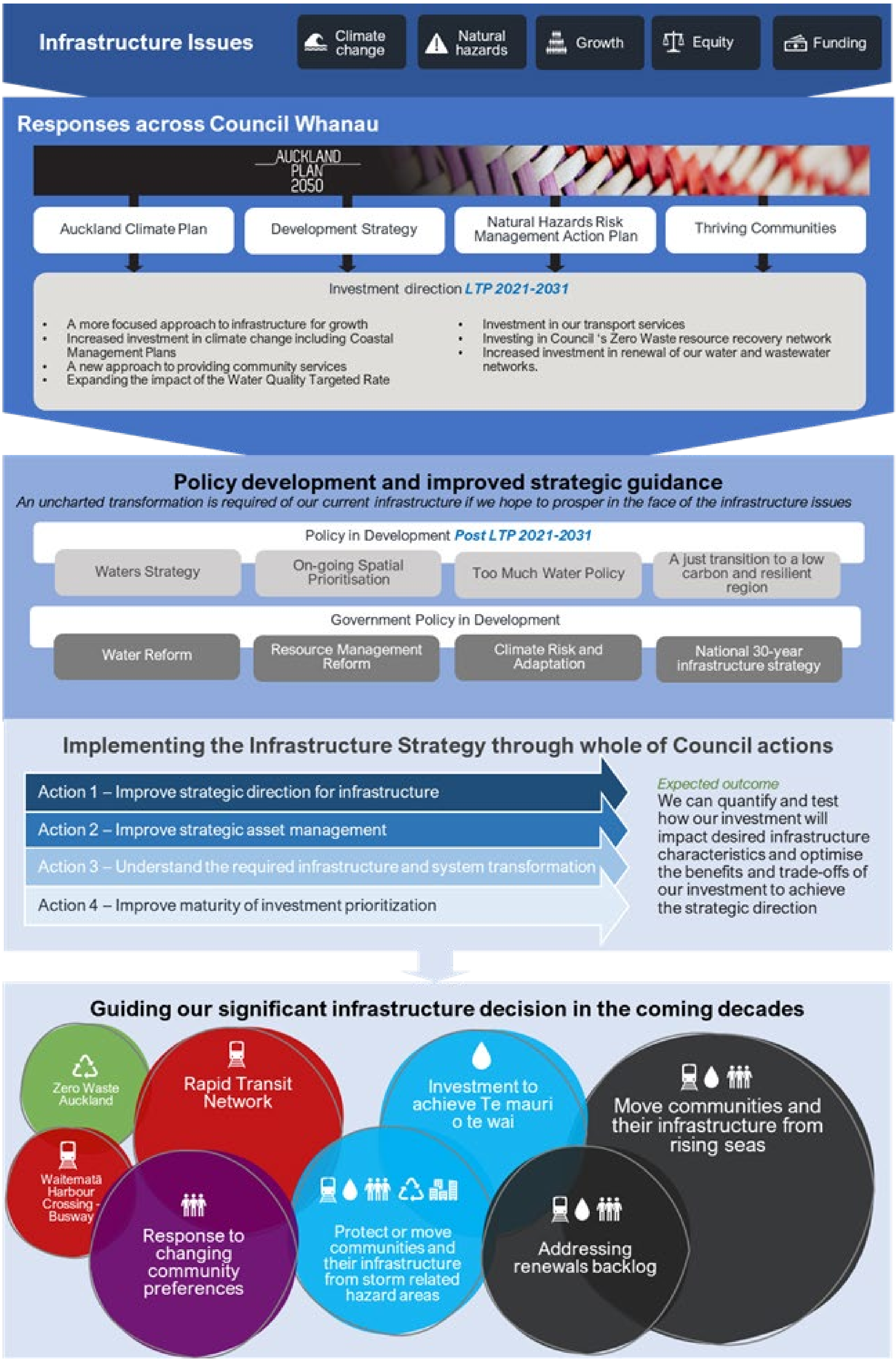
https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/topic-based-plans-strategies/environmental-plans-strategies/aucklands-climate-plan/Pages/default.aspx

1.1 Auckland's Draft 30-year Infrastructure Strategy

Infrastructure Strategy Contents and components



What does the strategy say we are going to do? (strategy on a page)



Section one: Auckland and its infrastructure

Infrastructure is the set of facilities and systems serving our region and its people. The role of this strategy is to take a long-term view of Auckland Council's infrastructure decision-making to ensure our infrastructure supports the aspirations of Aucklanders. This section provides the context for our infrastructure strategy because the direction we choose for our infrastructure builds on our place, our people, and our systems.

The role of the Infrastructure Strategy

The 2021 Infrastructure Strategy is Auckland's third; required as part of the Long-term Plan (which includes the 10-year Budget) under the Local Government Act 2002 (LGA). The strategy looks to the next three, 10 and 30+ years for Auckland Council's infrastructure; addressing big issues that impact our infrastructure, and ensuring our decisions and investments address these issues in a considered and coordinated way.

Our strategy meets the requirements of s101B of the Local Government Act by identifying big infrastructure issues and setting out how we plan to respond to those issues at both the council group level (Auckland Council and Council Controlled Organisations (CCOs)) and an infrastructure portfolio level (see Strategy Contents and Components above). Table 1 details the sections of this strategy that address the legislative requirements of Section 101B of the Local Government Act and Table 2 covers Auckland Council group assets required under section 101B and other assets included at the council's discretion with a high value and level of expenditure that make a high contribution towards achieving Auckland's strategic outcomes. Council has other infrastructure portfolios that have not been included in this strategy such as the Ports of Auckland, cultural and economic infrastructure and landmark venues managed by Auckland Unlimited and urban regeneration activities managed by Panuku.

Table 1 Infrastructure Strategy key legal requirements

Infrastructure Strategy Section	Local Government Act s101B Requirements
Section Two Auckland's biggest infrastructure issues	S101B(2)(a) (key infrastructure issues) S101B(2)(b) (options for managing issues)
Section Three Whole of Council responses to infrastructure issues	S101B(3) (asset management approach)
Section Four Infrastructure Portfolio responses to infrastructure issues	S101B(2)(b) (options for managing issues) S101B(4)(a) (proposed expenditure) S101B(4)(b) (key decisions that need to be made) S101B(4)(c),(d) (assumptions behind management approach)

Table 2 Infrastructure Portfolios included

Infrastructure Portfolio		Delivery model and name of delivery entity
Transport		CCO (Auckland Transport)
3-Waters	Water Supply	CCO (Watercare)
	Wastewater	CCO (Watercare)
	Stormwater	Auckland Council (Healthy Waters)
Community		Auckland Council (Customer and Community Services)
Solid Waste		Auckland Council (Waste Solutions)

Auckland and our people

Tāmaki Makaurau is a region of abundance in both people and natural resources. We require significant infrastructure to support our daily activities and we ask a lot of that infrastructure to keep our region functioning well. A significant proportion of Auckland city's urban area is situated on a narrow isthmus, bound by multiple harbours which constrains development and plays a role in dictating our urban form. Alongside the natural environment sits our complex urban environment made up of thriving centres, housing, commercial and industrial areas.

Auckland Council recognises 19 iwi authorities with affiliation to the whenua, and Auckland Council is building a strong whanaungatanga/ partnership with those groups and the Mataawaka who now call Auckland home.

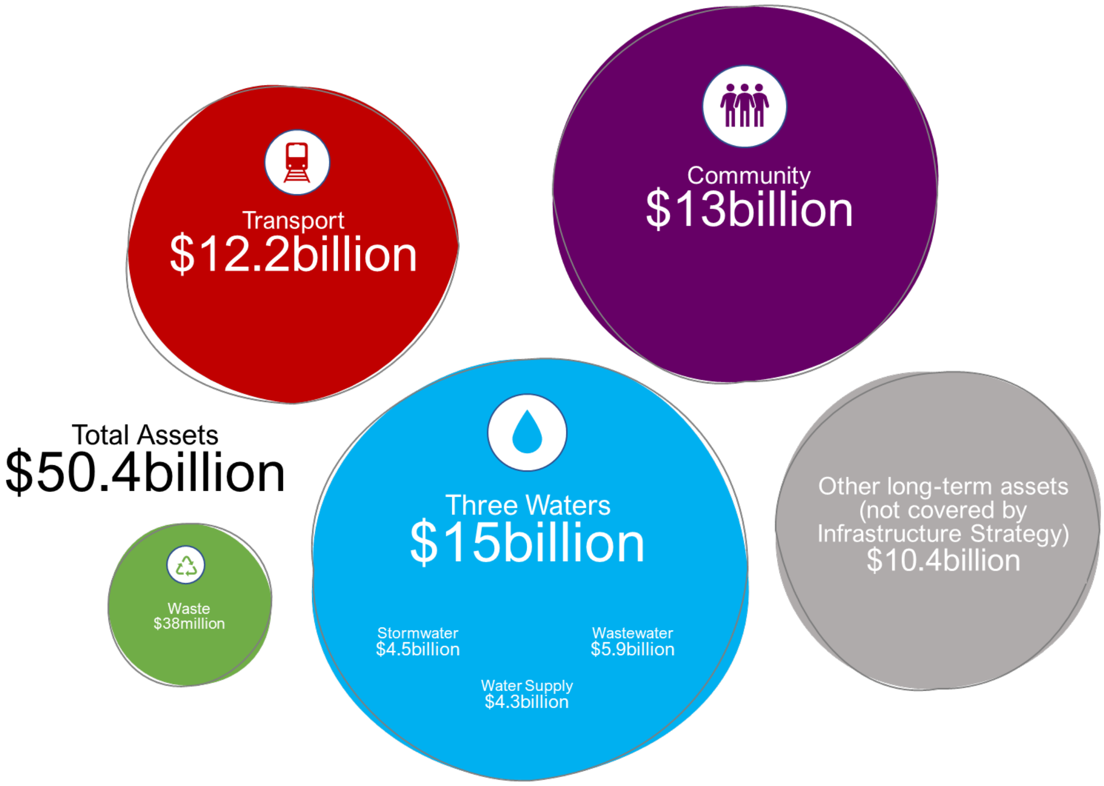
Auckland is home to around a third of the national population. Population growth has seen Auckland evolve into a culturally rich and ethnically diverse city. Auckland's strong population growth is likely to continue during the next 30 years. As an attractive destination for skilled workers, entrepreneurs and capital investment, Auckland's demographic change and population growth continues to drive economic development.

Auckland is New Zealand's largest commercial centre and in 2019 contributed 37.6 per cent of the nation's gross domestic product (GDP). It is likely that this trend of annual GDP growth will continue. As with any large, growing city, Auckland's success is reliant on successful infrastructure sustaining our high standard of living and increasing productivity.

Auckland's infrastructure

The value of council group infrastructure included in this strategy is a sub-set of Auckland Council's total long-term asset value as shown in Figure 1. Auckland Council infrastructure that is not included in this strategy includes that managed by the Ports of Auckland, Auckland Unlimited and Panuku.

Figure 1 Total Asset Value and Sub-set Covered by this Infrastructure Strategy[1]

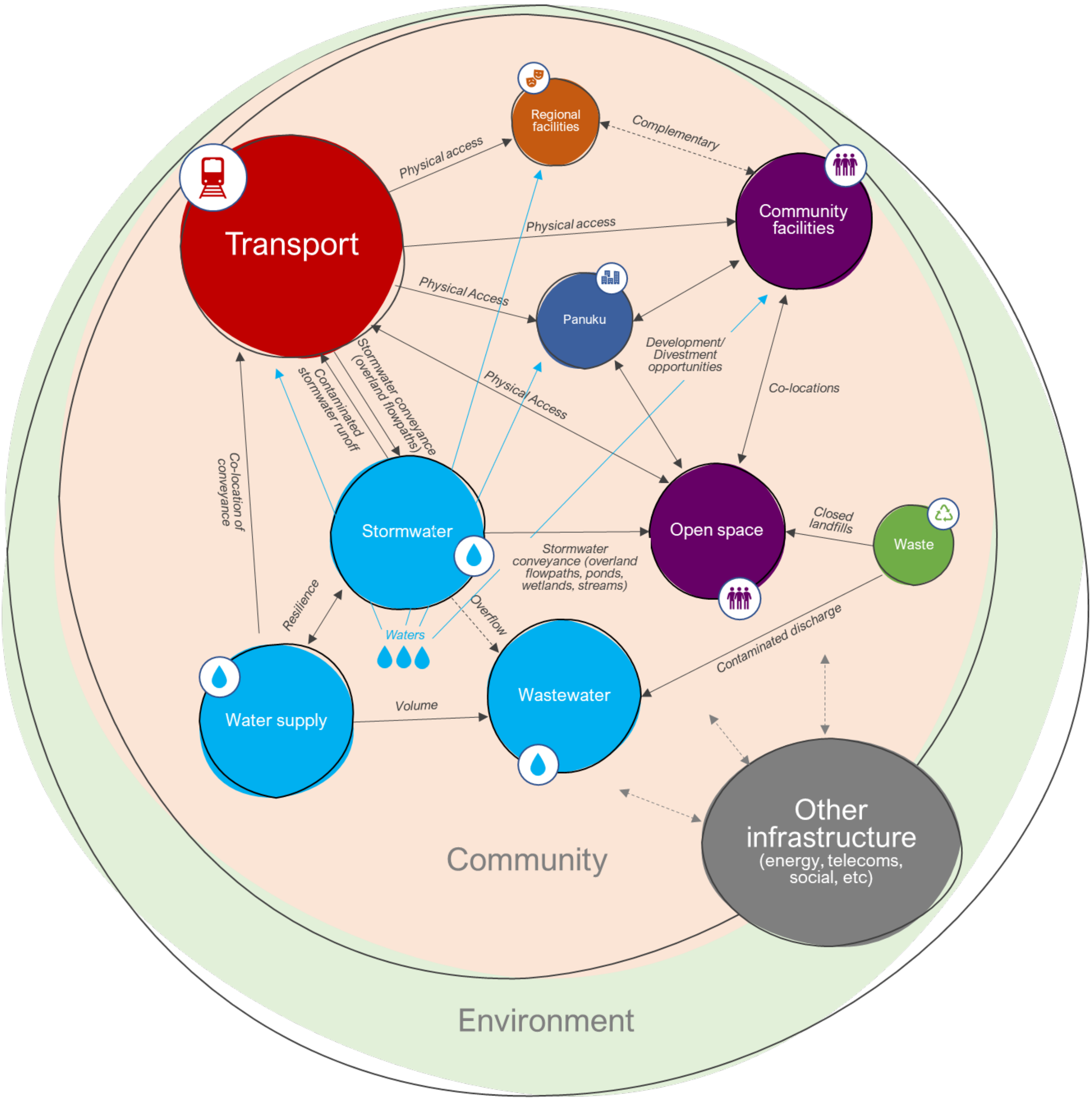


Infrastructure systems are managed across the group, with more than two-thirds of the services we provide managed by Council Controlled Organisations (CCOs) - Watercare (water supply and wastewater), and Auckland Transport (transport), with the remaining services managed within the council.

The infrastructure covered in this strategy is much more than roads and pipes. It is a complex and interconnected system of built assets, natural assets, and services. What's more, infrastructure systems exist within and to serve other related systems, like communities and the environment as illustrated in Figure 2. Thinking about infrastructure as a system and recognising connections and interdependencies is important. It allows us to understand how infrastructure can evolve, where its vulnerabilities lie, and what can make it resilient.

[1] Source: [Annual Report 2019/2020 (aucklandcouncil.govt.nz)](https://aucklandcouncil.govt.nz)

Figure 2 Inter-relationships across our infrastructure portfolios



Auckland Council's role in our infrastructure

Council provides a significant amount of Auckland's infrastructure. Council seeks to provide infrastructure that delivers a public good, supports the four well-beings (social, economic, cultural and environmental) and Auckland Plan outcomes (see Section 1.1).

The focus of this strategy is the council's specific infrastructure, but we acknowledge that many other groups provide infrastructure to our region. To name just a few, Ports of Auckland and Auckland Airport (Auckland Council is a significant shareholder in both), the NZ Transport Agency, telecommunications network providers, electricity, gas and petroleum suppliers, health and education providers all provide infrastructure for Aucklanders. Many of these infrastructure systems also extend beyond Auckland, reflecting our need to import resources such as workers, energy, water and fuel.

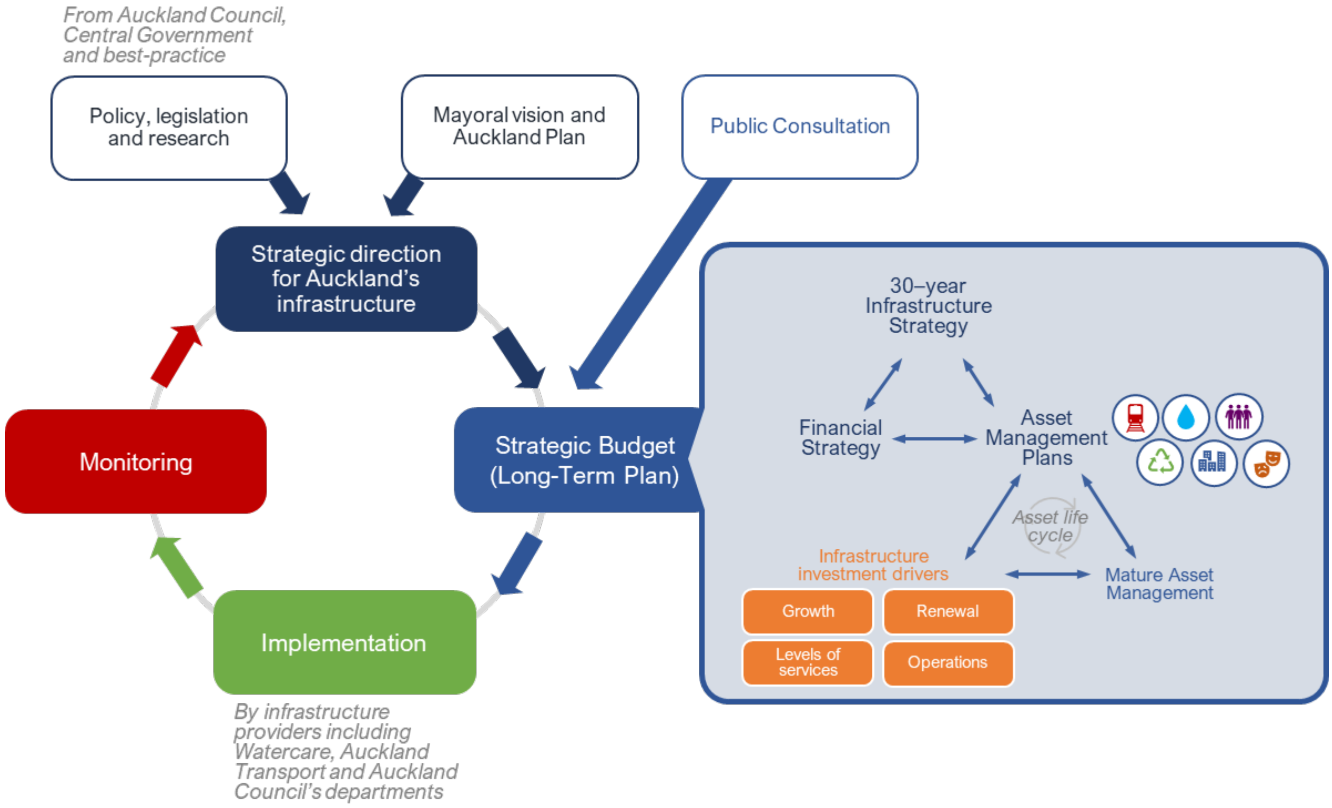
Though only part of Auckland's infrastructure story, the council is a leader in our region's infrastructure. Council's roles include:

- Planning and delivering council-controlled infrastructure and services;
- Delivering or subsidising infrastructure needed to support growth;
- Coordinating with other infrastructure providers to enable infrastructure development and management;
- Working closely with other infrastructure providers to manage risks and dependencies through groups like Auckland Engineering Lifelines;
- Civil defence and emergency management; and
- Regulation, through designating, consenting, monitoring, and developing rules and policy for infrastructure.

Managing our assets and our investments

Infrastructure is expensive. Infrastructure is the council's biggest asset and our biggest cost; this means it is our biggest opportunity to deliver outcomes for Auckland and our biggest risk if we don't manage it well. The Infrastructure Strategy fits within the complex process of managing the council's infrastructure and delivering our infrastructure systems as a whole as illustrated in Figure 3.

Figure 3 Cycle of Infrastructure Management



Key components	Description
Strategic Direction for Auckland's Infrastructure	Strategic direction for Auckland (and our infrastructure) is provided by regional and national policy and legislation, chief among this is the Auckland Plan. However, we acknowledge that the direction set is variable in its relevance to infrastructure systems, and in the way that it is interpreted and prioritised by infrastructure providers. In order to more clearly direct infrastructure investment towards delivering the outcomes we seek for the region, we have identified the need for strategic direction for infrastructure (see section three of the infrastructure strategy) that expresses the characteristics we require of our infrastructure to meet our aspirations.
Strategic Budget	Within the 10-year Budget, the strategic direction, financial planning, and asset management planning interact to form an investment package looking forward 3, 10, and 30 years. Most of the council's planned investment is to maintain, grow, improve, and operate our infrastructure to support well-being. The 10-year Budget process provides a three-yearly opportunity for our community to provide input into the council's planned investment, approach to infrastructure and the council's strategic planning. This 3-yearly consultation process is in addition to other engagement opportunities, for example at a project or programme level.
Implementation and Monitoring	The 10-year Budget and Infrastructure Strategy are put into action by the parts of the council group responsible for infrastructure provision. We also monitor the performance of this infrastructure to make sure that it provides the level of service and outcomes that Aucklanders expect.

To manage such a large set of assets and their pressures for investment, we have robust systems of asset management. Each of our core asset portfolios is managed in a way that is tailored to the nuances and challenges of that infrastructure portfolio. Levels of asset management maturity also vary between asset portfolios and are subject to continual improvement.

Infrastructure investment is a complex challenge and requires balancing many competing demands to ensure that we spend our money in a way that will produce the most value for Auckland. Four key drivers of infrastructure investments (Figure 4) are: meeting new or changing demand for services (growth); renewing our existing assets; making sure that our assets perform as planned (levels of service); and operating our systems. *Note that each of our biggest issues in section three contains a summary of how the above drivers of infrastructure investment may be impacted* (for example Figure 9).

Figure 4 Infrastructure investment drivers

Growth	Renewals
Auckland is growing at pace. As our community grows and changes so too do the demands that we place on our infrastructure. Council must address substantial demand for new and expanded infrastructure. Investment in new infrastructure can directly influence the form and function of our city, enabling us to grow well.	The process of replacing our assets, known as 'renewals', is fundamental to efficiently maintaining services for Auckland in the long-term. Most infrastructure has a long life, greater than this 30-year strategy, and therefore any new infrastructure will need to stand the test of time. Renewals are traditionally undertaken on a 'like-for-like' basis, but renewals requirements can also trigger opportunities for efficiently renewing for resilience, undertaking growth and performance improvements, or considering if the existing asset is still fit-for-purpose and resilient.
Levels of service	**Operations**
Levels of service describe the services provided by infrastructure and provide a measure for the performance of that infrastructure. Setting levels of service with the communities we serve and in response to legal requirements is an important way for the council to ensure that our infrastructure supports Auckland's aspirations and is also an opportunity to take stock of changing community expectations of infrastructure services. Changes to service levels and targets influence the investment required to achieve them.	Operating and maintaining infrastructure enables assets to perform their services for our communities. Operating costs include costs for staff, energy and materials. Future operational spending is also closely linked with growth as new or expanded infrastructure systems generate additional operating costs (known as consequential opex).

Progress since our last strategy

The 2021 Infrastructure Strategy builds from the foundation of our 2015 and 2018 strategies (Figure 5). In 2021 we have added solid waste, an additional asset portfolio, to recognise its long-term planning requirements. Solid waste has significant strategic requirements and aspirational targets (Zero Waste by 2040).

Figure 5 Our Infrastructure Strategies (2015, 2018 and 2021)

Our 2018 strategy was built around the three key Challenges in the Auckland Plan 2050 which were translated for infrastructure into three big issues (captured as strategic responses in Table 4). These strategic responses also inform the biggest infrastructure issues in Section two of this strategy. We have worked hard since 2018 to address the big infrastructure issues and have made progress on a number of the strategic responses we identified. Key elements on this progress are identified in Table 4.

Table 3 Progress against 2018 Infrastructure Strategy

Strategic responses	Progress in approach	Investment responses

Coordinating investment and planning for growth	Priority areas for growth developed, and data gathering on costs of new infrastructure in support of the Auckland Housing Programme	Auckland Transport growth projects are being developed across the region, for example, roading projects in areas such as Flatbush or Warkworth and extension of the cycleway network
	Auckland Transport Alignment Project refresh	CRL construction is underway to provide for doubling of our rail capacity
	Council-wide coordinating group to manage approach to out-of-sequence developments.	Integrated planning of growth areas, such as the Hamilton to Auckland corridor.
Enhancing the performance of Auckland's infrastructure	Updated policies and technical guidelines such as the Subdivision Code of Practice and the Auckland Design Manual	Working with the construction sector to encourage the recovery of more demolition materials. Water Quality improvements in the western isthmus, such as St Mary's bay
Creating resilient infrastructure networks	Draft Natural Hazards Risk Management Action Plan has been consulted on internally.	Construction underway of the Hunua 4 Water Tunnel; contributing to water supply and resilience
	Te Tāruke ā Tāwhiri – Auckland's Climate Plan has been consulted on publicly and adopted by Council in 2020.	Investment in public transport modes which has supported uptake of these low-emissions options

The Infrastructure impacts of Covid-19

The impact of Covid-19 on the council's infrastructure is significant and evolving. The main challenges are significant financial (budget) constraints (see Section 1.2), additional uncertainty, and specific challenges for our infrastructure portfolios (see Table 4).

New Zealand has responded well to the threat of Covid-19 and we are not experiencing the health and flow on societal impacts to the extent that other countries are. Covid-19 presents an opportunity to reset - for example, while less new assets can be built, we can work on climate risk and adaptation, particularly for our coastal communities. When we are able to fund more new assets, our communities will be better informed about risks from climate change, and together with our asset managers, we will have better direction for adaptation.

Additional uncertainty

There is great uncertainty about how Covid-19 will play out globally, within New Zealand and within Auckland. Covid-19 adds to other uncertainty we already plan under such as the impact and consequences of natural hazards, climate change, population projections, community needs and aspirations, and cost escalation.

Covid-19 has challenged the underlying assumptions on which our infrastructure planning is based.

- **Growth assumptions**: The shared growth projections the council group uses have been reconsidered in response to Covid-19 border restrictions and the economic climate. While this changes Auckland's short-term growth projections, the longer-term expected growth, which is most material to infrastructure planning, has not changed significantly. Current financial constraints do, however, mean that the Council needs to take a more focussed approach to providing infrastructure for growth.
- **Behavioural changes:** Council must consider if Covid-19 has changed the way people live in a temporary manner or more permanently. If trends such as working from home more regularly become the 'norm' this might change the way infrastructure needs to serve us, and therefore the direction of investment might change. Ongoing work will need to be done to understand these implications.
- **Implications of deferring renewals:** Deferring renewals presents an elevated risk and potential for additional cost from dealing with failures reactively. This risk has been considered in our investment decision-making (see summary to section 4 of this strategy).
- **Changes to levels of service:** As the financial implications of Covid-19 are understood over the coming years, levels of service may need to be reduced to more affordable levels in some areas. There are no current changes required until the council has a better understanding of the impacts.
- **Longer term uncertainty:** The infrastructure strategy covers a 30-year period and the uncertainty over this timeframe, increased as a result of Covid-19, highlights the importance of adaptability, a principle which has become an underlying goal in the council's approach to Covid-19 recovery and can be applied to our infrastructure decision making.
- **Recovery and increasing our investment:** Due to financial constraints such as budget reductions, Council has reduced capability in the short-term to deliver a previously indicated increasing investment path for infrastructure. These budget restrictions will need to be balanced and rectified over time, but investment programmes are slow to halt and to ramp up again (due to contractual arrangements, supply chains etc) and will take time to return to desired levels.

Portfolio impacts

Impacts across our asset portfolios play out differently and are presented in Table 4. Portfolio specific financial implications are referred to in the Financial Strategy so have not been detailed below.

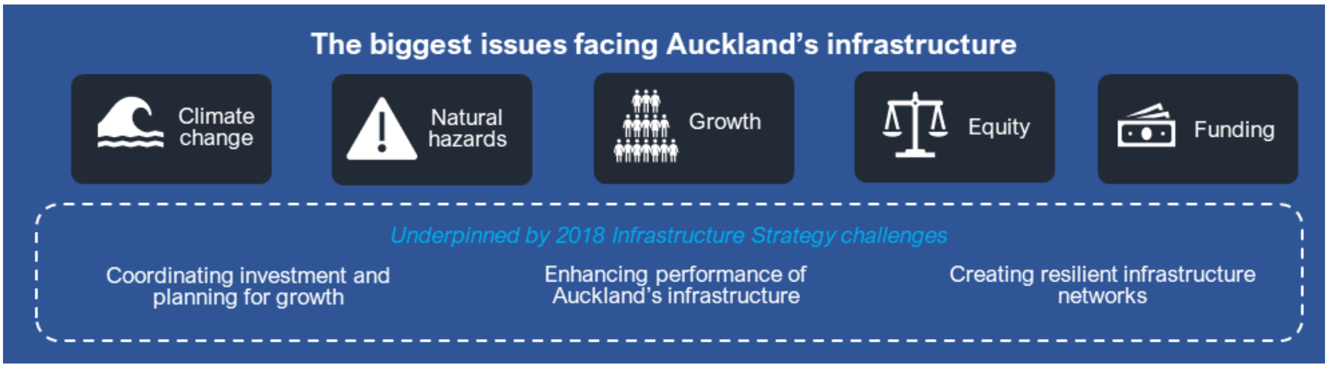
Table 4 Covid-19 impacts across infrastructure portfolios

Infrastructure Portfolio	Impacts
Transport	Immediate Impacts • Auckland's roads were much safer during lockdown, but public transport patronage and revenue was reduced. • Demonstrated what a lower emissions transport network might look like. • Maintaining contractual commitments for projects already underway and a small amount of remaining uncommitted funding towards Eastern Busway project, and some safety and cycling projects. Possible future impacts • Potential funding gap between optimal (asset needs) recommended renewals programme and the constrained programme recommended. • Changes in behaviour, such as working from home, or generally travelling less from a local area, and use of public transport may be reduced due to concerns around physical distancing.
Three Waters	**Stormwater** Immediate Impacts • Impact on delivering capital projects. • First 3 years, deferring some renewals based on lower risk levels, repairing assets to reduce the risk levels where possible and monitoring high risk assets. • Reduced support to growth enabling infrastructure – primary focus on growth planning to avoid risks. **Water and Wastewater** Immediate Impacts • Some growth projects may be deferred for a minimum of one year or more.
Community	Immediate Impacts • Unable to provide all services when physical access is reduced or limited. • Māori and Pasifika are disproportionately impacted and need extra support in the short-medium term. Possible future impacts • Accelerates the requirement to change approach to service delivery (not only asset-based solutions) so services are adaptable to meet community needs and prioritise those of greatest need. • Changes in behaviour, such as working from home, or generally travelling less from a local area. Changing behaviours also present an opportunity for innovation and efficiency (accelerated digital provision of some services etc).
Solid Waste	Immediate Impacts • Temporary changes to inorganic collection. • Global impacts made markets for recyclable materials more volatile and unstable. Possible future impacts • Accelerated action for better quality markets and local onshore processing solutions at a national level.

Section Two: The biggest issues facing Auckland's infrastructure

Our 2021 big issues that are facing our infrastructure have been developed from a combination of the 2018 challenges, three subsequent years of infrastructure work, discussion with our asset managers and a fresh view of our context. The resulting five issues are the biggest we see today and maintain consistency with our previous Infrastructure Strategies through a common foundation in the Auckland Plan and the four well-beings. Many of the challenges we face in our environment, as a community, and as a region relate to our infrastructure. We also note that infrastructure issues (issues of infrastructure quality or management as distinct from external issues facing our infrastructure) are addressed in this document through asset management commentary and data in sections three and four.

Figure 6 The biggest issues facing Auckland's infrastructure



Our five big issues are challenges infrastructure providers face worldwide and reflect the current focus of both central government efforts and audit interest. These issues were also confirmed as important to Auckland's infrastructure through discussions with the council's asset managers.

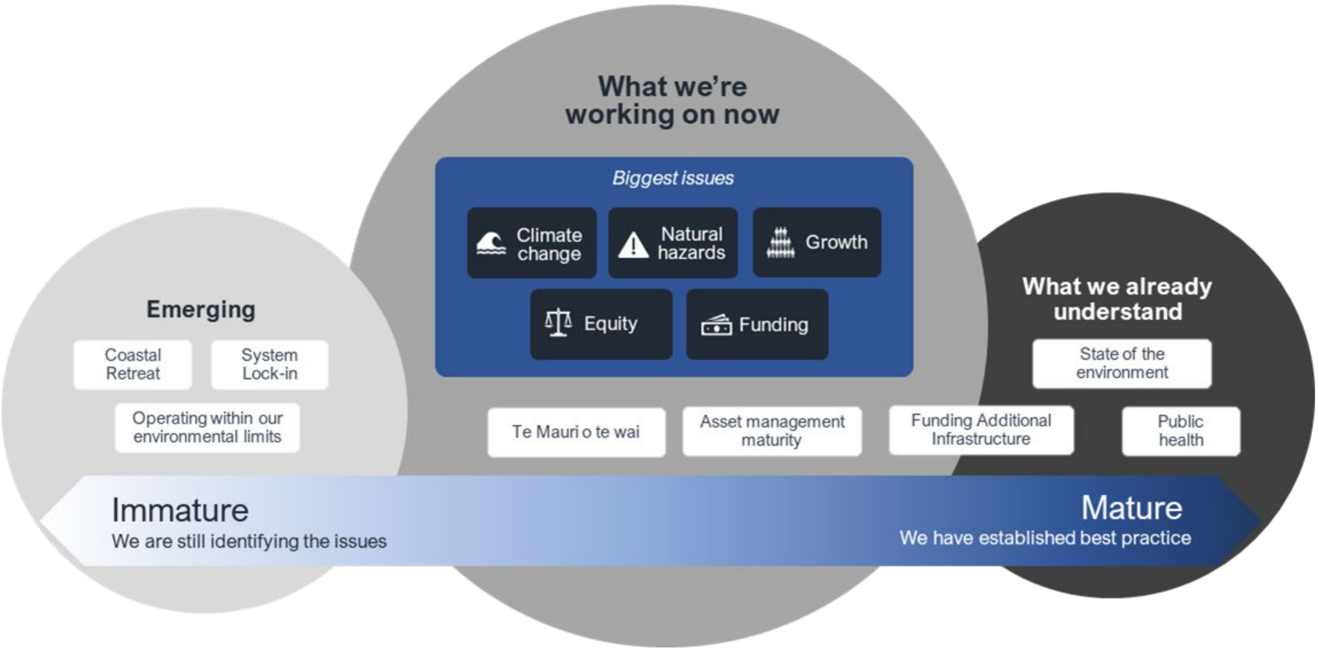
In this Infrastructure Strategy we have kept climate change and the associated issues and impacts on infrastructure separate from the impacts of natural hazards. There is a natural cohesion between these issues in that some natural hazards will be exacerbated by the impacts of climate (i.e. heat waves, drought, storm, coast erosion and land subsidence). However, the infrastructure responses to the issues do differ:

- The natural hazards issue and responses are described below and outlines the multiple hazards our infrastructure is vulnerable to now, and the interdependencies of our infrastructure. Resilience is the key response that needs to be invested in to improve disaster preparedness and to be ready for the possibility of multiple hazards occurring at the same time or in sequence (for example a large storm plus an earthquake, or a volcanic event during a drought).
- The climate change issue and responses are described below and outline the longer-term issues and impacts of retreat from low-lying and coastal areas as a result of sea level rise. Dynamic adaptive pathways and coastal compartment management plans as a key response that are being invested in.

By keeping climate change as a separate issue, we also want to clearly identify that infrastructure has a big role in mitigation of emissions. The embodied emissions of our built assets, and the emissions required to keep them maintained and operating is a huge burden in a carbon-limited world.

The issues facing our infrastructure have differing levels of maturity in relation to how well we understand them and how developed our response is (Figure 7).

Figure 7 Maturity of our understanding of the big issues for infrastructure



We have used this assessment of maturity to identify the big issues that are the focus of this strategy – the 'issues we're working on now' – these are issues where we are developing our understanding and response. They are also issues that will require significant decisions to be made in the next 30 years to achieve our aspirations for Auckland. Emerging issues will be addressed in future infrastructure strategies as their impacts become better understood, and as our current issues mature and the solutions become integrated into our business operations.

The biggest issues facing our infrastructure are described below, along with our progress towards understanding and addressing each issue (Section Two). Our Council group responses to the issues are set out in Section Three, and each infrastructure portfolio proposal for managing their assets and these big issues is covered in Section four.

Climate change

Infrastructure has an important role to play in how we reduce our emissions (mitigation) and how we prepare for the effects of climate change (adaptation)

The climate is changing in Auckland

Climate change is the challenge of our times. It is a force in motion and if we continue as we currently are, the impact on our communities and environment will be catastrophic.

We are building our understanding of the impact of climate change on the Auckland region. Auckland is experiencing the effects of climate change now, and these will get worse over the coming decades. As temperature increases, extreme weather events such as storm surges and droughts will become more common and increasingly severe.

Working with national direction, the council is taking a leadership role at a regional level. The council declared a climate emergency in June 2019 and has adopted Te Tāruke ā Tāwhiri – Auckland's Climate Plan as the strategic and coordinating piece in our region's response. Te Tāruke ā Tāwhiri – Auckland's Climate Plan has two main goals:

- **Reducing our emissions** to play our part in keeping global emissions within a 1.5 degrees Celsius temperature rise threshold. Towards this, the Te Tāruke ā Tāwhiri – Auckland's Climate Plan sets a target of reducing emissions by 50% by 2030 and net zero emissions by 2050; and
- **Preparing** our region for 3.5 degrees Celsius of warming; a precautionary approach based on the current global emissions pathway.

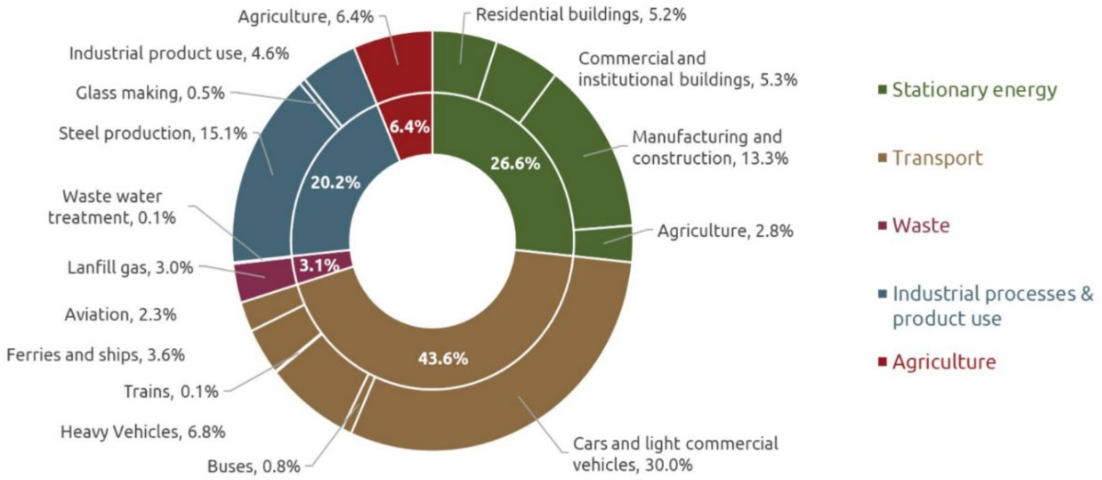
Climate change and infrastructure: a role in both mitigation and adaption

Infrastructure is critically important to how our region fares through the next 10, 30, 50 and 100+ years of climate change. There will be climate related impacts on, and from, all different parts of our infrastructure systems. To make a difference, our response must be embedded in all of our infrastructure decisions. We know that we have a role to play in reducing emissions (mitigation) and preparing for climate change (adaptation), and that the actions we take contribute to both goals. Infrastructure follows how communities change; the central and local government response to climate change, and how communities are supported to respond to climate change, will drive the infrastructure response.

Transition to net zero emissions

As our infrastructure is a significant contributor to our region's greenhouse gas emissions, it has a role to play in our transition to net-zero emissions. The use of our transport network, for example, is our biggest source of emissions, producing 44% of total regional emissions. In addition, the emissions associated with the manufacture of construction materials – the embodied carbon – is an important consideration. It is necessary to consider emissions over the lifecycle of an infrastructure asset.

Figure 8 Auckland's emission profile



The council group is taking action to better understand our emissions and reduce them. For example, Healthy Waters (council's stormwater delivery entity) is developing a carbon calculator for use in their projects and procurement, and a major focus of Auckland Transport's modelling has been on understanding emissions associated with use of our road network. Our infrastructure providers are at different stages on this journey; we know that we have more to learn about our climate impact and much more to do to reduce our emissions. For many parts of our infrastructure, carbon reduction will mean a fundamental shift in how we service our communities. Some of the approaches that are being implemented to reduce infrastructure emissions hold exciting potential, for example Watercare's enterprise model, which sets a target of reducing the built carbon of its capital works programme by 40 percent by 2024 against the baseline emissions for the programme.

Impacts of climate change on our infrastructure assets

Impacts of climate change on our asset classes are summarised here:

Transport asset classes	Impacts on Transport Assets
General	Increased demand on existing assets to perform under a higher demand and extreme weather conditions resulting in the need for more frequent performance monitoring and maintenance. There is likely to be an acceleration of the move away from carbon heavy assets to carbon zero or carbon positive (sequestering/green) assets and therefore space reallocation, and expectations for zero carbon travel methods. Coastal land transport routes and on water transportation may have reduced access during storm events, and increased maintenance of these pieces of infrastructure.
Public transport Walking cycling	Increased pavement and footpath maintenance (due to temperatures). Space reallocation due to greening of our assets to manage urban temperatures.
Road network	Temperature impacts on pavement performance. Stormwater impacted by more severe rainfall events. Increased greening of our assets may be required to manage urban temperatures and therefore require space reallocation.

Water asset classes	Impacts on Water
General	Increasing demand on existing water assets to perform under higher demand and extreme weather conditions requiring more frequent performance monitoring and maintenance. There is likely to be an acceleration of the move away from carbon heavy assets to carbon sequestering (green) assets.
Water supply	Less certainty for security of supply and more pressure on all sources of water. Increased breakages.
Wastewater	Increased breakages and overflows.
Stormwater	Increased breakages/blockages and failures. The likely need for species diversification in existing green assets.

Community asset classes	Impacts on Community Assets
General	Asset damage and disruption to service provision due to environmental changes.
Land	Increasingly difficult and expensive to acquire appropriate sites for community assets. Coastal recreational land will need to be offset with other land/solutions.
Buildings	Increasing need for facilities to act as emergency hubs/ civil defence centres.
Built structures	Increased risk of hazards damaging structures as carparks, lighting and retaining walls etc.
Green assets	Increasing pressure for these assets to mitigate against climate change and natural hazards (e.g., sports fields/public open space as flood mitigation).

Waste asset class	Impacts on Solid Waste Assets
Refuse Transfer Network	It will become increasingly important to continue operations and expand the refuse transfer network to achieve our zero waste and zero carbon goals.
Waste bins	The roll out of food scraps bins will be important in reducing household waste as our population growth puts pressure on our landfills to achieve our zero waste and zero carbon goals.

Preparing our infrastructure for climate change

Infrastructure is and will increasingly be impacted by climate change. This includes damage and disruption from increasingly severe natural events and their impacts like storms, flooding, and inundation. It will also involve the need for infrastructure resilient to more gradual changes like increasing periods of dry weather and sea level rise.

Auckland Council are undertaking a comprehensive set of actions to understand the vulnerability to the impacts of climate change of our infrastructure systems, and the networks and assets that they are comprised. For Auckland this is complex due to the length of coastline that Auckland has (approximately 3,700km), the extent of communities that live on that coast, and the varied geology, ocean and harbour systems, and current state of coastal environments.

The council group is building a solid understanding of the risks that climate change presents to our region at an environmental and community level and we measure and track these risks on multiple fronts. The proportion of Auckland Council assets exposed to natural hazards risks has been assessed at a coarse level to date (including assets at risk with 2m of sea level rise). However, the quantification of these assets does not reflect specific or probabilistic impacts of climate adaptation. It also doesn't reflect the network impacts from assets being damaged (i.e., upstream asset performance). The next stage of this work is being progressed in 2021 and will work to assess the vulnerability of critical assets.

We are just beginning to understand how these risks will apply to our infrastructure assets and systems. For example, over the next five – seven years we are developing management plans for the stretches of Auckland's coast. These management plans will be foundational in planning for our coastal infrastructure. They will inform decision making around assets and networks at risk from sea level rise, and changes in community composition around the coast that will need to be serviced by infrastructure. Other examples of the work proposed to support infrastructure adaptation are detailed in our infrastructure responses in Section four of the Infrastructure Strategy.

In addition to climate change impacts on an infrastructure system itself, infrastructure is in turn important for how we and our environment can 'live' and adapt to climate change. Infrastructure decision making of particular importance will be:

- How infrastructure can support communities that are more vulnerable to climate change, such as those already living in poverty or coastal communities, through providing services that will enable adaptation to climate change; and
- How we can evolve our infrastructure systems to be more resilient to climate pressures, support our communities and regenerate our environment.

Effective adaptation will reduce exposure and vulnerability as defined for Auckland in the development of the Auckland Climate Plan. Appropriate adaptation will lower the long-term costs to our community. Climate change has become a consistent feature in our reporting. However, embedding climate uncertainty and adaptation across the Council group presents a challenge and will require funding flexibility and agility which is particularly difficult under current financial constraints. It will also require new approaches to infrastructure design and construction. We also need to take a leap to systems that absorb emissions rather than release emission (i.e. green infrastructure and water sensitive infrastructure) and providing low or zero emissions services in the place of significant emissions sources, such as transport.

Figure 9 Implications of climate change for our infrastructure investment drivers

Growth	Renewals
• Climate will need to be considered in our decisions about where to locate growth infrastructure so that we reduce (and don't increase) our exposure to climate risk and minimise emissions. • New infrastructure is also an opportunity to evolve our assets to being climate positive and resilient.	Renewals projects provide an important opportunity to make changes to our existing networks to be more climate resilient and climate positive.

Levels of service

- Climate change will challenge our ability to maintain our services, for instance in coastal areas where we may have to retreat from erosion, storms and seal level rise.
- Additional levels of service may need to be created as a result of a changing climate (i.e. canopy cover and/or urban heat)
- Difficult decisions are required regarding our future levels of service:
  - Do we want to pay more to maintain some levels? Which ones?
  - Where are we prepared to reduce expectations and where will we be forced to?
- Our measurement of infrastructure performance will need to better account for climate change risks.

Operations

- Potential increase in opex as more frequent and significant maintenance is required to our networks as a result of weather events.
- Potential for savings or added benefits through reconsidered resilient systems.

Options for a strategic response to climate change

Long-term options for response:

Options for responding to climate change exist at all levels of infrastructure decision making, from strategic direction setting to project level decisions. These options are (and will continue to be) developed following a Dynamic Adaptive Pathways approach and will include consideration of:

- To invest now or to invest later?
- How much do we spend and on what?
- Who pays? – which combination of council, central government, private individuals

Implications of options:

- The speed of our response will impact our ability to mitigate emissions (the sooner the better)
- Adaptation and resilience to climate challenges – scale of disruption to our communities will be lessened if we're prepared
- Cost to communities – scale of spend to prepare is generally less than that to respond
- We need a just transition – equity outcome for our current communities and future generations

Climate change strategic response

Funding

The direction set in this 10-year Budget is to take a step beyond status quo, funding the acceleration of the council’s contribution to our regional climate goals, including:

- Expanding the council’s Zero Waste resource recovery network
- Bringing forward the transition from diesel buses to electric or hydrogen, with no new diesel buses
- Urban ngahere investment in 11,000 additional street trees and 200,000 native seedlings.
- Building of understanding of and planning for infrastructure risk, including through coastal management planning

$150m

We will also:

- Further prioritise and embed emissions reductions in our infrastructure decision making. This will be actioned as part of Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan (see Table 8)
- Build on our understanding of our infrastructure risks from climate change and develop a flexible approach for our infrastructure response based on Dynamic Adaptive Policy Pathways. This will be actioned as part of Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan and the draft Natural Hazards Risk Management Action Plan (see Table 8)
- Develop and provide strategic direction for resilient infrastructure that will guide all of our infrastructure decisions. This will include defining infrastructure resilience and working towards valuing investment in resilience (see Table 9).

Budgeted Opex (staff time)

Investment responses

- Refer to portfolio investments (section 4)
- Significant decisions and options (section 4)

Hazards

Auckland's infrastructure needs to be prepared for adverse events

Understanding Auckland's hazards

As a region, Auckland is vulnerable to many hazards. When we experience an adverse event, the services that our infrastructure provide become even more important than usual to the wellbeing of our people. Therefore, it is crucial that we understand how our infrastructure and hazards relate and how we can make our infrastructure systems resilient to adverse events.

To ensure that Auckland is a resilient city, we plan. Hazard planning requires that we understand the likelihood of various hazards and the potential consequences they might have for our region, with a particular focus on critical and/or life-supporting infrastructure. This information provides us with a risk profile, which can be used in decision-making. Auckland's hazards are summarised in Table 5.

Table 5 Auckland's Hazards

Type	Description
Natural hazards	Under the Local Government Act 2002, natural hazards are defined as those from atmospheric, earth or water related occurrences. In Auckland, the key natural hazards include flooding, severe winds and storm events, drought, volcanic activity, tsunami, coastal inundation, coastal erosion, land instability, tornadoes, uncontrolled wildfires, and earthquakes[2]. Since the 2018 Long-term Plan, council has taken a significant step in our collective understanding of and approach to natural hazards through the development of the draft Natural Hazard Risk Management Action Plan (NHRMAP), due to be finalised this year. The draft NHRMAP sets out our current understanding of natural hazard risk across the region. The plan includes actions that the council can take to mitigate natural hazard risk and build resilience, including for infrastructure. Our understanding of Auckland's natural hazard risk is ever evolving. Due to climate change, the frequency of some natural hazard events is expected to increase, and as Auckland continues to grow and develop as a city, the potential consequences of natural hazard events also increase. Draft NHRMAP works to keep our knowledge of Auckland's natural hazard risk up to date by: • Developing mechanisms to monitor changes in land development in hazard-prone areas. • Developing and seeking funding for projects which improve information on natural hazard risk and consequences. • Developing and supporting projects and processes to improve our risk-based decision-making, mitigation, adaptation, and resilience building.
Other hazards	We also recognize that natural hazard events are not the only source of risk for our infrastructure and communities. Other hazards that need to be considered include**:** • **Biological** such as an epidemic or the introduction of a pest species; • **Technological/infrastructure** such as a dam failure or transport accident; • **Security** such as a hacking or terrorist attack on infrastructure; and • **Natech** events triggered by natural hazards impacting man-made systems (for example a storm that causes an oil spill) Auckland Council's approach to hazard management is summarised in Section 3.
Added complexity	**Multi-hazard and cascading hazards planning** – planning for hazards (natural and otherwise) is not a simple task. Several hazards can occur simultaneously, leading to cumulative impacts on society and infrastructure (i.e. pandemic occurring during a drought). In other cases, adverse events can trigger other hazard events (i.e. a major storm leads to wide-spread land instability issues). Known as cascading events, these can be difficult to plan due to the many interdependencies of the hazards and their potential impacts. We can't continue to use the past to plan for the future - due to climate change, many of our natural hazard risks are not fixed (e.g. the frequency and intensity of storms in our region is expected to increase). This means that we are likely to experience stronger hazard events, more often, and our infrastructure planning needs to incorporate the possibility of escalating risk for the same probability event over time. It is important to note that not all hazard risk will be increasing due to climate change. The likelihood of earth hazards such as volcanic eruption and earthquake, will not be impacted.

[2] Many of Auckland's hazards are shown visually in Auckland's Hazard Viewer

To mitigate hazard risk (from single, cumulative, and/or cascading events), we need to understand interdependencies within and between hazards and their potential impacts on our infrastructure systems. To ensure we use our resources as effectively as possible, we also need to understand which parts of our infrastructure are critical, where these critical parts are vulnerable to hazards, and where there are overlaps of critical assets of different types that might lead to catastrophic failure. Auckland's network infrastructures have a good understanding of criticality within each asset portfolios. An opportunity for improvement lies in better understanding of the interdependencies between our critical assets and networks (this is a draft NHRMAP action). This knowledge of our infrastructure will also inform work to better understand a Council-wide view of vulnerability of our critical infrastructure and embed this into our asset management planning.

Preparing our infrastructure for hazardous events

Hazardous events can damage, destroy, and/or disrupt our infrastructure services. In some cases, infrastructure itself can become a hazard (e.g. broken gas pipeline). They can do this at a time when most needed to cope with a disaster. The cost to maintain levels of service and reestablish necessary infrastructure post-disaster is significant.

Council has statutory civil defence responsibilities to prepare for hazards, including a duty to ensure that our lifeline infrastructure continues to operate to the fullest extent possible in an emergency. In order to do this, we use the internationally recognised four Rs of emergency management – reduction, readiness, response, and recovery. We also recognise the importance of the fifth R – resilience – for our infrastructure. Resilience is defined as the ability to resist or recover from an unexpected shock and remain effective in a range of situations.

Building the resilience of our infrastructure is a key focus for this strategy and has been highlighted as a priority through The Auckland Plan, draft NHRMAP, Te Tāruke ā Tāwhiri – Auckland's Climate Plan, and the Auckland Emergency Management Group Plan 2016-2021. Council defines minimum standards for some utility infrastructure via codes of practice. However, we recognise that resilience will mean looking beyond minimum standards (refer to section three).

In recent Long-term Plans council has invested in important projects that increase the resilience of our infrastructure to hazards. These include diversifying and increasing redundancy in our water supply network through development of the Hunua 4 pipeline, and stabilising, naturalising, and increasing the conveyance capacity of important urban waterways such as through the Te Auaunga/Oakley Creek upgrade.

However, we also know that our infrastructure could be more resilient, some opportunities for council include:

- Ensuring that resilience is considered in a consistent way in our infrastructure investment decisions;
- Managing the risk and resilience of new infrastructure in hazard areas;
- Focussing on our most critical and vulnerable assets; and
- Creative thinking about how we break lock-in to infrastructure systems that are not resilient (as by continuing to invest in these systems, we may make it more difficult to adapt), and transform to more resilient ways of providing our community with services.

Figure 10 Implications of hazards for our infrastructure investment drivers

Growth

- Hazards will need to be considered in our decisions about where to locate growth infrastructure so that we ideally reduce (and don't increase) our exposure to risk.
- New infrastructure is also a big opportunity to evolve our assets to being more resilient to hazards.

Renewals

- Renewals will be an important way to evolve our existing networks to be more resilient to hazards.
- Renewals will also need to be approached strategically in relation to the most critical parts of our networks, interdependencies with other systems and our infrastructure vulnerability to hazards.

Levels of service

- Levels of risk that our communities tolerate are reflected in levels of service.
- Our measurement of infrastructure performance will need to better account for risks. This may include considering expectations of critical infrastructure performance during adverse events (i.e. fail-to-safety).

Operations

- Operational spending, for example, on well-maintained assets, can increase the resilience of those assets to natural hazards.
- Potential increase in opex as more frequent and significant maintenance is required to our networks as a result of adverse events.
- Potential for savings or added benefits through more resilient systems.

Options for a strategic response to hazards

Long-term options for response:

The draft Natural Hazards Risk Management Action Plan (Table 8) is setting the council direction for managing a number of key natural hazards. Implementation of NHRMAP and management of the relationship between hazards and infrastructure generally will require both investment and policy decisions to be made. Key options for these decisions relate to

- How we choose to define the goal for infrastructure – e.g. what does resilient infrastructure look like? What level of risk are we willing to accept across which hazards? And how is investment in resilience prioritised against other pressures?
- Investment - do we invest now or later? how much do we spend? what do we prioritise? And who pays? (which combination of public, private individuals and insurance)
- Explicitly defining and valuing infrastructure system resilience and using that valuation to increase the council investment in infrastructure system resilience.

The implications of the options:

- Valuing the resilience of our infrastructure to natural hazards (and residual risk carried by the council and our communities) helps our communities to make decisions. The scale of disruption and impact on quality of life for our communities will be lessened if we're prepared for hazards.
- Cost to communities will vary depending on the timing of investment – in general the cost to prepare for a disaster is less than that to respond/rebuild.
- A step-change in our focus on infrastructure resilience would likely require fundamental changes to our investment decision-making, for instance our investment priorities and infrastructure funding systems.

Natural hazards strategic response	*Funding*
The approach reflected in this 10-year Budget is to:	
• Continue to grow our understanding of our infrastructure's vulnerabilities to hazards and the impacts of potential failures through the implementation of the draft Natural Hazards Risk Management Plan (see Table 8).	**Budgeted Opex (staff time)**
• Accelerated investment in coastal management plans to capture coastal inundation and erosion risk. This will be actioned via Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan (see Table 8)	**Included in climate investment package of $150m**
We will also work to:	
• Build natural hazard risk management more explicitly into our planning, including into the next round of AMPs to inform the 2024 LTP. • Develop a shared vision for resilient infrastructure that informs all of our infrastructure decisions and the value of investment in infrastructure resilience (see Table 9). • Refine understanding of the financial implications of hazards including: the value of infrastructure assets in hazard areas, the economics of a major hazard event, and the economic risk we carry across assets by hazard type. • Work to guide and integrate Dynamic Adaptive Pathway Planning in the management of infrastructure.	**Budgeted Opex (staff time)**
Investment responses • Refer to portfolio investments (section 4) • Significant decisions and options (section 4)	

Growth

Auckland's infrastructure needs to support our growing region in a coordinated way

The Auckland Region is big and growing. We are currently home to 1.7 million people and we expect to welcome between 20,000 and 30,000 new Aucklanders each year, reaching a population of approximately 2.3 million in the next 30 years. As shown in Table 8, Auckland's current population is lower than previously estimated, mainly because of Stats NZ's rebased 2018 population estimate.

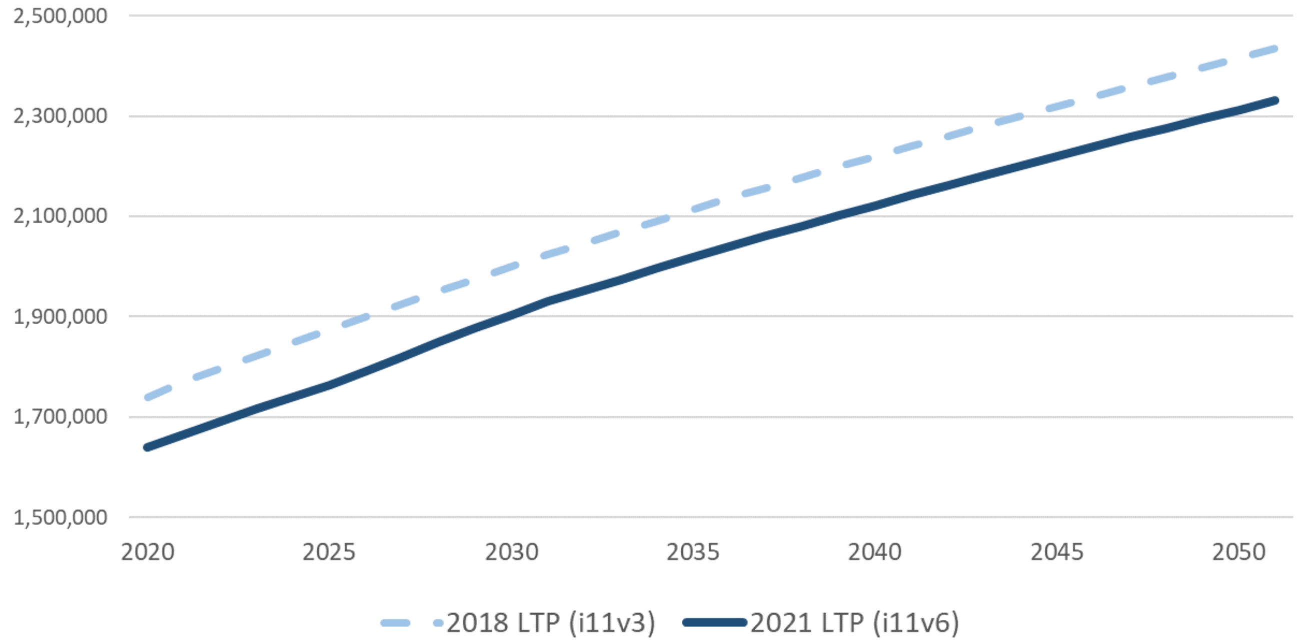


Figure 11 Auckland's projected population growth (population growth scenario i11v6; the basis for the 2021 LTP, compared to i11v3; the basis for the 2018 LTP)

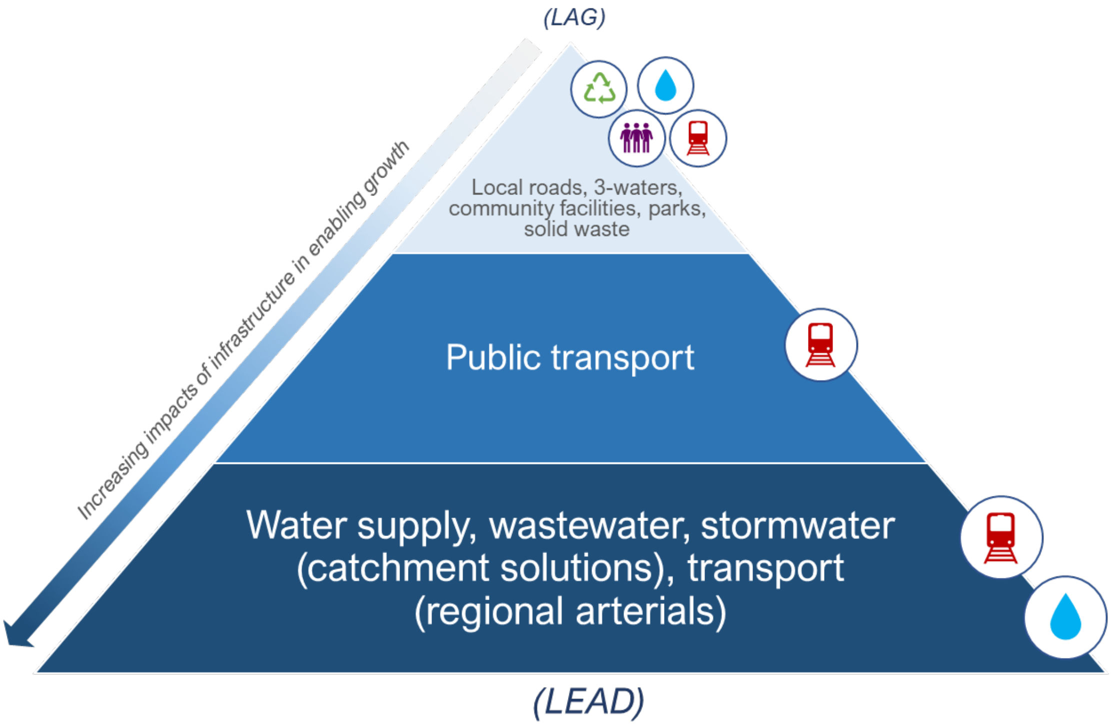
Auckland is also becoming increasingly diverse. Our diverse communities encompass a broad range of differences including (but not limited to) ethnic and cultural diversity, gender, sexual orientation, disability, and location. As our population grows and changes, it is important that we continue to nurture and support our diverse community identities. Changing user groups, behaviours and patterns will influence our infrastructure.

The role of infrastructure in growth

Infrastructure has an important role to play in supporting and shaping Auckland's growth. Much weight has been placed on this role in recent years.

The role that each infrastructure portfolio plays in enabling development to begin differs (Figure 12). Some, like water, wastewater, stormwater catchment solutions and transport, are 'lead' infrastructure. The presence or absence of these services can unlock or inhibit growth. Some, like public transport have a growth enabling role in some situations. Others, such as community facilities may come later as 'lag' infrastructure and are critical to enabling good urban outcomes. Infrastructure also influences and shapes built-form, density, character, and exposure to natural hazards.

Figure 12 Influence of infrastructure in enabling development



Generally, developers fund and deliver local infrastructure within their development (such as water and wastewater pipes, stormwater assets, local roads and neighbourhood parks). Once developed, Council often takes ownership of this infrastructure along with the costs of maintaining and operating that infrastructure. Developers also pay a contribution towards bulk infrastructure (such as reservoirs, water treatment plants, arterial road upgrades, libraries and large parks), which is commonly delivered by Council where the infrastructure may benefit multiple areas, or Council is best placed to deliver a project of this scale.

Council delivers growth infrastructure on the principle that it will recover costs from those who benefit from the growth. Council funds this growth infrastructure through borrowing, then recovering this investment over time through mechanisms such as Development Contributions (DCs) or Infrastructure Growth Charges (IGCs). Limitations on council's borrowing capacity mean we cannot fund the infrastructure required to service all our projected growth needs through these mechanisms.

Auckland's approach to growth

Aucklanders need sufficient and affordable housing supported by quality infrastructure. This means locations and infrastructure that have the ability to provide for diverse needs and growth forms now and into the future.

A growing Auckland is not a new phenomenon, but our approach to accommodating growth is changing. We are having fewer children, live longer, and more people spend more of their lives in one or two-person households. Consequently, our housing preferences are changing, with increasing demand for more intensive housing in existing urban areas, and a shift in emphasis away from low-density, standalone dwellings. This shift is reflected in the quality compact approach in the Auckland Plan 2050 Development Strategy, and the Auckland Unitary Plan. Making quality compact a reality is a complex practical challenge for our infrastructure providers which we can think about broadly as two issues – coordinating infrastructure investment and keeping pace with growth.

Coordinating infrastructure investment

A key challenge of accommodating Auckland's growth is coordinating the supporting infrastructure.

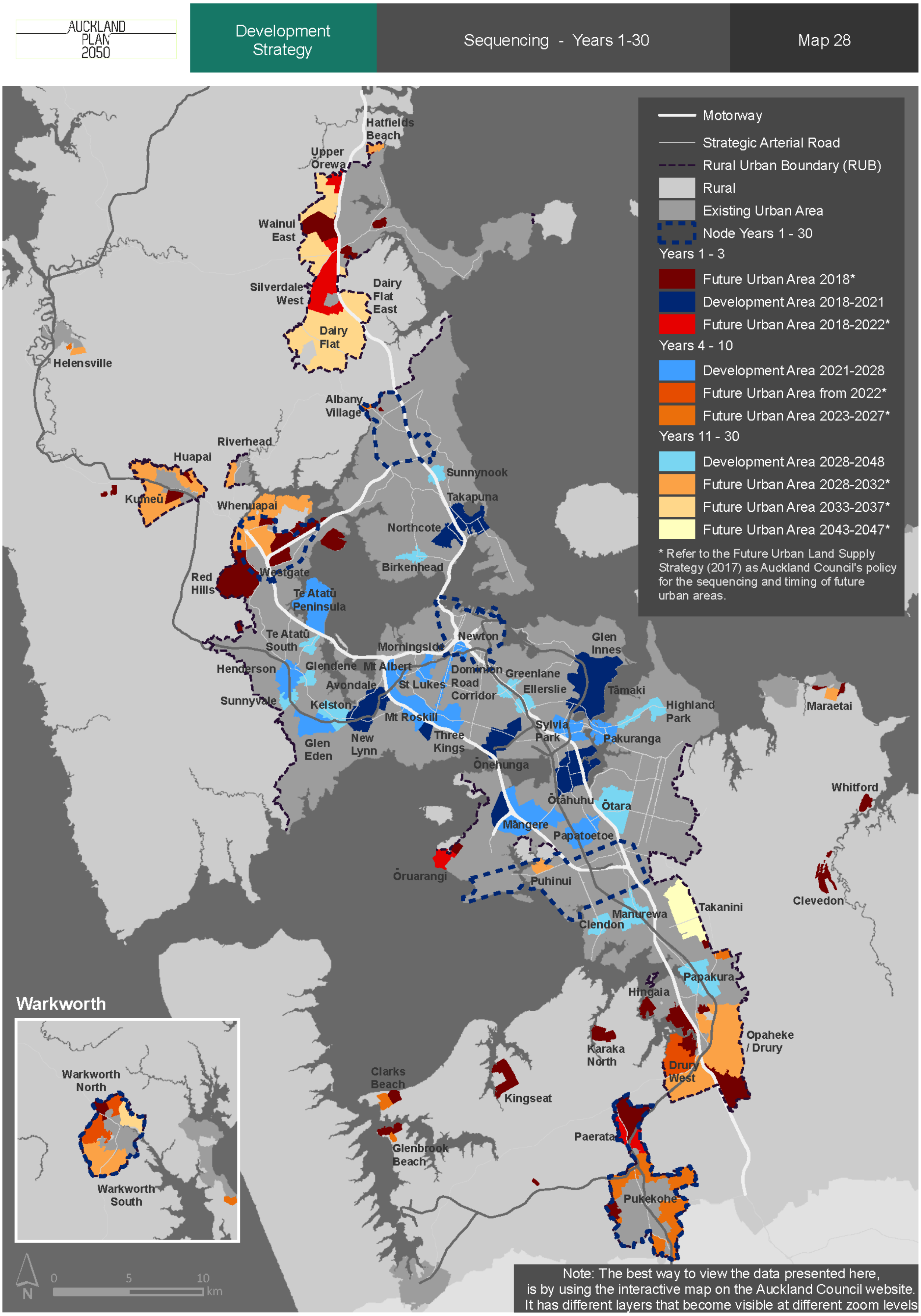
We work from a base of the council's projections and strategies to ensure that infrastructure investment is focused where the growth is happening or is anticipated to happen. The Council group uses a common agreed growth projection to ensure that our assumptions are aligned, but there is always uncertainty in anticipating where and when growth will happen.

Council strategies prioritise and sequence growth, which sets an agreed starting point for planning the supporting infrastructure. However, these strategies face pressure to respond to changing growth priorities, such as central government programmes and partnerships, and private plan changes.

Uncertainties, whether from changing population projections, or having to reprioritise because of shifting development pressures, make planning for infrastructure challenging. Much of our network infrastructure, in particular, has a long lead time – it takes many years to plan, design, and construct. Therefore, infrastructure planning benefits from clear and far-sighted information about where and when growth will occur and how other infrastructure types are planning to respond. Our strategies balance providing certainty for infrastructure providers with the flexibility to respond to changes in demand for zoned and serviced land.

In addition to the top-down strategy setting for growth and an infrastructure response to this, input from infrastructure providers also informs the strategy. Infrastructure is an important factor in identifying growth areas where we can invest with no regrets, or low regrets. It can guide how, where and when we develop. For example, the presence of a rapid transit network station can make an area more accessible and therefore more attractive for growth and intensification. Stormwater considerations can shape the location and form of a development to reduce the potential exposure to flooding.

Figure 13: Auckland Plan Development Strategy - Development Sequencing Years 1-30



Keeping pace with growth

With steady growth pressure in Auckland, delivering infrastructure at speed is an ongoing challenge. We have doubled our annual spend on growth in the six years to 2019.

Now, Council has a responsibility (via the National Policy Statement on Urban Development) to provide infrastructure to support sufficient development capacity. Work to quantify the infrastructure requirements for Auckland's development capacity is underway and will be integrated into the 2024 LTP. As yet, the size of the potential 'catch-up' challenge has not been assessed on a regional basis, and therefore it is not included in the investment planning set out in this strategy.

Our growth challenge exists in a constrained financial environment. We must balance our growth investment with looking after our existing assets and ensuring that they are performing for our communities. Council also has a duty to manage public spending responsibly (see section 1.2, the Financial Strategy, for a description of how we approach this). For our infrastructure to keep pace with growth, we must therefore be innovative. We need to prioritise our infrastructure growth spend to where and when it will provide best value for Aucklanders. We also need to consider alternative infrastructure solutions that do not require building and that manage demand. Additionally, we have an opportunity to think creatively about how we invest in growth infrastructure, utilising new tools for funding.

Figure 14 Implications of growth for our infrastructure investment drivers

Growth	Renewals
• More Aucklanders means a need for more supporting infrastructure. Providing this new infrastructure needs to be coordinated and funded in line with growth, to reduce the risk of stranded assets, and reduce the holding cost of underutilised assets. • Prioritisation of growth investments to where they will deliver greatest value to Aucklanders through alignment with growth strategies.	• Renewals projects provide an opportunity for necessary capacity increases in the existing system to be delivered efficiently. • Additional infrastructure to provide for growth adds to the ongoing need for renewals and the asset base that is depreciated.
Levels of service	**Operations**
• With fast paced growth there is an even greater need to ensure the quality of vested infrastructure supports level of service targets. • Constrained funding means there is an ongoing tension between the need to provide more infrastructure to meet growth pressures and the need to provide quality infrastructure that meets levels of service targets. Meeting levels of service and community expectations for the provision of open space and access to clean waterways become more difficult with the encroachment of development into these areas.	• Additional infrastructure for growth needs to be run and maintained, therefore generating a higher demand for operational spending (referred to as consequential opex).

Options for a strategic response for growth

The long-term options for response:

- Allocation of limited growth infrastructure funding through existing development policy and other pressures (private plan changes, crown priorities etc).
- Allocation of limited growth infrastructure funding towards more focussed investments; with investment targeted, for instance, towards joint programmes with the Crown.
- Increased growth infrastructure funding to meet growth pressures in all locations.

The implications of those options:

- Investment of limited infrastructure funds without focussed priorities can lead to uncoordinated and inefficient infrastructure provision.
- Targeting a focused set of growth areas enables infrastructure provision to adequately support development. A re-focussing on brownfields development in our growth priorities may also increase the efficiency of providing supporting infrastructure.
- Focussed investment means that the growth of some areas outside of the focus may have to slow down and/or be subject to greater scrutiny.
- Increased funding would require additional funding levers to be pulled, which would need to be considered with regard to prudent financial management in the longer-term (see the Financial Strategy in section 1.2).

Strategic response to growth	*Funding*
The approach reflected in this 10-year Budget: • A focussed approach is proposed. This would likely reflect councils existing commitments and joint work programme areas such as the City Centre (CRL Stations), Mangere, Mt Roskill, Tamaki, Northcote, Oranga, the North-West and Drury. There will be further prioritisation of infrastructure projects to support each of these areas.	**Contributions towards supporting infrastructure included in capital investment packages.**
• Coordination of growth and infrastructure requires a connected cycle of top-down direction for infrastructure to respond to, and bottom-up infrastructure input to influence and inform the strategic direction. We continue to improve the flow of information to support this cycle through regular sharing of growth information and open decision-making.	**Budgeted Opex (staff time)**
• We will continue to be creative about how we develop infrastructure responses to growth including through financing, design, and demand management.	**Budgeted Opex (staff time)**

Investment responses

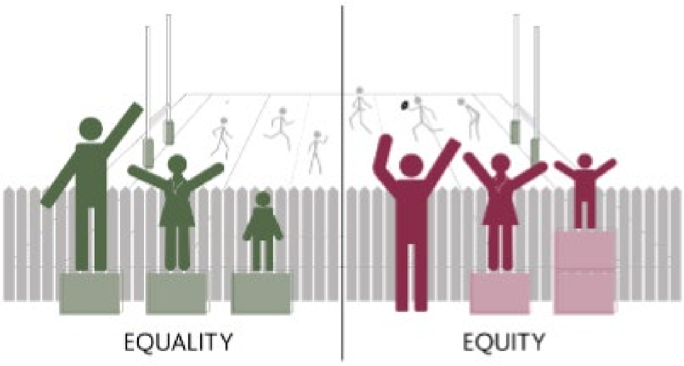
- Refer to portfolio investments (section 4)
- Significant decisions and options (section 4)

Equity

Infrastructure investment has potential to address disparities and serve communities of greatest need

Equity in Auckland

Equity is a big issue for our region. Sharing prosperity with all Aucklanders is identified as one of our three key challenges in the Auckland Plan. Equity can take a number of forms, importantly in terms of people and communities' access to opportunity, ability to take part in society, and chance to develop to their full potential.



Increasing equity means removing barriers and extending the range of opportunities and choices available for Aucklanders.

Actions are equitable when they acknowledge, mitigate, and redress inequitable outcomes by ensuring a fair and appropriate distribution of benefits and disbenefits. Adopting an equitable approach means redistributing various resources to reduce existing inequalities.

Inequity also applies to infrastructure provision. When Auckland Council formed in 2010, the levels of infrastructure services provided by legacy council areas were different. Those disparities between legacy council areas still exist[3]. In response, reducing inequity has become a central feature of council's strategic thinking, it can be found in:

- The Auckland Plan, for instance through the direction to "focus investment to address disparities and serve communities of greatest need"
- The development of specific organisations supporting parts of Auckland to be "prosperous, resilient places where children and whānau thrive" called Community and Social Innovation (previously known as TSI and TWI, The Southern and Western Initiatives respectively)
- The assessment of Te Tāruke ā Tāwhiri – Auckland's Climate Plan projects against communities of greatest need
- Our commitments to mana whenua and mataawaka; and
- Council's approach to investment as part of our COVID-19 response being supporting our most vulnerable communities.

This thinking is also guided by the reintroduction of the four well-beings in the Local Government Act 2002.

[3] http://www.lgc.govt.nz/assets/Uploads/Enhancing-Local-Government-for-Aucklanders-Recommendations-for-Auckland-Council.pdf

In implementing this strategic direction, we recognise that infrastructure represents our biggest investment, and therefore a significant opportunity to improve equity. We recognise that equity is the least mature of the issues identified for this Infrastructure Strategy (refer Figure 7) and therefore responses are still in development.

Infrastructure has a significant role to play in reducing disparities and sharing prosperity with all Aucklanders in both:

- **Providing basic services equitably.** Targeting our investments to reduce disparities in access to infrastructure, so that communities in need can benefit from the resources and opportunities delivered by our infrastructure. This includes access to the benefits of our natural (blue and green) infrastructure; and
- **Supporting communities of greatest need**, by thinking about the services we provide differently, or leveraging investment in infrastructure to achieve most impact towards the Auckland Plan our infrastructure investment can contribute to Aucklanders' wellbeing.

Providing basic services equitably

When planning for our core infrastructure, we have used two main techniques to make sure that services are equitably provided within our community.

Firstly, targeting investment to our least well serviced communities has guided some aspects of our infrastructure planning, including:

- Approaching our community infrastructure as a network and considering how services are spread across the region to determine where additional services should be provided.
- A focus on having available and affordable transport choices can increase equity for communities by removing barriers and extending choice. The resulting improved accessibility can help to better connect people, places, and services.
- Auckland's Urban Ngahere (Forest) Strategy assessed tree coverage across the region. This can inform infrastructure investment through considering infrastructure's displacement of trees and opportunities to improve infrastructure and community outcomes by incorporating more trees in infrastructure projects.

Secondly, council also uses deprivation to guide funding for local infrastructure. Deprivation scores are used to target funding for locally driven initiatives which is allocated via Local Board funding where population-based funding is adjusted for deprivation.

Use of both deprivation and spatial assessments of infrastructure provision are a starting point and can be built upon. Improving our understanding of inequity and infrastructure will support our decision making in reducing inequalities, removing barriers to accessing the benefits of infrastructure, and avoiding creating new or reinforcing old disparities.

Providing services differently to support communities of greatest need

In addition to providing our core services fairly, we recognise the power of our infrastructure investments to benefit our communities of greatest need. Two potential ways that equity can be included in how we develop our infrastructure services are via:

- Leveraging our infrastructure investments to provide many benefits beyond those typically associated with infrastructure projects and improving the return on our infrastructure spend. For instance, projects like Te Auaunga have included capability-building benefits around fostering community training and enterprise using a sustainable outcomes toolkit; and
- Transforming our systems to respond to the needs of all and providing support for those who need it to access the benefits of infrastructure. For example, Auckland Transport's emphasis on mode shift (from cars to public transport, walking and cycling) can allow more of our people who can't access a car to better participate in society.

Figure 15 Implications of equity for our infrastructure investment drivers

Growth	Renewals
• Opportunity to prioritise new infrastructure where it is needed the most and ensure that new infrastructure responds to the needs of its community, particularly communities of greatest need. • Leverage infrastructure investment to produce multiple benefits for communities.	• Renewals present an opportunity to evolve our existing systems to prioritise the needs of the community, particularly communities of greatest need. • Leverage infrastructure investment to produce multiple benefits for communities.
Levels of service	**Operations**
• Current measures are extremely variable in how they consider the equity outcomes possible from infrastructure investment. However, this may present an opportunity for improved measurements through the on-going long-term planning process.	• There is an opportunity to prioritise our operations to benefit communities of greatest need and leverage investment to produce multiple benefits for communities.

Strategic responses for equity

We have identified that there is an opportunity for infrastructure to better support our communities of greatest need. However, our understanding of this issue for Auckland is not yet mature enough to clearly understand the options available.

We propose to build our understanding of the potential for infrastructure to address disparities, the possibilities of generating many benefits for our communities from our investments, and the opportunity to embed this in our infrastructure decision making. Gathering this information will allow considered presentation of options for equity in the 2024 10-year Budget.

Funding

Funding requirements to be developed with options for the 2024 LTP.

Budgeted Opex (staff time)

Funding infrastructure

There continues to be a gap between the funding available through existing mechanisms and funding required to deal with the issues facing Auckland's infrastructure

Matching our infrastructure funding to our needs across Auckland's large and varied asset portfolios is a complex and sometimes delicate exercise. There are two areas where a funding gap can be present:

- To maintain or renew our established infrastructure networks; or
- To respond to infrastructure challenges by growing or improving our networks in some way.

Funding the maintenance and renewal of existing infrastructure

Maintaining and renewing Auckland's infrastructure represents a significant portion of our overall investment. Renewal of infrastructure assets is funded through general rates and other charges like volumetric charges for water and wastewater. We are moving towards better funding of our renewals and will fully fund depreciation, which represents the use of our existing assets, by 2028 [see section 1.2, our Financial Strategy]. This means that on average, over the long term, we will have a sustainable funding source to look after our infrastructure.

Understanding our existing infrastructure, its performance, and its maintenance needs is on-going work to ensure we are funding the right level of investment in renewals. The important pieces of information are:

- the condition and remaining life or our assets;
- which parts or our infrastructure systems are the most critical, and how do those interact with other assets in the same locations (i.e. will a failure of a critical transport asset cause failure of other types of critical assets); and
- what asset data do we have and how reliable is it, where are the gaps in our asset data and do we have a plan to fill those gaps.

Our major asset managers (three-waters, transport and community) generally have a good understanding of their assets. More information on the data used to guide their asset management and plans to improve and align this data across the council group is contained in sections 4 and 3 (respectively) of this strategy.

All our asset managers work continuously to improve their asset management planning processes. This includes working towards a more optimised asset management approach including improving data confidence and moving to more sophisticated asset condition data and deterioration modelling for all assets, particularly our most critical assets. Having an optimised approach to renewals doesn't mean that we are replacing every single asset before it fails, it means that we are better managing our risks related to renewals. Work has been done to understand the risk associated with our capital programme, and whether the risk contained in the renewals component of the capital demand can be managed within the 10-year budget. The results are described below.

Responding to challenges

Beyond maintaining our assets, the infrastructure issues above (climate change hazards, growth and equity), and other issues both mature and emerging, present pressures for additional funding. Table 6 provides examples of the funding challenges of the biggest issues facing our infrastructure. It also provides opportunities to consider funding mechanisms that are yet to be realised.

Table 6: Our big issues for infrastructure and examples of their funding pressures and opportunities

Issue	Funding pressures	Funding opportunities
Climate Change	As the impacts of climate change grow, there will be infrastructure costs associated with a transition to zero-carbon infrastructure (e.g. electric buses), coastal retreat, and climate adaptation (mitigating the impact of increased hot days and higher impact storms). These costs are emerging; they have not previously featured in our infrastructure funding approach and are likely to extend to tens of billions of dollars.	The council is unlikely to be able to fund these costs alone, however investment sooner to enhance our natural life-supporting systems (wetlands, mangroves, aquifer recharge, greening our city including tree canopy cover and maintenance), will have a better return on investment than waiting to invest in urgent response solutions.
Natural Hazards	Natural disasters, including those exacerbated by climate change, will produce infrastructure recovery costs. Investment in resilience will also be necessary (and is more cost-efficient than rebuilding after a disaster) to maintain services that our infrastructure provides for Aucklanders.	We currently have a finance option available for disaster recovery. However, improving our ability to target and fund resilience, which might include redundancy in our systems, could improve outcomes in disaster events. This will be considered in the Council responses to these issues outlined in section 3.
Growth	Funding mechanisms such as Development Contributions (DCs) or Infrastructure Growth Charges (IGCs) are used to deliver growth infrastructure, but rarely cover the full cost of the infrastructure. Therefore, we face a funding challenge of capturing funding from those who benefit from growth.	Reducing the costs of growth can also create a return. By incentivising growth in areas with existing infrastructure, benefits of more efficient provision of infrastructure can be realised.
Equity	The way we fund infrastructure can impact equity outcomes. Funding structures can dictate who bears the cost of infrastructure development and whether it is affordable to the community. Investment decisions also affect who benefits from the infrastructure.	Investing in infrastructure that benefits our communities, particularly those of greatest need or most vulnerable can also create a return on investment. This might include increased GDP through greater levels of access to employment, benefits from increasing the productivity of commuting and enabling communities to be self-sufficient in times of crisis.

Funding tools

Auckland Council has a suite of tools available to meet these funding requirements, including:

- Rating (both general and targeted)
- Growth charges, development contributions, and special purpose vehicles;
- Fees and charges for the services we provide; and
- Partnerships, for instance with central government or the private sector, working towards shared priorities.

Our Financial Strategy (see section 1.2) outlines our plan for using these tools within parameters of prudent financial management and affordability. This represents the council's approach to funding our activities and provides the framework for who pays for infrastructure, and when and how the costs are recovered. Watercare is moving towards 100% recovery of the cost of infrastructure through infrastructure growth charges by 2025. This reflects the recommendation of the Productivity Commission of full recovery for the cost of growth assets.

An issue for infrastructure funding is that the outcomes we seek in response to our significant challenges cannot be achieved through use of our funding tools alone. The size of the funding response required is simply too large. This means that in addition to using our suite of tools in the best combination available, we also must look beyond them.

Options for strategic responses to infrastructure funding

The options for long-term response related to the council's financial management are addressed in the Financial Strategy (section 1.2), those levers that can be pulled through infrastructure decision-making include:

- Infrastructure investment aligned towards the delivery of strategic priorities.
- Consideration of our expectations of the services our infrastructure provides including reviewing our demand management.
- Working with central government towards shared priorities.

The implications of those options

- Greater strategic alignment of our infrastructure investment enables better delivery against outcomes with limited funds.
- Demand management can reduce or delay funding pressures.
- Consideration of infrastructure expectations could lead to changed (increased, decreased, or different) services.
- Working with central government on the tools available for infrastructure funding could increase the council's ability to deliver infrastructure.

Strategic infrastructure funding direction

The approach reflected in this 10-year Budget:

- Final capital investment budgets will be decided after considering public feedback and reviewing the final results of our risk-based capital prioritisation work.
- Continued advocacy and collaboration with central government regarding infrastructure funding tools.
- Investigation of new funding mechanisms that could support desired outcomes, for example mechanisms that recognise return on investment in the long-term. This will be explored in our strategy work outlined in section 3 which will support the development of the 2024 LTP
- Further development of the strategic alignment of infrastructure investment (see section 3).

Other issues

Our infrastructure faces a number of other issues that already have well-established responses but still require significant investment over the next 30 years. They are well understood as issues, and we know we need to invest in them, now and into the future, potentially beyond the 30-year scope of this infrastructure strategy. Ultimately, for our investment strategy, if we don't spend money on them now there is a detriment to the overall system. Action on these issues is happening at a national, regional, and local level. Table 7 summarises some of the established approach to these issues and notes the live issues for Auckland's infrastructure.

Table 7 Other infrastructure issues

Issue	Examples of nationally coordinated response	The role of Auckland's infrastructure
State of the Environment and ecosystem health is a bottom line the environment is our essential infrastructure, and our built infrastructure exists within it	• NZ Biodiversity Strategy • Essential Freshwater work programme including the NPS Freshwater Management and a requirement to deliver te mana o te wai • NZ Coastal Policy Statement • Resource Management Act (and future reforms)	Opportunity to transform Auckland's infrastructure to resilient systems that reduce impacts, better support our environment and regenerate ecosystems.
Maintaining and improving public health outcomes much of our infrastructure exists to manage public health	• Drinking water standards • Three-Waters Reforms • Transport safety	Maintaining and improving public health outcomes (Much of our infrastructure exists to manage public health). All of our infrastructures prioritise investment in health and safety of our communities over anything else.
Robust asset management mature processes to ensure that we're looking after our assets and investing to create value	• Infrastructure Commission • Meta-data (shared data) standards project. • Guidance around quality asset management.	Opportunity to increase the strategic alignment of our asset management, including around building resilience, managing risk, and evolving our infrastructure.
Compliance with regulation Close monitoring and forward planning required to comply with the large number of consents held and meet changing standards	• Resource Management Act (and future reforms) • Building Act • Local Government Act	Auckland Council holds a great many consents, ranging from very small and temporary, to those that influence a whole network – such as the discharge consent for the Snells Beach WWTP. Our infrastructure providers have systems in place for monitoring compliance and planning for consent renewals. These systems feed into our asset management planning. Significant legislative reform is underway; changing standards and approval requirements are also a trigger for infrastructure investment.

Section three: Whole of council responses to infrastructure issues

This section summarises our current and planned responses to big infrastructure issues across the council group. Responses that are specific to each infrastructure portfolio are summarised in section four.

Current responses across the council group

Strategy

Council recognises the magnitude of the issues we face in managing our infrastructure. We have done significant work in recent years to set strategic direction across the council group in a clear and consistent way – this direction guides our infrastructure response.

Table 8 Strategic direction for infrastructure issues

Key document	Infrastructure issues	Specific direction for infrastructure
Auckland Plan		The Auckland Plan provides a 30-year vision for our region: addressing key challenges of growth, shared prosperity, and environmental degradation. All Council group policy, operations, and investment should contribute to delivering Auckland Plan outcomes. This includes equity outcomes, Māori identify and wellbeing, social and natural hazard resilience, access to and between the important places for our communities, and an aspiration for future-proofed infrastructure.
Development Strategy/ Future Urban Land Supply Strategy		Development Strategy and the complementary Future Urban Land Supply Strategy set out how Auckland is expected to grow and change over 30 years using the quality compact model. These strategies support the spatial prioritisation of our infrastructure investment and need to be linked to growth-enabling infrastructure included in this Infrastructure Strategy.
Te Tāruke-ā-Tāwhiri Auckland's Climate Plan (ACP)		Via our ACP commitments, our infrastructure decision-making must contribute to our emissions reduction targets and adaptation to a changing climate. The ACP will strongly influence our infrastructure investment through embedding climate impact assessments into the business case process, promoting dynamic adaptive pathways planning (DAPP) as a tool for transitioning our networks, and encouraging climate resilience in all new infrastructure.
Draft Natural Hazards Risk Management Action Plan		Draft NHRMAP, due to be finalised this year, is a 10-year plan capturing Council's actions to reflect our roles and responsibilities in relation to natural hazards. Many actions relate to the management of our infrastructure and includes building our understanding of infrastructure vulnerability and work to embed natural hazards into our asset management and planning.

Key document	Infrastructure issues	Specific direction for infrastructure
Auckland Waste Management and Minimisation Plan		Sets a region-wide goal of zero waste by 2040. Acknowledges that we have most influence in Council managed or generated solid waste, including that in the lifecycle of infrastructure. Opportunity for Council to lead by example and address our own waste practices associated with infrastructure lifecycles.
Coastal Management Framework for the Auckland Region		The Coastal Management Framework establishes a process for developing management plans for our coastal areas: addressing issues including sea-level rise and coastal erosion. The management plans will be foundational for planning for our coastal infrastructure and connected networks in the coming generations and for connecting our infrastructure decisions with the plans for our coastal communities.
Thriving Communities		Thriving Communities is council's plan for supporting community-led development and social change. It sets out principles and actions for community development that apply closely to social infrastructure but are also very relevant to other infrastructures.

Risk Management

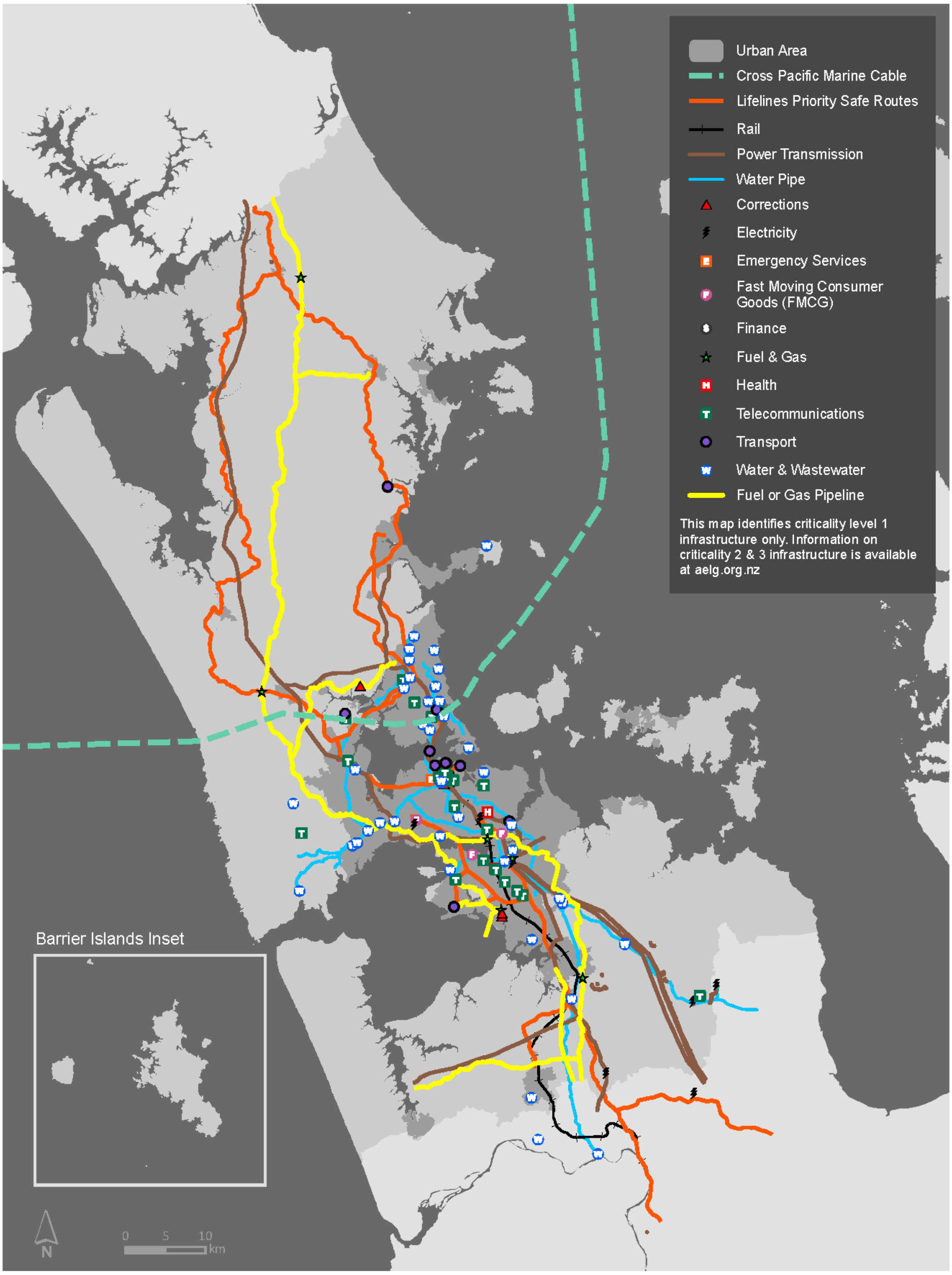
Each of the issues described in section two essentially presents significant risks and uncertainties that face our infrastructure. Therefore, risk management and informed risk-taking will continue to be central to our infrastructure management, and we must recognise those risks that present the greatest potential to deliver or hinder the outcomes we seek for Auckland.

Council has an established approach to risk management which includes:

- an enterprise risk management framework (aligned with ISO 31000) which provides a common platform for all risk management activities;
- an integrated and strategic approach to risk transfer (insurance) with a key objective of ensuring that the Council group has the financial resource to recover from catastrophic and other events; and,
- clear oversight of risk, including through the risk and assurance disciplines, governance oversight such as Council's Audit and Risk Committee, a robust financial planning process incorporating the 10-year Budget and Annual Plan and external oversight by Audit NZ and the Office of the Auditor General;

This risk management approach provides a solid foundation for informed infrastructure decision-making. In addition, we see an opportunity to further build the connections between risk and infrastructure strategy. For example, work is planned through the draft Natural Hazards Risk Management Action Plan to improve the consideration of risk management in our asset management, including through our measurement of infrastructure performance (Levels of Service). A basis of quality risk information will further support Council to make good decisions and can enable Council to take advantage of opportunities and innovation to deliver necessary change in our infrastructure systems.

Risk management is also built into the way that we manage our assets, particularly through our focus on critical parts of our infrastructure systems where failure poses significant risk. As a key member of the Auckland Engineering Lifelines Group, understanding the consequences and likelihood of failure, and also the changing demands on our infrastructure systems, allows us to better manage risks to these networks. Our critical assets are prioritised in investment programmes and in emergency contingency planning, as they are essential for Auckland to function (see Figure 16).



Note: Not all critical infrastructure identified is owned or managed by Auckland Council

Planned response across the Council group

Building on our existing direction above, we have identified key opportunities for how we will approach the biggest issues facing Auckland's infrastructure. The following outlines a three to five-year programme to further develop strategic direction for our region's infrastructure. The actions proposed (Figure 17 and described below) are interrelated and will act as building blocks to achieve a good strategic planning process.

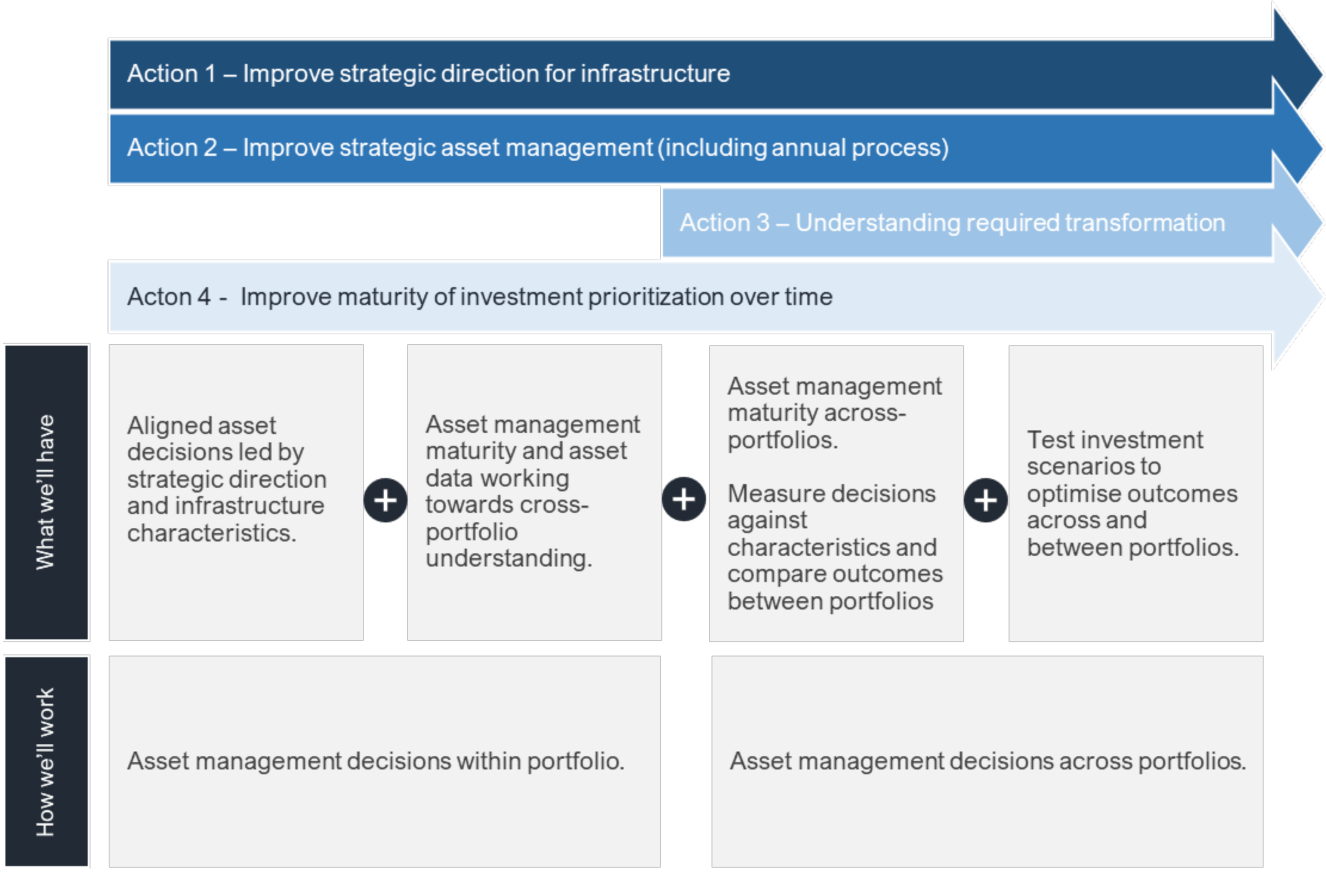


Figure 17: Strategic Planning Process Improvements and Outcomes

Provide strategic direction for Auckland's infrastructure

Our current response (Table 8) shows that our whole of group policy relates closely to the big challenges we identify in this strategy. We have clear goals in the areas of climate mitigation and adaptation, hazard management, growth, and equity. However, our policies have been established with much more than just infrastructure in the frame, and we know that there could be more clarity in how they apply to our infrastructure to strengthen the direction they provide to our investment decisions.

Our resilience aspirations provide a good example of this.

Resilience is currently the focus of significant strategic, organisational, community and operational effort for council. The Auckland Plan, the Te Tāruke ā Tāwhiri – Auckland's Climate Plan and the draft NHRMAP specifically look to resilience. Infrastructure presents a key opportunity to deliver resilience; there is a growing body of evidence that resilient infrastructure has a significant return on investment[4]. We know that resilient systems share a number of common characteristics, however, without agreement on what these characteristics

[4] The Insurance Bureau of Canada reports that investment in resilient infrastructure has a return on investment of $6 in future averted losses for every $1 spent proactively. The Infrastructure Sustainability Council of Australia reports that sustainably rated infrastructure is projected to deliver a minimum of $1.6 for every $1 spent.

might be, the aim of resilience is being used differently across our infrastructure portfolios. Therefore, we plan to define infrastructure resilience as an organisation. This will build on previous work on infrastructure resilience. In developing definition and characteristics, the definition may include attributes such as those in Table 9.

Table 9 Attributes of resilient infrastructure (adapted[5])

Resilient infrastructure attributes	
Strong	With the power to resist attack or other outside force
Diverse	With a number of functionally different parts in order to protect the system against various threats
Efficient	Makes good use of the resources it requires
Autonomous	With the capability to operate independently of outside control
Known	Managed with good understanding of the system, its context, and risks
Collaborative	With multiple opportunities and incentives for broad stakeholder participation
Adaptable	With the capacity to learn from experience and the flexibility and resources to change
Inter-dependent	With system parts connected so that they support each other
Fails to safety	Continues to function to the fullest extent possible in an emergency

Action 1: Improve strategic direction for infrastructure

Develop strategic direction for Auckland's infrastructure, including defining the characteristics that we want of our infrastructure systems

We propose to develop, agree, and embed this direction in the 2021-2024 period, building from a foundation of mātauranga Māori and the Auckland Plan 2050. A shared and agreed direction for infrastructure will provide a basis for alignment for our infrastructure investment. Such as:

- Resilient infrastructure systems;
- Climate positive infrastructure;
- Infrastructure that supports equitable outcomes; and
- Sustainable infrastructure systems.

Improve strategic asset management processes

Managing our assets well must include strong links to the council's aspirations for Auckland, we refer to this as 'strategic asset management'. Building the links between our strategy and how we manage our infrastructure has many benefits, including:

- providing decision makers and the public with confidence in the value of our investments;
- using our infrastructure purchasing power to achieve more for our communities;
- reducing the risk of misplaced infrastructure investment, for example, stranded assets that have not adapted to cope with the biggest issues facing our infrastructure; and

[5] adapted from Godschalk 2003 noting the experience of cities and how well their infrastructure systems responded to shocks.

- helping us to know what is most important in the face of financial constraints, allowing us to make robust and transparent decisions around changing levels of service, retiring assets and networks, or focussing investment.

In some cases, our strategic asset management is being done well. For instance, prioritisation within the council's community portfolio is closely linked to Auckland Plan outcomes. However, we also know there are opportunities for improvement – the recent review of Council Controlled Organisations (CCOs) identified a need for clearer strategic direction; enabling our infrastructure providers to translate strategy into work programmes. The review also recommends establishment of a strategic planning process involving discussion of CCO work programmes and priorities.

Action 2: Improve strategic asset management

Establish an annual strategic asset management process

We propose to scope and implement a strategic asset management process in the next three years. That would include:

- assessment of asset management maturity using a framework such as the Treasury Framework for Asset Management Maturity[6] to inform appropriate levels for portfolios
- establishment of a regular feedback loop between infrastructure and strategy to improve strategic alignment consistent with ISO 55000;
- coordination of approaches to key asset management functions, for example – criticality and data improvement planning, demand management and risk management;
- opportunities to collaborate and optimise the benefits our assets deliver for Aucklanders; and
- establishment of key principles for asset management, for example the use of Dynamic Adaptive Pathways Planning to manage risky, uncertain, and long-term, issues

Develop policy to support a planned approach to infrastructure transformation

Achievement of our strategic direction will require fundamental transformation of our infrastructure systems. Transformation is particularly difficult for infrastructure as we become locked into large, inflexible, or expensive systems; from which, change is difficult and slow. Therefore, we need to develop policy and process to support transitions and break down lock-in barriers. We expect that this policy would relate to the following:

[6] Based on the International Infrastructure Management Manual (IIMM) 2015 and used to underpin Central Government's Investor Confidence Rating.

Table 10 Transformation policy development

Principles	
A systems view of infrastructure	Moving away from thinking about individual roads, pipes, and libraries, to thinking about a series of systems, or a single infrastructure system that exists to provide services and functions that contribute to wellbeing. A systems view of our infrastructure would allow the focus to be on the outcomes that our infrastructure delivers. This holistic approach opens up opportunities for coordination between infrastructure portfolios to be made to deliver wellbeing more efficiently.
Innovation	Innovation can be challenging, as long-established investment structures and patterns can be difficult to change. However, the Council group has also demonstrated a willingness to take on and test new technologies and processes (i.e. social procurement and ISCA ratings). We must harness creativity, the power of our rangatahi, and foster a culture of innovation to help us provide services to Aucklanders. We see value in encouraging innovation and embedding innovation opportunities in our infrastructure decision-making processes.
Engaged Communities	Fundamental changes happen most effectively and efficiently when the community is engaged and on board. We see integrating our infrastructure planning with big discussions that are happening in our communities as essential to delivering change. There are coming opportunities for people to engage with the scope, scale and nature of our infrastructure, for example, through the development of Auckland's coastal management plans, in community conversations about climate change, and in the decisions generated by national direction around freshwater and urban development.
An adaptive approach	The infrastructure transformations must be managed within significant levels of uncertainty. We need approaches to making these changes that acknowledge this uncertainty and allow us to identify ways forward. Adaptive approaches, such as Dynamic Adaptive Pathways Planning will underpin our transitions through allowing us to identify future scenarios and pathways forward that manage, reduce, or avoid risk. These approaches also build-in the necessary flexibility to allow pathways to change and adapt along the way.

Action 3: Understanding required transformation

Develop policy settings that remove barriers to, and supports, the transformation of our infrastructure systems.

We propose to scope and develop policy in the years three to five of this 10-year Budget, including:

- embedding a systems view of infrastructure;
- fostering innovation;
- encouraging community engagement; and
- establishing adaptive approaches as a principle for infrastructure planning.

Advanced Prioritisation

Prioritising investment in a transparent way enables our communities to know that Council is spending our infrastructure dollar to create value for our region and to meet our goals for Auckland.

Asset managers across the Council group are using robust systems of asset management, and several are very mature in their asset management processes. However, we also know that asset management is an extremely complex challenge; requiring that competing priorities are balanced, such as, growth areas, managing renewals, divestments, resilience, innovation, funding, and levels of service.

In addition, planned establishment of a strategic asset management process, setting clear strategic direction, and developing policy settings to support transformation will represent a significant shift in our infrastructure direction. Each of these pieces of work will also increase the sophistication and clarity with which we approach the asset management decisions we make at both a macro and micro level. We see an opportunity to bring this direction together to clearly influence our infrastructure decision-making through advanced prioritisation.

This 10-year Budget has included a foundational exercise in risk-based investment prioritisation (see section 4 of this Infrastructure Strategy). This exercise has provided decision-makers with an understanding of how our investments relate to our risks. This work will be built on as described below (Action 4) to ensure we have better information about the trade-offs between our investments, and better strategic alignment of our investment as Council and central government strategies and policy develop.

Action 4: Improve maturity of investment prioritisation over time

Build on the proposed strategic direction, strategic asset management and transformation policy to deliver advanced prioritisation.

Advanced prioritisation would be scoped and developed in years 3-5 of this 10-year Budget. This would include clarification and consistent application of principles, attributes, and weightings, supporting infrastructure investment decisions to:

- Balance competing priorities;
- Demonstrate value for money and strategic alignment; and
- Have improved accountability and better inform our communities and our governance.

Section four: Infrastructure Portfolio responses to infrastructure issues

The most likely scenario for capex and opex investment across Auckland Council's infrastructure portfolios is summarised in Table 12. This scenario represents our investment response to the issues discussed in Section 2 of this Infrastructure Strategy. Over the 10-year budget period the Infrastructure Strategy covers around 87% of the group's capital investment and 70% of opex expenditure.

Table 12 Planned infrastructure investment covered in this Infrastructure Strategy

		10-year capex ($b)	10-year opex ($b)	30-year capex ($b)	30-year opex ($b)
Transport	Roads and footpaths	$7.3	$5.6	$26.6	$29.7
	Public transport	$3.6	$11.6	$23.1	$49.1
Three waters	Stormwater	$1.5	$1.9	$6.6	$8.2
	Water Supply	$4.3	$3.9	$16.5	$17
	Wastewater	$5.7	$5.7	$18.0	$23.2
Community	Community	$4.5	$9.2	$26.4	$37.8
Solid Waste	Solid Waste	$0.07	$1.3	$0.15	$4.8
Infrastructure Strategy total		$27.0	$38.6	$117.5	$169.3
Other investment and services		$4.0	$16.4	-	-
Financial Strategy total		$31.0	$55.0	-	-

Financial forecasts in the Infrastructure Strategy are in nominal dollars and account for inflation in capital and operating costs. Group financial assumptions, including significant forecasting assumptions such as inflation, can be found in the Financial Strategy (section 1.2 of the supporting information).

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

Risk-based capex prioritisation

For every 10-year Budget, Auckland Council is required to make difficult decisions about the level of investment appropriate to manage risk. The 2021 LTP investment decisions have been more difficult than most due to the constrained financial environment. A risk-based capital investment prioritisation exercise has been undertaken using criteria to assess which investments are the most important for addressing our greatest risks, and whether the risks can be adequately managed with the funding and financing Auckland Council has available. This has helped us to understand which of the investment demands across the group are the most critical to:

- Service delivery risks; including those associated with health & safety, legal, maintaining existing levels of service and critical asset renewals.

- Financial risks; that would impact revenue, funding or the cost of our investments.
- Strategic alignment risks; that would challenge our ability to meet targets associated with Covid recovery, the Auckland Plan, Maori outcomes, climate mitigation and adaptation, the environment and Auckland's development.

To understand the risk carried by our renewals demand, within the assessment we have categorised our renewals projects by the risk associated with deferring the project. Figure 18 shows the results of this which is that 100% of our most critical renewals projects and 96% of our non-critical renewals projects across the Council group can be funded within the 10-year budget.

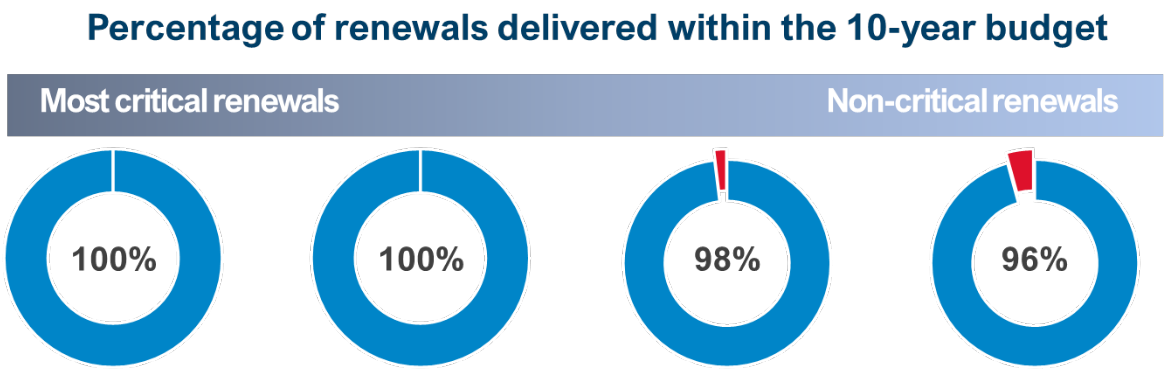


Figure 18 Percentage of renewals completed in the 10-year budget by renewal criticality

This work has enabled Auckland Council to achieve a balance between funding maintenance of the current system and funding growth and level of service improvement. It also ensures that funding levels are sufficient to maintain existing levels of service and that the cost of asset renewals is not being deferred to future generations.

This work will be built on in the coming annual asset management cycles to ensure we have better information about the trade-offs between our investments, and better strategic alignment of our investment as Council and central government strategies and policy develop. More detail about our plan to improve strategic alignment in our asset management processes, is contained in Section 3 of this Infrastructure Strategy: Planned response across the Council group.

The following sub-sections (Transport, Water, Community and Solid Waste) contain a summary of:

- assets within each portfolio,
- challenges specific to each asset portfolio and the planned responses,
- the implications of the five big infrastructure challenges identified in section 2 and the planned responses specific to the asset portfolio,
- asset data used to underpin asset management planning,
- assumptions, including Levels of Service and approach to renewals, using to inform the most likely scenario, and
- 1-10 year and 11-30 year investment plans.

Transport

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

Asset Portfolio Overview

Asset categories and values

Road pavements	$6.8b	7,597km of road pavements (regional arterial, collectors, access-low volume, unsealed roads)
Stormwater	$1.7b	88,429 catchpits,2,640 manholes, 4,848 soak holes, 3,511 treatment devices, and 13,396 kms of stormwater channel
Bridges, walls and structures	$1.0b	1,261 bridges and major culverts, 4,204 retaining walls, 208 sea walls
Public transport	$1.5b	1,482 bus shelters, 6 bus stations, 7 bus park and rides, 41 rail stations, 57 electric trains, 10 diesel trains, 22 rail park and rides, 23 ferry wharves, 5 ferry buildings
Footpaths and cycleways	$0.9b	7,392km of footpaths and 345km of cycleways
Traffic systems, signs and markings	$0.1b	834 controlled intersections, 46,590 traffic signal components, 157,961 road signs
Parking	$0.2b	2,064,256m^2 of at grade car parks, 9 car park buildings, 969 payment machines
Street lighting	$0.2b	120,011 streetlights

Transport Infrastructure Portfolio

Assets are worth
$12.2 billion

Depreciated by
$351m in 2020

Auckland Transport is responsible for managing Auckland's roads, footpaths, cycleways, and public transport network. Auckland Transport also manages on-street and off-street parking.

Operating context unique to this portfolio[7]

Transport assets and services are planned, funded and provided for in a unique way. Auckland Transport, Waka Kotahi (NZ Transport Agency) and KiwiRail are the main planning and delivery agencies for Auckland's transport network, with Auckland Council and Waka Kotahi as the primary funding sources. The Auckland Transport Alignment Project (ATAP) process aligns the priorities of Auckland Council and the government and sets out an agreed strategic response for the development of Auckland's transport system over the next 30 years. Timing and decisions around ATAP are critical as ATAP informs the 10-year Budget, Regional Fuel Tax (RFT) and Regional Land Transport Plan (RLTP). ATAP does not replace the statutory decision-making responsibilities of Auckland Council, Regional Transport Committee (RTC) or the Auckland Transport Board.

[7] The asset management plan (AMP) for contains more detail on Auckland's major transport assets. It is available [placeholder for link when AMP published]

Transport specific challenges and responses

Increased usage of the network as Auckland continues to grow

Auckland's population and the number of cars being registered here has increased considerably over the last 10 years, as has public transport use and cycling ridership where infrastructure is provided. The transport network is continuing to grow to support greenfields and brownfields growth. Heavy vehicles, including buses, are causing increasing damage to road networks. AT will need increasing consequential opex to manage the expanding network.

A need to ensure transport plays its role in meeting overall GHG reduction targets

Auckland needs to move rapidly to a low carbon transport system to contribute to emissions targets. This includes making walking, cycling, and catching public transport a more attractive option for more journeys and supporting Aucklanders to reduce reliance on private vehicles along with an ongoing move to low emissions vehicles. Heavy loads and higher temperatures arising from a changing climate will speed up asset deterioration.

A need to deliver faster reductions in deaths and serious injuries to support Vision Zero goals

Auckland's road safety problem is substantial, 533 people were killed or seriously injured on Auckland's roads in the 2019 calendar year. Deaths and serious injuries of pedestrians and cyclists decreased significantly in 2019 (pedestrians down 34%, cyclists down 19%). Rural road deaths and serious injuries dropped by 24%. However, Auckland still has 300+ high risk intersections and more than 1,000 km of high-risk corridors.

Ability to pay for services and continuation of how we operate

The combination of increasing travel demands from a growing population and ongoing funding pressures make it a challenge to invest in our transport system to achieve all desirable outcomes including, providing for state of good repair, expanding important infrastructure and services, and making progress against strategic objectives including mode shift and emissions reduction. Council's capital funding has increased although opex remains under pressure.

Key challenges

Government directions

NZ Upgrade Programme (NZUP)

NZ Land Transport Fund (NLTF)

The Government Policy Statement on Land Transport 2021 (GPS)

Government levers

Road pricing and fuel taxes

Purchase incentives for electric vehicles, support for biofuels, and setting higher vehicle fuel efficiency standards

Auckland Council's responses

Vison Zero

No deaths or serious injuries on Auckland's roads by 2050.

The safety programme currently in effect is expected to reduce Death and Serious Injury by 63% between 2017 and 2028. Good initial steps have been made but to go further, changes to key policy levers are needed, such as levels of fines and tools such as drink-driving reduction devices to achieve effective behaviour change. We are currently on track with the reductions needed to achieve this goal, supported by a $604 million investment plan over 10 years.

Balanced investment

Balanced investment is an ongoing challenge within a constrained capital envelope.
Auckland Transport work with the Council and central government partners to identify the appropriate mix of investment in asset maintenance, climate change, growth, mode shift and safety within a constrained capital envelope.
Auckland Transport will continue to develop the public transport network and accelerate cycling network development to support mode shift.

Greenhouse Gas Reduction

Auckland Transport continues to improve:

- public transport services (including taking opportunities to accelerate the decarbonisation of our public transport fleet),
- active modes infrastructure; and
- the provision of interventions that increase the convenience of using electric vehicles.

Transport responses to key infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.

Climate change

- Transport emissions are Auckland's largest single source of greenhouse gas emissions, accounting for 44 per cent of total emissions. On-road transport is about 38 per cent of the total. Te Tāruke-ā-Tāwhiri sets a regional goal of a 50 percent reduction in emissions by 2030 (on 2016 levels), and a 94 per cent reduction by 2050. The council and Auckland Transport are committed to the goals, but modelling estimates that current infrastructure and services investment plans, even if fully funded, would fall short of the required contribution from transport. Further investment decisions, including decisions on costs and funding, need to be made through ATAP.
- Fundamentally, achieving large reductions in transport emissions requires new policy levers to support:
    - a shift to low and zero tailpipe emissions vehicles, starting with the car fleet
    - reductions in the distance travelled and frequency of trips by private vehicles, and a shift towards more efficient modes such as public transport, walking and cycling.
- From the beginning of this LTP period Auckland Transport will procure only zero emission buses. 50% of the bus fleet will be zero emissions by 2030 and the full fleet will be zero emissions by 2040.
- There is likely to be an acceleration of the move away from carbon heavy assets to carbon zero or carbon positive (sequestering/green) assets.
- Investment in infrastructure and services to encourage mode shift from cars to public transport, walking and cycling.
- Auckland Transport has developed and costed renewals investments to improve resilience to climate change.
- Example investments in low carbon transport (10-year total):

City Rail Link (Council share)	$1,305m
Eastern Busway: Pakuranga Bus Station and Reeves Road Flyover, and Ti Rakau Busway	$722m
Eastern Busway: Botany Bus Station	$150m
Urban Cycleways Programme	$113m

Hazards

- Auckland Transport has established the proportion of its network that is exposed to natural hazard risks which covers sea level rise, flooding, tsunami, and seismic risk. The next stage of this work is to assess the vulnerability of critical assets and to develop mitigation plans.
- Coastal inundation analyses include the most recent climate change modelling from the National Climate Change Risk Assessment. These analyses will be updated as required and in response to improved local forecasts and modelling, especially of the impacts of intense rainfall and of drought.

- Sea level rise is resulting in more flooding and erosion of the network. Increased rainfall (weather bombs) means our road drainage systems needs more capacity to overcome flooding.
- We manage assets to minimise the risk that critical assets will fail and are developing responses for key assets in case these safeguards should fail.
- Increasing demand on existing assets to perform under a higher demand and extreme weather conditions resulting in the need for more frequent performance monitoring and maintenance. Route management may be required to adapt our transport systems to be more resilient and flexible should storms or other hazard events interrupt routes temporarily.

Growth

- Auckland Transport's role is to optimise investment in priority areas for growth, for example those identified through the Auckland Plan 2050. Auckland Transport has identified a range of options for transport infrastructure to support all key growth areas across Auckland. The costs of meeting the infrastructure requirements in all growth areas are significant.
- The current forecast population growth cannot be met with expansion of the road network alone and a significant shift is needed. Auckland's strategy for managing growth and demand, as set out in ATAP, emphasises improving the attractiveness of public transport, walking and cycling, and other choices, and reducing the proportion of journeys that are made by single occupant private vehicle.
- The extent of investment in growth is a key decision for this ATAP / LTP process. An increasingly focussed approach to growth is proposed, including likely prioritisation of growth areas that the council has agreed with central government. [Placeholder for outcome of ATAP growth funding].A growing and more diverse Auckland may mean a change in the expectations for the Public Transport networks and their integration with each other (i.e. through smart networks) and with emerging transport methods, for example e-scooters and autonomous vehicles. This might also include becoming Auckland's preferred zero-carbon travel method.

Equity

- Equity of access and transport choice remains a key challenge for Auckland. The Auckland Plan 2050 prioritises the provision of genuine transport choice, particularly in areas of need. ATAP and the RLTP have an important social equity dimension, and uses accessibility to jobs, by car and public transport, as measures of the performance of the transport system.
- For existing assets, the impacts of historic investment choices in West and South Auckland, relative to Central and North, are visible. For example, the aesthetic condition of footpaths is worst in West Auckland and best in the urban North.
- Auckland Transport now has consistent design standards for new and renewed assets that apply in all areas. However, the rate of improvement is linked to the rate of renewals undertaken.

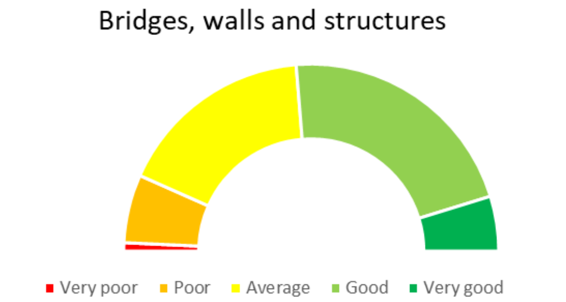
Funding

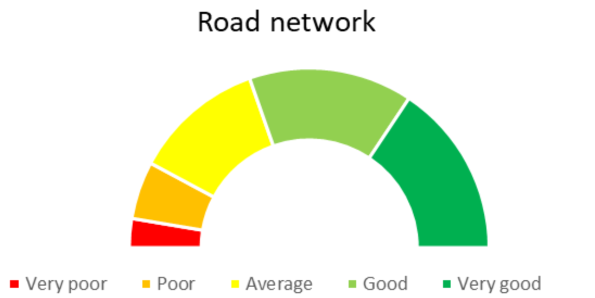
- The disruption caused by COVID-19 is a key driver of the financial pressures that Auckland Council faces. The primary impact of this disruption is on our revenue sources. Over the four years from 2020/2021 to 2023/204 we are projecting a revenue reduction of around $1billion.
- For the purpose of this draft budget we are assuming that the government contribution to spending by Auckland Transport will continue at the same rate (50 per cent of capital investment and operating costs (net of public transport fares)) as the previous plan.
- Given the current update to ATAP this assumption is highly uncertain, and the final agreement could include a different level of government funding. While a higher level of funding would enable the delivery of more transport investment a lower level of funding would result in less transport investment.

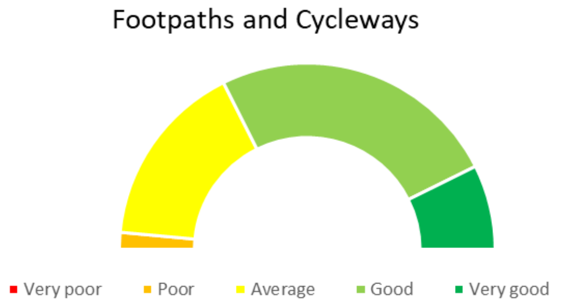
Proposed transport investment and supporting data (most likely scenario)

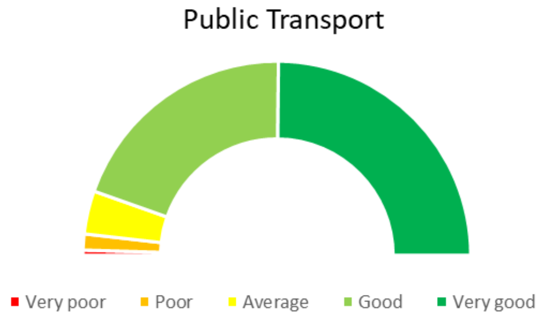
Asset data

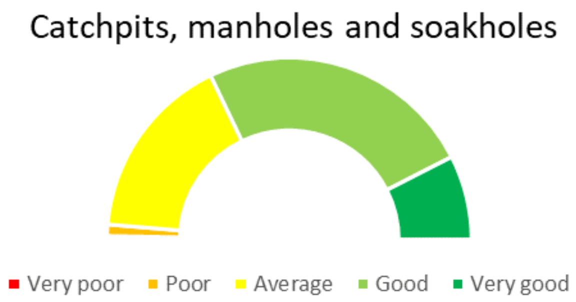
Asset condition





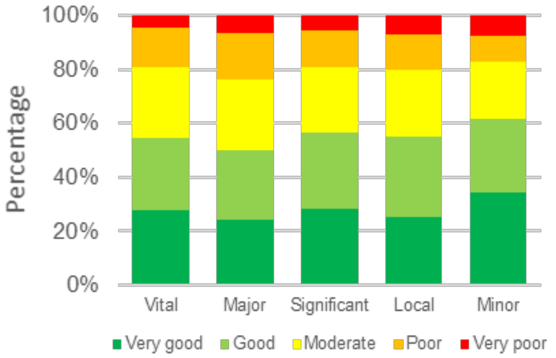




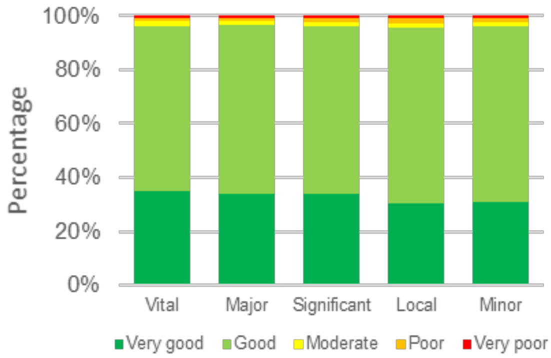


Condition data shows that AT's assets are mostly in average or above condition. The condition of transport assets is assessed through regular inspections specific to the asset type. Each asset type has an intervention level based on a fit for purpose level of service. Since 2018, Auckland Transport has encountered rapid deterioration of road pavements in some areas, due to growth-related construction traffic, and heavy commercial vehicle usage – including heavier axle weights from double decker buses.

Asset criticality



Pavement Surface and Base by Criticality



Footpath and Cycleways by Criticality

Auckland Transport inspects all critical assets and uses asset criticality alongside asset condition to prepare an asset risk framework. This methodology helps to rank assets from those most in need of intervention to those where no action is needed. It is rare for critical assets to fail as Auckland Transport regularly inspects its assets and takes action early to manage risk.

Auckland Transport also manages bridges and culverts that have both transport and stormwater functions that are critical. These major culverts and bridges are subject to preventive inspections every two years and are in good condition.

Data confidence and asset management maturity

Auckland Transport is considered to be between "intermediate and advanced' in its asset management maturity. Several audits have been completed by Waka Kotahi, the Road Efficiency Group and independent consultants to assess Auckland Transport Asset Management Plans and related processes. Auckland Transport has developed a comprehensive asset management improvement programme which is being implemented and will further enhance the maturity of Auckland Transport's processes and responses.

Auckland Transport has a good level of data confidence as reflected by its assessment of major asset classes, however there is room for improvement to better inform investment planning. There is a high level of confidence in footpaths, cycleways and carriageways, and a medium level of confidence in bridges and retaining walls. Data for critical stormwater assets (bridges and culverts) is validated continually through two-yearly preventive inspections, while lower confidence levels in non-critical asset classes such as catchpits is not considered significant and low numbers of newly found assets are reported by our maintenance contractors.

Auckland Transport is committed to maturing its asset management practices as they relate to data and good-quality infrastructure services management. An Asset Management Investment Portfolio Steering Group has been established, led by the Executive General Manager, to oversee the measurable maturing of Auckland Transport's asset management practices. Work is underway as part of Enterprise Asset Management to include systematic reporting of data completeness, quality, and timeliness.

The One Network Road Classification framework classifies New Zealand's roads based on various factors (such as traffic volumes and connections to important destinations) and supports Auckland Transport to make its investment decisions and enable comparisons with other road controlling authorities.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section 3 (Whole of council responses to infrastructure issues) of the infrastructure strategy.

Transport Assumptions

The following section outlines the assumptions that are specific to managing our transport assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to transport, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

Some performance measure targets are under review and have not been finalised. These are noted in the tables as To Be Confirmed (tbc). Throughout the consultation period and beyond, work is ongoing to review and set targets. This includes a process our Council Controlled Organisations (CCOs) are undertaking to develop their Statement of Intent over March and April 2021 which includes a review of their KPIs and targets."

Given the current update to ATAP is ongoing, for the purpose of this draft budget we are assuming that the government contribution to spending by Auckland Transport will continue at the same rate (50 per cent of capital investment and operating costs, net of public transport fares) as the previous plan. This assumption is highly uncertain, and the final agreement could include a different level of government funding. A higher level of funding would enable the delivery of more transport investment, while a lower level of funding would result in less transport investment and possible reductions in levels of service.

There is also some uncertainty about levels of service in the coming decades due to the immediate impacts of Covid-19 on transport behaviour change, and action required to mitigate and adapt to a changed climate future. More details are provided below the table. However, the most likely scenario is outlined here.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service assumptions

Performance measures	FY 2022-FY 2031	Expected trend to 2051
Levels of service: *We provide safe, high quality and efficient local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers*		
The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number	Reduce by at least 50 per year from FY22 to FY31	↑ (ongoing reduction towards vision zero)
Average AM peak period lane productivity across 32 monitored arterial routes	Increasing from 30,000 (FY22) to 33,000 (FY31)	→
Proportion of the level 1A and 1B freight network operating at Level of Service C or better during the inter-peak	85% (FY22 onwards)	↓ (increasing congestion, especially on the motorways, is likely to lead to a

		projected decrease in LoS)
Percentage of intersections with average pedestrian delay within the city centre, metropolitan and town centres at good levels of service (LoS A-C) at interpeak.	tbc	tbc
Number of cycle movements past 26 selected count sites	Increasing from 4.02m (FY22)	↑
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed rural roads	88% (FY22 onwards)	→
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban roads	78% (FY22 onwards)	→
Percentage of the sealed local road network that is resurfaced	6.0% (FY22) increasing to 7% (FY31)	→
Percentage of footpaths in acceptable condition 5	92% (FY22) increasing to 95% (FY31)	→
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes *Specified time frames are defined in Auckland Transport's customer service standards: one hour for emergencies, two days for incident investigation as a high priority, and three days for an incident investigation as a normal priority.*	Remaining at 85% (FY22 to FY31)	→
Proportion of road assets in acceptable condition	92% (FY22 onwards)	→
Levels of service: *We specify, contract for and promote public transport services and provide safe, high quality public transport infrastructure*		
Total public transport boardings (millions)	99m increasing over time	↑ (ongoing increase in total boardings)
The percentage of public transport trips that are punctual	Remaining at 96% (FY22 to FY31)	→
The percentage of passengers satisfied with public transport services	Remaining in the 85-87% range from FY22 – FY31.	↑
The percentage of the total public transport cost recovered through fares	40-45% (FY22) increasing to TBC (FY31)	↑ (ongoing increase in operating cost recovery)
Percentage reduction of greenhouse gas emissions from AT's assets (baseline 2018/19)	9% (TBC beyond 2022/23)	tbc

Covid-19 is by far the most significant factor driving short run changes to AT's levels of service, and AT's response is currently focussed on the short term. Over the remainder of the decade, a range of cost increases associated with providing public transport services and operating associated infrastructure will put the opex budget under pressure. Significant trade-off decisions will be required, and there is a risk that cost pressures will mean that Auckland Transport will not be able to deliver the improvements to public transport services that are needed to achieve policy outcomes.

Growth assumptions

Asset growth projections are consistent with projected population growth. It is acknowledged that forecast population growth cannot be met with expansion of the road network alone and a new approach is needed. In new growth areas, road infrastructure is provided by developers, however residents of these areas will still travel on arterial roads in the existing network, and options to expand the capacity of these key links are very limited.

Key demand metrics for 2019/2020 are impacted by Covid and therefore reflect steep decreases in transport demand during periods of lockdown. These demand metrics are not considered to reflect long-term trends and, therefore, have not been used in AMP forecasts. To support long-term planning, Auckland Transport assumes that total travel demand will increase in proportion to population, with freight demand increase in proportion to economic as well as population growth. Through ATAP, a regional transport approach has been developed and agreed that emphasises an expanded role for public transport, walking and cycling as travel choices, to offset the impact of growth. The additional assets consistent with dwelling growth in turn lead to consequential maintenance and operations costs, and in the long term will also impact renewal costs. This is also the case for Auckland's expanding public transport, walking and cycling networks.

Auckland's strategy for managing growth and demand, as set out in ATAP, emphasises improving the attractiveness of public transport, walking and cycling, and other choices, and reducing the proportion of journeys that are made by single occupant private vehicle. The ATAP strategy also aims to encourage more long journeys and freight trips to be made on the motorway network and on identified roads suitable for high volumes of traffic and for heavy vehicles, allowing for safer walking and cycling in areas with high place values. Demand management measures, such as road pricing, are also integral to optimising the existing network.

Management of asset lifecycle through our approach to renewals

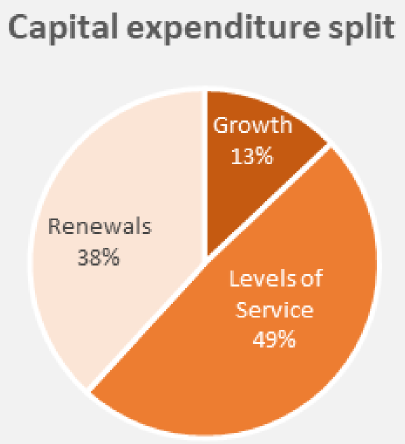
It is critical to invest adequately in transport asset renewals for public safety, to reduce risk of asset failure and to maintain levels of service. Auckland Transport's first priority is to maintain and renew the current network and deliver the necessary services on that network. Renewals costs continue to rise due to Auckland's expanding asset base.

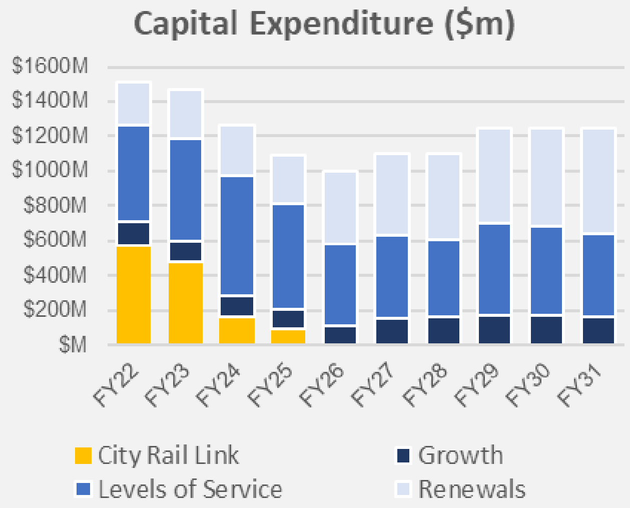
Prioritisation according to the One Network Road Classification forms part of a comprehensive approach to renewals planning across the full transport asset portfolio, guided by national and international best practice. Auckland Transport maintains an inventory of all assets and uses criticality, condition, performance, and risk data to inform and optimise the renewals investment plan.

In general, transport assets are not allowed to "run to failure", because the risk of disruption and collateral damage when assets fail outweighs any potential cost saving from postponing asset renewals. Auckland Transport, therefore, replaces significant transport assets before they fail, based on an optimised renewals process. For some assets, it is appropriate to replace each asset at the end of its useful life, however, for other assets there are obvious benefits to replacing assets in a planned way. Renewal of non-critical Auckland Transport stormwater assets generally occurs at the same time as other roading renewals, or when asset failure occurs (for example, a catchpit lead was found to have been collapsed though maintenance).

The useful life of the relevant asset classes are defined the summary of significant accounting policies (section 2.2 of the LTP supporting information).

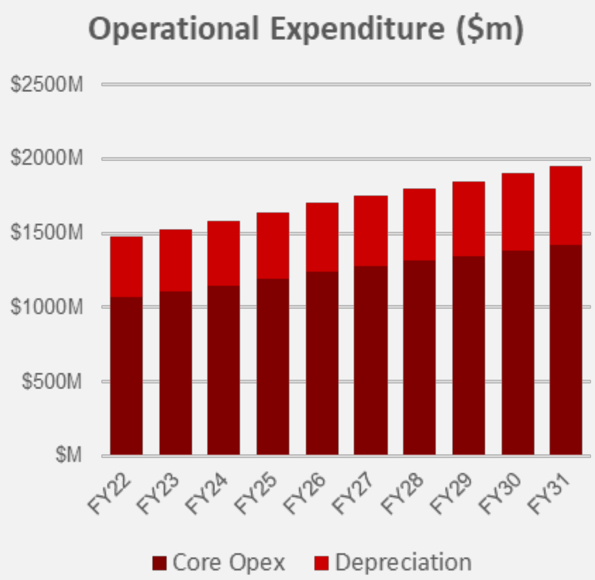
Investment years 1-10

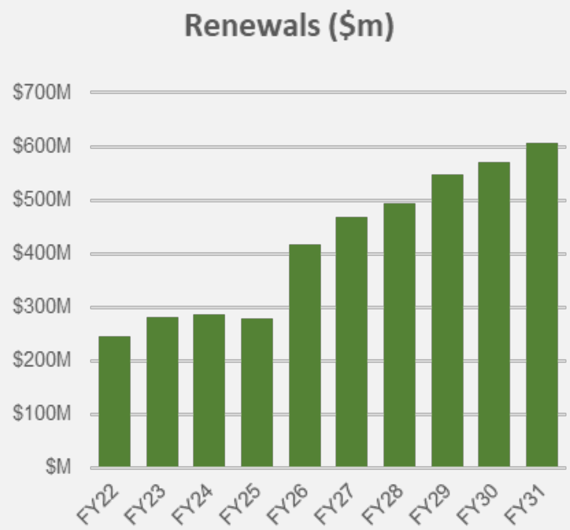




Improving service levels for Auckland's public transport infrastructure, roading and active mode infrastructure makes up the largest portion of Auckland Transport's 10-year investment at $5.4 billion.

Auckland Transport will deliver around $10.9 billion of capital investment over the next ten years in addition to the remaining $1.3 billion investment in CRL. The forecast is subject to the current ATAP process being finalised.





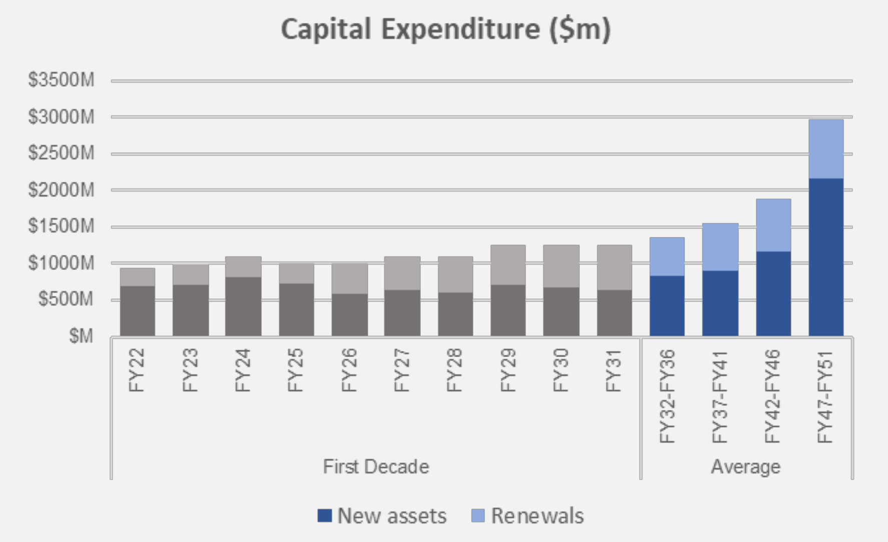
Opex budgets for transport increase over the decade to cater for population growth, increased cost of delivering public transport services and to operate new assets such as the CRL from 2024.

Auckland Transport is facing increased renewals requirements and associated costs. To address the asset renewals challenge, we propose a constrained level of investment for the next four years, followed by an increase so that total investment over the 10 years reaches $4.2 billion in this LTP (compared to $3.8 billion in the 2018 LTP).

Major projects/programmes (Year 1-10)	
Transport	$millions
City Rail Link	1,305
Asset renewal programmes	3,951
Safety programme	660
Connected communities – phase 1	654
Customer and corporate technology programme	394
Eastern Busway: Pakuranga Bus Station and Reeves Road Flyover, and Ti Rakau Busway	722
Eastern Busway: Botany Bus Station	150
Urban Cycleways Programme	138
Rosedale and Constellation Bus Stations	70
Wynyard Quarter Integrated Road Programme	46
CRL Day One - Rolling Stock Package	404
Supporting growth programme	615
City Centre Bus Improvements	124
Integrated Ticketing - Improvements, Replacement and National System	184
Northwest SH16 Interim Bus Improvements (externally funded)	85
Lincoln road corridor improvements	112

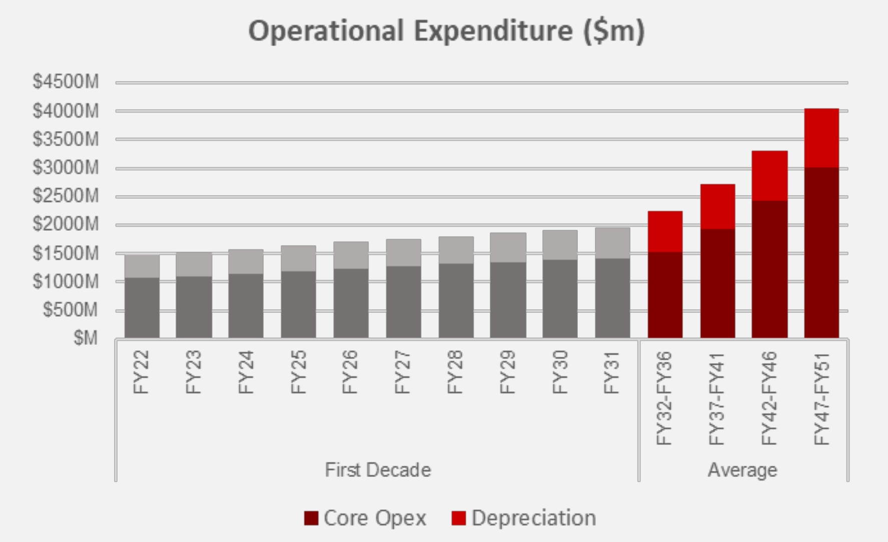
Note: The transport capital programme composition is subject to the finalisation of ATAP (Auckland Transport Alignment Projects) and the RLTP (Regional Land Transport Programme).

Investment years 11-30

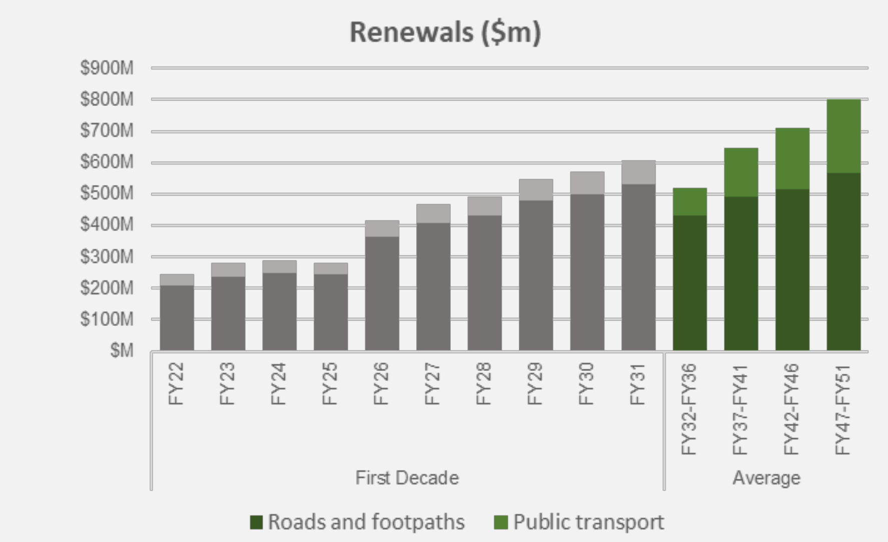


Forecast investment over the 11-30 year period aligns with the last ATAP process.

Investment of the 11-30 year period will be reviewed as part of the 2020 ATAP process once the first decade has been finalised.



Operating expenditure over the 11-30 year period aligns with the last ATAP process.



Renewal investment over the 11-30 year period aligns with the last ATAP process.

Major projects/programmes (Year 11-30)
Transport capex
Public transport – new assets, including:
• Airport to botany • Northern Busway Enhancements • Northwestern Busway Enhancements • Ongoing improvements to the rail networks • Full electrification of bus network.
Public transport - renewals
Roads and footpaths – new assets, including:
• Continued investment in multi-modal arterial corridors in key growth areas • Ongoing development of the cycle network • Completion of the Connected Communities programme • Ongoing safety investment.
Roads and footpaths – renewals

Three Waters

Water Supply	An interconnected system of built water network, treatment plants, natural environments and sources that delivers public health, safety, well-being and prosperity to Auckland.
Wastewater	A system of built wastewater network and treatment plants and that delivers public health, safety, well-being, prosperity, and environmental outcomes to Auckland.
Stormwater	A system of built stormwater network, natural waterways, overland flow paths, and coastal receiving environments that delivers public health and safety, property and infrastructure protection and environmental outcomes.

Asset Portfolio Overview

Asset categories and values[8]

Water supply	$4b	12 water supply dams	85 reservoirs
		15 water treatment plants	76 treated water pump stations
		9,349 km of treated water pipes	15 abstraction points (ground and surface)
		52,638 hydrants 100,176 valves	36 raw water aqueducts and tunnels
		444,192 water meters	259 small water supply sources + associated systems
Wastewater	$5b	8,258 km of pipe	167,176 manholes
		18 wastewater treatment plants	516 wastewater pump stations
		359 small wastewater systems treatment facilities	
Stormwater	$4.7b	6,300km of pipe	626 ponds and wetlands
		154,000 manholes	600 treatment devices
		115,000 catchpits – 6% owned by Auckland Council, a large percentage owned by Auckland Transport	2000 public soakholes - <5% owned by Auckland Council
		3,000 rain gardens and other water sensitive devices	
	>$50b[9]	Natural assets for stormwater conveyance, including, 16,650km of streams, 69,000km of overland flow paths, aquifers, 3,700 ha of freshwater wetlands	

Three Waters Infrastructure Portfolio

Assets are worth **$15billion**

Depreciated by $315m in 2020

[8] Auckland Council Annual Report 2019/20 2020 depreciation – Water supply $111m, Wastewater $144m, Stormwater $60m.

[9] this is an estimate of the cost of built systems providing the stormwater conveyance services that our regions streams and water bodies currently provide. The replacement value (i.e. the cost to replace these natural assets with like-for-like assets if we lost them) has not been valued.

Operating context unique to this portfolio[10]

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

Auckland's stormwater systems are a connected network of built structures, natural waterways, overland flow paths, and coastal receiving environments. The system is managed by both Auckland Council's Healthy Waters department (the network collecting and treating stormwater runoff from properties, roads, parks and reserves) and by Auckland Transport (the network collecting and treating stormwater from road corridors and often discharging into the Healthy Waters network). For information on the Auckland Transport-managed stormwater assets, see the Transport section above.

Healthy Waters is our stormwater department delivering water quality, stormwater collection and conveyance, and flood management. Healthy Waters is funded through the general rate and a Water Quality Targeted Rate introduced in 2018.The integrated management of our water resource is essential to facing the issues identified in section two of this Infrastructure Strategy and was highlighted in the three-waters value for money review undertaken in 2017. A Water Strategy for Auckland is in development.

Significant water reforms are being progressed through central government and will impact on the management and funding of the 3-Waters.The impact of these reforms is excluded from our infrastructure planning as they are not yet known.

[10] The Watercare asset management plan (AMP) for contains more detail on Auckland's major water and wastewater assets. It is available [placeholder for link when published]

Three waters specific challenges and responses

Growth in the right places

Council provides infrastructure to support sufficient development capacity, which means water infrastructure is growing on many fronts. This is difficult to resource and fund. The three waters are lead infrastructure for development, particularly where that development is occurring on or near a flood plain. Our current growth cost recovery mechanisms are slow or incomplete when infrastructure must be built well before it will be fully utilised. Discrete developer created assets may also miss the benefits of catchment-scale stormwater solutions.

Meeting our future water needs

Meeting our water needs (now and in the future) means we may have to find more expensive water sources and be more careful with every drop we have.

Cleaning up our waters

To achieve te mauri o te wai, we are required to maintain and improve the quality and health of water bodies. This will require action from multiple sectors, including improvements to the environmental performance of our infrastructure. This is a significant investment over decades which is costed at a high level only and will be funded through future revenue in the AMP's.

A changing water future

Exposure to the impacts of sea level rise of discrete assets is being investigated and relocations can be costed and planned for. The additional impact on connected 3-water networks is largely unexplored and un-costed. Where communities will retreat due to sea level rise, deteriorating service levels may become acceptable for some assets. At the same time, climate affected rainfall and flooding can make our existing infrastructure less efficient and will need more protection from natural hazards.

Water challenges

Legislative requirements

- Essential Freshwater rules and regulations
- National Policy Statement on Urban Development

Government direction

- Three Waters Reform Programme
- Climate Change Response Act (net zero emissions 2050)

Council's responses

Growth in the right places

Auckland Council is proposing a more focused strategy for managing growth.
Water infrastructure is essential for new developments.
To respond to rapid growth, a three-waters response will include:

- Increased charges for water and wastewater and increased growth charges
- Increasing levels of demand management
- Reprioritise growth investment.

Meeting out future water needs

Drought and flood events have shown vulnerabilities to our water supply.
Our water supply system will become more efficient and resilient through:

- new sources for reticulated residents
- managing demand
- new non-potable solutions for construction and irrigation
- Aquifer studies to understand groundwater availability
- Supporting unreticulated communities

Cleaning up our waterways

The water quality targeted rate will continue to fund projects to reduce wastewater and sediment contamination of waterways.
Proposed expansion of the water quality targeted rate will enable investment in the eastern isthmus and Manukau Harbour.

The Central Interceptor will be complete in 2025 and will significantly contribute to improving water quality in urban streams and waterways.

A changing water future

Council is planning for infrastructure that will be affected by sea level rise, erosion, floods and storms, through:

- The too much water policy
- Coastal compartment management plans
- Flood planning

Auckland Council proposes accelerating Climate Change Action including funding to speed up the development of these plans at an investment of $150m.

Budgets to respond to short-term flooding risks are constrained.

Three waters responses to big infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.

Climate change

- Mitigation: Watercare has a climate change strategy and have committed to a 45% reduction in operational emissions by 2030 and a 40% reduction in built emissions (from baseline) for the whole 10 year capital works programme.
- Mitigation: Healthy Waters is developing a carbon portal and will be establishing reduction targets.
- Mitigation: Watercare are working towards energy neutrality at the Mangere and Rosedale WWTPs.
- Adaptation: Healthy Waters and Watercare are working together to improve modelling of climate affected rainfall, which will be key in planning for flooding and water supply resilience.
- Adaptation: Identification and early costing underway of discrete assets (such as wastewater treatment plants) and parts of networks will be affected by sea level rise. This may be through inundation or through salination or groundwater levels rising. For example, Mangere WWTP is planned to be protected from sea level rise.
- Adaptation: Retreat discussions for affected communities are likely to be triggered by consent renewals for assets that will need to consider adaptation over the period of the renewed consent (i.e. 35 years).
- Adaptation: Healthy Waters programme to manage climate-affected inland flooding by improving urban stream resilience (erosion prevention and pulling networks above ground by stream daylighting).
- Example investments (10-year total):

Water supply resilience	
Waikato A WTP	$224m
North Harbour 2 Watermain	$355m
New Waitemata Harbour Crossing	$3m
Waikato 2 Watermain	$273m
Helensville (Water Source)	$89m
Orewa 3 Watermain	$211m

Hazards

- Auckland Council has a draft Natural Hazard Response Management Plan which includes the impacts of hazards on our water assets and better incorporating the consideration of natural hazards risk into asset planning.
- Our water and wastewater asset managers have response plans for volcanic events, seismic events, and tsunami. Watercare undertook an insurance evaluation of our assets in 2017 to help assess the financial implications of these major event types.
- The nature of the stormwater network (catchment based and based on natural landform) is resilient to geological hazards as water can be conveyed via overland flows.
- Non-natural hazards are well incorporated in our water and wastewater planning due to a focus on cyber security and physical security. For stormwater assets this is part of plans for asset management improvement.
- Possible asset failure is addressed through Emergency management and contingency planning, which includes incident management plans for critical assets that align with Council's crisis management plan, pandemic response plans and the Auckland Engineering Lifelines Group Civil Defence Response Plans.

- Too much water policy is in development and will provide and adaptive management basis for response to too much water, including flooding, coastal inundation and associated coastal erosion.
- Hazards and development can be conflicting pressures. Healthy Waters provide regular input into development regulation with regard to flood hazards. Healthy Waters will also contribute to review of flood hazard provisions for future amendments in the Auckland Unitary Plan.
- Example investments (10-year total):

Flood hazard management	
Ports of Auckland Outfall Upgrade	$39m
Wolverton Street Culverts Upgrade	$11m
East Tamaki Dam Upgrade	$7m
Catchment & Asset Planning programme budget (In-house)	$118m
Central Auckland stormwater and wastewater catchment management plan (Model Build)	$10m

Growth

- Our three-waters networks are growing in response to an expanding urban area and more extreme rainfall events. Regulatory improvements are proposed to limit the flood hazard caused by growth or that new development is exposed to.
- The uncertainty associated with growth pressures presents a challenge for water infrastructure planning. Growth responses are therefore a combination of planned increases in capacity, capacity added while undertaking other projects (for examples renewals) and planning that is reactive to growth pressures in priority areas.
- Water supply demand management reduces the energy and emissions associated with the treatment and conveyance of drinking water. This also has a positive impact on reducing wastewater volumes however reducing inflow and infiltration is the biggest impact on demand for wastewater services. Demand management will continue to be a focus through the development of the Water Strategy.]
- The Water Quality Targeted Rate is to fund Council's share of the wastewater/stormwater separation works associated with the Western Isthmus area. It builds on the Central Interceptor as a foundation project to meet Watercare consent conditions reducing wastewater overflows to the stormwater network.
- A focussed approach to growth will support coordinated development and growth outcomes, potentially including efficient delivery of lead infrastructure to enable development and avoidance of development in risk areas, such as hazard zones. A focussed approach to growth means that key areas of development will proceed but with reduced opportunity for optimised, catchment-wide, stormwater solutions. Water supply and wastewater solutions being delivered now may have a slower than planned uptake in capacity, which increases the opex of those assets.

Equity

- Healthy Waters has begun to use a social procurement approach on some larger projects through its sustainable outcomes toolkit. This approach has enabled the delivery of social outcomes in addition to stormwater and environmental outcomes, including enabling 38 people to come off benefits and into sustainable work with Council's contractors in the year from July 2019.
- A portion of renewal and maintenance work is undertaken reactively in response to service requests from the public that come through councils customer service centres. This has the potential to create inequalities as better resourced communities often have louder voices in reporting issues. We also undertake proactive Renewals and maintenance that is guided by risk assessment, modelling, and monitoring. Outcomes of this are linked to Levels of Service.
- Under the 2018 LTP, most of the Water Quality Targeted Rate was planned to be invested in improvements in the western isthmus, where the most significant sewer overflows in the region affect the Waitemata Harbour. The balance of the rate is shared throughout the rest of the region, focusing on high-impact, low-cost initiatives in order to deliver benefits across the region. Auckland Council is proposing to increase and extend the scope of the WQTR. This

will enable accelerated investment in other problem areas such as the Eastern Isthmus and the Southern Catchments, benefitting the Manukau harbour and Tamaki Estuary.

- Water and wastewater charges will increase in order to deliver these services. The fundamental need for water and wastewater services has been balanced with affordability of these services in order to identify a fair pricing increase.

Funding

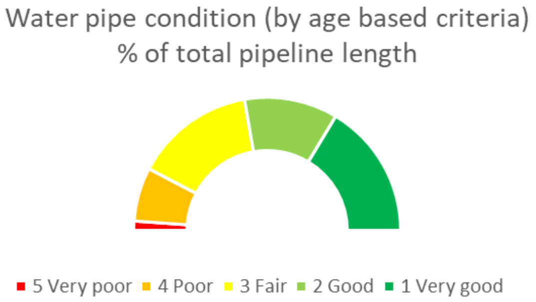
- The Water Quality Targeted Rate supports and ring fences funding for the delivery of water quality improvements with a focus on the Western Isthmus of the region. The proposed extension and increase to this rate enables investment in additional catchments. Healthy Waters' planning over 30 years includes continuation of this funding base to support our response to the National Policy Statement on Freshwater Management.
- Alternative funding sources from stakeholders and partners are being investigated, for example through the Ministry for the Environment or private initiatives.
- Planned increases to water and wastewater charges, and to Watercare's Infrastructure Growth Charges, in addition to debt increases, will support the Watercare capex programme.

Proposed water investment and supporting data (most likely scenario)

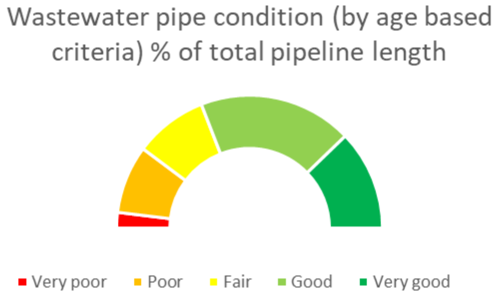
Asset data

Asset condition

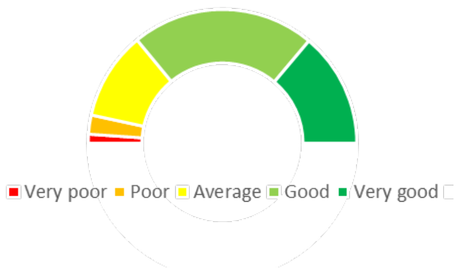
Water pipe assets



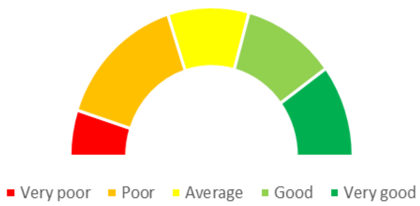
Wastewater pipe assets



Stormwater pipe assets



Stormwater pond assets

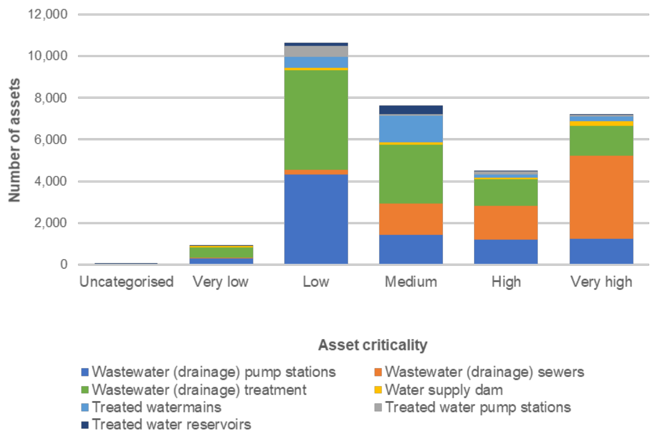


Our water and wastewater transmission assets are in good condition. The local network water and wastewater assets are not currently actively monitored. The reason for this is we currently use a run to failure replacement approach so that the assets have to physically fail three times within a 12 month period to get replaced. We don't proactively replace local assets. This approach is changing, and a more detailed monitoring programme will be initiated to support the replacement programme (see box below outlining the management of water asset lifecycle through our approach to renewals).

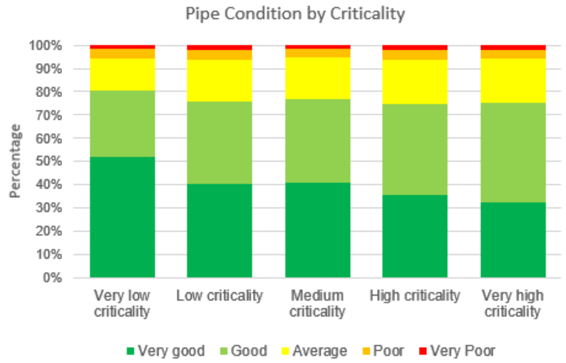
The pipe network is the backbone of the stormwater conveyance system. These pipe assets are in very good condition. Ponds are the main means for removing pollutants from the stormwater runoff. The higher percentage of ponds in poor condition results from poor sediment management during building activities. We are addressing this issue through better regulation and monitoring practices; it is also recognised in the stormwater pond rehabilitation programme.

Asset criticality

Key Water and Wastewater plant and equipment critical asset counts



Stormwater pipes condition by criticality



Watercare are transitioning and developing their asset data management system for water and wastewater assets, and therefore, asset data showing condition against criticality are not currently available. Watercare do assess condition of their critical pipeline assets and significant plant and equipment assets and have proactive maintenance schedules and detailed renewal planning specific to each type of asset. Therefore, the unavailability of asset data mentioned above is not considered to have an impact on uncertainty of the most likely scenario. Significant plant and equipment include treatment plants, pump stations, dams, reservoirs and transmission pipelines for which the number of assets in each category are shown above.

Stormwater systems have the potential to endanger public safety and the environment when they fail. We call this potential "asset criticality" and rate it between 1 (very low) to 5 (very high).

Stormwater asset criticality concepts are outlined in the Healthy Waters Asset Risk Strategy 2019 and earlier Healthy Waters Asset Criticality Framework 2015. Critical assets/ system elements are those with criticality rating of 4 and 5. They are a subject to special monitoring and renewal strategies. Noncritical assets are run to failure – they are repaired when they fail, or are renewed if it is uneconomical to repair (reactive renewals).

For significant asset classes, pipes and ponds, we maintain asset criticality models and identify critical assets (manholes located on critical pipes are also critical). For example, 18% of our pipes have been identified as critical, along with 100% of our ponds, and 20% of manholes. Catchpits, soakholes and treatment devices are of lower criticality as individual asset failure are unlikely to have significant consequences.

Auckland Transport and Auckland Council are working collaboratively to align and optimise risk and renewal strategies around stormwater assets.

Asset data confidence

Assessing asset data quality through a data confidence rating has been done for our water and wastewater assets. Due to a system migration issue that data is not currently available. This is an area for improvement, with the intention of connecting the old data quality assessments to the new asset data system and migrating it across in time.

The condition of stormwater assets is well understood, especially for pipes and ponds. These are monitored through established condition survey and inspection programs. Stormwater data is of good quality and completeness. Data for critical assets is validated continually through the preventive inspections that we carry out periodically. Critical pipes are inspected in accordance with the Healthy Waters Condition Monitoring Framework and ponds are subject to monthly operational inspections.

Additionally, Healthy Waters has a high level of confidence in the asset data collected since 2015. This level of confidence followed a policy change for recording and improving data quality and includes pipes, connections, manholes and catchpits. A programme of data improvement is underway based on the criticality of the assets, and on this basis data confidence and associated renewals forecasting will continue to improve.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section 3 (Whole of council responses to infrastructure issues) of the infrastructure strategy.

Water Assumptions

The following section outlines the assumptions that are specific to managing our water assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to water, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

Watercare Services Limited have indicated that their levels of service are likely to reduce to reflect the financial constraints of this 10-year Budget. As part of the annual Statement of Intent process, Watercare will be reviewing levels of service. This, and implications for future trends for years 2032 to 2051 will be reflected in the final 2021-2031 10-year Budget in June 2021.

There is some uncertainty about levels of service in the coming decades due to the three waters reform and the NPS-FM and more details are provided below the table. However, these levels of service are unlikely to vary significantly from the current levels of service. If anything, the indication is that the levels of service will increase and result in pressure for greater investment. The most likely set of levels of service and performance measures are set out here.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service assumptions

Performance measures	FY 2022-FY 2031	Expected trend to 2051
Water Supply		
Levels of Service Statement: *We provide Aucklanders with a reliable supply of safe water*		
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	→
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	→
Compliance with the New Zealand Drinking Water Standards from its Small Waters 'network' systems measured by the number of non-compliance notices received from the Drinking Water Regulator	0	→
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	≤60	→
Median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	≤5 hours	
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	≤5 days	→

Performance measures	FY 2022-FY 2031	Expected trend to 2051
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)	≤6 days	→
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	≤10	→
The percentage of real water loss from the local authority's networked reticulation system	≤13%	→
The average consumption of drinking water per day per resident within the territorial authority district (litres)	262 litres +/- 2.5%	↑ (less consumption)
Wastewater		
Levels of Service Statement: *We collect and treat Auckland's waste water in a safe and sustainable way*		
The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	*≤5*	→
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	a) ≤2 b) ≤2 c) ≤2 d) 0	→
Compliance with the territorial authority's resource consents for discharge from its Small Waters onsite wastewater systems measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	3	→
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	*≤60*	→
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	*≤5hours*	→
The total number of complaints received by the territorial authority about any of the following:	≤50	→

Performance measures	FY 2022-FY 2031	Expected trend to 2051
a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system		
Stormwater		
Levels of Service Statement: *We manage our harbours and waterways through sustainable management of the stormwater network*		
Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices; b) infringement notices; c) enforcement orders; d) convictions; received in relation those resource consents	0	→
Levels of Service Statement: *We manage the stormwater network to minimise the risks of flooding to Aucklanders*		
The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	< 3 per 1000 properties	→
The percentage of response time during storms to close stormwater manholes within three hours	90%	→
The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network	< 1 per 1000 properties	→
The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site (hours)	< 2 hours	→
Levels of Service Statement: *We provide safe water quality at beaches and coastal areas for recreation (Auckland swimmability Index)*		
The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)[11]	Increasing from 81% to 90% by FY31	↑ (increased swimmability)

Specific possible changes to levels of service include introducing targets for drinking water demand management, water quality and flooding. These will be developed following the 2021 LTP as part of on-going policy work (both national and regional).

Increasing the level of service around the water losses (to 11%) and average consumption of drinking water per day per resident (gross per capita consumption to 230 L/p/day) has been proposed through the development of the Water Strategy (still in development). These targets (if adopted) will be reflected in the performance measures for the next10-year Budget. An additional residential consumption target is in development and if adopted would be reflected in the performance measures for the next10-year Budget.

Key stormwater investment programmes associated with water quality and flood management support the achievement of Auckland's stormwater performance measures in the medium to long-term. However, reduced levels of investment in the first years of this strategy (due to Covid-related financial constraints) may challenge our ability to meet some targets.

Growth assumptions

Water infrastructure follows the growth assumptions and requirements set at a Council group level (See section 2: Growth issue). Growth and development does, however, present in different ways for each of the three-waters:

Water supply	Additional connections are provided for new dwellings built in areas of Auckland serviced by Watercare's drinking water network. Demand is managed through education to reduce water wastage in homes and businesses. This was shown to be effective through the drought response to manage demand
Wastewater	Additional wastewater connections are provided for new dwellings in areas of Auckland serviced by Watercare's wastewater networks, and where downstream capacity exists. Demand management is provided via reducing surface water entering the wastewater network (illegal connections and overland flow path management).
Stormwater	The Auckland Unitary Plan regulates the development of additional impervious surface and mitigation of flood impacts. Rainwater tanks can have multiple benefits of reducing peak stormwater flow volumes, supplement water use and increasing resilience to natural hazards, particularly if they are combined rainwater/stormwater tanks designed to Auckland council design standards (TP10). Auckland Council has worked to smooth regulatory barriers to installing rainwater tanks (resource consent fees have temporarily been removed).

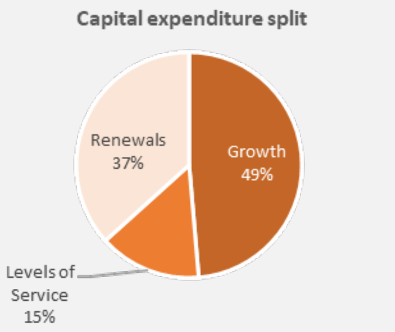
Management of asset lifecycle through our approach to renewals

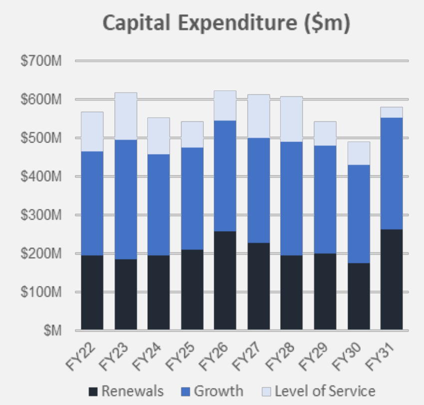
Water supply and wastewater	There are a significant proportion of water and wastewater pipe assets hitting 60 years old due to the expansion of Auckland in the 1960's. the pipe material used at that time (asbestos cement) is prone to sudden failure as it ages. Our increased investment in asset renewals is aimed at reducing the risk of asset failures associated with these assets. Asset age is currently used to guide replacement for the majority of our pipe assets. Our more complex critical assets use things like physical monitoring and sample testing to predict end of life and determine optimum maintenance strategies. Our previous strategy of renewal of our critical transmission assets by condition information and run-to-failure of network assets is being reassessed. The approach to renewals for our water and wastewater network assets is changing. Our reactive maintenance cost has been 2-3 times more than our planned maintenance budget and we have had our renewals approach reviewed. The review suggested a proactive approach to network assets would require an investment level for renewals estimated to be around $300 million per year on average. A more detailed monitoring programme to support the replacement programme will be initiated.
Stormwater	The stormwater renewals programme proposed in the LTP is built upon the understanding of assets set out above. Stormwater assets are well understood, with a particular focus of monitoring on those most critical assets (high and very high criticality assets). Asset data then supports planning for renewal of critical assets in accordance with the Asset Risk Strategy 2019. Our renewals strategy acknowledges that stormwater assets can typically perform even in poor condition. Renewal of critical assets is planned, while non-critical assets are run-to-failure unless part of a larger renewals solution. Auckland's stormwater systems are young (70% of pipes are less than 30 years old). Best practice stormwater solutions are also constantly changing. This means that the Council holds a varied asset base and continual monitoring and modelling of our stormwater assets is a focus of renewals planning in order to predict deterioration.

The useful life of the relevant asset classes are defined in the summary of significant accounting policies (section 2.2 of the LTP supporting information).

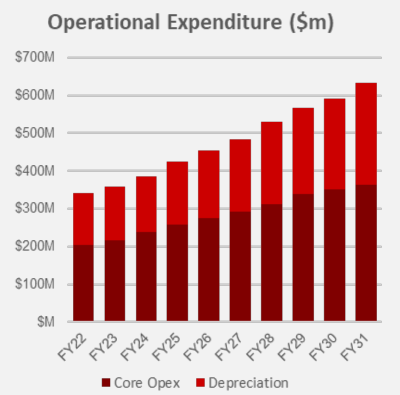
Investment years 1-10

Wastewater

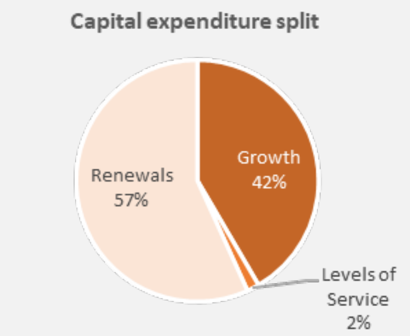


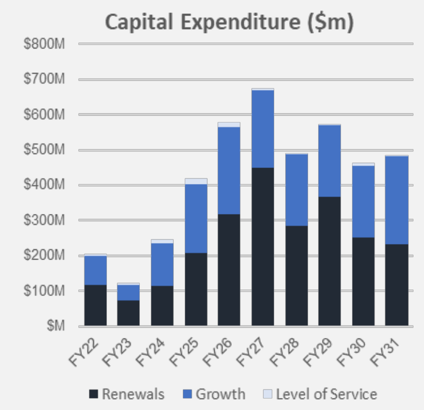


Total capex and growth/renewals/LoS split remain stable, with small variations largely relating to projects scheduled. $5.7b wastewater capex will be delivered over the decade.

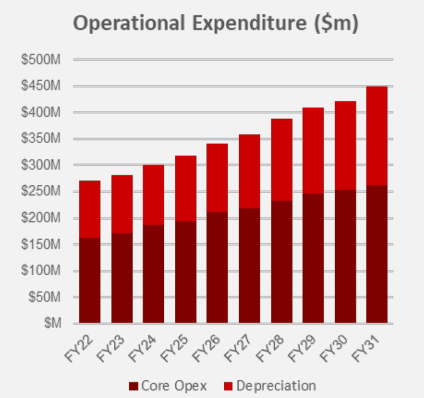


Water supply

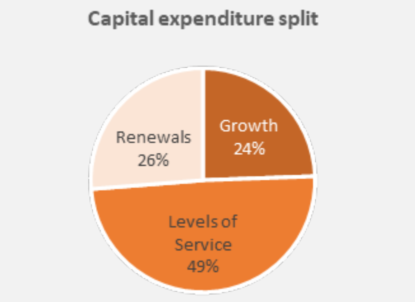


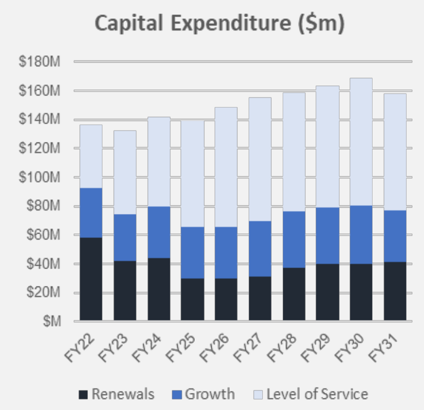


Large increase in water supply capex projected, linked to the shift to a proactive renewals approach. $4.3b water supply capex will be delivered over the decade.

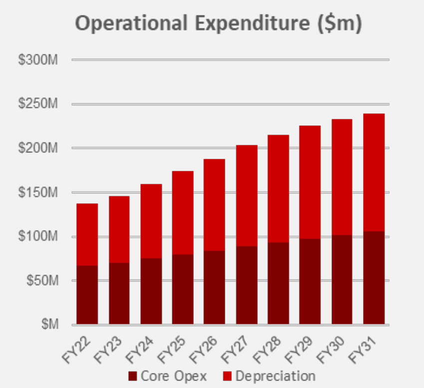


Stormwater

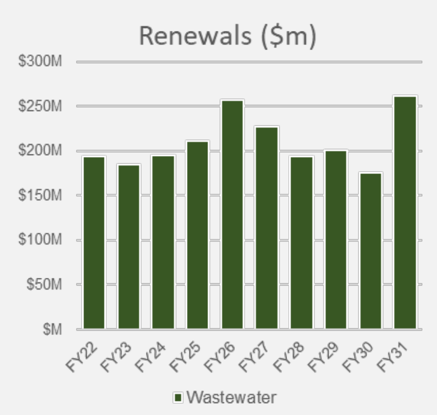


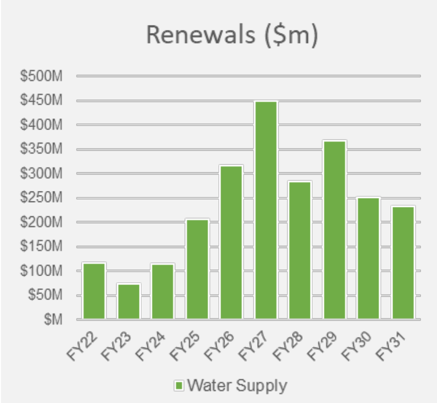


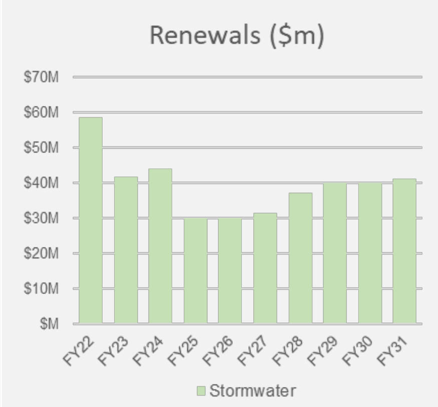
Stormwater capex grows steadily, reflecting increasing investment in LoS, such as targeted water quality improvements. $1.5b stormwater capex will be delivered over the decade.



Steadily increasing opex trends reflect growth in population and the infrastructure required to service that community along with increasing pressures on the ageing infrastructure e.g. from climate related weather and ground conditions.



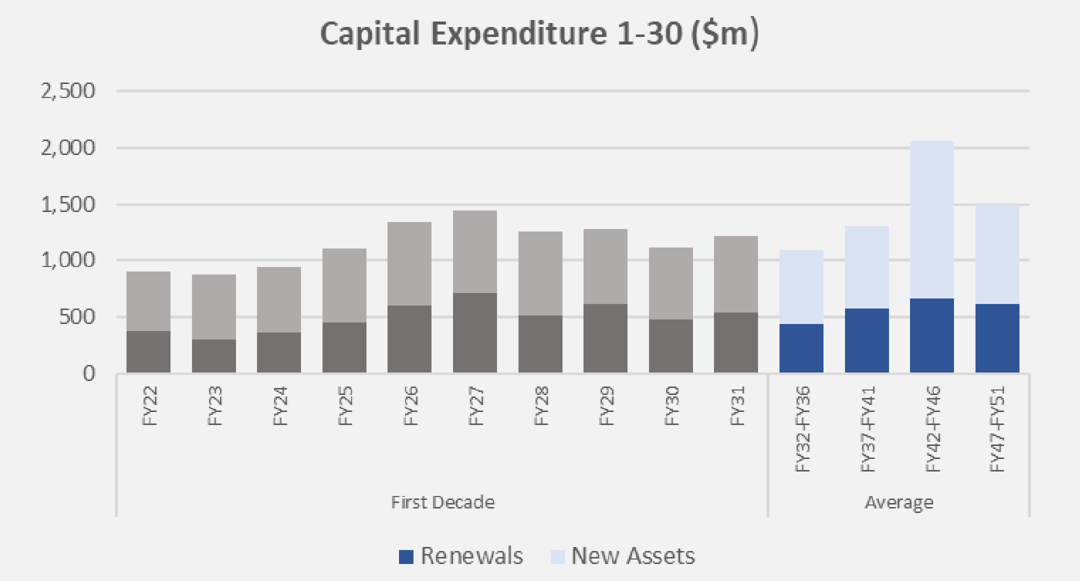




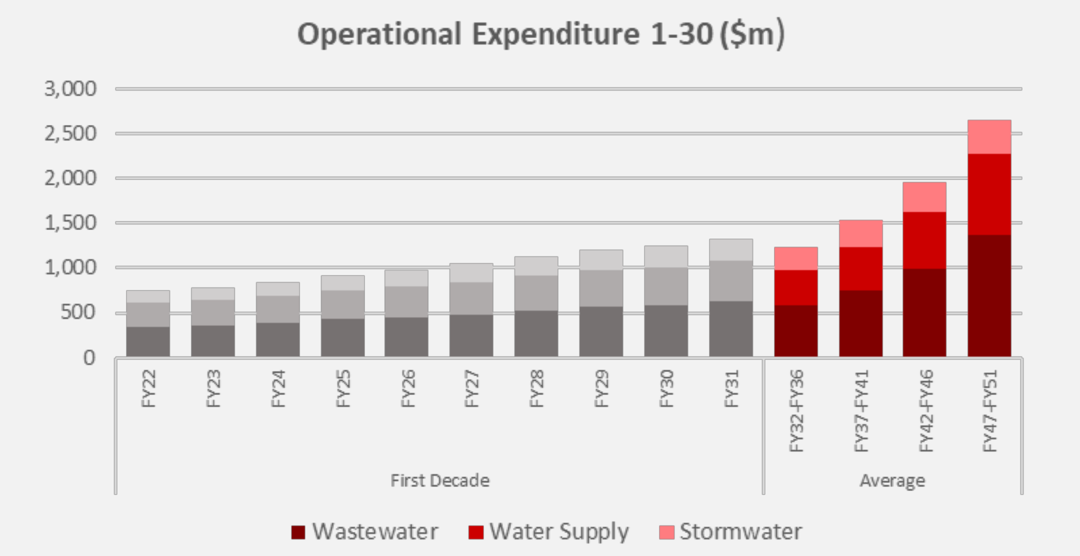
Wastewater	Water supply	Stormwater
$2.10b of wastewater renewals are planned over the decade, this is an increasese compared to $1.09b that was planned in the 2018 Infrastructure Strategy.	Steep increase in investment reflecting shift to proactive renewals approach. $2.41b of water renewals are planned over the decade compared to $1.27b planned in 2018.	Planned stormwater renewals are stable, with initial spend reflecting critical renewals required following Covid-related budget constraints in 2020/21.

Major Projects/Programmes (Years 1-10)		
Central interceptor spine ($827m)	Huia Water treatment plant ($301m)	Water quality infrastructure and support (funded by the targeted rate) $436m
Rosedale wastewater treatment plant capacity upgrade ($230m)	North Harbour 2 watermain ($355m)	Small water and wastewater $35m
North East Sub-regional wastewater servicing ($228m)	Waikato A water treatment plant ($224m)	Environmental protection ($30m)
South West Sub-regional wastewater servicing ($223m)	Orewa 3 Watermain ($211m)	Supporting and informing growth, including the Auckland Housing programme from year 4 ($342m)
Mangere wastewater treatment plant capacity upgrade ($359m)	Waitakere Supply Scheme ($143m)	Flood protection ($286m)
Southern Interceptor Augmentation ($218m)	Hunua No. 1 replacement ($106m)	Asset renewals ($354m)
Western Isthmus Programme ($463m)		

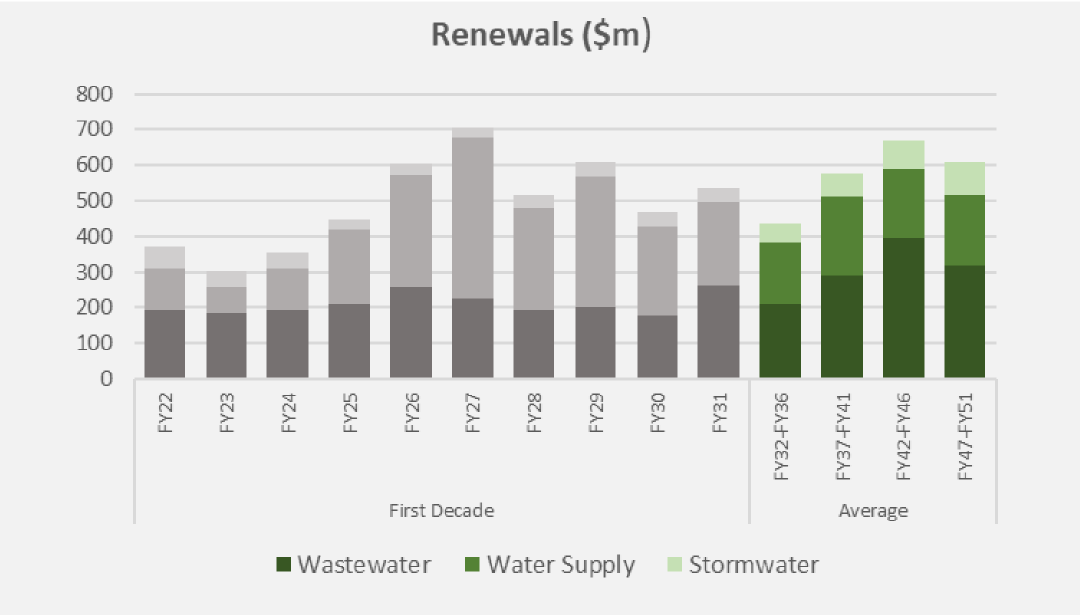
Investment years 11-30



Capital expenditure is expected to remain relatively steady in years 11-30, with a notable increase in the 2043-47 period due to the scheduled addition of the next water source.



A proactive approach to investment in renewals over the first decade is expected to result in the opex savings seen in the FY32-36 period.



Renewals investment is generally cyclical and linked to an increasing asset base. In the outer years of this strategy an increased investment in wastewater reflects challenges to several treatment plants along with consent triggers.

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

Community

Community infrastructure supports the essential services in helping people to participate in society, promote health and wellbeing and create a sense of belonging.

Asset Portfolio Overview

Asset categories and values

Land	$8b	500,000ha of land provides the physical building platforms and spaces to deliver our services
Buildings	$1.6b	2492 buildings provide the physical built space
Built structure	$2.9b	7417 built structures help deliver our services (carparks, lighting, retaining walls, drainage etc.)
Green assets	$n/a	Ngahere (forest), wai (water) and other natural features which are located in our parks networks and streetscapes
Collections	$222m	Broad range of collections including heritage and cultural assets, botanical collections and public art
Plant & equipment	$42m	642,000 assets required for our buildings and open spaces to function and operate
Technology platforms	$259m	Provides the platform for alternative service delivery as well as enhancing our existing services

Community Infrastructure Portfolio

Assets are worth **$13 billion**

Community assets are used to deliver regional and local community services including active recreation, arts and culture, cemeteries and crematoria, community places, libraries and parks.

Operating context unique to this portfolio

Auckland Council owns and operates a large and aging community asset portfolio, inherited from the amalgamation of legacy councils. As the portfolio of assets has grown over time, so too has the level of funding needed to support the portfolio. Council needs to fund both initial capital investment and ongoing operational costs to maintain the portfolio. Limited funding, an aging community asset portfolio and Auckland's population growth has put the community facilities portfolio under pressure, requiring prioritisation resulting in deferred investment.

Auckland Council operates within a shared governance framework where Governing body makes decisions on asset provisions and assets that are delivered at a regional scale and Local Boards approve local services work programmes from their allocated capital expenditure, initiate Locally Driven Initiatives (LDI) and set local operating budgets (operational funds).

Community specific challenges and responses

Key challenges

Significant renewal requirements due to the scale of portfolio

There is insufficient renewal funding for condition 5 (worst) assets and investment requirements will continue to rise as the portfolio ages and deferred investment becomes more expensive to deliver. As a result, reactive, corrective works are likely to dominate future work programmes over the medium and long-term with very limited capacity for proactive/ preventative works. Our ability to create capacity across the portfolio through divestment or reduction of investment based on asset performance requires analysis.

Limited scope to adapt service provision in response to changing demand

Infrastructure reliant service delivery is expensive to adapt and can be limiting for some customers and communities who may not have the means to access our services. People's preferences for services are also changing. Climate change will require investment and our open space network will need to play an increasing role in mitigating the impacts of heavier rainfall events, sea level rise and coastal inundation. New facilities will need to meet higher environmental standards to minimise life cycle impacts and be resilient to our changing climate.

There is a tension between managing the demands of growth and maintaining the existing portfolio

Increasing demand arising from population growth, our communities changing demographics and our desire to target and grow participation from within our existing communities create tension for investment. Population growth occurs through both intensification of the existing urban area and the expansion of city into new areas (greenfield growth). These two ways of growth require different service and asset responses.

Legislative requirements

- Asbestos removal
- Seismic strengthening

Government direction

- National Policy Statement – Urban Development

Council's responses

Option 1: Status quo

Current operating conditions continue

- Same budget
- Reduced asset portfolio
- Reduced services
- Minimal new development
- Renew priority assets

$9.2b (BAU) for years 1-10.

Option 2: Additional investment

Increased funding for mandated provision.

- New development (according to provision guidelines)
- Retain and renew existing portfolio

$11.8b ($2.6b more than BAU) for years 1-10.

Option 3: Focused investment

Tailor services and reframe portfolio.

- Change how we deliver through increased partnerships, grants, digital and other non-asset approaches
- Prioritise capex investment in new assets that are required to support growth
- Reduction in portfolio to reduce asset reliance

$9.9b ($700m more than BAU) for years 1-10.

Community responses to key infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.

Climate change

- Community has assets located on coastal land currently used for recreation which will need to be offset with other recreation land/solutions in the future.
- The community portfolio will contribute to Te Tāruke-ā-Tāwhiri through a shift to a sustainable and resilient service network.
- Shifting from a predominantly asset-based network will better support carbon neutral targets and there is an opportunity to selectively decommission the poorest performing assets.
- Specific financial investment will be needed to deliver significant change to retained assets/ services that are currently performing poorly in relation to climate impacts and carbon neutral targets (e.g. boiler replacement).
- Higher standards against sustainability for all new buildings in the community portfolio is being considered.
- Climate change implications are documented for new assets and coastal assets, in coastal inundation and flooding areas. For existing non-coastal assets, climate change implications haven't been assessed.
- Buildings and developments with green certifications have considered the implications of climate change to a greater degree.
- We intend to enhance our understanding of impacts over time focusing on those assets most at risk and their criticality to the network.

Hazards

- Of the asset portfolio, land, buildings and built structures are most likely to be subject to natural hazards which may cause asset damage and disruption to service provision. There will be an increasing need for buildings/built structures to be upgraded or remediated to be more resilient to natural hazards.
- A mitigation plan will be developed for frequent events in accordance with climate change adaptation response.
- There may be an increasing need for community facilities to act as temporary community emergency hubs/ civil defence centres following a civil emergency.
- There maybe be increasing pressure for community assets such as sports fields and public open space to mitigate against effects of climate change and natural hazards such as flood mitigation which would be disruptive to our communities
- For less frequent events such as earthquakes, this will be addressed through the seismic work programme. Priority remedial work is considered and reflected in renewal and growth planning, particularly at a project level.
- The programme to develop local parks management plans for each local board recognises the Coastal Compartment Management Plan direction where available.
- Shifting from a predominately asset-based network will provide greater resilience to our overall service network.
- Continuing need to support communities and build community resilience and connectedness so they are best placed to cope with any disruptive events/ stressors in the future.

Growth

- Auckland continues to grow and so does the communities' expectation of access to community infrastructure and services. There is a significant increase in the number of customers using our online services.
- Providing facilities proximate to new and intensified growth areas, given increasing land supply constraints and competition for other land use activities, is resulting in increasing costs for community land purchase.

- There is a need to prioritise provision where investment can have the biggest impact, or return on investment, with regards to growth and gaps in community provision.
- Investing in services and assets that provide for future growth demand need to be more flexible and responsive to future-proof for differing customer preferences.
- Community buildings and built structures are often the last infrastructure provided to support growth.
- Continued planning with partners such as Kainga Ora is recommended, to minimise duplication and maximise effectiveness of spend.

Equity

- Ensuring all Aucklanders have equitable opportunities to participate requires a shift to tailoring services to different communities and focusing on growing participation in areas of greatest needs.
- A growth in inequity among Maori and Pacific communities makes social cohesion and resilience a driver for change.
- The Governance Framework Review looks at different levers to address equity of services levels and funding.
- Service plans provide local boards with information and advice to make decisions on local levels of service. They incorporate assessments of equity and social outcomes and often detail opportunities for improvement of both local and/or regional outcomes.
- Vulnerable communities analysis (by local board) could be used to inform where to target investment.

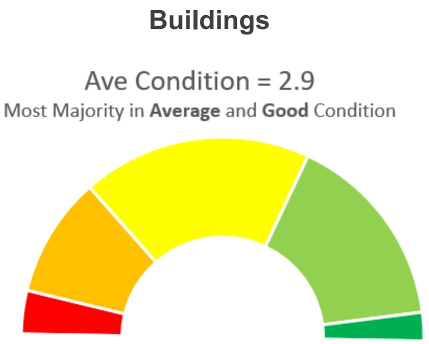
Funding

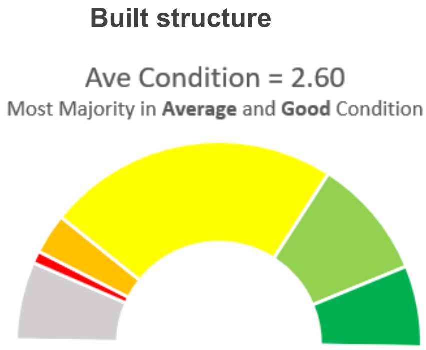
- Limited investment in community assets, our current portfolio is unsustainable. Insufficient renewal funding and increasing investment requirements will lead to continued deterioration and is not sustainable for the portfolio. To address this, significant additional budget is required to address the shortfall, or the portfolio needs to adapt and reduce to be affordable.
- Development contributions are an important mechanism to respond to growth.
- A greater focus on sub-regional facilities may be required in the future to leverage economy of scale and to better meet consumer preferences around 'hubs'.
- Additional partnerships, philanthropic and revenue/pricing models are recommended to be explored to help close funding gaps.
- All new and renewed assets are recommended to include the full whole of life costs as part of a Net Present Value Discounted Cashflow calculation, and ideally compared to anticipated or actual visitor/user numbers.

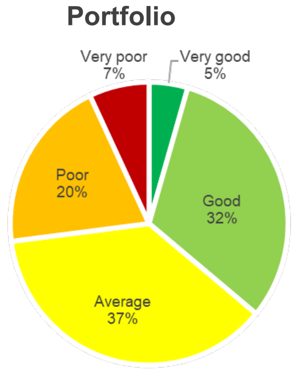
Proposed community investment and supporting data (most likely scenario)

Asset data

Asset condition

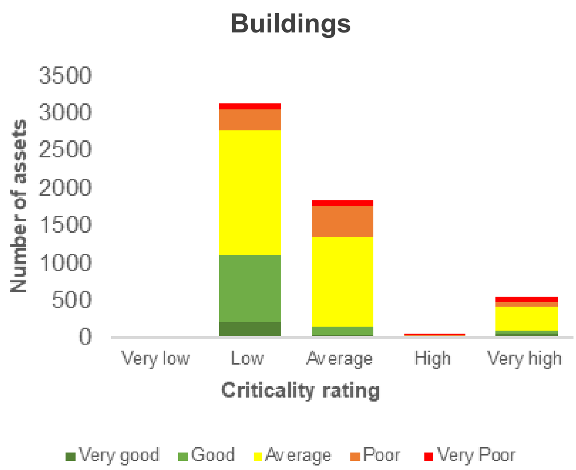


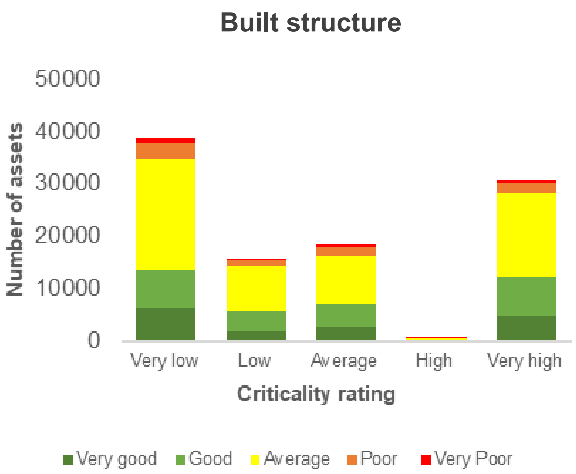




The community portfolio has over 2000 buildings and in general buildings are in average condition (37%), followed by good condition (32%). Comparative to our buildings, built structures are in a relative better state overall. Majority of built structures are in average condition (65%) and good condition (16%). 27% of the overall community portfolio is either in poor or very poor condition and there are also existing issues such as asbestos, seismic strengthening and weather tightness to be addressed. The portfolio condition is likely worse when considering the central government's climate change objectives.

Asset criticality





Criticality is based on the international infrastructure management manual and is assessed through consideration of the implications, impacts and risks arising from asset failure against four criteria (health and safety, environmental, single point failure and service delivery). Overall criticality is assessed as an average score across these criteria. In general, there are not significant concerns for building condition criticality as high and very high criticality assets are in relatively good condition. Assessment of risk through increased certainty in condition and criticality is being undertaken across the portfolio for identified potential high-risk asset types (high risk in relation to safety, compliance, cost of remediation).

Data confidence and asset management maturity

An independent asset management maturity assessment was completed by GHD Advisory in April 2019 which concluded that community was *"operating in the high level of the "Establishing" zone. This represents a good* score demonstrating generally appropriate practice in all elements." The overall assessment score is an average, and the report identified a range of areas for improvement.

Data collection methodology improves completeness, reliability, and confidence in data. Community review data to identify and address existing condition data gaps (more than 3 years for all assets and 1 year for critical assets). Community is also targeting assessment effort to address gaps and aged condition data. There is a range of ongoing work to improve asset condition data embedded in business as usual activities, including recent work to align condition, renewals modelling and work programme planning. The community portfolio recognises the importance of a formalised data improvement plan however currently key improvement initiatives are reflected in the improvement plan within the Strategic Service and Asset Management Plan.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section 3 (Whole of council responses to infrastructure issues) of the infrastructure strategy

Community Assumptions

The following section outlines the assumptions that are specific to managing our community assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to community, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

There is significant uncertainty about levels of service in the coming decades due to changing community needs, changing technology and the service solutions that could contribute to achieving the community's needs. As signalled in the 2018 Long-term Plan, and presented in this 10-year Budget, community assets are undergoing a significant change in service delivery model to transition their services to deliver differently. There is a need to move away from an asset-dominant approach, to consider how to make more used of partnerships, grants, digital and non asset-based approaches to better meet the changing needs of Aucklanders. Over time this will allow us to divest ageing community assets that aren't fit for purpose and reinvest in services and facilities that meet the greatest needs of our communities. This will also enable the community portfolio to be financially sustainable over the long run. To reflect this change, a small number of new performance measures will be developed and consulted on over the next few years. However, the current most likely scenario is outlined here.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

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

Our 21 local boards review their performance measures and targets every year as part of their annual local board agreements. The measures listed below are subject to change as our local boards review their measures and targets from March 2021 together with their work programmes. This will be incorporated in final local board agreements released in June 2021.

We are not expecting a significant change in our levels of services for Local Community Services.

Performance measure	FY 2022-FY 2031	Expected trend to 2051
Provide safe, reliable and accessible social infrastructure for Aucklanders that contributes to placemaking and thriving communities		
Percentage of Aucklanders that feel their local town centre is safe - day time	79%	→
Percentage of Aucklanders that feel their local town centre is safe - night time	39%	→
Utilising the Empowered Communities Approach, we support Aucklanders to create thriving, connected and inclusive communities		
The percentage of Empowered Communities activities that are community led	71%	→
The percentage of Empowered Communities activities that build capacity and capability to assist local communities to achieve their goals	65%	→
We fund, enable, and deliver services, programmes and facilities (art facilities, community centres, hire venues, and libraries) that enhance identity, connect people and support Aucklanders to participate in community and civic life		
The percentage of local community services, programmes and facilities that are community led	N/A (new measure)	→
The number of participants for local community services, programmes and facilities	N/A (new measure)	→
The percentage of customers satisfied with quality of local community services, programmes, and facilities	N/A (new measure)	→
The number of internet sessions at libraries (unique sessions over public computing or public WIFI networks)	5.10m	→
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often		
The percentage of park visitors who are satisfied with the overall quality of sportsfields	80%	→
The customers' Net Promoter Score for Pools and Leisure Centres	34	→
The percentage of users who are satisfied with the overall quality of local parks	75%	→
The percentage of residents connecting with nature at least once per month	N/A (new measure)	→
We showcase Auckland's Māori identity and vibrant Māori culture		
The percentage of local programmes, grants and activities that respond to Māori aspirations	24%	→

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

Performance measure	FY 2022-FY 2031	Expected trend to 2051
We manage Auckland's natural environment and help Aucklanders adopt a low carbon lifestyle		

Performance measure	FY 2022-FY 2031	Expected trend to 2051
The number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens	69,532	→
The number of volunteer hours worked in regional parks each year	51,715	→
We provide library services and programmes that support Aucklanders with reading and literacy and opportunities to participate in community and civic life		
The number of library items checked out (including e-items)	13.5M	→
The number of website sessions for the Auckland Libraries website and library catalogue	5.03M	→
The number of active library members (members who have used their membership account at least once in the past 12 months)	403K	→
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often		
The percentage of residents participating in sport and recreation at least once per week	72%	→
The percentage of the public who have used a regional park in the last 12 months	66%	→
The percentage of park visitors satisfied with the overall quality of their visit	95%	→
We provide rental services to older tenants and maintain the older persons property portfolio		
Percentage of tenants satisfied with the provision and management of “housing for older people"	91%	→
We showcase Auckland's Māori identity and vibrant Māori culture		
The percentage of regional programmes, grants and activities that respond to Māori aspirations	48.5%	→

Growth assumptions

Auckland has seen sustained year on year population growth with the make-up of communities becoming more diverse and spatially varied. Investing in services and assets that provide for future demand from growth, and the need to be more flexible and responsive to provide for differing preferences means growth and diversity is a key driver.

The asset portfolio currently uses a significant proportion of total capital and operating budget, a requirement that will continue to increase over time if the network stays the same. This leaves very little flexibility and capacity to cater for growth and invest in service offerings.

Current provision guidelines for growth set out in Community Facilities Network Plan and Parks and Open Space Provision Policy are at greater levels than what is funded.

Management of asset lifecycle through our approach to renewals

Councils have historically provided community services through building community assets and delivering services through those. This means that Auckland now has a large network of community facilities, many of which are aging and require significant renewal investment. Over the next three decades the renewal requirement increases because the portfolio continues to grow. The proposed investment is not enough to adequately maintain the community assets (estimates indicate this could be in the order of $700m).

To address this, one of two things need to happen:

- Significant additional budget to cover the gap on the existing portfolio or
- Reduce the overall portfolio (including portfolio growth[12]) and therefore the funding required.

Council is proposing to change how we deliver community assets and the associated services. Community is therefore not proposing to invest in all the asset renewals that would be required if we continued to operate the full existing portfolio in the current manner.

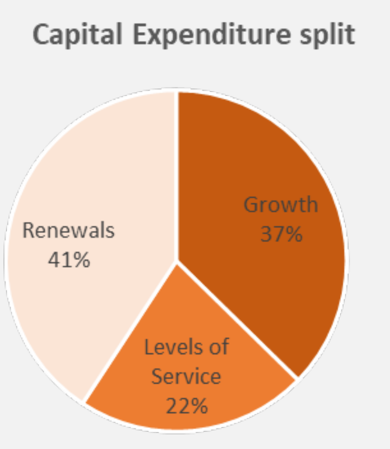
The 'whole of life' cost of new assets has not been factored into renewal budgets in the past. The future renewal funding requirement is also determined by growth of the portfolio.

Local Boards (LB) decide on renewal investments however network priorities made by the Governing Body also inform decision making. Budget reduction seen as part of the 2020/21 Emergency Budget required each LB to prioritise essential renewals within their budget envelope, which means there is a range of required renewals and new investments (e.g. One Local Initiatives) that have been deferred.

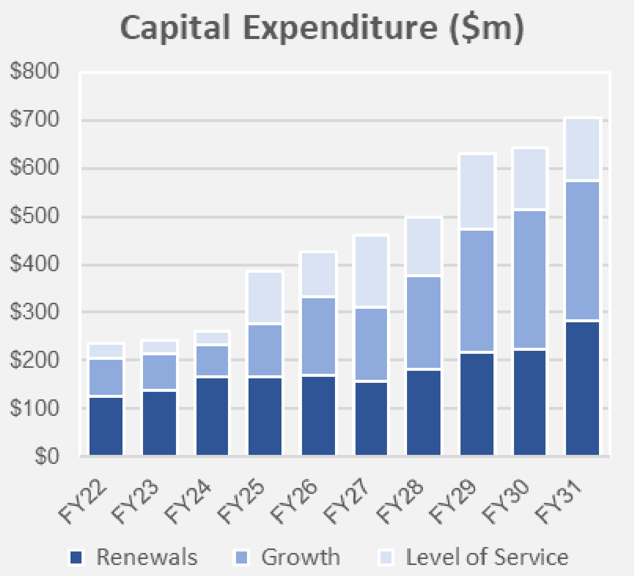
The useful life of the relevant asset classes are defined in the summary of significant accounting policies (section 2.2 of the LTP supporting information).

[12] Growth in asset portfolio adds additional renewals budget impacts over time, further limiting investment options

Investment years 1-10

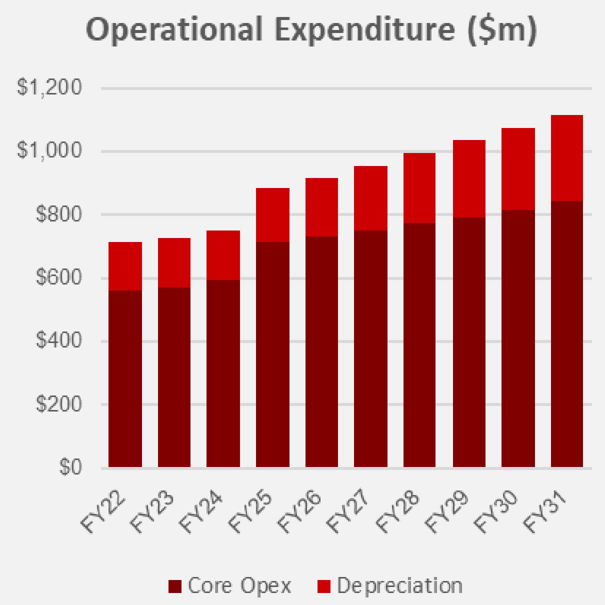


Community investment is primarily driven by renewal of ageing assets and growth investment for land acquisition and local parks and sports fields.

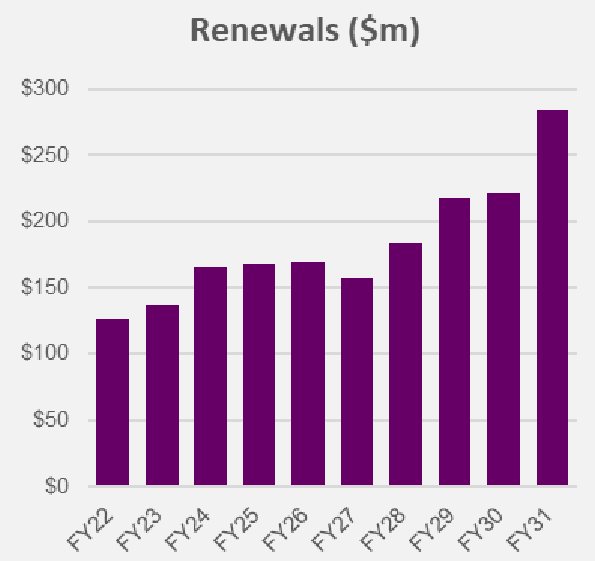


Total 10-year community investment shown above is $4.5 billion with growth investment accelerating from FY25.

Note - CAPEX and OPEX forecasts are based on the total budget for Customer and Community Directorate, which includes other activities the directorate is accountable for delivering, in addition to Local Community Services and Regional Community Services.



Operational expenditure grows steadily over the 1-10-year period with a shift in FY25 reflecting the planned change in delivery model.



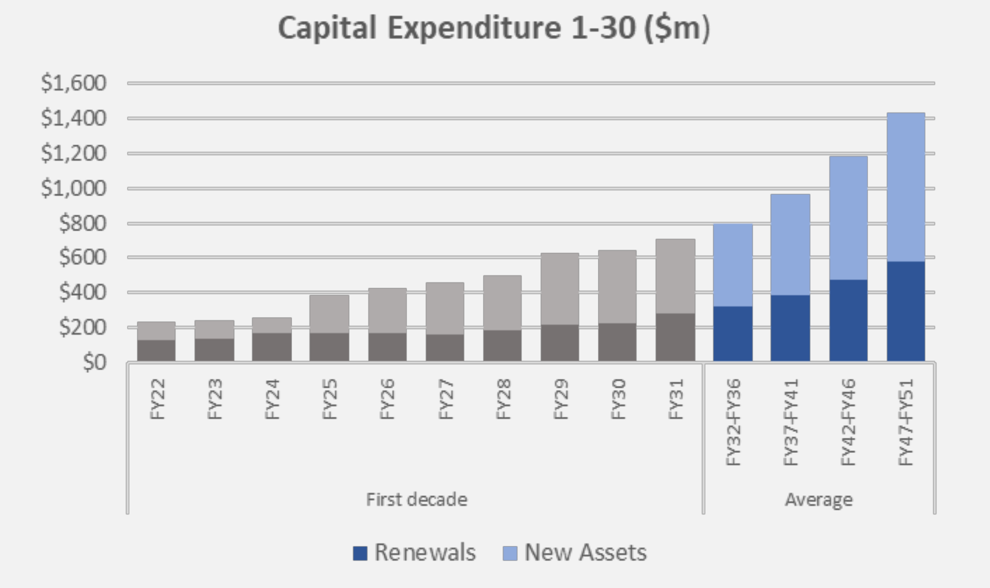
Community renewals will steadily increase over the decade reflecting a growing renewals requirement.

Major Projects/Programmes (Years 1-10)	
	$ Millions
Local Renewals	1,252
Regional Renewals	248.8
Growth - Land acquisition	867
Growth - Development	761.7
Locally Driven Initiative (LDI)	170
OLI Programme	333.3
Orewa Seawall	14
Flat Bush Community hub	34.6
Regional Development	367.9
LTP Specific Projects	60.9
Avondale Community Centre and Library	20.1
Aquatic boiler phase out	7.5
Colin Dale Park	7.1
Leys Institute	17.1

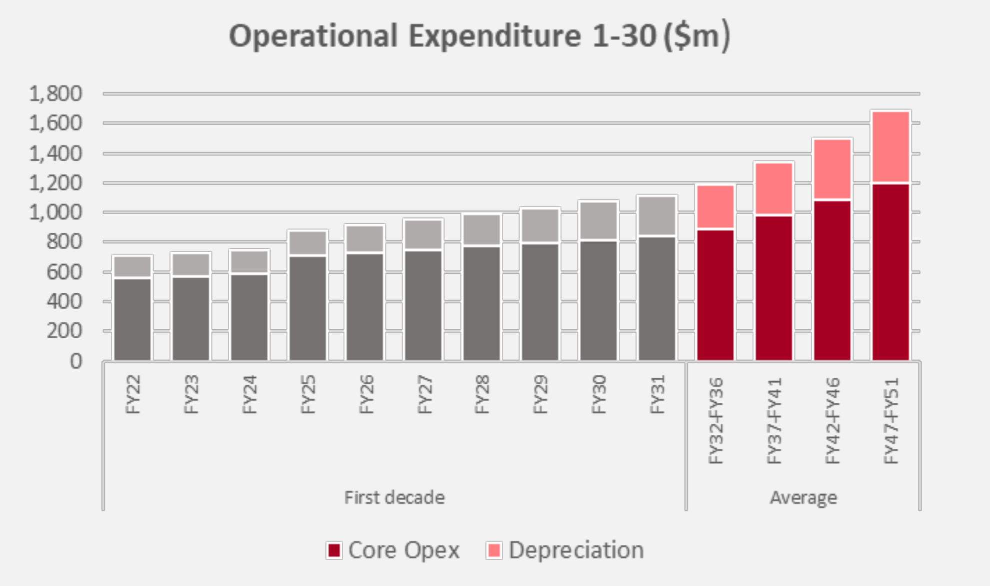
Note: not all projects covered.

Due to the requirement to transform the community portfolio, there is limited project / programme certainty for years 11-30 and it is therefore not included.

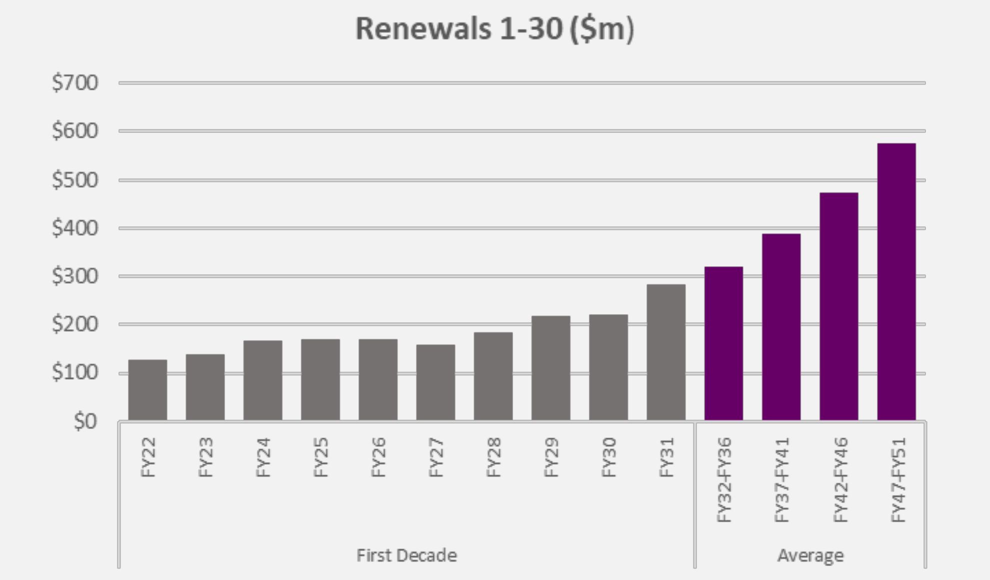
Investment years 11-30



Decades two and three are a reflection of Auckland's continued population growth and resulting infrastructure demand.



Increasing trends reflect growth in population and the infrastructure required to service that community along with increasing pressures on that infrastructure.



Renewals pressures will continue to grow in line with the community asset base and inflation.

Waste

Waste infrastructure supports people and businesses by providing kerbside rubbish, recycling and inorganic collections and processing, community diversion opportunities and resource recovery. Doing better with waste is an opportunity to make the most of the resources we have, create jobs, stimulate innovative design and economic development, and protect our communities and our environment.

Asset Portfolio Overview

Asset categories and values

Resource Recovery and Recycling	$20m	Waitakere Transfer Station 8 Community Recycle Centres (Aotea, Devonport, Helensville, Lawrie Road, Rustybrook Road, Waiheke, Waiuku, Whangaparaoa) Visy Recycling Plant (land)
Waste bins	$18m	1 million bins (refuse, recycling, and food scraps) *This is expected to be over 1.5m bins post food scraps roll out and introduction of refuse bins in Franklin and Rodney*

Waste Infrastructure Portfolio

Assets are worth **$38 million***

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

Operating context unique to this portfolio

Waste management and minimisation planning legislation is primarily provided by the following three Acts:

- the Waste Minimisation Act 2008
- the Local Government Act 2002
- the Resource Management Act 1991.

Waste Solutions has produced its second Waste Management and Minimisation Plan 2018 setting out how Auckland Council and Aucklanders can work together to reduce waste over the next six years. The plan provides strategic direction through nine key actions. Auckland aspires to be Zero Waste by 2040, taking care of people and the environment, and turning waste into resources.

Auckland Council has limited ownership of waste infrastructure. This constrains our ability to meet statutory waste minimisation obligations. Council manages 20 per cent of the waste stream, predominantly through contracts for domestic kerbside collections and the Waitakere Transfer Station. Council is unable to make direct decisions about 80 per cent of the total waste stream for the region. Waste Solutions has a close relationship with the Community Facilities and Closed Landfills teams, which includes some crossover in strategy and implementation (for example, with public place recycling) and collaborate on shared work programmes.

Waste specific challenges and responses

Key challenges

Lack of incentive for waste diversion Construction and demolition waste	It is still cheaper to send waste to landfill than to divert it into other productive uses. Since 2008 the waste levy has remained at $10 per tonne. In 2020 it was announced that the levy would be increased to $60 per tonne by 2025 and will apply to construction and demolition fills from 1 July 2022. Increasing and expanding the levy will help recognise the real costs of waste, make it fairer for everyone, and encourage substantially more diversion. Engagement with industry for better construction design and support for recycling and reuse of demolition waste.
Volatile international recycling markets	Upgrades to recycling facility to improve sorting of recyclables is needed. Advocacy to central government for increased recycling capacity onshore is required.
Operating effectively within the funding envelope	Under the Waste Minimisation Act, responsibility for waste management and minimisation falls on the council rather than generators of waste. The challenge is to find the most effective initiatives and ways of working towards zero waste within funding constraints.
Data limitations	The collection of better data about waste creation and disposal is needed to ensure our waste can be better managed. Robust data is an important planning tool and historically data collection efforts have been patchy. The development of a National Waste Data Framework will improve the reliability.

Legislative requirement

Waste Minimisation Act 2008 Waste Levy (increase and expand)

Government direction

New Zealand Waste Strategy (2010) Mandatory product stewardship (6 priority products identified)

Council's responses (Zero Waste 2040)

Minimise waste generation

Advocate for stronger regulatory incentives to reduce waste

Advocacy via central government policy reforms such as product stewardship

Advocacy and partnering for onshore recycling facilities

Maximise opportunities for resource recovery

Develop infrastructure and processes to enable resource recovery

Identify local economic development opportunities through resource recovery.

Achieve operational efficiencies in Council's domestic waste and recycling

Resource Recovery Network

Establish12 Community Recycling Centres over a 10-year period as the core of the network

New food scraps collection

20-year partnership with Ecogas Ltd to process the food scraps that will be collected kerbside across urban Auckland

Progress expansion of the Resource Recovery Network funded through shovel-ready and waste levy for years 1-3.

Operating costs funded through solid waste targeted rate from year 4.

Waste responses to key infrastructure issues

The five big infrastructure issues require significant planning and funding and come with a high level of uncertainty and environmental and societal impact that is yet to be worked through at a global, national and regional level. Auckland Council is working on responding to the issues above and will continue to formulate options, solutions, and budgets to respond over the coming decades. Some of the big issues have been worked through in detail towards responding to these issues that are funded in the 10-year budget. Those responses are detailed below.

Climate change

- Work is required to understand the full scope of emissions reduction and mitigation as a result of the circular economy approach particularly regarding embodied emissions and emissions displaced by reuse rather than production of new items. Waste emissions reductions are currently measured through what diverted materials would have produced had they been sent to landfill, which is unlikely to capture the full emissions impacts.
- The Zero Waste Auckland priority programme in the Auckland Climate Plan focuses on infrastructure required to achieve optimum emissions reduction potential over the timeline of the plan. The projects included in this programme are: Resource Recovery Network long term strategy and Develop deconstruction hub.
- Sustainable Procurement Framework objectives, including carbon emissions reductions will be included in all procurements with the intention of achieving the lowest emissions outcomes for all projects and services.
- Example investments (10-year total):

New Food Scrap Service Bins	$15m
Community Recycling Centres	$14m

Hazards

- Planning for future waste services must consider hazards and the need to build resilience into waste management systems. A Disaster Waste Management Planning exercise is ongoing but begun to identify the implications of natural hazards to the system/network and possible pathways of mitigation.
- Identifying facilities that are accessible within and external to the Auckland region should a physical barrier be imposed on accessing current facilities and identifying appropriate and safe methodologies for the disposal of waste resulting from a natural disaster (e.g. materials contaminated by sewerage after a flood).
- Waste Solutions has entered a national project with the other councils to digitise this work and continue to develop it from 2021.
- Non-natural hazards are considered alongside natural disasters in disaster waste planning. They are expected to have less direct impact on our system/network. Community recycling centres may serve as a point of resilience in communities should a technological or economic hazard occur.

Growth

- Some rural areas are not currently serviced with a kerbside collection and will need servicing as they are Future Urban Growth areas. This will require additional bin assets and the appropriate facilities to process additional materials.
- Brownfields provide an opportunity for waste infrastructure however they also bring construction and demolition waste concerns. One option is to advocate for (or require) new housing developments to have land set aside for a Community Recycle Centre with major builds.

- Population growth and our building boom have contributed to significantly more construction and demolition waste going to landfill. Therefore, construction and demolition sorting facilities are needed at areas of development (temporary or permanent). Food scraps processing facilities and Materials Recovery Facilities with the capacity to sort materials, to the degree required by policy at the time, are also needed.

Equity

- Work programmes are based around achieving equity and positive social outcomes.
- Social impacts of having some areas still covered by rates funding while others are user pays for refuse and managing the transition between these payment methodologies.
- Social and equity benefits are a key focus for Waste Solutions. The vision of the Waste Management and Minimisation Plan states: "Auckland aspires to be Zero Waste by 2040, taking care of people and the environment, and turning waste into resources". This recognises the importance of taking care of and reducing harm for people as well as the environment. The wider plan outlines partnership approaches and a community centric focus that listens to residents needs and responds.
- There is increasing demand to provide Community Recycling Centres (CRCs) across the region and to have an equitably distributed network. Challenges exist around lack of available space to build sites in the south where they are most needed to achieve community access in high deprivation index areas.

Funding

- Sources of funding for waste services are through a combination of commercial revenue, targeted and general rates and the Waste Levy administered by Ministry for the Environment (MfE). Waste Solutions works within a constrained financial envelope.
- The amount of Waste Levy that is raised and allocated to Auckland could change significantly with the recent increase to the Waste Levy.
- Waste Solutions has received funding through the Government's Shovel Ready programme (an upgrade to the Materials Recovery Facility and further development of the Resource Recovery Network).

Proposed solid waste investment and supporting data (most likely scenario)

Asset data

Network condition

Waste Solutions does not yet have an asset condition assessment framework and there is currently limited condition data. This data gap is documented in the AMP risk register. Asset Assessment Reports are generated upon request from Waste Solutions which are then produced by Asset Management Intelligence Support (AMIS).

The table below outlines the condition of the assets that have been reported. These are generally of satisfactory or poor condition. There is limited certainty around condition of bin assets in use. Unplanned maintenance (arising from unexpected failures) is carried out as required. The frequency of planned maintenance (inspections and scheduled maintenance) requires review.

Asset condition

<table>
<tr><th colspan="2">Assets assessed</th><th>Date assessed</th><th>Condition score</th></tr>
<tr><td colspan="2">AIMS Depot (4-6 Tahi road, Waiheke)</td><td>2019</td><td>Poor condition
CG=4</td></tr>
<tr><td colspan="2">Devonport Recycling Centre (R 27 Lake Road Devonport)</td><td>2018</td><td>Satisfactory condition
CG=3</td></tr>
<tr><td colspan="2">Waiuku Zero Waste (5 Hosking Place, Waiuku)</td><td>2018</td><td>No asbestos containing material found</td></tr>
<tr><td colspan="2">Helensville Recycling Centre (35 Mill Road, Helensville)</td><td>2018</td><td>Poor condition
CG=4</td></tr>
<tr><td rowspan="7">Waitakere Refuse Transfer Station (50 The Concourse, Henderson)</td><td>MRF Building</td><td rowspan="7">2017</td><td>Average condition</td></tr>
<tr><td>Workshop Building</td><td>Poor condition</td></tr>
<tr><td>Resource Recovery Centre</td><td>Fair condition</td></tr>
<tr><td>HAZCHEM Building</td><td>Poor condition</td></tr>
<tr><td>Administration Building</td><td>Fair condition</td></tr>
<tr><td>Baling Station</td><td>Poor condition</td></tr>
<tr><td>Staff Accommodation</td><td>Good/ Average condition</td></tr>
</table>

Data confidence and asset management maturity

Waste Solutions' maturity level can be considered between 'aware' and 'basic' for the management of their assets. The AMP contains basic information on assets, service levels, planned works and financial forecasts for 1-10 years. Currently there are gaps in asset condition and performance information, the approach to risk and criticality and there is no asset management database or stocktake management system. Future demand requirements are generally understood but not yet well documented or quantified. Demand forecasts are based on population projections. Demand management has not been widely explored however is evident in the transition to a 'pay as you throw' system, which incentivises waste minimsation at a household level.

Waste Solutions management of risk is limited, however the AMP contains a risk register which includes impacts, likelihood, consequence and risk rating. Identified risks, of which there are many 'high risk', are not currently clearly linked to improvement actions to mitigate those risks. Moving forward an improvement plan will be developed to address key challenges and to reduce Waste Soulutions' exposure to asset-related risks. It will also be used to drive maintainence and renewals decisions.

Asset management improvements, particularly those that relate to interactions with other asset groups is planned to be improved at a council-wide level scale to leverage efficiency. This is discussed further in section 3 (Whole of council responses to infrastructure issues) of the infrastructure strategy.

Solid Waste Assumptions

The following section outlines the assumptions that are specific to managing our solid waste assets that form our most likely scenario. These are the assumptions that have supported the development of our 1-10, and 11-30-year investment planning. These assumptions include levels of service to 2051, growth assumptions relevant to solid waste, and the management of the asset lifecycle through our approach to renewals.

The 10-year Budget 2021-2031 (FY22- FY31) performance measures are included below. Levels of service have been assessed to determine the most likely scenario for their trend for 2032 to 2051. Levels of Service are shown as likely improving (↑), remaining the same (→), or reducing (↓). Changes in trend may result from factors such as legislation, community expectations or an external pressure (such as the impacts of climate change).

There is some uncertainty about levels of service in the coming decades due to Waste Solutions starting on their journey to asset management maturity. Waste Solutions don't currently have long-term performance measure targets for the 11-30 year period in place however any future targets would likely continue to follow the current trends of reducing domestic kerbside refuse, reducing total waste to landfill and investing in resource recovery in order to achieve the goal of Zero Waste 2040.

More information on the significant infrastructure decisions Auckland Council will make in the coming decades can be found below these portfolio responses.

Levels of service assumptions

LoS statement	Performance measures	FY 2022-FY 2031	Expected trend to 2051
We manage the collection and processing of household waste and help Aucklanders minimise waste	The percentage of customers satisfied with overall waste collection services	75%	→
We help Aucklanders minimise waste to landfills	The volume of domestic kerbside refuse per capita per annum (kg)	Decreasing to 88kg	→
	Total number of Resource Recovery Facilities	Increasing to 23*	→
	The total waste to landfill per year (kg per capita)	Decreasing to 582kg	↑ (possible greater waste reduction)

* *the long-term target of 23 RRN facilities is a proposed number of sites*

Waste Solutions has determined appropriate levels of service for its customers. There is quarterly reporting against our targets for domestic kerbside per capita and the total number of resource recovery facilities, and annual reporting for the total waste to landfill per capita measure.

We are currently tracking well in terms of meeting most of the above targets. Although we have not yet reached our targets for total waste to landfill per year (kg per capita), this measure reflects commercial waste streams that are outside of council control. Reductions to the domestic waste stream are decreasing in line with targets. Further decreases to the kerbside per capita metric and kerbside waste to landfill are expected once the food scraps collection is in place. The development of the resource recovery network is ahead of the target but the total waste to landfill is behind and significant action is required to reach the target. However, as indicated by expected trends above, there may be a greater reduction in total waste to landfill beyond 582kg in the future in response to the Waste levy and other regulatory interventions tackling commercial waste.

Growth assumptions

Council is mandated to make refuse disposal accessible to all households. Current demand is approximately 540,000 households and assumed demand will increase in line with anticipated household number increases. Stats NZ's latest projection for the estimated number of dwellings is 10,000 per year to 2051, which equates to 850,000 dwellings.

Management of asset lifecycle through our approach to renewals

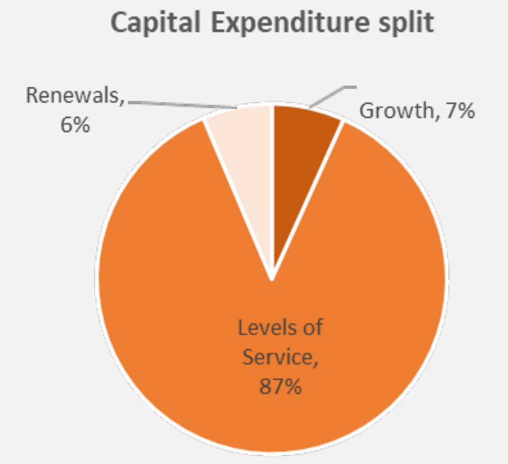
Responsibility for the long-term maintenance and renewal planning of waste infrastructure requires clarification. This includes identifying the future needs of the Resource Recovery Network and the VISY Materials Recycling Facility (MRF) and funding sources for completion.

Long-term asset management for the Community Recycling Centres (CRCs) will sit with Community Facilities. Depreciation of most of the existing CRCs currently comes from Community Facilities budgets. Depreciation for the Waitakere Resource Transfer Station and some CRCs, including Waiuku, sits with Waste Solutions. Some of the CRC plant and equipment also sits with Waste Solutions, as well as the capex budgets for any new sites.

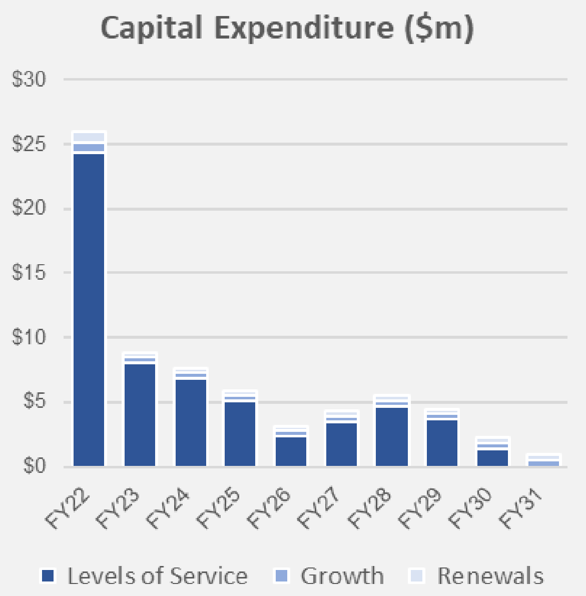
A centralised information repository is needed for remaining asset life across the portfolio. Some asset assessment reports contain this information; however, gaps have been identified across the portfolio. Where this information is recorded, a number of buildings have been found to be nearing or past their useful life, for example at the VISY MRF, Waitakere RTS and Helensville Community Recycling Centre. A funding source has recently been identified to upgrade these facilities.

The useful life of the relevant asset classes are defined in the summary of significant accounting policies (section 2.2 of the LTP supporting information).

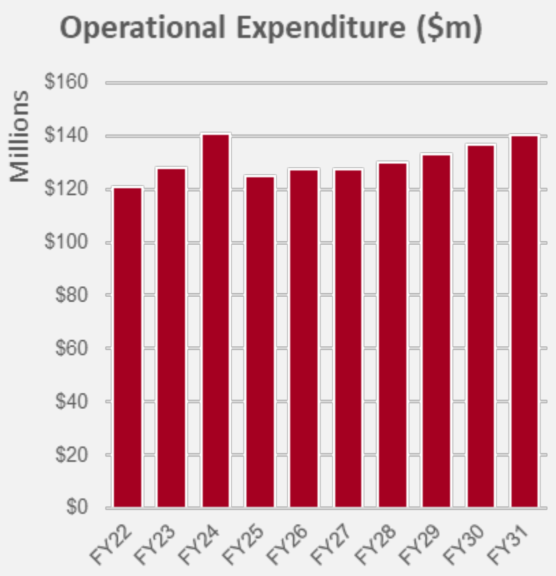
Investment years 1-10



The majority of Waste Solutions' capital expenditure goes towards improving levels of service.

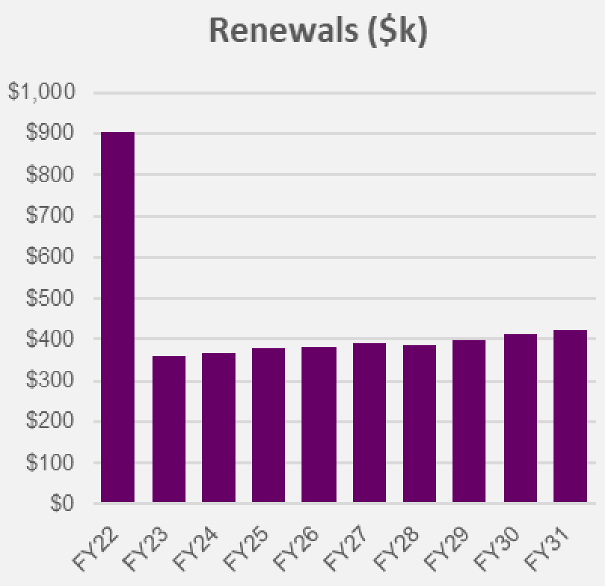


FY22 shows a significant spike in capex investment for Food Scraps Bin as we roll out this service.



Additional funding of approximately $8 million opex from waste targeted rate for new sites in the expanded Resource Recovery Network.

Waste Solutions are an 'operationally intensive' department, with opex investment growing in line with demand for services over the 1-10 year period.

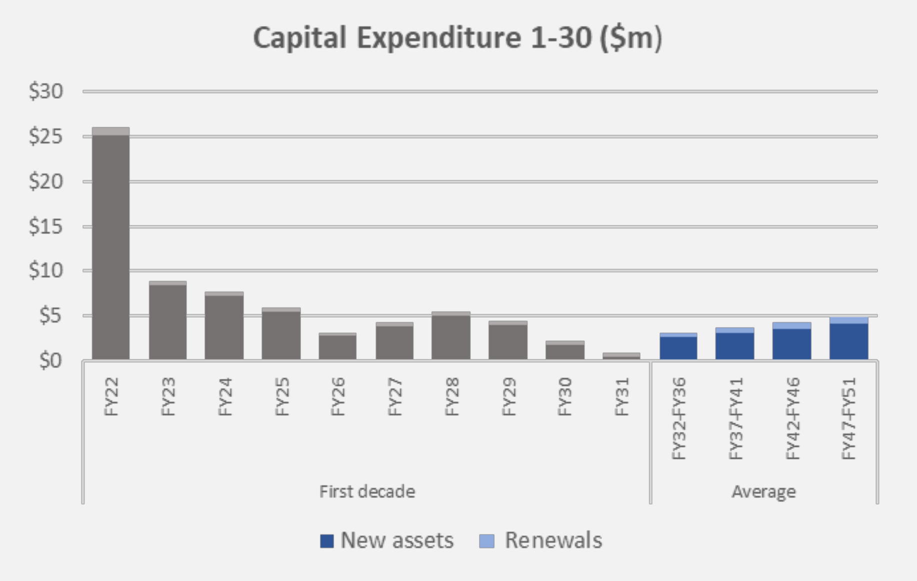


The increased renewals cost in FY22 relates to the Food Scraps Bin capex increase indicated above.

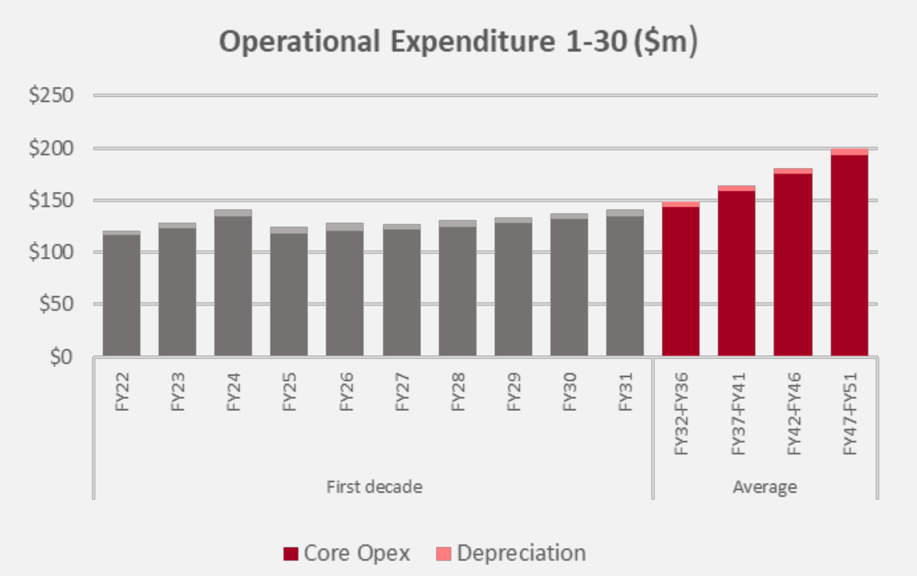
Major Projects/Programmes (Years 1-10)	**$ millions**
New Food Scrap Service Bins	15
Procurement process commenced. Bins for the contractually committed food scraps processing plan and service.	
Community Recycling Centres (CRC)	14
Procurement process commenced. Budgets based on estimates. Budgets include Crown Infrastructure Funding (Shovel Ready). There are 6 projects in the programme.	
Waste Service Bins	8
Kerbside bins for new properties and replacement bins. Based on past bin purchases.	
Refuse Transfer Stations (RTS) and other	2
Based on past renewal expenditure. Budgets are to renew RTS assets.	

Other Potential Projects/Programmes (Years 1-10)		**$ millions**
Container return scheme facility		Unknown
Time	Decision points in years 1-5, investment over 5-10 years (depends on legislation)	
Decision point	How to give effect to new legislation	
Description	Depending on scheme design confirmed by Cabinet, there may be a requirement/opportunity to establish consolidation facilities.	
Expansion of Resource Recovery Network (RRN)		37.4
Time	Decision points in years 1-5, investment over the 2-10 years	Seeking an additional $9.4m opex and $28m capex through LTP and central government waste levy
Decision point	Adoption of revised RRN strategy and budget in 2021	
Description	Revised RRN strategy includes establishment of an additional nine community recycling centres and two resource recovery parks over 10 years, taking the total number of facilities to 23.	
New household hazardous waste drop off		Unknown
Time	Decision points in years 1-5, investment over the 2-10	
Decision point	Number of sites required and locations for best coverage of hazardous household waste services for the region	
Description	There is the opportunity to provide household hazardous waste drop off points at some community recycling centres.	
New construction and demolition waste processing facility		Unknown
Time	Decision points in years 1-5, investment over the 5-10	
Decision point	How to divert construction and demolition waste from landfill	
Description	Bespoke resource recovery facilities may be required to deal with growing volumes of construction and demolition.	

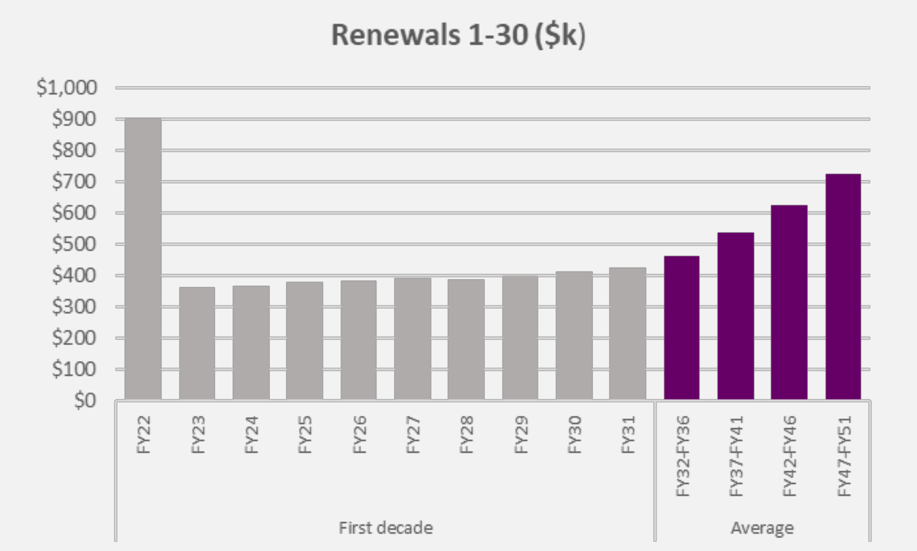
Investment years 11-30



Capex represents ongoing requirement for renewals and new waste asset investment. Responding to legislation changes may mean there is a need for additional investment in the FY32-51 period.



Increasing trends reflect growth in population and the infrastructure required to service that community along with increasing pressures on that infrastructure.



Renewals requirements will continue to grow in line with the waste asset base and inflation.

Major Projects/Programmes (Years 11-30)	
New food scraps processing facility	
Time	**Decision points in years 20-25, investment over the 30 years and beyond**
Cost	**$30m/ unknown**
Decision point	**Determine processing requirements and methodology for Auckland's food scraps if the current processing facility reaches capacity**
Description	**An additional or expanded food processing facility may be required depending on the capacity of the initial facility in partnership with Ecogas**
New materials recovery facility (MRF)	
Time	**Decision points in years 20-30, investment over the 30 years and beyond**
Cost	**Unknown**
Decision point	**Determine if growth means we need an additional MRF**
Description	**If the current VISY MRF reaches capacity and growth continues Auckland may require an additional recovery facility. It is not anticipated that this will be required in the short to medium term.**
VISY (current MRF) upgrade	
Time	**Decision points in years 5-10, investment over the 10-15**
Cost	**Unknown**
Decision point	**Revaluate if upgrades are needed**
Description	**Upgrades are needed every 10+ years and a revaluation of what is needed in the recycling services space. Upgrades may be required to expand that capability and quantity of materials that are able to be processed.**

Overview of significant infrastructure decisions for Auckland Council

Building on the planned responses set out in our infrastructure portfolios, the following are significant infrastructure investment decisions that will be required of Auckland Council in the next 30 years. Though these decisions involve high levels of uncertainty, they are important for Auckland's future.

Figure 19 An overview of upcoming significant infrastructure investment decisions

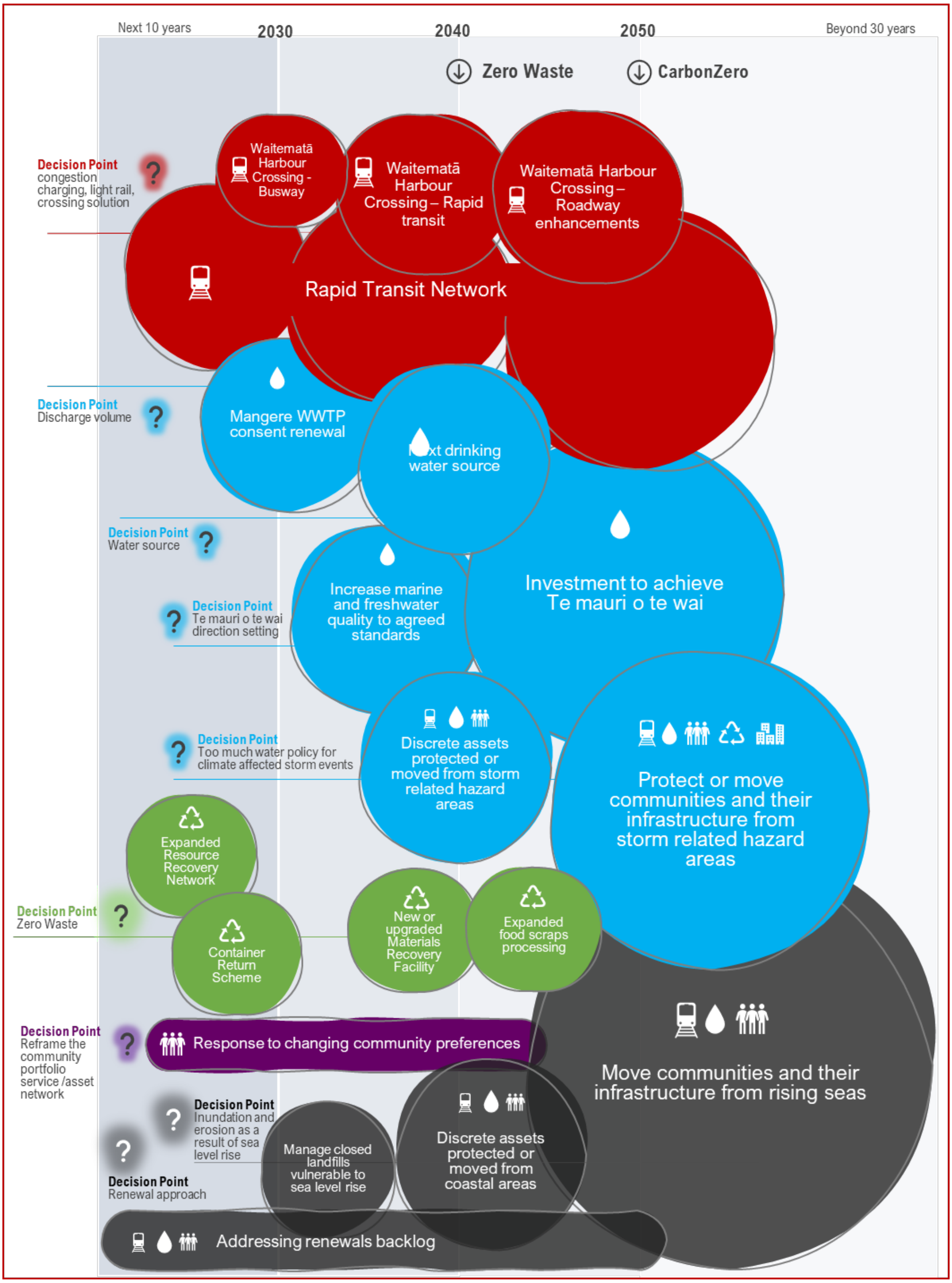


Figure 19 illustrates the big infrastructure investment decisions that Auckland is likely to face. The progress of these decisions will often span the 30 years of this Infrastructure Strategy, from decision-points in the early years of the 10-year Budget 2021-2031 through to investments that may endure for decades. The timing and scale of costs are shown through the size and placement of decisions – these details are indicative; with more information on this, and the decision points themselves summarised as follows. In alignment with the degree of uncertainty involved, an adaptive approach will be taken to making these significant decisions. This will support investment responses that are in the right place, at the right time. Also, given the long-term view of these decisions, some have formed options identified and described below. While, for others, the many decisions involved and/or developing understanding of this issues mean that we are currently able to focus on the considerations that will inform the decisions and expect these to solidify into options in future iterations of this strategy.

Additional Waitematā Harbour Connections

What is required to improve the resilience and connectivity of our transport network across the Waitematā harbour?

Growing demand for travel between the City Centre and the north is placing increasing pressure on State Highway 1 and the Auckland Harbour Bridge. High dependency on the corridor also makes the bridge a critical and vulnerable point of the network. Options for additional connections are being considered to provide improved connectivity and resilience.

Options	Implications
Waka Kotahi/NZ Transport Agency has identified a series of three significant investments: in order of priority – busway enhancements, a new rapid transit connection, and roadway improvements. Options for the investments will be developed, with combinations of the following key considerations: 1) What form and route will the rapid transit enhancements take? This may involve conversion of the busway to light rail, or the development of an additional route for light or heavy rail. 2) What form will the road improvements take? This may involve the addition of new lanes to the existing bridge or a new tunnel to Akoranga. Both will likely require widening of the motorway and local road connections and management of vehicle access to the city centre 3) When will the rapid transit and road enhancements be required?	1) The route and extent of rapid transit would impact rapid transit's cost effectiveness and ability to meet demand. It will also have implications for the surrounding land use. Transforming the existing bus way will cause temporary but significant disruption, compared to development of a new corridor, which would be much more costly. 2) Significant cost differences exist between the options - a new road tunnel could cost approx. $8b more than upgrading the existing bridge. However, the tunnel would have fewer environmental, social and cultural effects. 3) An order of priority of improvements has been established (bus then rapid transit then road). The timing of the investments will need to be managed to enable and support growth on the north shore and coordinated with demand potentially changed by congestion charging (bringing forward the need for the rapid transit connection and delaying the need for road improvements).

Time	Investment will take place over the next 30 years. Initial busway enhancement decisions will be made in the next 10 years, rapid transit enhancement in decade 2 and roadway enhancement in decade 3 or beyond.
Cost	**>$10b** in total will be required to construct the three stages of the project.
Decision point	A decision on the routes and modes for the crossing(s) is likely in decade one of this LTP.

<table>
<tr><td rowspan="7">Rapid transit network</td><td colspan="3">What are the best locations and order of delivery for a Rapid Transport Network?</td></tr>
<tr><td colspan="3">A rapid transit network is necessary to support and shape Auckland's future growth including the decarbonisation of our transport system. An indicative rapid transit network is illustrated in the Auckland Plan 2050 and would be delivered together with central government</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">The routes, modes and order of projects required for our rapid transit network could vary. Key options will be developed at both a network level and as individual projects emerge.
Considerations in developing these options relate to:
1) Which routes? When and which order?
2) Which rapid transit modes would be used and where? This might include Bus Rapid Transit, Light Metro and Light Rail Transit, heavy rail, or frequent ferries.
3) How will they connect and/or interact with each other, and the rest of the public transport network, to provide and integrated network.</td><td>1) The rapid transit routes will provide fast, frequent and reliable transport for their communities and would be particularly beneficial for those with the greatest accessibility needs. Therefore, the locations for rapid transit corridors and stations and the sequencing of investment can provide significant access benefits and improve equity outcomes. Investment in new rapid transit infrastructure could also unlock housing and urban development opportunities in locations that support the Auckland Plan's quality compact growth approach.
2) Decisions on the preferred modes for different parts of the network could impact the overall efficiency and effectiveness of the rapid transit network, including how each part integrates with, the rest of the transport network and the communities they are serving.
3) Different modes, timings or alignments than currently anticipated in plans like the Auckland Plan 2050 could necessitate changes to growth and development strategies.</td></tr>
<tr><td>Time</td><td colspan="2">Series of large investments over the next 30 years.</td></tr>
<tr><td>Cost</td><td colspan="2">>$10b – through a number of large projects, likely to each be >$1b</td></tr>
<tr><td>Decision point</td><td colspan="2">Decisions around the network, routes, stations, timing, modes and supporting investments will begin to be made in the next year and will continue over the next 30 years. Presently, Auckland Council, Auckland Transport and government agencies are preparing a Rapid Transit Network Plan to set context and inform future investment decisions.</td></tr>
</table>

<table>
<tr><td rowspan="7">Congestion Question (congestion pricing)</td><td colspan="3">Is there a role for <u>congestion pricing</u> to improve the performance of Auckland's transport network? What kind of congestion pricing scheme would deliver the best results for Auckland?</td></tr>
<tr><td colspan="3">Demand management could be an important feature of long-term planning for Auckland's transport system. Congestion charging may result in some infrastructure no longer being required or being required later than initially anticipated due to improved network performance. The fundamental decision on whether to proceed with a pricing scheme will dictate the impact that it may have on Auckland's transport.</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">The options associated with congestion pricing relate to two key considerations:
1) Whether or not congestion pricing should be a feature of Auckland's transport system.
2) The structure of the pricing scheme, including where and when it would be applied.</td><td>1) The inclusion of a congestion pricing scheme in our transport system will impact the demand for road capacity. This would reduce congestion where applied and likely increase demand for alternative, and less carbon intensive, modes (public and active transport). A decision not to implement the scheme is likely to require greater investment in physical infrastructure to deliver similar congestion benefits.
2) The structure of a pricing scheme would impact the degree to which it delivers a shift in transport demand. Social and access outcomes will also be guided by the structure of the scheme and the wider package of transport investment to ensure that transport alternatives are available.</td></tr>
<tr><td>Time</td><td colspan="2">Implementation could potentially begin as soon as 2025 and is assumed to be over a period of decades.</td></tr>
<tr><td>Cost</td><td colspan="2">Congestion pricing would be revenue generating. This revenue could be used to cover the costs of the congestion pricing scheme and invest in complementary transport improvements.</td></tr>
<tr><td>Decision point</td><td colspan="2">Work is currently underway to inform decision-making, but the timing for a decision is uncertain. It would follow public consultation and legislative change would be required. It is possible that, if a decision was made by Auckland Council and the Government to implement congestion pricing, a scheme could be in place from 2025.</td></tr>
</table>

Climate affected weather

How do we make prioritised, equitable, and affordable decisions in the next 30 years regarding increasing natural hazard risk due to climate change?

We are going to experience more severe and more variable weather events (e.g. floods, droughts, and storms), which will have a variety of impacts. Increasing rainfall intensity will cause excess flooding and land instability issues. Changes in groundwater levels will increase liquefaction risk at specific locations, and an increase in drought will exacerbate pipe and foundation damage in areas with expansive soils.

Developing adaptive planning approach will allow us to mitigate risk in the face of uncertainty and provide a foundation for our responses.

<table>
<tr><th>Options</th><th>Implications</th></tr>
<tr><td>Some locations are particularly vulnerable to climate change (e.g. flood plains), and assets in hazard areas are likely to be adversely impacted over the course of their design lives. Using an adaptive approach will help us account for changing risk over time and provide a framework for identifying the right responses in the right places, at the right time. This will allow clear identification of options and decisions to be made at crucial points with consideration of:
1) How do we avoid risk where possible to minimise future losses?
2) If we accept risk, how do we build and cost resilience into the design life of assets?
3) Can we take special precautions in locating, designing, and consenting infrastructure to minimise damage or allow for adaptation?
4) How do we plan and design infrastructure for changing future conditions?
5) How do we ensure that levels of service are maintained in at risk areas, and how do we prepare communities for changing levels of service where this isn't appropriate?</td><td>The implications of an adaptive approach to planning for climate change related weather events are that we are able to avoid new infrastructure development in hazard areas or configure that development to minimise future losses.
Use of the adaptive approach enabling different interventions to be taken at different times and in different locations will help to avoid misplaced investment so that we don't create stranded assets and limit the, often larger, costs of recovery from disasters.</td></tr>
</table>

Time	Programme of investment over 30 years and beyond.
Cost	**>$10b** – uncertain scale of investment, comprised of a large number of big and small projects
Decision point	Adaptive management approaches, including supporting policy, will be established within the next three – five years

<table>
<tr><td rowspan="7">Te mana/mauri o te wai</td><td colspan="3">What freshwater health outcomes do we want? and how will we fund returning mauri to our freshwater bodies?</td></tr>
<tr><td colspan="3">The National Policy Statement Freshwater Management sets a requirement to give effect to te mana o te wai. In the next five years, Auckland Council will need to set long-term vision and any targets beyond the required minimum for our freshwater bodies.</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">The NPS FM sets expectations that we will give effect to te mana o te wai and regarding the maintenance and/or improvement of water bodies. This establishes a hierarchy of obligations, first to the health of the water, second to essential human health and third for other consumption. We need to decide how to satisfy these expectations and what targets are set for our freshwater beyond the baseline. Options include consideration of:
1) Where the community identifies an aspiration for improvement, and over what timeframe
2) The combination of levers we will use to manage freshwater quality including – regulation of development and existing activities, infrastructure interventions and environmental enhancements</td><td>1) The baseline expectations of the NPS FM will be a source of significant cost. Beyond this, our aspirations for where, how much and how quickly we improve will dictate additional costs. A balance will be sought between affordability, environmental outcomes and the degree of change required to existing activities.
2) The pathway to achievement of targets will have implications for who bears the costs. Action will be required through a combination of Council investment, changes to development activities, regulation of activities and private/community action. The ability of these groups to take action will influence the achievement and potential equity of freshwater outcomes.</td></tr>
<tr><td>Time</td><td colspan="2">Investment over 30 years</td></tr>
<tr><td>Cost</td><td colspan="2">>$10b – The scale of this investment is highly uncertain and would be comprised of numerous programmes funded from a combination of public and private sources.</td></tr>
<tr><td>Decision point</td><td colspan="2">A decision around how to give effect to the NPS FM is required as soon as reasonably practical, this is likely to be within the next 5 years.</td></tr>
</table>

<table>
<tr><td rowspan="6">Mangere WWTP Consent Renewal</td><td colspan="3">Can we increase the treated wastewater discharging to the Manukau?</td></tr>
<tr><td colspan="3">Increasing environmental requirements means there is pressure at both ends of the Mangere Wastewater Treatment Plant. Increasing the volume discharged means more wastewater can be treated (reducing overflows in the network), but the additional volumes could mean additional degradation of the Manukau harbour.</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">A key focus of the re-consenting process at the plant will be the choice between:
1) Increasing the discharge to the Manukau Harbour, and/or
2) Maintaining the current discharge limit and diverting significant volumes of wastewater to other treatment plants and/or a reuse facility.</td><td>1) The impact on increasing the volume of highly treated wastewater to the Manukau harbour is not yet known. Investigations are underway to better understand the impact of the non-saline contribution the treatment plant makes to the saltwater harbour environment.
2) The current discharge limit would mean additional discharge (due to growth and water diverted in the central interceptor over time) would need to be diverted. This could be diverted to other treatment plants, or to a possible new advanced water treatment facility. Although this would have a significant cost implication, the purified recycled water would have the benefit of offsetting our demand for drinking water.</td></tr>
<tr><td>Time</td><td colspan="2">Decision point in decade 1, investment in decade 1-2</td></tr>
<tr><td>Cost</td><td colspan="2">>$1billion (process upgrade at Mangere likely to be >$500million, reuse facility >$1billion)</td></tr>
<tr><td></td><td>Decision point</td><td colspan="2">Decision point in year 3-5</td></tr>
</table>

<table>
<tr><td rowspan="7">Next drinking water source</td><td colspan="3">What will be the next major water source(s) for Auckland?</td></tr>
<tr><td colspan="3">Demand management and a more efficient housing and commercial stock will contribute to more efficient use of our current water sources. The first Waikato water source will still reach capacity around the middle of decade one. The first stage of the second Waikato take (currently in a Board of Inquiry process to gain consent) will provide enough water for another decade. A new source will need to be identified.</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">An additional source will contribute to providing more potable water to Auckland. The key options relate to:
1) A second Waikato take.
2) Wastewater reuse is a new potable water supply solution for New Zealand. It's currently used in a small number of international cities where fresh water sources are highly constrained such as Singapore. A development pathway for wastewater reuse as drinking water could be wastewater reuse for non-drinking water to refine and proof the technology for our community.
3) Other sources (bores, new surface water dams, stormwater collection and reuse, desalination). A combination of sources could be developed and could also provide for water that will not be consumed (for manufacturing, cleaning etc).</td><td>1) An additional Waikato take would provide local resilience through redundancy (one system could be turned off to be maintained), but across the region would duplicate investment in the same location. This would result in approximately 80% of Auckland's water treatment capacity being based to the south of Auckland vulnerable to spatial hazards.
2) Wastewater reuse may be an environmentally favourable option for our next water source as it represents sustainable reuse of our finite water sources. The community and cultural acceptability of water reuse would need to be explored further.
3) Other sources, or combinations of sources have also been considered. Desalination is not considered an economic or environmentally sound solution. A combination of sources will contribute to Auckland's water security and may be able to be developed in a more agile and distributed way, making them fit for local purpose and improving resilience.</td></tr>
<tr><td>Time</td><td colspan="2">Investment in decade 2 or 3</td></tr>
<tr><td>Cost</td><td colspan="2">>$1billion</td></tr>
<tr><td>Decision point</td><td colspan="2">Decision point in years 10-20</td></tr>
</table>

Investment in resource recovery

How will we expand our resource recovery infrastructure to achieve zero waste 2040?

We will need to expand our waste infrastructure in response to our climate and waste goals. This would require investment in new facilities, a significant investment relative to the existing asset base.

Options	Implications
A number of facilities/assets are planned for investment over the coming decade to reach our aspirational zero-waste goal for 2040. As Auckland grows, those facilities will need to expand and adapt to cater for a growing population. Options for how our waste facilities develop will be based on consideration of: 1) What facilities will be required to process the waste from Auckland's growing population (e.g. new container return scheme, more community recycling centres, expanded food scraps processing, construction and demolition materials recovery)? 2) Will we invest in onshore recycling infrastructure or continue to export our waste? 3) Central government legislation and reform will have implications on what future assets or services might be required and by what time.	1) International recycling markets and their shifting requirements have implications for Auckland's waste processing requirements. New Zealand experienced market volatility recently with low-grade plastics being rejected from major recycling facilities in China and multiple other countries that have previously accepted our recycling exports. Recent changes to the Basel Convention put pressure on our sorting systems to produce very low contamination levels, which requires upgraded MRF facilities to achieve. 2) Alongside packaging and waste stream controls, onshore processing of recyclable materials will need to increase. This is both to address the volatility of international markets, and as we become more emissions constrained and reliant on local economies. 3) Additional infrastructure keeping pace with growth and processing/managing waste/resource streams will require government direction, and will need to consider this work programme (for example, the implementation of a Container Return Scheme may require new infrastructure for consolidation points).

Time	Series of investments over 30 years
Cost	<$1b
Decision point	Decision points in years 5-10. Key decisions will be made about the waste infrastructure Auckland needs based on the global environment, government legislation and growth.

<table>
<tr><td rowspan="7">Community portfolio must respond to changing customer preferences</td><td colspan="3">How to transform the community portfolio?</td></tr>
<tr><td colspan="3">The community portfolio must respond to changing demand, growth and consider affordability. The current community asset portfolio renewals requirement is significant and not affordable moving forward.</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">1) Our current operating conditions continue
2) Increased funding to retain existing portfolio and provide for anticipated growth based on current provision guidelines
3) We tailor our services and reframe our portfolio to ensure it is effective and affordable</td><td>1) Same budget – insufficient renewal budget to retain extensive existing asset portfolio in good operating condition and insufficient development budget to meet expectations in providing new assets. There is very limited ability to differentiate and tailor service provisions to different communities.
2) Significant budget increase - Significant increase in renewal budget to enable total existing asset portfolio to be retained in good operating condition and significant increase in development budget to enable addition to asset portfolio to meet mandated expectations for new assets. There is more scope to tailor service provisions to different communities.
3) Moderate budget increase - Moderate increase in operating budget to support activity by others and alternate service approaches but there is still Insufficient renewal budget to retain existing asset portfolio in good operating condition, requiring identification of assets that are not well-positioned to meet current and future requirements. There is also moderate increase in development budget to meet expectation for new assets.</td></tr>
<tr><td>Time</td><td colspan="2">Series of investments over 30 years</td></tr>
<tr><td>Cost</td><td colspan="2">>$1billion</td></tr>
<tr><td>Decision point</td><td colspan="2">Decision point in years 1-3 will determine the transition pathway and options for the portfolio and understand the implications of its implementation across Auckland. A series of decisions will then be made at a more detailed level over time as the portfolio changes and community needs and expectations are realised.</td></tr>
</table>

<table>
<tr><td rowspan="7">Renewals backlog (cross-portfolio)</td><td colspan="2">What investment in renewals is required to address the backlog to an acceptable level of risk?</td></tr>
<tr><td colspan="2">Our transport, water, wastewater and parts of our community portfolio require significant investment and/or optimisation to maintain the levels of service those assets can deliver to Aucklanders. There is also historical disparity in asset quality due to legacy Council decision-making which is still being worked through.</td></tr>
<tr><td>Options</td><td>Implications</td></tr>
<tr><td>The key options for investment will be to:
A. invest more in proactive renewals,
B. maintain our current investment levels or
C. invest less and lower the levels of service delivered.

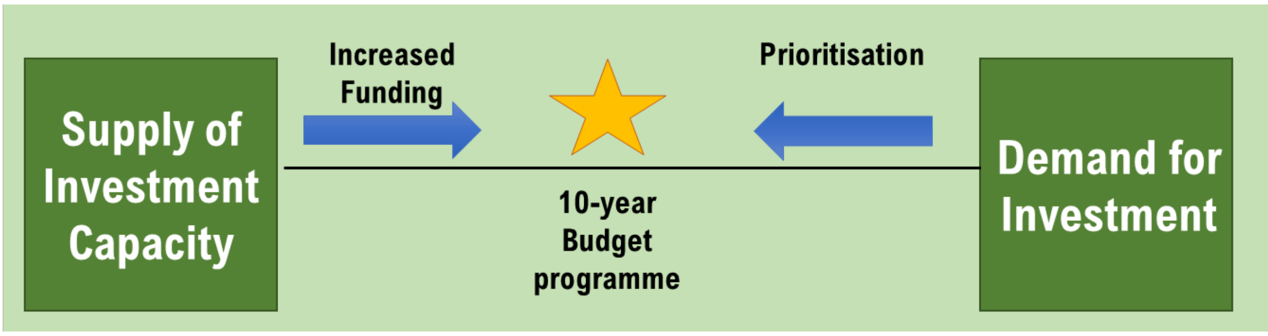
Additionally, we need to decide if and how we optimise and prioritise our investment. This includes:
1) Will we invest in integrated asset data to support decision-making?
2) Will we integrate our renewals programmes to optimise our spatial investment (taking a dig once approach)?
3) What level of investment can we afford to fund the maintenance of our current systems against the investment required to adapt our systems? Are we willing to let some levels of service decline (i.e. in areas vulnerable to sea level rise) to fund adaptation?
4) How we can move from a traditional “renew like-for-like” approach to a “renew for resilience” approach that may not be consistent with current asset management and funding practices.</td><td>A more proactive programme of renewals will reduce the level of risk associated with Auckland’s asset portfolio. The current need for investment in renewals over the next two decades exceeds what we are planning to invest in renewals due to our increasing requirement to fund growth. Therefore, alternative funding would be required for assets that are not self-funding (i.e. water and wastewater are funded by volumetric charges).
The implications of the additional options are:
1) An integrated asset data set will standardise measurement of condition and criticality. It will also allow modelling of performance and failure. This requires data standardisation and sharing which can be a considerable financial investment.
2) Better data will increase our ability to optimise our renewals spatially, particularly for horizontal infrastructure. Getting to this level of coordination takes excellent data quality, spatial optimisation, and changes to procurement and organisational practices.
3) Understanding the threat to our assets and our communities from sea level rise is an even bigger task than optimising how we renew them. If we decide to let some assets deteriorate, how do we ensure that communities of greatest need are not disadvantaged more than other communities.</td></tr>
<tr><td>Time</td><td>Investment over 30 years and beyond</td></tr>
<tr><td>Cost</td><td>>$10billion – this investment is uncertain and dependent on the approach to renewals established.</td></tr>
<tr><td>Decision point</td><td>Decision points progressively over the next 2 decades based on improved information, integrated asset modelling, and improved risk information.</td></tr>
</table>

<table>
<tr><td rowspan="7">Sea-level rise (inundation and erosion)
(cross-portfolio)</td><td colspan="3">How should our coastal infrastructure, and the communities it supports, respond to sea-level rise?</td></tr>
<tr><td colspan="3">Sea-level rise will impact coastal infrastructure (e.g. wastewater treatment plants, roads, open space). It will require decisions to be made around discrete assets and connected networks and will relate closely to decisions that will be made about coastal communities.
Coastal management plans with an adaptive approach will be developed for the Auckland region in decade one, and interventions (avoid, defend, adapt, retreat) will be implemented over the following 30+ years. Infrastructure assets will be required to adapt to the changing communities they serve.
Organisational and national policy development on responding to sea level rise, and funding mechanisms will also be developed over the next decade</td></tr>
<tr><td colspan="2">Options</td><td>Implications</td></tr>
<tr><td colspan="2">The central and local government policy development and planning over the coming 5-10 years will provide a frameworks for options to be created and decisions to be made. Key features of the framework will include consideration of:
1) How should we reduce risk to private and public built infrastructure, while ensuring the most vulnerable are supported through the impacts of sea level rise on individual communities.
2) How will we manage the risk to coastal landfills for our communities and environment?
3) Who pays for lost capital value, protection and adaptation of our assets, and/or abandonment and rebuilding of our existing assets? And, what role will insurance play in this funding?
4) When do we act? Infrastructure decision-making will need to be carefully timed to occur optimally in the context of uncertain and changing risks, and related decisions around communities and consents.</td><td>1) The decisions made will impact how we are able to make a just transition to a climate changed future
2) We don't currently have an understanding of the urgency of retreat. Dynamic adaptive approaches will enable us to make well timed decisions associated with, and in advance of, tipping points as it is more effective (across all well-beings) to invest prior to a disaster than to pay for recovery.</td></tr>
<tr><td>Time</td><td colspan="2">Investment over 30 years and beyond</td></tr>
<tr><td>Cost</td><td colspan="2">>$10billion</td></tr>
<tr><td>Decision point</td><td colspan="2">Decision points to establish plans for coastal areas in year 5-10, implementation decisions will be required over 30 years and beyond.</td></tr>
</table>

1.2 Financial Strategy

Introduction

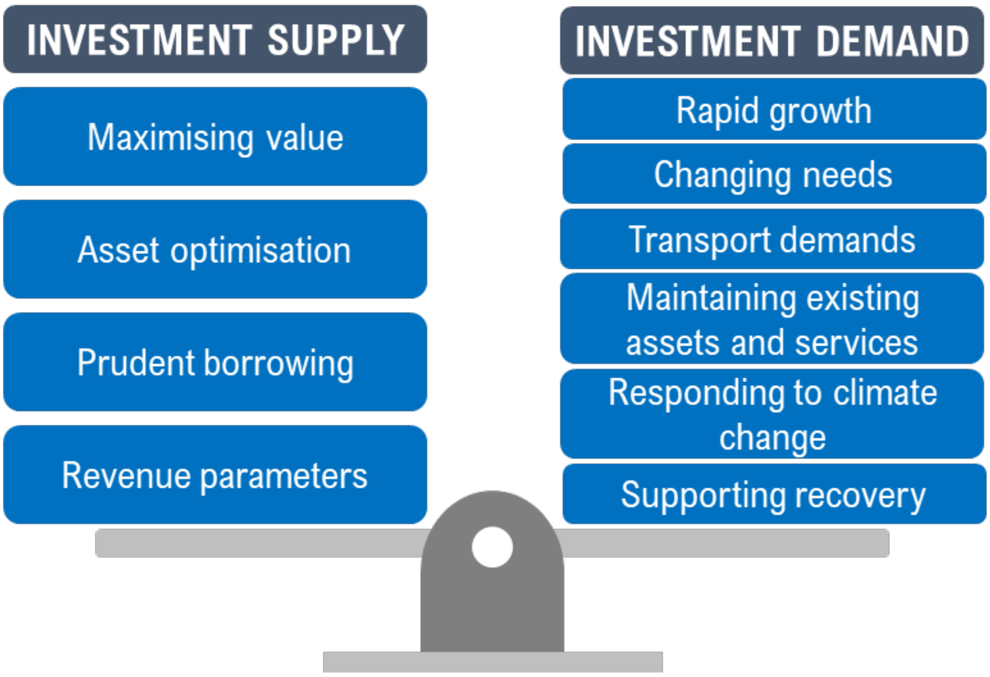
This strategy sets out the approach for achieving the balance between investing in the assets and services for Auckland's progress and ensuring that the costs of supporting those investments are acceptable to the community.



Section one provides context around the investment demand driven by both the need to maintain and deliver services through our existing infrastructure and to respond to the challenges we face. This strategy should be read in conjunction with the draft infrastructure strategy which sets out the drivers of infrastructure investment and the choices the council proposes to make in prioritising that investment.

Section two looks at our supply of investment capacity and how we propose to respond to the challenges we face. The council has a number of levers available to respond but must continue to consider factors including the acceptability of costs to the community and the sustainability of our borrowing. For this plan the council must also consider this in the context of the high level of uncertainty around COVID-19 and its impact on council revenues. This section includes our key strategic settings around limits on rates increases and debt levels.

Section three shows how decisions around balancing investment demand and investment supply reflect into the capital investment programme, our balance sheet position and the makeup of our operating expenditure and funding sources. This section also identifies the key assumptions behind these projections.



Section one: Investment demand

Demand for investment by Auckland Council continues to grow. We need to consider how we continue to deliver for existing Aucklanders while also considering our growing and changing population and our natural environment.

Drivers of Investment Demand

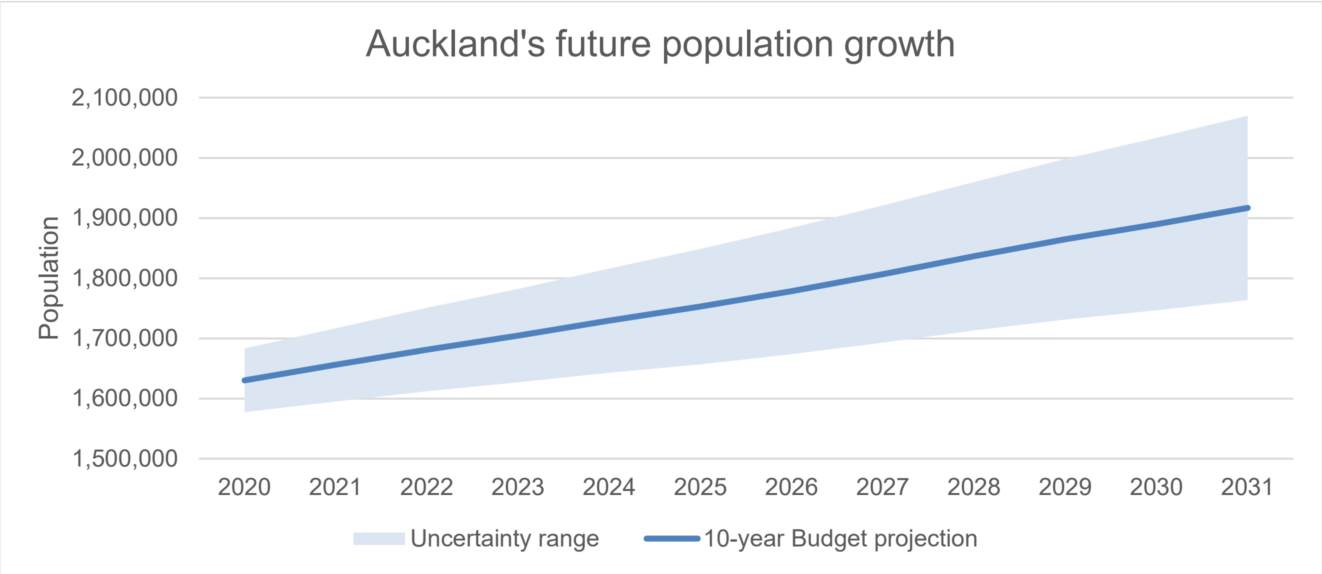
The key drivers of increasing demand for investment are:

- Rapid growth
- Changing needs
- Transport demands
- Maintaining assets and services
- Responding to climate change
- Supporting recovery

Rapid growth

Auckland's population continues to grow, and this drives a requirement for additional supply of housing and employment. Our balanced approach to growth expects this supply to be accommodated through both intensification in existing urban areas and managed expansion into rural areas. Infrastructure will be required to support both of these expected land use changes.

Uncertainty around COVID-19 makes growth hard to predict for the next few years but we are projecting our population to increase by around 261,000 over the ten years of this 10-year Budget.



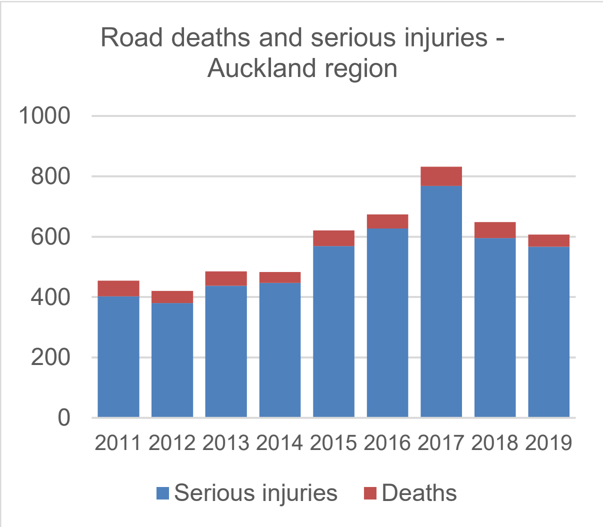
Changing needs

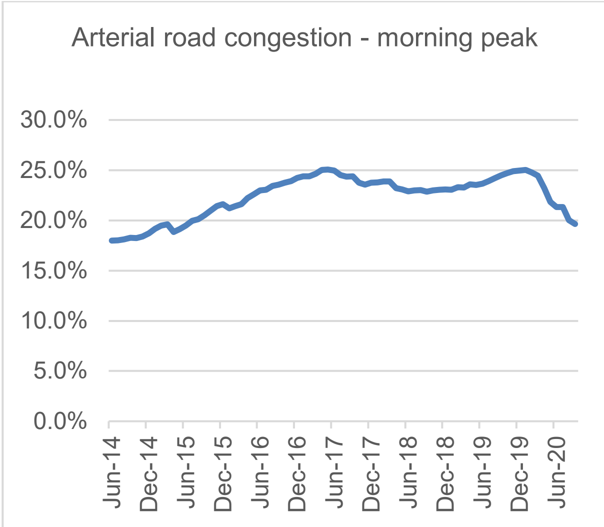
Auckland is rich with diversity – it's now one of the most diverse cities in the world. It is a mix of different ethnicities, sexualities, gender identities and age-groups. It also includes those that face accessibility issues.

Different groups demand different services of their council and many of the services and facilities we currently provide were relevant to those communities at the time. We will continue to reassess the services we deliver to ensure they remain relevant to the changing demands of our community and that we are delivering them in the most efficient way.

Transport demands

Traffic congestion and road safety continue to be major challenges for Auckland.





Addressing these issues continues to be a key focus of the work of the Auckland Transport Alignment Project (ATAP). Through this project substantial required investment has been identified to address these issues, provide more transport choices to Aucklanders and contribute to our climate change goals.

Maintaining existing assets and services

The extent and breadth of services that the council provides requires significant funding to maintain. This includes both the running costs of delivering services such as waste collection and public transport and the costs of maintaining and renewing our extensive infrastructure networks.

While reviews to ensure our services are still relevant are on-going, we need to manage our existing assets. Continued deferral of renewal expenditure creates risk of assets either reducing their effectiveness in service delivery or of failure. At the same time operating costs rise through increased maintenance. Delaying investment in renewing our asset base can also mean delays to financial and environmental benefits from latest technologies (such as more efficient power or water usage).

Responding to climate change

Auckland Council declared a climate emergency in June 2019 and then commenced work on Te Tāruake-ā-Tāwhiri: Auckland's Climate Plan which was adopted in June 2020. This includes a plan to reduce greenhouse gas emissions by 50 per cent by 2030, and to reach net zero emissions by 2050 alongside a pathway to prepare for the impacts of climate change.

While Auckland Council is already doing a lot of work tackling emissions, more investment will be needed. More investment will also be required to make our infrastructure more resilient to the effects of climate change - including the impacts of rising sea levels and increased frequency of extreme weather events.

Supporting recovery

Investing in capital projects is a major way that Auckland Council can support the local economy, providing jobs and economic stimulus needed for our recovery.

Other infrastructure challenges

Alongside maintaining and renewing our established infrastructure networks the draft infrastructure strategy (Section 1.1 of this Supporting Information) identifies five key issues facing our networks. These are:

- Climate change
- Natural hazards
- Growth
- Equity
- Funding

The challenges of climate change and growth are key drivers of the growth in investment demand and are discussed above. Funding challenges are addressed in the next section as we look to providing supply of investment capacity. Responses to the natural hazard and equity challenges do not necessarily require increased investment but rather changes to the investment we make, for example building natural hazard resilience into our infrastructure planning and prioritising investment in areas of greatest need.

Assessed investment demand

A bottom-up refresh of budgets to assess the costs of the expected changes in population and land use discussed above identified a substantial increase in capital investment requirements. The estimated requirement of $35 billion represented a significant lift from the $27 billion cost projected pre-COVID as shown below:

$ billion	Pre-COVID	Submission	Notes
Auckland Transport	$11b	$11b	Starting position for ATAP prioritisation
Watercare	$5.4b	$10.8b	Bottom-up Asset Management Plan (AMP) review
Panuku	$0.8b	$0.9b	Onehunga Wharf, Waterfront renewals, extension of priority location programme
Auckland Unlimited	$0.3b	$0.8b	AMP review and transform Aotea precinct and Stage 1 stadiums investment
CRL	$1.3b	$1.3b	No change to existing forecast investment
Ports of Auckland	$0.7b	$0.7b	No change to existing capital programme
Auckland Council	$7b	$10b	Community Services full cost with current service model ($6.4b) Additional city centre investment Healthy Waters high growth scenario
Total	**$27b**	**$35b**	

Key factors within this additional investment demand include:

- a revised approach to the renewal of water assets following an independent review of Watercare's asset management approach. This review suggested a more pro-active renewals programme and the subsequent update to the Watercare Asset Management Plan included a required investment level of $10.8 billion over ten years.

- the projected costs of renewing all community assets across the city. Continuing to deliver our services through these same assets would require investment of $6.4 billion.

The scope of this investment demand can be daunting, and we know that it will exceed our capacity to responsibly fund. The council group is therefore working to better understand the details of the demand and provide high-quality advice to support prioritisation decisions by elected members.

This work has focused on ensuring that we understand which investments are most critical to reduce risk across networks. These risks include keeping our staff and Aucklanders safe, protecting assets, not meeting our sustainability and climate goals, not providing the necessary infrastructure for our growing population, and not delivering on the strategic objectives identified through the Auckland Plan 2050.

Section two: Supply of investment capacity

Addressing the significant demand for investment in Auckland requires a considered approach to the levers available to the council to provide an appropriate supply of investment capacity.

The COVID-19 pandemic has already had a significant impact on our operating revenues with a projected $450 million revenue reduction in the 2020/2021 year. This is projected to continue for the first three years of the 10-year Budget 2021-2031 with over $500 million in revenue reductions. In turn reduced revenue limits our ability to borrow and the combined impact would mean a much-reduced supply of investment capacity for the early part of this plan.

While we need to make these projections in order to plan, it is important that we recognise the high level of uncertainty around them. Our sensitivity analysis suggests that if we were to have further lockdowns and extended border closures the revenue for the council could reduce further from around $1 billion to $1.2 billion over four years (2020/2021–2023/2024).

The key considerations when looking at levers to increase supply are ensuring:

- We provide the best value to Aucklanders from the revenues we receive and the assets we hold,
- The costs to the community are acceptable, and
- We maintain prudent management of debt and sustainable financial management
- We continue to partner with the Crown and others for the best outcomes for Auckland.

This section of the strategy sets out the council's proposed financial settings to supply investment capacity for this 10-year Budget.

Maximising value

In an environment where we cannot afford to match the full demand for investment it is essential that we make sure that every dollar we do spend provides value for money. Doing this will involve both the identification of where we can deliver existing services at lower cost (efficiency savings) and also a reassessment of the particular services we deliver to ensure they are the best way to support our strategic goals.

Efficiency savings

In recent years we have been successful in finding sufficient additional efficiency savings to allow us to maintain low average annual rates increases. We have done this by improving business processes, better procurement and tendering processes, improving technology use and bringing work in-house where it is more cost-effective to do so.

In the face of the challenges of COVID-19 our Emergency Budget for the 2020/2021 year included operating cost reductions of $120 million. To ensure we are continuing to make the best use of all our funding we are proposing to lock in $90 million per annum of this as permanent on-going savings. These savings will primarily be driven by organisational design changes, procurement savings, and operational improvements and efficiencies. This will reduce overall operating spending over the 10 years by $900 million.

Service review

Like most organisations, over time we will have started many services or activities in response to circumstances that existed at that time. It is important that we continue to review their current relevance and requirement, and how they are provided. Recent developments both through advances in technology and behavioural change (particularly as a result of COVID-19 disruption) may have resulted in changes to consumer demand, preferences and requirements. This will include both services to our communities and internal support functions.

A purposeful shift in operating and capital spend from traditional bricks and mortar to digital may be appropriate, to meet demand, reduce costs, and reduce our carbon footprint. Evidence could suggest a reduction in service provision may be required where facilities are poorly utilised and not delivering as expected. In assessing priorities, we need to be cognisant of services that the market can provide, and look to enable greater community service provision, for example through council grants, partnerships and philanthropy. We may also find benefits in accelerating the 'Value for Money' review programme, including some short-term divestments of non-core council functions. Any proposed changes identified that would result in significant changes to service levels would require further public consultation.

Asset optimisation

Auckland Council holds assets worth almost $60 billion for the benefit of Aucklanders. It is crucial we ensure all these assets are delivering best value. To do this we propose to continue our current programme of asset recycling and also engage in a comprehensive exercise to assess where better capital allocation might result in improved outcomes. The council also holds financial investments and we are required to specify our objectives for holding these and to quantify our targeted returns.

Asset recycling

Auckland Council has a very large holding of land and buildings, some of which are not needed for providing council services, are not providing a market rental income, are poorly utilised or simply located in the wrong place. Because we will not have sufficient funding to match the investment demand over the next 10 years, disposing of surplus assets will help maximise our investment capacity.

In preparing the Emergency Budget 2020/2021 staff identified a pipeline of non-strategic, non-service assets that could be considered for sale or long-term lease. This work supported the council's decision to set a target for $244 million of asset recycling in the 2020/2021 year. Alongside the work to deliver on this target staff have continued to identify further opportunities for asset recycling.

To support the supply of investment capacity it is proposed that asset recycling targets are increased to $70 million per annum for the first three years of this plan.

Financial year ending 30 June ($ million)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net proceeds from asset recycling	70	70	70	20	20	20	20	0	0	0

Capital allocation

In 2015 Auckland Council engaged two advisory firms to provide advice on opportunities for improvements to our funding and financing. These reviews helped inform initiatives such as the relook at our Housing for Older People, our corporate accommodation strategy and the fleet review.

As stewards of assets for Aucklanders it is appropriate that we regularly reassess our balance sheet and we propose to undertake another review over the next year. Our assets should be assessed to determine alignment to:

- Purpose – do they align to the core purpose of Auckland Council
- Priorities – do they reflect our current priorities
- Performance – do they perform in a way consistent with our obligations to Aucklanders.

Investment management

The council is expecting $1.1 billion in revenue from financial investments over the next 10 years. The three key types of investments, the council's objectives for holding them and target returns, where appropriate, are discussed below. More information on how council manages its investment is contained in our Treasury Management Policy which can be found on the Auckland Council website > Plans, policies, bylaws, reports and projects > Our policies > Treasury Management Policy.

Equity investments in commercial activities

The council has significant shareholdings in Ports of Auckland Limited and Auckland International Airport Limited. The council manages these investments to achieve broader strategic objectives while delivering financial returns. The council has set a return on investment target for these major investments of dividend growth at a rate at least equivalent to the increase in the Consumer Price Index (CPI). In light of the disruptions to both international travel and the domestic economy the council recognises that there will be departure from these targets for the first three years of the 10-year Budget 2021-2031.

Trusts and reserves

The council has a number of trusts and reserves to fund specific activities. The trusts are mainly endowments from private individuals and organisations to help fund specified activities. The council manages these and uses the returns to fund the relevant activities. For the purposes of this 10-year Budget, revenue from trusts and reserves is assumed to be utilised for specified activities in the year it is received. Accordingly, no movement in trusts and reserves balances is forecast.

The council has set a return on investment target for the Trust and Reserves portfolio to exceed the Official Cash Rate (OCR).

Shareholding in the New Zealand Local Government Funding Agency (NZLGFA)

The council is a shareholder in the New Zealand Local Government Funding Agency (NZLGFA) and expects to fund some of its borrowings from NZLGFA.

The NZLGFA's Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to NZLGFA's fixed rate bond cost of funds plus 2 per cent over the medium term.

Prudent borrowing

Borrowing is an important tool in supplying capacity for investment. It enables the cost of investment to be spread across the different generations that benefit from it.

When considering prudent and sustainable levels of borrowings we must consider the costs of these borrowings both now and in the future. We must also consider how much capacity we leave to deal with future shocks. Higher borrowings can mean higher levels of financial risk and with this comes associated increases in interest and servicing costs. Debt also eventually needs to be paid back and excessive borrowing now may put greater pressure on future ratepayers.

In setting a prudential limit on our borrowing Auckland Council looks at the relationship between our debt and our revenue. This limit is an indicator of the ability of council to cover its borrowing costs from its different revenue sources. We have worked with our ratings agencies to consider an appropriate limit for this long-term plan. Alongside this indicator the council, and rating agencies, also take into consideration factors such as the level of interest, annual cashflows and the flexibility of the planned capital programme.

We propose a prudential limit of group debt being less than 290 per cent of group revenue. When assessing our debt to revenue ratio against this limit, a number of adjustments are made which are consistent with Standard and Poor's approach when they undertake their credit rating assessment[1].

It is also appropriate to consider whether it is best to borrow to the maximum level available or it is better to maintain some capacity to address future shocks or take advantage of future opportunities. Given this, over the long-term we would target debt-to-revenue levels below a level of 270 per cent of revenue.

Given the impacts of COVID-19 disruption on our current revenues and the level of demand for capital investment to reduce operational risk we propose that our debt-to-revenue is near the 290 per cent limit for the first three years of this plan but then reduces towards, and below, our long-term target of 270 per cent over subsequent years. We would target being below 270 per cent by 2029 and below 250 per cent by 2031.

Treasury management

The council faces a number of key risks in relation to its borrowings. Our Treasury Management Policy details how we manage those risks. For further information this policy can be found on the Auckland Council website > Plans, policies, bylaws, reports and projects > Our policies > Treasury Management Policy. Two of the most significant risks are the risk of rising interest rates and risk that we are unable to borrow funds when needed.

In a similar way to how you might fix your mortgage, we protect the council from rises in interest rates through the use of hedging to fix interest rates. To a large extent, this locks in council's future borrowing cost for a certain period of time to protect us from rising interest rates.

To ensure that we are not too dependent on the state of global financial markets, we ensure that we always have sufficient cash, liquid investments and committed lines of credit available to allow us to pay our bills for at least the next six months. We also source borrowings from a range of domestic and international lenders so that a problem with any one provider of borrowings does not have too large an impact.

In general, the council provides rates revenue as security for its borrowings including its borrowings through the New Zealand Local Government Funding Agency (NZLGFA), domestic and offshore borrowing programmes. However, in specific cases, the council may consider whether alternative security is appropriate, for example security over property that is specifically connected with the borrowing.

Funding depreciation and balancing the budget

To ensure that debt remains at prudent levels, we aim to move towards a long-term policy of full funding of depreciation. Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach. The legacy councils only funded 63 per cent of depreciation so we have an existing policy to progressively move to 100 per cent by 2025.

The council also generally aims to balance its budget in every year. This ensures that operating expenditure is covered by operating revenues and borrowing is only used to finance investment that will deliver enduring benefits.

The impacts of COVID-19 disruption on our revenue streams for the first three years of this 10-year Budget mean that we may not be able to cover our operating costs with operating revenue in this period. We consider the revenue settings required to balance the budget would have been unacceptable to the community and

[1] The main adjustments are the exclusion of revenue related to capital expenditure, development contributions, vested assets and the sale of assets to total revenue and inclusion of the present value of lease commitments to debt.

propose that it is prudent and sustainable not to balance the budget given the projected short-term nature of this revenue shock. Given this, we anticipate that it could take up to three additional years before we are fully funding depreciation and we propose to update our policy to reflect this[2].

Revenue parameters

Revenue growth will help address operating cost pressures and support higher borrowing levels. This capacity for additional investment supply needs to be balanced against maintaining acceptable levels of increase to rates and other council charges.

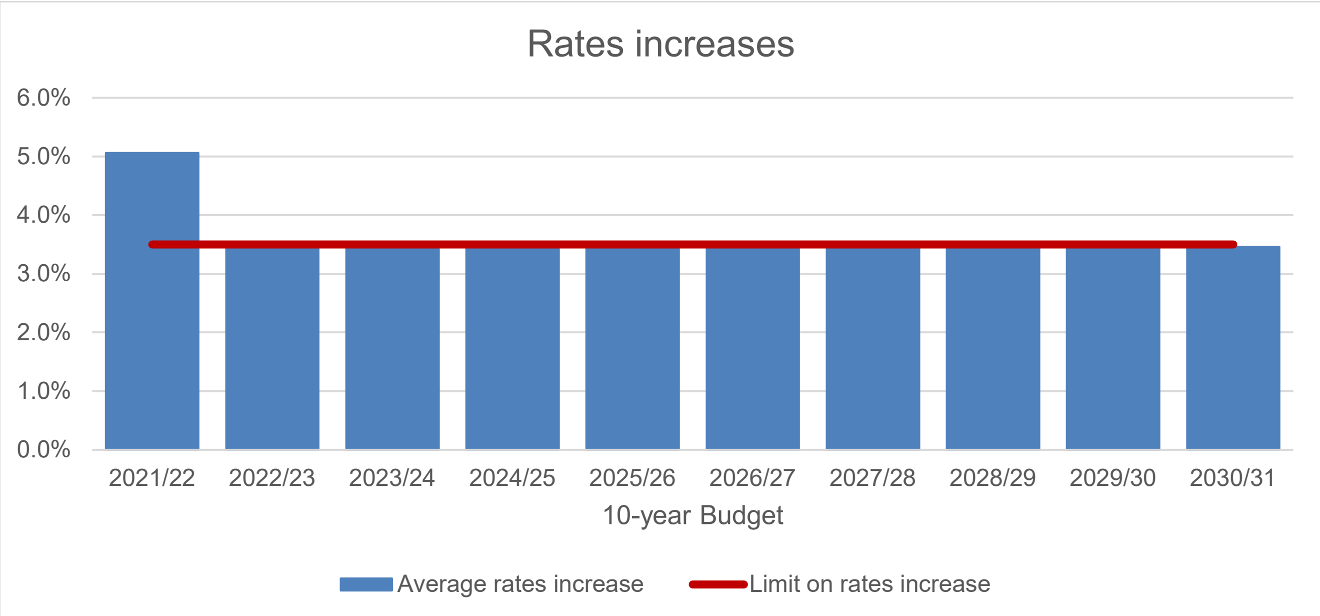
General and targeted rates

To provide certainty and predictability to ratepayers around general council expenditure, Auckland Council is proposing to continue to limit average rates increases for existing ratepayers to 3.5 per cent per annum over the long-term. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Annual average rates increase limit	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**

To respond to the impacts of COVID-19 on our revenue streams and to maintain the supply of investment capacity we are proposing a one-off increase in average general rates of five per cent for the first year of the 10-year Budget only. Additionally, to ensure equity between similar properties, we are proposing to extend the Urban Rating Area to include areas previously designated as rural which slightly increases the overall average. These will be reflected in an increase above the limit in that year.

The average overall rates increases are projected to be slightly below the average general rates increases, this is because the Natural Environment Targeted Rate does not increase each year.



[2] Details of our policy on funding depreciation can be found in our Draft Revenue and Financing Policy (Section 4.1 of this Supporting information) which we are also consulting on.

Rates for individual properties are not restricted by the average rates increase limit and will vary depending on a range of factors including property revaluations and whether the property is used for business, residential or farming purposes[3].

Targeted rates are considered separately where the charges relate to a specific group of ratepayers who benefit from the associated expenditure, for example targeted rates for refuse collections that are charged to the houses that receive the service or Business Improvement District targeted rates that fund the activities that benefit a local business association.

We do not have a quantified limit on these targeted rates because the acceptability of their cost is viewed differently by the community. The costs and benefits of the rate are deemed appropriate and acceptable in the specific circumstances. They are specifically consulted on, along with the associated investment that they enable, and as a result provide greater transparency.

In addition, limiting these kinds of targeted rates would restrict the ability of specific groups of ratepayers (such as local communities or specific business sectors) to invest in increased service levels that they aspire to and are willing to contribute towards.

To continue the delivery of the specific outcomes supported by the Water Quality Targeted Rate, the Natural Environment Targeted Rate, and the City Centre Targeted Rate it is proposed that these are extended to 2030/2031. Additionally, it is proposed that the Water Quality Targeted Rate is increased each year at the same rate as the overall average general rates increase. This will enable the delivery of additional water quality outcomes, particularly in the Manukau Harbour and the eastern isthmus.

Water and wastewater charges

To support the provision of additional capacity for capital investment the Watercare board have resolved to increase water and wastewater tariffs. Increases of 7 per cent are planned for 1 July 2021 and 1 July 2022, followed by annual increases of 9.5 per cent for six years and then increases of 3.5 per cent for the last two years of the plan.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Tariff increase	**7%**	**7%**	**9.5%**	**9.5%**	**9.5%**	**9.5%**	**9.5%**	**9.5%**	**3.5%**	**3.5%**

Charges to recover growth costs

A key driver of our investment demand is Auckland’s growth and the need to provide infrastructure to support housing and development. While the council is not directly involved in building homes we play a number of key roles in the process, including the provision of bulk infrastructure for water supply, wastewater collection and treatment, stormwater management, roads and footpaths, public transport, parks and open spaces, and community infrastructure. The council group recovers a fair and appropriate proportion of this provision through Development Contributions (Council and Auckland Transport investment) and Infrastructure Growth Charges (Watercare investment).

To ensure that a fair and appropriate level of these costs continues to be collected from the beneficiaries we will be consulting on changes to our Development Contributions policy separately from this 10-year Budget.

Additionally, the Watercare board have resolved to increase Infrastructure Growth Charges by 12 per cent from 1 July 2021, followed by annual increases of 8 per cent.

---

[3] For further information on Auckland Council’s rating policy, please refer to section 4.2 of this Supporting Information

Other revenue streams

The council will continue to explore other opportunities for revenue growth, particularly where differentiated charging is more appropriate than rates funding.

Our user charges will continue to be adjusted to ensure costs are at least recovered and that inflationary pressures are accounted for.

The regional fuel tax is another important source of revenue to support our investment in the transport network. While no change is proposed to the level or incidence of this tax an update to the schedule of projects funded is proposed. Additionally, we have made an assumption that a funding source equivalent to this will continue past the end of the current scheme. This could be an extension to the scheme or a new mechanism such as congestion charging.

Partnering and new funding mechanisms

Auckland Council recognises that we can achieve greater progress by partnering with other organisations including the private sector, central government, charitable organisations and community groups. Examples of this include recent collaboration with central government in the establishment of City Rail Link Limited, Housing Infrastructure Fund, the shovel-ready programme, and on transport programme alignment through the Auckland Transport Alignment Project (ATAP).

Looking forward the government have enabled, through legislation, new funding mechanisms particularly focused on funding and financing infrastructure for growth. These include the Infrastructure Funding and Financing Act 2020 and the Urban Development Act 2020. The council is actively working with Crown entities including Kāinga Ora, Crown Infrastructure Partners, and the Ministry of Housing and Urban Development to identify how these changes could enable the delivery of more and/or accelerated infrastructure for Auckland without unacceptable pressure on the council balance sheet.

Section three: Finding the balance

The effects of COVID-19 disruption on our revenues have severely impacted the capacity of the council to meet the demand for investment in the city. Without action, the level of investment in the first three years of this 10-year Budget would be significantly reduced and our initial prioritisation work suggested that this could result in risks to our assets and/or meeting our strategic objectives.

The actions we have proposed in the above section would provide capacity for over $31 billion of capital investment over ten years, including averaging over $2.9 billion in each of the first three years (a total of $900 million more over the three years than would otherwise be possible). This will enable us to continue our existing projects, maintain appropriate renewals programmes, and make progress addressing challenges such as climate change and growth.

This section provides an overview of how this balance reflects in our draft budgets (more detail is included in Section X: Financial statements).

Capital investment programme

The primary area of focus for our capital programme is the demand for investment in network infrastructure outlined in our Infrastructure Strategy. The $31 billion of investment capacity provided by the proposed actions from the previous section is not sufficient to meet the full $35 billion identified through the bottom-up budget refresh. Our risk-based prioritisation work has concluded this is sufficient to maintain existing levels of service currently provided and to respond to the challenges identified in the infrastructure strategy.

The proposed capital programme includes over $12 billion of asset renewal expenditure. This level of asset renewal expenditure will be adequate to keep the condition of our assets within acceptable parameters and support our planned levels of service over the next 10 years, with one key exception.

In the case of our community assets, we are proposing to change how we deliver the associated services and are therefore not proposing to invest in all the asset renewals that would be required if we continued to operate the full existing portfolio in the current manner. Our proposed community capital investment programme is $1.9 billion lower than the bottom-up refresh indicated. The proposed new delivery approach will not change levels of service.

With the proposed additional $900 million of group capital investment over the next three years, we are highly confident that no critical asset renewals will be materially delayed because of our proposed investment plan. However, this does not mean that all asset renewals will be undertaken as early as we would like. Because our funding is not unlimited, non-critical asset renewals need to be prioritised against other important investment requirements.

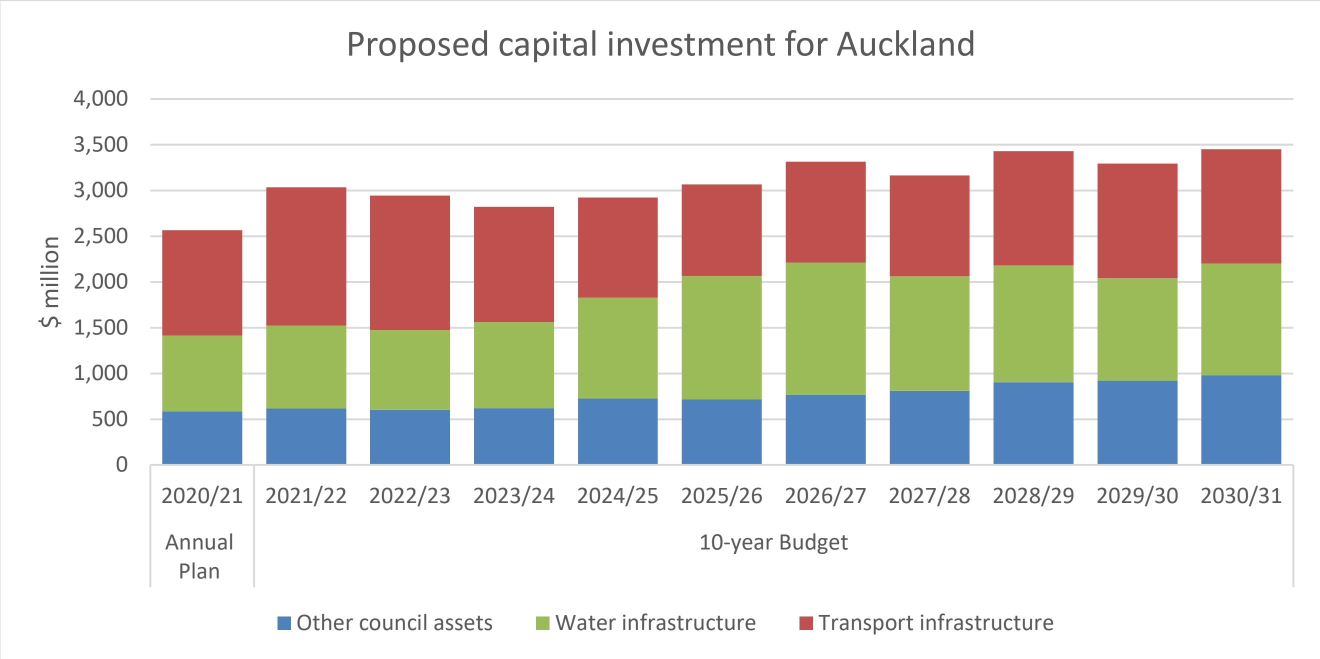
In the case of our water supply and wastewater assets, we have reviewed our approach to renewing non-critical assets (local network pipes as opposed to key transmission assets and treatment plants). The cost of the proposed new approach would average around $300 million per year. Our proposed investment plan would see us transition to this new approach over the period of this plan and significantly improve the reliability and performance of our network of water supply and wastewater pipes over time. Watercare’s proposed capital investment programme is $800 million less than the bottom-up refresh indicated.

The other key differences between the proposed level of investment included in this draft budget and the bottom-up budget refresh were driven by the decisions to

- incorporate the recommended Asset Management Plan budget for Healthy Waters rather than the “high growth scenario” ($600m difference).

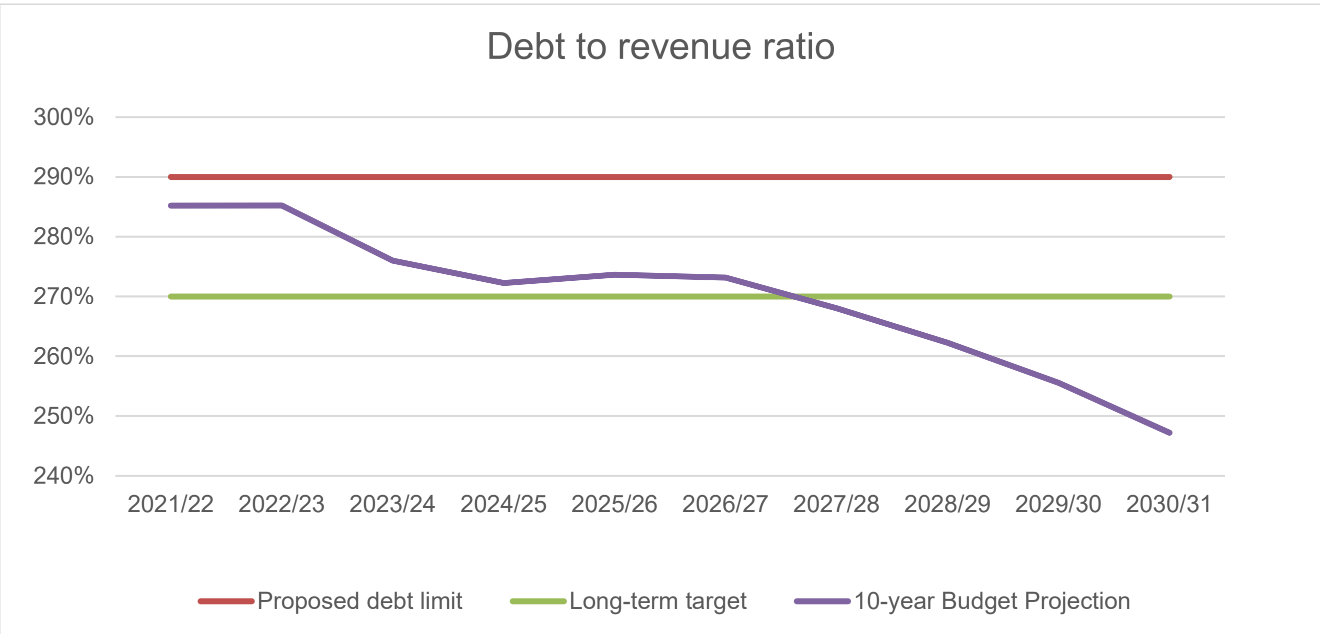
- Include investment in regional facilities that ensures existing assets can be renewed and deliver their existing service levels but not include significant further investments in this plan ($500m difference).

The following chart shows the split of the capital programme between the two key types of network infrastructure and other areas of investment.



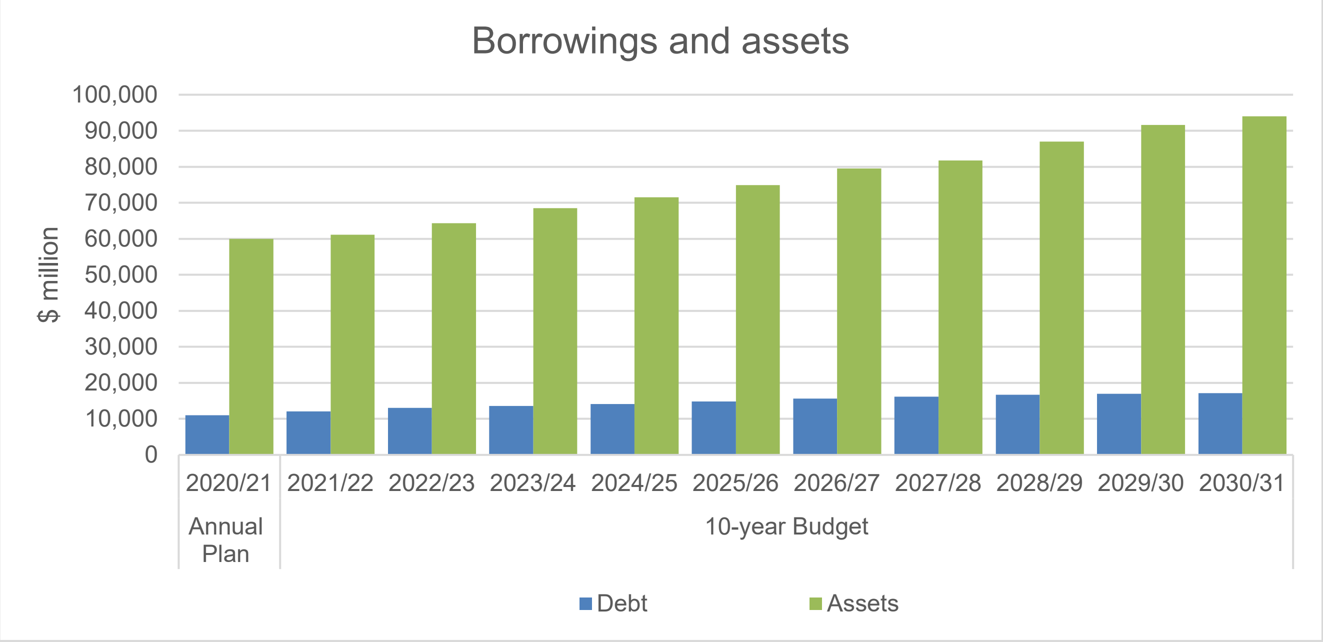
Debt levels

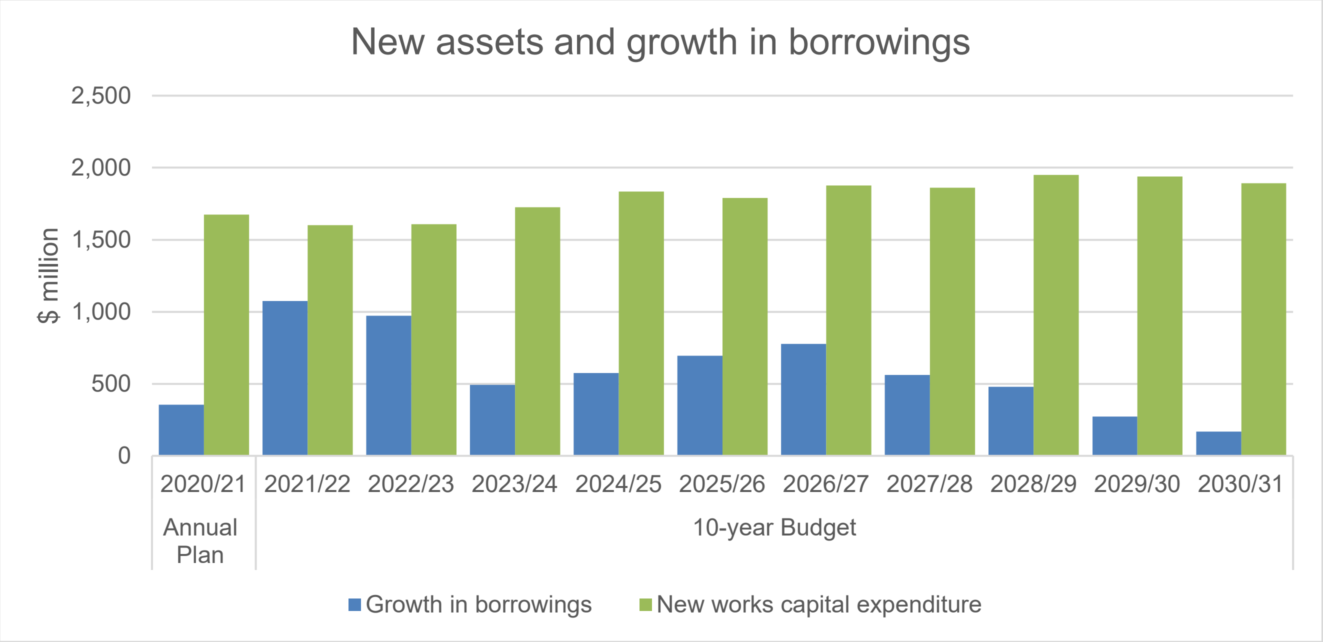
Impacts of COVID-19 disruption on our revenue streams have a dual impact on our debt levels, both directly through less cash in the door, and through the impact on our debt-to-revenue measure of how much we can responsibly borrow. In our Emergency Budget 2020/2021 we projected our debt-to-revenue ratio would reach 290 per cent. Rather than attempt to return to our long-term target level of below 270 per cent, in the face of ongoing revenue impacts, we propose remaining near but below 290 per cent for the next three years before reducing over time to more prudent levels below 270 per cent.



We have highlighted the high levels of uncertainty around COVID-19 assumptions and have undertaken sensitivity analysis looking at more optimistic and more pessimistic scenarios. If the levels of disruption differ from those we have assumed the level of the debt-to-revenue ratio would be impacted. If, for example, we had an outcome aligned with our pessimistic scenario and no other actions were taken (such as deferral or reduction of investment) our ratio could reach 289 per cent in 2022/2023 and remain around three per cent higher throughout the plan period.

The proposed settings will result in council debt growing by $6 billion over the next 10 years, from $11 billion in June 2021 to $17 billion by June 2031. The following charts show how this projected debt level compares with our asset projections and how the growth in debt compares with our investment in new assets (non-renewals capital expenditure).

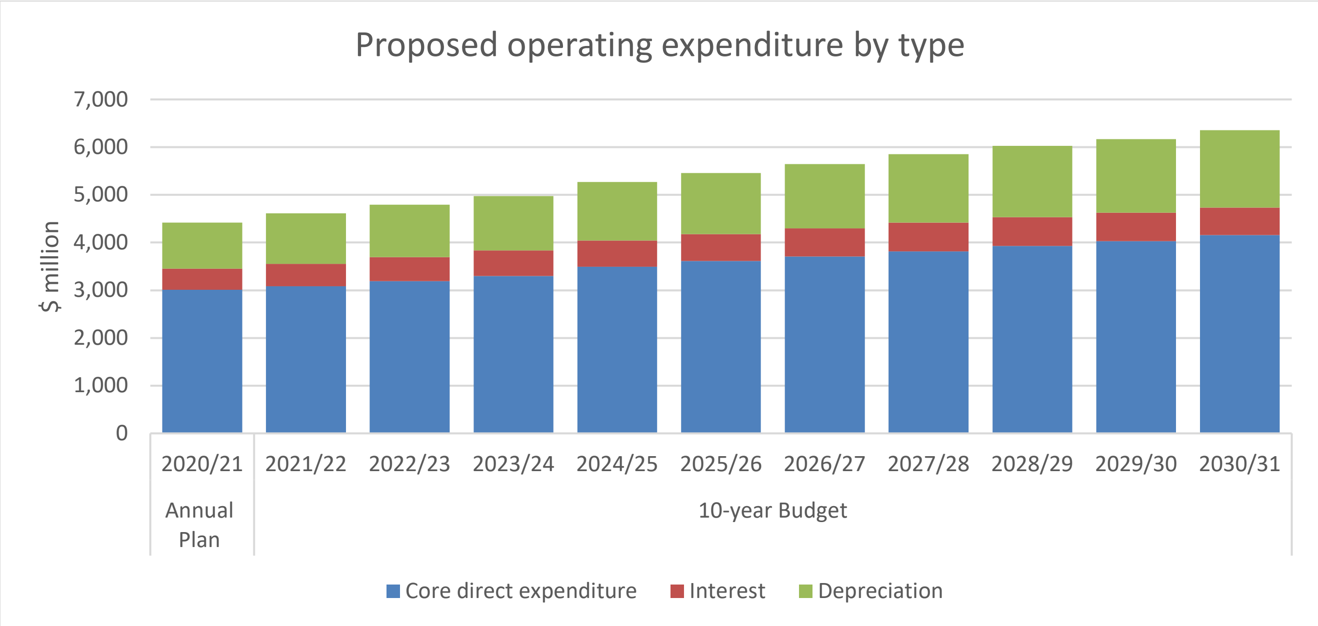




Operating expenditure

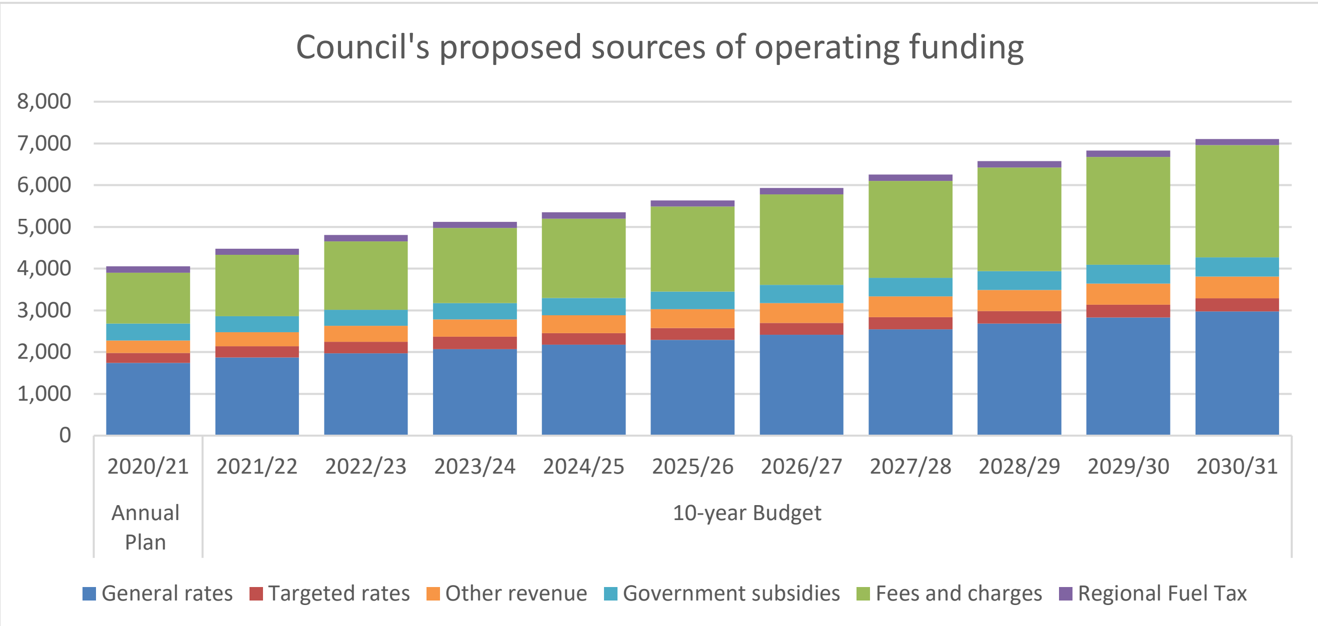
The proposed investment will drive continued growth in our operating expenditure from $4.6 billion in 2021/2022 to $6.4 billion in 2030/2031.

The parameters and targets outlined in this strategy will also enable us to spend $55 billion over 10 years on the operational cost of delivering council services and initiatives. This includes the interest and ownership cost of new assets. The following chart shows the make-up of this spend over the next 10 years.



Operating funding sources

The following chart shows the projected path of the council's different operating revenue sources including general and targeted rates, user charges, government subsidies and the regional fuel tax.



Key Assumptions

The levels of capital and operating expenditure outlined in the previous section are highly dependent on some key assumptions which are subject to differing degrees of uncertainty. These critical assumptions are:

- That our balanced scenario around the extent and duration of ongoing COVID-19 related disruption will be accurate. This is highly uncertain and different outcomes could result in significant revenue changes.
- The assumed central government contribution towards transport capital and operating expenditure will be enabled through the update to the Auckland Transport Alignment Project (ATAP). The ATAP update will provide more certainty around funding contributions as well as project priorities for transport in Auckland.
- Projected growth and development will occur, and consequently revenue forecasts for rates, consenting revenue, development contribution and growth-related user charges (e.g. water charges) will eventuate.
- That a new development contributions policy is adopted that reflects the Revenue and Financing Policy position that growth-related public infrastructure is funded by development contributions.
- Inflation and interest rates will turn out as projected.
- No changes to occur as a result of central government's Three Waters Reform programme. It is acknowledged that this programme could result in some fundamental changes for Auckland and the local government sector as a whole, but there is not yet enough certainty to reflect any changes in this 10-year Budget.
- That following completion in the financial year 2024/2025, City Rail Link assets will remain owned by City Rail Link Limited with operating costs recovered from Auckland Transport as a user. If decisions around asset distribution are made prior to the adoption of the final 10-year Budget then budgets will be updated accordingly.

The full set of our significant financial assumptions are available in Section 2.2 of this supporting information, along with an assessment of the level and impact of uncertainty on each assumption.

Wāhanga tuatoru: Ā tātou pūtea

Section Two: Our finances

2.1 Financial overview

Introduction

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

Key proposed financial parameters for 2021-2031

$ million	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Total capital investment	3,036	2,945	2,823	2,923	3,066	3,313	3,163	3,432	3,293	3,452	**31,446**
Total operating expenditure	4,614	4,794	4,977	5,267	5,456	5,642	5,851	6,025	6,167	6,357	**55,151**
Average general rates increase	5.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Rates revenue	2,138	2,249	2,371	2,458	2,576	2,702	2,841	2,987	3,140	3,291	
Total operating funding sources	4,479	4,807	5,122	5,348	5,637	5,933	6,254	6,574	6,827	7,106	
Total assets	61,072	64,331	68,473	71,465	74,796	79,479	81,711	86,876	91,548	93,917	
Total borrowing	12,115	13,088	13,580	14,155	14,850	15,626	16,188	16,666	16,938	17,107	
Total equity	42,509	44,800	48,012	50,087	52,498	55,881	57,404	61,570	65,460	67,376	
Debt to revenue ratio	285%	285%	276%	272%	274%	273%	268%	262%	256%	247%	

Capital investment and debt levels

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

Over the next 10-years, our total capital expenditure programme is planned to be $30.2 billion, in addition we plan to invest $1.3 billion in City Rail Link Limited. The total capital investment for Auckland over 2021-2031 is projected to be $31.5 billion.

Delivered by:	$ billion
Auckland Council	7.4
Auckland Transport	11.0
Watercare	10.0
Auckland Unlimited	0.3
Ports of Auckland Limited	0.7
Panuku Development Auckland	0.8
Total capital expenditure	**30.2**
Investment in City Rail Link Limited	1.3
Total capital investment	**31.5**

The following table shows how we plan to fund our capital expenditure and other capital outflows in 2021-2031.

Capital expenditure and other outflows $ billion	10-year Budget 2021-2031
Growth	9.0
Service level improvement	9.1
Renewals	12.1
Weathertightness claims	0.2
Investment in City Rail Link Limited	1.3
Other	-0.6
Total	**31.1**

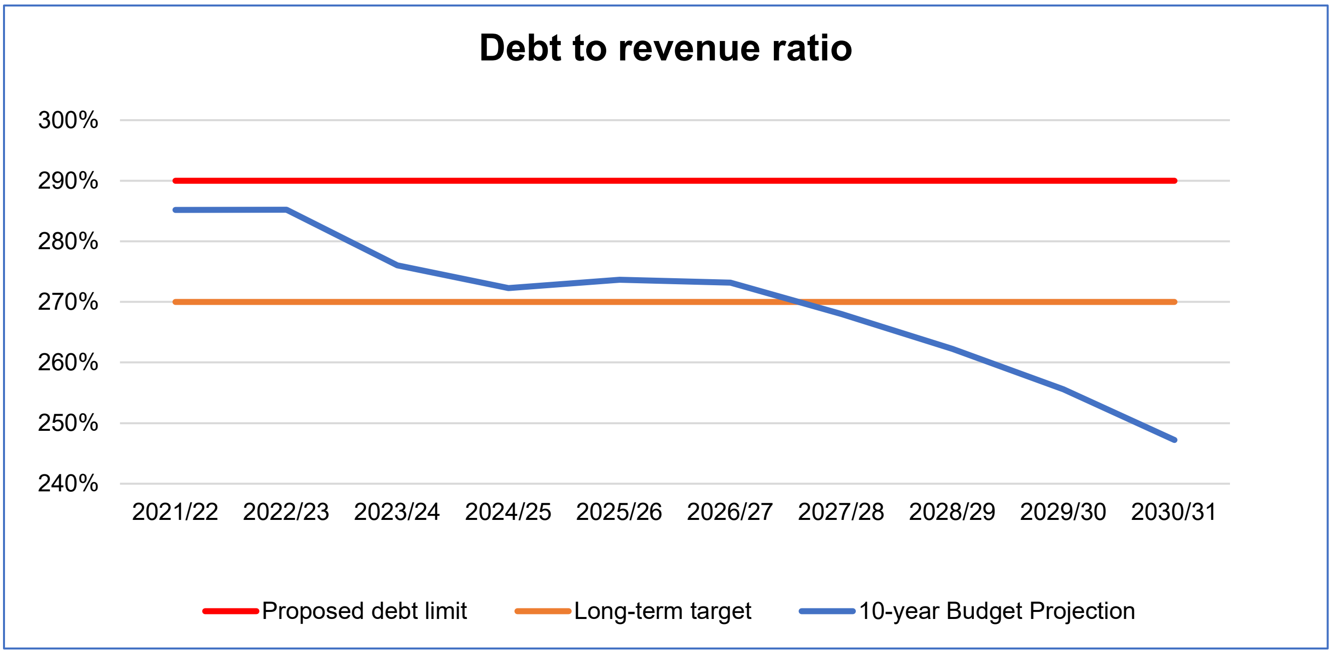
Funding sources $ billion	10-year Budget 2021-2031
Capital subsidies	5.6
Development contributions	2.4
Asset sales	0.9
Operating cash surplus	16.2
Borrowings	6.0
Total	**31.1**

The continued investment in Auckland will see us increasing council debt from $11 billion to $17 billion.

Our Financial Strategy sets a limit on the council's borrowing, to maintain debt at a prudent and sustainable level. Previously, this limit was set to 270 per cent of revenue.

The primary financial impact for council of the COVID-19 pandemic is a projected revenue shortfall of around $1 billion over four years compared with updated projections pre-COVID. This has a direct impact on our debt to revenue ratio through lower revenue and an indirect impact through increased borrowing to cover the shortfall. To attempt to maintain a ratio below 270 per cent would require cuts to services and investment that we think would be unacceptable to the community.

We consider that, after working with our credit agencies, we can prudently raise our debt to revenue ratio limit to 290 per cent for the next ten years. However, we need to keep a careful eye on our interest cost levels, annual cashflow position and the degree of flexibility in our capital programme.



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

We propose to increase our asset recycling target over the next 3-years from $20 million to $70 million each year. This is on top of other asset sales programmes across the group including those undertaken by Panuku, including as part of the Transform and Unlock programme, and as part of our corporate property optimisation strategy.

Operating expenditure and revenue sources

It is forecast that the Auckland Council group will spend $55 billion in operating expenditure over the next 10 years. This covers the council's day-to-day operations and services, from collecting rubbish to maintaining parks and issuing building consents. It includes costs related to the capital expenditure programme such as interest, maintenance and depreciation (a non-cash cost).

The $58.1 billion of operating revenue sources covers $41.9 billion of cash operating expenditure, leaving a surplus of $16.2 billion to fund capital expenditure.

Operating expenditure $ billion	10-year Budget 2021-2031
Staff	10.9
Interest	5.6
Other	25.4
Sub-total	**41.9**
Depreciation and amortisation	13.2
Total	**55.1**

Operating funding sources $ billion	10-year Budget 2021-2031
Rates	26.8
Fees and user charges	21.1
Subsidies and grants	4.2
Other	6.0
Total	**58.1**

Balanced budget and funded depreciation

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

a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
d) the funding and financial policies adopted under section 102 of the Local Government Act 2002.

Auckland Council's revenue and financing policy includes a progressive movement towards the full funding of its depreciation expense from operating sources, and as a consequence we may not balance our budget in these transition years. We had planned to be fully funding depreciation by 2025.

The impacts of COVID-19 disruption on our revenue streams for the first three years of this plan mean that we may not be able to cover our operating costs with operating revenue in this period. We consider the revenue settings required to balance the budget are likely to be unacceptable to the community and propose that it is prudent and sustainable not to balance the budget given the projected short-term nature of this revenue shock. Given this, we anticipate that it could take up to three additional years before we are fully funding depreciation and balancing our budget.

2.2 Prospective financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council group consolidated

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Revenue											
Rates	1,976,293	2,132,765	2,244,488	2,367,455	2,455,170	2,573,181	2,700,590	2,839,670	2,986,261	3,139,515	3,290,808
Fees and user charges	1,218,627	1,465,807	1,640,154	1,799,950	1,903,181	2,033,656	2,172,574	2,325,971	2,484,904	2,580,342	2,686,801
Grants and subsidies	864,747	899,347	925,730	947,177	912,102	927,213	985,944	995,127	1,077,279	1,079,542	1,086,821
Development and financial contributions	136,698	179,714	225,701	251,301	251,301	251,301	245,771	243,223	243,223	243,223	243,223
Other revenue	435,564	481,912	521,680	555,926	570,553	595,343	617,759	638,506	646,520	646,735	659,930
Vested assets	409,921	449,821	453,660	458,917	462,032	475,340	479,738	484,515	487,930	491,665	495,528
Finance revenue measured using effective interest method	4,866	2,824	2,446	2,104	1,831	1,584	1,455	1,375	85	67	69
Other finance revenue	2,152	2,367	2,587	2,760	2,876	3,010	3,166	3,311	3,428	3,525	3,589
Total revenue	**5,048,868**	**5,614,557**	**6,016,446**	**6,385,590**	**6,559,046**	**6,860,628**	**7,206,997**	**7,531,698**	**7,929,630**	**8,184,614**	**8,466,769**
Expenditure											
Employee benefits	958,546	979,801	1,003,219	1,022,245	1,044,304	1,068,045	1,090,850	1,117,007	1,147,429	1,177,717	1,211,824
Depreciation and amortisation	1,051,289	1,063,106	1,098,175	1,142,132	1,221,923	1,278,678	1,346,760	1,433,457	1,493,554	1,543,371	1,620,135
Grants, contributions and sponsorship	158,640	157,927	151,855	157,993	162,913	163,549	166,590	169,577	171,082	174,254	177,793
Other operating expenses	1,822,533	1,947,776	2,035,970	2,118,479	2,285,012	2,380,822	2,453,210	2,530,299	2,610,444	2,676,699	2,767,199
Finance costs	454,380	465,416	505,246	536,564	553,158	565,350	584,300	600,487	602,686	594,621	579,603
Total expenditure	**4,445,388**	**4,614,026**	**4,794,465**	**4,977,413**	**5,267,310**	**5,456,444**	**5,641,710**	**5,850,827**	**6,025,195**	**6,166,662**	**6,356,554**
Operating surplus/(deficit) before gains and losses	**603,480**	**1,000,531**	**1,221,981**	**1,408,177**	**1,291,736**	**1,404,184**	**1,565,287**	**1,680,871**	**1,904,435**	**2,017,952**	**2,110,215**

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Share of surplus/(deficit) in associates and joint ventures	5,201	(15,446)	(15,785)	(16,028)	(8,714)	(896)	(1,023)	(1,112)	(1,283)	(1,456)	(1,634)
Surplus/(deficit) before income tax	**608,681**	**985,085**	**1,206,196**	**1,392,149**	**1,283,022**	**1,403,288**	**1,564,264**	**1,679,759**	**1,903,152**	**2,016,496**	**2,108,581**
Income tax expense	31,223	67,516	82,769	105,327	112,170	133,203	151,293	169,823	196,113	202,325	204,490
Surplus/(deficit) after income tax	**577,458**	**917,569**	**1,123,427**	**1,286,822**	**1,170,852**	**1,270,085**	**1,412,971**	**1,509,936**	**1,707,039**	**1,814,171**	**1,904,091**
Surplus after income tax is attributable to:											
Ratepayers of Auckland Council	577,458	917,569	1,123,427	1,286,822	1,170,852	1,270,085	1,412,971	1,509,936	1,707,039	1,814,171	1,904,091
Other comprehensive revenue/ (expenditure)											
Net gain on revaluation of property, plant and equipment	2,672,661	5,964	1,167,705	2,185,372	1,017,491	1,141,015	2,258,676	12,856	2,695,521	2,405,749	12,349
Tax on revaluation of property, plant and equipment	(326,061)	0	0	(260,201)	(113,636)	0	(288,302)	0	(236,340)	(330,380)	0
Total other comprehensive revenue	**2,346,600**	**5,964**	**1,167,705**	**1,925,171**	**903,855**	**1,141,015**	**1,970,374**	**12,856**	**2,459,181**	**2,075,369**	**12,349**
Total comprehensive revenue/(expenditure)	**2,924,058**	**923,533**	**2,291,132**	**3,211,993**	**2,074,707**	**2,411,100**	**3,383,345**	**1,522,792**	**4,166,220**	**3,889,540**	**1,916,440**

Prospective Statement of Financial Position

Auckland Council group consolidated

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Assets											
Cash and cash equivalents	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Receivables and prepayments	543,587	578,272	594,052	605,306	596,367	625,707	660,954	693,708	733,944	759,560	788,119
Derivative financial instruments	2,713	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other financial assets	56,363	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Inventories	49,950	60,343	61,550	62,781	64,037	65,318	66,624	67,956	69,315	70,701	72,115
Income tax receivable	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Non-current assets held-for-sale	132,349	209,339	176,397	77,218	103,895	58,831	28,815	0	0	0	0
Total current assets	**884,962**	**1,044,954**	**1,028,999**	**942,305**	**961,299**	**946,856**	**953,393**	**958,664**	**1,000,259**	**1,027,261**	**1,057,234**
Non-current assets											
Receivables and prepayments	40,406	49,594	50,959	51,926	51,158	53,680	56,710	59,525	62,983	65,185	67,640
Derivative financial instruments	440,525	641,000	641,000	641,000	641,000	641,000	641,000	641,000	641,000	641,000	641,000
Other financial assets	145,470	1,895,880	1,896,888	1,896,126	1,896,177	1,897,292	1,899,247	1,900,917	1,903,067	1,904,650	1,905,825
Property, plant and equipment	54,747,227	54,537,692	57,315,486	61,346,628	64,288,176	67,588,191	72,201,204	74,398,033	79,450,913	84,035,039	86,343,690
Intangible assets	592,363	742,985	780,828	835,746	875,819	920,776	983,621	1,013,549	1,082,386	1,144,837	1,176,289
Investment property	628,818	603,000	603,000	603,000	603,000	603,000	603,000	603,000	603,000	603,000	603,000
Investments in associates and joint ventures	2,519,160	1,548,955	2,004,870	2,146,542	2,137,528	2,132,332	2,127,009	2,121,597	2,116,014	2,110,258	2,104,324
Other non-current assets	12,978	8,060	9,121	10,203	11,307	12,433	13,582	14,754	15,926	17,098	18,270
Total non-current assets	**59,126,947**	**60,027,166**	**63,302,152**	**67,531,171**	**70,504,165**	**73,848,704**	**78,525,373**	**80,752,375**	**85,875,289**	**90,521,067**	**92,860,038**
Total assets	**60,011,909**	**61,072,120**	**64,331,151**	**68,473,476**	**71,465,464**	**74,795,560**	**79,478,766**	**81,711,039**	**86,875,548**	**91,548,328**	**93,917,272**

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Liabilities											
Current liabilities											
Payables and accruals	794,742	1,042,129	1,061,897	1,125,483	1,201,930	1,277,546	1,350,216	1,334,657	1,413,921	1,398,694	1,455,163
Employee entitlements	112,001	124,810	127,793	130,216	133,026	136,050	138,955	142,287	146,162	150,021	154,366
Borrowings	1,444,504	1,296,388	1,400,514	1,453,186	1,514,720	1,589,091	1,672,126	1,732,259	1,783,440	1,812,506	1,830,611
Derivative financial instruments	8,940	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Provisions	111,442	76,809	54,547	52,304	51,049	49,685	48,120	46,700	45,397	44,215	43,218
Total current liabilities	**2,471,629**	**2,545,136**	**2,649,751**	**2,766,189**	**2,905,725**	**3,057,372**	**3,214,417**	**3,260,903**	**3,393,920**	**3,410,436**	**3,488,358**
Non-current liabilities											
Payables and accruals	148,970	189,977	194,150	211,961	255,396	274,346	290,954	288,026	298,923	295,032	317,929
Employee entitlements	5,228	4,914	5,031	5,126	5,237	5,356	5,470	5,601	5,754	5,906	6,077
Borrowings	9,594,378	10,818,257	11,687,172	12,126,726	12,640,195	13,260,854	13,953,782	14,455,566	14,882,656	15,125,226	15,276,293
Derivative financial instruments	1,839,402	2,715,000	2,715,000	2,715,000	2,715,000	2,715,000	2,715,000	2,715,000	2,715,000	2,715,000	2,715,000
Provisions	161,102	326,948	234,258	225,164	220,088	214,507	208,078	202,263	196,942	192,130	188,087
Deferred tax liabilities	1,863,189	1,962,800	2,045,569	2,411,097	2,636,903	2,770,105	3,209,700	3,379,523	3,811,976	4,344,681	4,549,171
Total non-current liabilities	**13,612,269**	**16,017,896**	**16,881,180**	**17,695,074**	**18,472,819**	**19,240,168**	**20,382,984**	**21,045,979**	**21,911,251**	**22,677,975**	**23,052,557**
Total liabilities	**16,083,898**	**18,563,032**	**19,530,931**	**20,461,263**	**21,378,544**	**22,297,540**	**23,597,401**	**24,306,882**	**25,305,171**	**26,088,411**	**26,540,915**
Net assets	**43,928,011**	**42,509,088**	**44,800,220**	**48,012,213**	**50,086,920**	**52,498,020**	**55,881,365**	**57,404,157**	**61,570,377**	**65,459,917**	**67,376,357**
Equity											
Contributed equity	26,732,015	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000	26,732,000
Accumulated funds	2,924,582	3,935,451	5,052,373	6,341,503	7,554,257	8,834,984	10,249,706	11,764,386	13,471,484	15,284,126	17,183,799
Reserves	14,271,414	11,841,637	13,015,847	14,938,710	15,800,663	16,931,036	18,899,659	18,907,771	21,366,893	23,443,791	23,460,558
Total equity	**43,928,011**	**42,509,088**	**44,800,220**	**48,012,213**	**50,086,920**	**52,498,020**	**55,881,365**	**57,404,157**	**61,570,377**	**65,459,917**	**67,376,357**

Prospective Statement of Changes in Equity

Auckland Council group consolidated

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Contributed equity											
Opening balance	26,732,015	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	**26,732,015**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**	**26,732,000**
Accumulated funds											
Opening balance	2,392,660	**3,020,566**	**3,935,451**	**5,052,373**	**6,341,503**	**7,554,257**	**8,834,984**	**10,249,706**	**11,764,386**	**13,471,484**	**15,284,126**
Surplus/ (deficit) after income tax	577,458	917,569	1,123,427	1,286,822	1,170,852	1,270,085	1,412,971	1,509,936	1,707,039	1,814,171	1,904,091
Other comprehensive revenue	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive revenue	**577,458**	**917,569**	**1,123,427**	**1,286,822**	**1,170,852**	**1,270,085**	**1,412,971**	**1,509,936**	**1,707,039**	**1,814,171**	**1,904,091**
Transfer to/ (from) reserves	(45,536)	(2,684)	(6,505)	2,308	41,902	10,642	1,751	4,744	59	(1,529)	(4,418)
Balance as at 30 June	**2,924,582**	**3,935,451**	**5,052,373**	**6,341,503**	**7,554,257**	**8,834,984**	**10,249,706**	**11,764,386**	**13,471,484**	**15,284,126**	**17,183,799**
Reserves											
Opening balance	11,879,278	**11,832,989**	**11,841,637**	**13,015,847**	**14,938,710**	**15,800,663**	**16,931,036**	**18,899,659**	**18,907,771**	**21,366,893**	**23,443,791**
Surplus after income tax	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive revenue	2,346,600	5,964	1,167,705	1,925,171	903,855	1,141,015	1,970,374	12,856	2,459,181	2,075,369	12,349
Total comprehensive revenue	**2,346,600**	**5,964**	**1,167,705**	**1,925,171**	**903,855**	**1,141,015**	**1,970,374**	**12,856**	**2,459,181**	**2,075,369**	**12,349**
Transfer to/ (from) reserves	45,536	2,684	6,505	(2,308)	(41,902)	(10,642)	(1,751)	(4,744)	(59)	1,529	4,418
Balance as at 30 June	**14,271,414**	**11,841,637**	**13,015,847**	**14,938,710**	**15,800,663**	**16,931,036**	**18,899,659**	**18,907,771**	**21,366,893**	**23,443,791**	**23,460,558**
Total equity											
Opening balance	**41,003,953**	**41,585,555**	**42,509,088**	**44,800,220**	**48,012,213**	**50,086,920**	**52,498,020**	**55,881,365**	**57,404,157**	**61,570,377**	**65,459,917**

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Surplus after income tax	577,458	917,569	1,123,427	1,286,822	1,170,852	1,270,085	1,412,971	1,509,936	1,707,039	1,814,171	1,904,091
Other comprehensive revenue	2,346,600	5,964	1,167,705	1,925,171	903,855	1,141,015	1,970,374	12,856	2,459,181	2,075,369	12,349
Total comprehensive revenue	**2,924,058**	**923,533**	**2,291,132**	**3,211,993**	**2,074,707**	**2,411,100**	**3,383,345**	**1,522,792**	**4,166,220**	**3,889,540**	**1,916,440**
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	**43,928,011**	**42,509,088**	**44,800,220**	**48,012,213**	**50,086,920**	**52,498,020**	**55,881,365**	**57,404,157**	**61,570,377**	**65,459,917**	**67,376,357**

Prospective Statement of Cash Flows

Auckland Council group consolidated

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Cash flows from operating activities											
Receipts from rates revenue	1,926,293	2,132,765	2,244,488	2,367,455	2,455,170	2,573,182	2,700,590	2,839,670	2,986,260	3,139,515	3,290,808
Receipts from grants and other services	2,674,059	3,005,863	3,264,182	3,495,065	3,618,607	3,718,055	3,920,303	4,094,891	4,333,972	4,447,755	4,582,008
Interest received	7,018	5,191	5,033	4,864	4,707	4,594	4,621	4,686	3,513	3,592	3,658
Dividends received	5,560	6,541	36,336	58,232	63,085	67,993	71,958	74,982	75,990	75,999	79,271
Payments to suppliers and employees	(3,052,135)	(3,035,098)	(3,295,191)	(3,277,595)	(3,459,252)	(3,580,189)	(3,681,075)	(3,829,848)	(3,893,791)	(4,039,795)	(4,130,172)
Income tax refund/(paid)	0	0	0	0	0	0	0	0	0	0	0
Interest paid	(451,943)	(463,656)	(504,391)	(536,234)	(552,959)	(565,198)	(584,152)	(600,336)	(602,533)	(594,467)	(579,457)
Net cash inflow from operating activities	**1,108,852**	**1,651,606**	**1,750,457**	**2,111,787**	**2,129,358**	**2,218,437**	**2,432,245**	**2,584,045**	**2,903,411**	**3,032,599**	**3,246,116**
Cash flows from investing activities											
Sale of property, plant and equipment, investment property and intangible assets	390,013	232,349	209,339	176,397	77,218	103,894	58,831	28,815	0	0	0
Purchase of property, plant and equipment, investment property and intangible assets	(2,197,698)	(2,366,704)	(2,455,829)	(2,619,174)	(2,777,528)	(3,016,245)	(3,265,083)	(3,173,107)	(3,379,531)	(3,302,652)	(3,414,113)
Acquisition of other financial assets	(3,895)	(4,978)	(4,782)	(2,437)	(2,741)	(3,368)	(3,610)	(2,644)	(2,540)	(1,583)	(1,175)
Proceeds from Sale of other financial assets	0	0	0	0	0	0	0	0	0	0	0
Investment in joint associates and ventures	(395,000)	(572,000)	(476,000)	(162,000)	(4,000)	0	0	0	0	0	0
Advances to external parties	(6,000)	0	0	0	0	0	0	0	0	0	0
Proceeds from community loan repayments	5,034	4,404	3,774	3,200	2,690	2,253	1,655	974	390	0	0
Net cash outflow from investing activities	**(2,207,546)**	**(2,706,929)**	**(2,723,498)**	**(2,604,014)**	**(2,704,361)**	**(2,913,466)**	**(3,208,207)**	**(3,145,962)**	**(3,381,681)**	**(3,304,235)**	**(3,415,288)**
Cash flows from financing activities											
Proceeds from borrowings	2,235,159	2,499,827	2,269,429	1,892,741	2,028,189	2,209,749	2,365,053	2,234,043	2,210,529	2,055,076	1,981,678
Repayment of borrowings	(1,325,465)	(1,444,504)	(1,296,388)	(1,400,514)	(1,453,186)	(1,514,720)	(1,589,091)	(1,672,126)	(1,732,259)	(1,783,440)	(1,812,506)
Net cash inflow from financing activities	**909,694**	**1,055,323**	**973,041**	**492,227**	**575,003**	**695,029**	**775,962**	**561,917**	**478,270**	**271,636**	**169,172**

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**(189,000)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Opening cash and cash equivalents and bank overdrafts	289,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Closing cash and cash equivalents and bank overdrafts	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**

Notes to the prospective financial statements

Note 1: Statement of significant accounting policies

Basis of reporting

Auckland Council (the council) is a local authority domiciled in New Zealand and governed by the Local Government Act 2002 (LGA 2002), the Local Government (Auckland Council) Act 2009 (LGACA 2009) and Local Government (Rating) Act 2002. The council is an FMC Reporting entity under the Financial Markets Conducts Act (FMCA) 2013. The council's principal address is 135 Albert Street, Auckland Central, New Zealand.

The Auckland Council Group (the group) consists of the council, its subsidiaries, associates and joint ventures. A summary of subsidiaries (including substantive council-controlled organisations, or CCOs[1)] is provided in the table below. All group entities are domiciled in New Zealand. The council considers that presenting group information enhances transparency of information about cost of services provided to Auckland ratepayers and enables ratepayers to make more informed decisions about the impact of delivering the Auckland Plan.

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

The Group and council have a balance date of 30 June and these prospective financial statements are for the period from 1 July 2021 to 30 June 2031. The actual results achieved for the period covered by this plan are likely to vary from the information presented in this document, and these variances may be material. The Group and council do not intend to update the prospective financial statements after publication.

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

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

[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.

Basis of preparation

These consolidated perspective financial statements are prepared:

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

They comply with PBE FRS 42 Prospective financial statements.

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

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

- Property, plant and equipment
- Derivative financial instruments
- Provisions and financial guarantees
- Classification of joint arrangements

Refer to note 2 for significant forecasting assumptions.

Comparative information

The Annual Plan (Emergency Budget) 2020/2021 adopted by the council on 30 July 2020 has been provided as a comparator for these consolidated prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these consolidated prospective financial statements which is based on the most up-to-date forecast information.

Basis of consolidation

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

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

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

The substantive CCOs within the Group comprise the following:

Name	Principal activity and nature of relationship where there is no direct ownership	CCO	Percentage ownership %	
			2020/2021	2030/2031
Auckland Transport	Owns the public transport network and manages the transport infrastructure and services in Auckland. **Auckland Transport is a body corporate with perpetual succession and is treated under the LGACA 2009 as if the council is its sole shareholder.*	Yes	*	*
Auckland Unlimited Limited	Manages projects for economic development, tourism and events promotion in the Auckland region.	Yes	100	100
Panuku Development Auckland Limited	Facilitates the redevelopment of urban locations. Contributes to accommodating residential and commercial growth. Optimises the council's property portfolio.	Yes	100	100
Ports of Auckland Limited	Owns and operates Auckland's port which provides container bulk cargo handling, freight hubs, cruise industry facilities, and other services.	No	100	100
Regional Facilities Auckland Trust	Supports and promotes the engagement of the Auckland community in arts, culture, heritage, leisure, sports and entertainment activities and develops, owns and manages the venues for these activities. ** Regional Facilities Auckland Trust is a charitable trust of which Auckland Unlimited Ltd, a 100% owned subsidiary of the council, is the sole trustee.*	Yes	*	*
Watercare Services Limited (Watercare)	Provides water and wastewater services and owns and operates the water and wastewater infrastructure. *Watercare is restricted by LGACA 2009 section 57(1)(b) from paying any dividend or distributing any surplus directly or indirectly to the council.*	Yes	100	100

Significant restrictions

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

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

Implementation of new and amended standards

Standards issued but not yet effective

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although the group has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022 following consultation that has been initiated by the External Reporting Board. The group believe the application of PBE FRS 48 will not have any significant impact on its statement of performance as the group has well established service performance reporting processes.

Summary of significant accounting policies

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

Type	Recognition & measurement
Rates	Rates are set annually by resolution of the council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002. Rates comprise general and targeted rates and are stated net of rates remissions. Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.
Grants and subsidies	Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.
Development contributions	Development contributions are charged for new property developments to contribute to the group's costs of building supporting infrastructure such as stormwater, roads and footpaths. Revenue is recognised at the later of the point when the group is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in the group's development contributions policy, and the point at which the group can provide the service for which the contribution was charged. The timing of recognition is dependent on the type of consent granted and the nature of the development.
Vested assets	Vested asset revenue represents infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to the group and the council and is measured at the fair value of the asset received.
Finance revenue	Finance revenue comprises interest revenue and realised gains from the early closeout of derivatives. Revenue is recognised using the effective interest method.
Dividend revenue	Dividend revenue is recognised when the group and the council's right to receive the dividend is established.
Fees and user charges	
Water and wastewater	Water revenue comprises the amounts received and receivable at balance date for water supplied to customers in the ordinary course of business. Wastewater revenue is a combination of a fixed charge and a volumetric charge based on a percentage of water used. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgment when estimating the daily average water consumption of customers between meter readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.
Sale of goods	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	On receipt of application as these are non-refundable.
Other revenue	
Regional fuel tax	Regional fuel tax is a tax of 10 cents per litre of fuel (plus GST) which is collected to fund transport projects. Revenue is recognised when the supply of fuel occurs in the Auckland region at the fair value of the amount received or receivable.

Expenditure	
Employee benefits	Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as an expense and liability when they accrue to employees.
Grants and subsidies	Discretionary grants and subsidies are recognised as expenses when the group and the council have advised their decision to pay and when the attached conditions, if any, are satisfied. Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.
Finance Costs	Finance costs include interest expense, amounts paid or payable on interest rate swaps, amortised borrowing costs, net realised losses on the early close-out of derivatives and costs directly incurred in managing funding. Interest on debt and finance leases is recognised using the effective interest method.
Income tax	Income from the council and some CCOs is exempt from income tax under the Income Tax Act 2007, except for certain income received from CCOs and port-related commercial undertakings. Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantively enacted by the balance date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive revenue and expenditure or directly in equity. Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

	Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.
Operating Leases	Lessee The group and the council lease property, plant and equipment from third parties in the normal course of business with lease terms varying from 1 month to 70 years. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the lease term. Lessor The group and the council lease certain property, plant and equipment to third parties including land and buildings and some commercial and residential property. The leases have non-cancellable periods ranging from 1 month to 72 years with subsequent renewals negotiated with the lessee. Rental revenue (net of any incentives given to lessees) is recognised as revenue on a straight-line basis over the lease term

Prospective statement of financial position	
Cash and cash equivalents	Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdraft classified under current liabilities. The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.
Receivables and prepayments	Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision for impairment of receivables The provision for impairment of receivables is determined based on an expected credit loss model. In assessing credit losses for receivables, the group and the council apply the simplified approach and record lifetime expected credit losses (ECLs) on receivables. Lifetime ECLs result from all possible default events over the expected life of a receivable. The group and the council use the provision matrix based on historical credit loss experience upon initial recognition of the receivable, based on reasonable and available information on the customers. In assessing ECLs on receivables the group and the council consider both quantitative and qualitative inputs. Quantitative data includes past collection rates, ageing of receivables, and trading outlook. Qualitative inputs include past trading history with the group and the council.

	To measure the expected credit losses, all receivables have been grouped based on shared credit risk characteristics and the days overdue. Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their debt.
Derivative financial instruments	The group and the council use derivative financial instruments, such as forward foreign currency contracts and interest rate swaps to mitigate risks associated with foreign currency and interest rate fluctuations. The group and the council do not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date. Cash flow hedges The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised directly in other comprehensive revenue and expenditure. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. On derecognition, amounts accumulated in cash flow hedge reserve are transferred to surplus or deficit. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserve at that time remains in equity and is recognised when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in cash flow hedge reserve is recognised immediately in the surplus or deficit. When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognised in other comprehensive revenue and expenditure are transferred to the initial cost of the carrying amount of the non-financial asset or liability.
Other financial assets	The group and the council’s other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Other financial assets of the Group include unit trusts, loans to related parties, credit support annex, bonds, borrower notes, community loans and listed and unlisted shares. For those financial instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

	Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Group is the bid price at reporting date. Level 2- Inputs other than quoted prices included within level 1 using observable market inputs for the asset or liability, either directly or indirectly. Level 3- Inputs for the asset or liability that are not based on observable market data. For the purpose of measurement, the group and the council's financial assets and liabilities are classified into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

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

	Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied. Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.
Non-current assets held for sale	Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses are recognised in the surplus or deficit, if any. Increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment	The property, plant and equipment of the group and the council are classified into three categories: • **Infrastructure assets** include land under roads and systems and networks integral to the city's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded. • **Operational assets** include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings. • **Restricted assets** include property and improvements where the use or transfer of title outside the group or the council is legally restricted. Initial recognition and subsequent measurement Property, plant and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs and internal surpluses. Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated. Depreciation Depreciation is provided on all property, plant and equipment except for land, works of art and specified cultural heritage assets. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight-line basis over their useful economic lives Useful lives The useful lives used to calculate the depreciation of property, plant and equipment are as follows:

Asset class	Estimated useful life (years)	Asset class	Estimated useful life (years)
Infrastructure		**Operational (continued)**	
Land and road formation	Indefinite	Bus stations and shelters	10 - 40
Roads	3 - 110	Marinas	9 - 45
Water and wastewater	10 - 201	Rolling stock	5 - 35
Machinery	3 - 200	Wharves	4 - 100
Stormwater	15 - 150	Works of art	Indefinite
Other infrastructure	3 - 80	Other operational assets	1 - 60
Operational		**Restricted**	
Land	Indefinite	Parks and reserves	Indefinite
Building	10 - 100	Buildings	5 - 100

Specialised sporting and cultural venues	3 - 100	Improvements	2 - 50
Train stations	6 - 60	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.

Impairment

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

Revaluation

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

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

Intangible assets	Initial recognition and subsequent measurement Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over their useful economic lives. Useful lives The useful lives used to calculate the amortisation of intangible assets are as follows:

Class of intangible asset	Estimated useful life (years)
Community rights	4 - 35
Computer software	3 - 15
Intellectual property	3 - 35
Other intangible assets	6 - 63

	Disposals Gains and losses from the disposal of intangible assets are recognised in surplus or deficit. Impairment Intangible assets are tested annually for impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.
Investment property	Investment property includes land, commercial buildings and water space licences held to generate income. Investment property is initially recognised at cost and subsequently measured at fair value. Valuations are undertaken, annually by independent registered valuers with appropriate recognised professional qualifications and recent experience in Auckland and in investment properties. Gains

	or losses arising from changes in fair value are included in surplus or deficit. Investment properties are valued individually and not depreciated.
Investment in joint ventures and associates	Investments in associates and joint ventures are accounted for using the equity method in the group and the council financial statements. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate or joint venture after the date of acquisition. Distributions received reduce the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with the group.
Payables and accruals	Current payables and accruals represent amounts payable within 12 months of balance date and are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value. Non-current payables and accruals represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.
Employee entitlements	Employee entitlements to be settled within 12 months of balance date are reported at the amount expected to be paid within current liabilities. The liability for long-term employee entitlements is measured at the present value of estimated future cash outflows and is reported within non-current liabilities.
Borrowings	Borrowings are initially recognised at face value plus transaction costs and are subsequently measured at amortised cost using the effective interest method. Foreign currency borrowings are translated into NZD using the spot rates at balance date. Foreign exchange gains and losses resulting from the settlement of borrowings and from translation are recognised in the surplus or deficit.
Provisions	Provisions are recognised in the statement of financial position where the group and the council have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably. Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance cost in surplus or deficit. Financial guarantees Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of: • the amount determined in accordance with the expected credit loss model under PBE IFRS 9 Financial Instruments; and • the amount initially recognised less, where appropriate, the cumulative amount of amortisation recognised in accordance with the principles of PBE IPSAS 9 Revenue from Exchange Transactions.

	The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.
Related party transactions	Related parties include subsidiaries, associates, joint ventures, key management personnel, the elected representatives of the council and their close family members and entities controlled by them. Close family members include spouses or domestic partners, children and dependants. Apart from the disclosure of key management personnel remuneration, transactions with related parties that are on an arm's length basis are not disclosed.
Ratepayer equity	Ratepayer equity is the Auckland community's interest in the Group. Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes. Contributed equity is the net asset and liability position excluding restricted reserves at the time the council was formed.

Note 2: Significant forecasting assumptions

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

- Low level of uncertainty – information available to council point to a high likelihood of the assumption being accurate and/ or most of the variables are under council's control.
- Moderate level of uncertainty – council has most of the information available on the assumption but variables outside of council's control may still affect the accuracy of the assumption.
- High level of uncertainty – council has some of the information on the assumption but there is a high likelihood that variables outside of council's control will impact on the accuracy of the assumption.

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
COVID-19 related government health restrictions	The impact of the COVID-19 pandemic and the associated disruption to public movement and international travel is a key driver of the financial pressures that Auckland Council currently faces. The primary impact of this disruption is on our revenue sources. Key areas of impact are projected to be regulatory activity, public transport, regional facilities, ports activity, and airport dividends. Drawing from both internal and external forecasting sources staff prepared three different scenarios (balanced, optimistic. pessimistic) to assess the sensitivity of resulting forecast information. Forecasts included in this 10-year Budget are based on the balanced scenario. This scenario assumes: • Fluctuations between COVID-19 Alert Levels 1 and 3 for the 2020/2021 year • Extended border controls with Level 1 to December 2022 • No restrictions from 1 January 2023	**Risk** – The periods in different alert levels and of border restrictions differ from those in our balanced scenario Level of uncertainty – High **Impacts** - The primary area of impact would be on our revenue streams. Under the more pessimistic scenario the level of revenue reduction in the four years from 2020/2021 to 2023/2024 is projected to rise from $1 billion to $1.2 billion. As a result, the council's debt to revenue ratio would be higher or the council might choose to mitigate the impact by deferring or reducing investment. Under the more optimistic scenario the level of revenue reduction is less. This is reflected in this scenario as $110 million of additional revenue across the first three years of the 10-year Budget. This would result in a lower group debt-to-revenue ratio or the opportunity to increase investment in infrastructure or services.

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
	A more optimistic scenario was the same as the balanced scenario but assumed level 1 is lifted and border controls relaxed one year earlier (1 January 2022). A more pessimistic scenario assumed continued fluctuations between levels 1 and 3 for the first year of the plan and restrictions not lifted until 1 July 2023. The further impacts of COVID-19 on factors such as economic growth, population growth, development contributions revenue and inflation have been incorporated into the relevant assumptions below.	
Population and development growth (including growth in the rating base)	Population growth and the consequential demand for residential housing is a key driver for many of the council's activities and asset management plans (for example the number and type of community facilities the council provides). The council is required to determine a 'most likely' population growth estimate for the 10-year Budget 2021-2031. This is especially challenging given the uncertain impact of COVID on migration and economic growth (some of the drivers of Auckland population growth). For this 10-year Budget 2021-2031, the council has been informed by Statistics NZ (pre-COVID) growth projections and other inputs when estimating the population growth in the future. The council has estimated that the population will increase by around 261,000 people (15.8 per cent) by 30 June 2031. This reflects the council's assumption that, overall, growth will be lower than previously expected for the early years of the 10-year Budget period. The population projections are used to forecast the level and location of development growth (the number of dwellings and floor space area). This information is a key driver for some of the council's activities such as managing the stormwater from developed properties.	**Risk** - Growth differs significantly from forecasted Level of uncertainty - High **Impacts** - If actual population and/or development growth is higher, it may put pressure on the council's existing and planned infrastructure and services. If actual population growth is lower it may result in surplus capacity in existing or planned infrastructure and services. Population and development growth is affected by a range of external factors, most of which are outside the council's control or influence (for example, border restrictions related to COVID-19). The council will continue to monitor growth on an annual basis. If there is a significant change, appropriate amendments will be made as part of subsequent annual plan or long-term processes. The council may choose to increase it's investment in growth and fund this by looking at using one or more of the financial levers available to it. If the growth in the rating base is higher or lower than that projected this will result in rates revenue above or below that projected. A 0.1 per cent variance in the growth experienced

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
	Growth in the rating base is driven by property development, including new buildings and subdivisions, which increase the size of the rating base over which the rates requirement is spread. The council looks at projections for these factors and makes adjustment for prudence and timing lags. This is used, alongside the agreed average rates increase to existing ratepayers, to project the total rates revenue.	would result in a movement in total general rates revenue of $1.7 million.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Population (millions)	1.681	1.705	1.729	1.753	1.779	1.807	1.836	1.865	1.890	1.917
Dwellings	568,674	578,220	588,366	597,977	608,564	620,171	632,249	643,888	654,288	665,383
Business floor space (million sq metres)	32.035	32.469	32.930	33.367	33.848	34.388	34.949	35.49	35.975	36.492
Separately used or inhabited part (SUIP) rateable properties	650,591	661,996	672,826	684,338	695,511	707,742	721,032	734,983	748,727	761,439
Rating units (rateable properties)	578,680	588,824	598,457	608,697	618,634	629,514	641,334	653,743	665,969	677,275
Growth in the rating base (GIRB)	1.96%	1.75%	1.64%	1.71%	1.63%	1.76%	1.88%	1.93%	1.87%	1.70%

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
Economic growth and return on investments	Employment numbers and gross domestic product indicate how well the region's economy is doing. The state of the economy is doing could influence the council's return on its investments: • 18.09 per cent shareholding in Auckland International Airport Limited as at 30 June 2020 • 100 per cent shareholding in Ports of Auckland. The council is assuming that unfavourable economic conditions caused by COVID-19 will impact on the returns on these investments.	**Risk -** That economic growth differs significantly from that forecasted in this plan Level of uncertainty – high **Impacts** - New Zealand's economic outlook, while outside the council's control, will affect the council's commercial investments such as Ports of Auckland Limited and Auckland International Airport. Economic growth also impacts on affordability of the council's rates and user charges. Revenue impacts may drive changes to both operational and capital expenditure. The economic outlook also affects local businesses, the region's level of employment and the rate of development.

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
Water reform	Over the past three years the government has led the Three Waters Reform programme to review the governance and management of water activity across New Zealand. This includes water supply, wastewater management and disposal, and stormwater management. While it is acknowledged that this programme could result in some fundamental changes for Auckland at this stage there is not yet enough certainty to reflect any changes in this 10-year Budget.	**Risk –** That the programme results in significant change for Auckland Level of uncertainty – High **Impacts –** The potential outcomes of the reform are varied and could have a significant impact on the council group's revenues, assets, liabilities and the services we provide.
Development contribution revenue	Auckland Council's current Financial Strategy and Revenue and Financing Policy state that growth-related infrastructure investment should be funded from development contributions. The council adopted a new Development Contributions Policy in December 2018 to enable the fair recovery of this investment. This policy came into effect from January 2019. Due to slowdowns in development activity from COVID-19 impacts, it is expected the revenue will be lower for the first few years compared to the previous plan. This reduction is a timing change (pushing revenue to future years) and in the longer-term the council still expects to recover an appropriate share of the cost of growth-related infrastructure from development contributions. The Development Contributions Policy will be further updated separately from this 10-year Budget, informed by final decisions on the capital programme.	**Risk** - that development growth occurs at a different pace than projected or the new Development Contributions Policy does not enable a fair recovery of growth costs. **Level of uncertainty** – High for pace of growth and low for the policy. **Impacts** - If development occurs more slowly than projected, the recovery period will be extended and the delay may need to be covered by additional borrowing. It may also be that the capital programme needs to be slowed. If development occurs earlier than projected revenue levels will increase, and the capital programme may need to be accelerated to support the development.

$million	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Development contribution revenue	180	226	251	251	251	246	243	243	243	243

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
Inflation	Auckland Council uses a number of information sources (both internal and external) to inform projections of inflationary impacts on its costs and revenues. Central projections for the consumer price index (CPI) are established and distributed around the council group. This consistent base for underlying inflationary trends is then adjusted, in response to other information, to reflect specific price movements faced by the council. To account for the effects of COVID-19 on the general economy and prices, the council revised down its CPI assumption from 2.0% to 1.0% in 2021/2022. This is expected to rise over the term of the plan, to reach 2.0% (the Reserve Bank's target midpoint) by FY27.	**Risk** - Actual inflation is different from forecast inflation Level of uncertainty – High **Impacts** - If inflation is higher than projected the cost of providing services would be higher than planned. If inflation is lower than projected the cost of providing services would be lower. The council will continue to monitor price movements on an annual basis and any significant changes will be addressed in subsequent annual plans or long-term plans.

Inflator	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	1.0%	1.5%	1.6%	1.8%	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
Interest rates	The council's treasury department has provided interest rate projections based on an assessment of market rates and anticipated borrowing requirements. The council manages its interest rate exposure to provide some certainty for cost of its borrowings over the short to medium term. The council has assumed that it maintains its AA/Aa2 credit rating in preparing the interest rate projections. The following average interest rates have been assumed in this plan:	**Risk** - Prevailing interest rates differ significantly from those forecasted Level of uncertainty - moderate **Impacts** - Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. For every 1.0 percentage point change in market interest rates, the council's debt servicing costs would change by less than $20 million, due to the level of interest rate hedging currently in place. For every one notch change from the current credit rating we would expect a change in interest rates of between 0.05 per cent and 0.15 per cent per annum.

Average interest rates	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Borrowings	4.00%	4.00%	4.00%	3.97%	3.87%	3.78%	3.70%	3.58%	3.44%	3.30%
Cash holdings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
Government transport funding	Government transport funding is agreed in principle through the Auckland Transport Alignment Project (ATAP). The previous ATAP report was released by the Minister of Transport and the Mayor of Auckland in April 2018. This included a $28 billion, funded, programme of investment in transport activities for Auckland. ATAP is currently being refreshed in collaboration with central government. At this stage we have assumed that the government contribution to spending by Auckland Transport will continue at the same rate (50 per cent of capital investment and operating costs (net of public transport fares)) as the previous plan. For the 10-year Budget 2021-2031 we are assuming: $5,450 million of capital subsidies. $3,700 million of operating subsidies.	**Risk** - That the new ATAP changes the level of funding provided either through a different level of funding being committed by central government or the process of allocating funding to activity classes and projects within those classes does not enable funding to be granted at the agreed level Level of uncertainty – High **Impacts** – If the capital contribution level is lower than assumed, then transport capital expenditure would be less than projected. Conversely, if the level of capital contribution is higher than assumed this would enable an increase in transport capital expenditure. If the level of operating subsidy available increases this would reduce the amount of rates funding required for operating costs and free up this funding to invest in additional infrastructure or services. A reduction may necessitate reduced services or investment, or additional funding from another source such as increased borrowing or rates.
Government shovel-ready funding	The council has signed funding agreements with central government for the following shovel-ready projects: • Puhinui Interchange $22.1 million • Ferry Basin Redevelopment – Stage 1 $42 million • Northwestern Bus Improvements $50 million • Te Whau Pathway $35.3 million • Resource Recovery Network $10.7 million For these projects, this budget assumes that funding will be received as the capital expenditure is spent. Central government also announced $188 million of shovel-ready funding for various AHP projects to be delivered in collaboration Kāinga	**Risk** – The amount of government funding received is lower or higher than expected. Level of uncertainty – Moderate **Impacts** – If the level of government funding for shovel-ready projects is lower than expected, the council would have to defer planned capital investment to future years. If the level of government funding for shovel-ready projects is higher than expected, the council would be able to deliver a larger capital programme.

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
	Ora. These agreements are yet to be finalised and as such no additional council expenditure or funding has been assumed. If additional funding is agreed, this will be matched with increased expenditure.	Changes to planned capital investment would impact on housing, transport, environment and community outcomes for Auckland as well affecting the local economy and employment.
Regional Fuel Tax	The Regional Fuel Tax (RFT) is a key funding source, introduced in the 10-year Budget 2018-28, to support investment in additional transport infrastructure and services. The tax is set at 10 cents plus GST per litre of fuel (both petrol and diesel), with appropriate rebates for non-transport and off-road uses. The council will be consulting on an amendment to the current Regional Fuel Tax scheme alongside consulting on the Regional Land Transport Plan. After analysis of historical revenue and COVID-19 impacts, our projections of annual revenue remain at approximately $150 million per annum. The funding provided by Regional Fuel Tax is due to end in 2027/2028. This 10-year Budget assumes a continued funding stream at this level for the last three years of the plan (2028/2029 – 2030/2031). This could be in the form of an extended or new Regional Fuel Tax or a new funding tool altogether.	**Risk** -that the revenue received does not match projections. **Level of uncertainty** – Moderate for the term of the current Regional Fuel Tax, High afterwards. **Impacts** - If revenue is less than projected the council could choose to either reduce the investment in transport projects or look to fund the projects from other sources. If the revenue is greater than projected the additional funds will be managed through a reserve fund and may require an amendment to the RFT scheme to allow for additional projects.
Revaluation of PPE and investments	Auckland Council's accounting policy provides for most fixed assets to be revalued with sufficient regularity (at least every five years) to ensure that the carrying value does not differ materially from fair value. Land under roads are held at cost and not revalued. Where significant the projected impact of asset revaluation on fixed assets values and depreciation expense has been reflected in this plan.	**Risk** - That actual revaluation movements differ significantly from those forecasted in this plan. Level of uncertainty – Moderate **Impacts** - If the revaluations are different from those forecasted it will affect asset values and total comprehensive income. In

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
	Auckland Council would normally expect to recognise income from a gain in value from its investment properties and assets of its associate entities. For the purposes of this plan, the council does not have sufficiently reliable market information on which to forecast this income. Accordingly, no such income is forecast in the prospective financial statements.	the case of depreciable assets this will flow through to changed levels of depreciation expense.
City Rail Link (CRL) accounting treatment	The government and council established the company City Rail Link Limited (CRLL) to deliver the $4.4 billion project in 2017. The final decisions on ownership of the associated assets upon completion are yet to be made. Until these decisions are made the appropriate accounting treatment is for the assets (and the associated costs) to remain in City Rail Link Limited. This is accounted for in Auckland Council using equity-accounting. As in previous budgets, no assumptions have been made regarding future ownership of assets. Therefore, this budget uses this accounting treatment for all years of the plan. Further, group budgets include a provision for $408 million of operating costs and a 50% share of depreciation, associated with the City Rail Link following completion which is expected at the end of 2024	**Risk** – The decisions on ownership result in a different accounting treatment needing to be used. Level of uncertainty - moderate **Impacts** – A different accounting treatment could affect the council's asset's, revenue and expenditure in our projected financial statements. Different projected costs and/or ownership structures could affect the council's overall funding requirement.
Capital project projections	Cost projections for individual capital projects are based on the best available information at the time of adoption and are set at a mid-point of the expected total project cost. For more complex projects a formal estimation process may be undertaken whereby a range of cost outcomes are estimated and budgets are set at a P50 level, being a level under which there is 50 per cent confidence the final cost will sit. Supporting information to inform projections can include historical costs of similar projects, supplier quotes or estimates, independent cost estimations, or expert advice. By using a midpoint (or P50) projection	**Risk** – The variance above and below estimated midpoints is not even. This could include any additional COVID-19 related contractual claims. Level of uncertainty – moderate **Impact** – If the total cost of capital investment is significantly higher or lower than the budget it will result in changes to the mix of financial levers the council uses to fund it's capital programme.

Assumption	Assumption data for 10-year Budget 2021-20231 and source	Risks and impacts
	across our significant, and broad-based, investment programme the expected outcome is that the overall cost of investment should equal the total of the mid-point estimates.	

Assumption	Assumption data for LTP 2021-2031 and source	Risks and impacts
Timing of capital expenditure	This 10-year budget has been developed on the basis of the best available information on the likely timing of capital projects and programmes.	**Risk** – That the actual timing of the capital programme is different from that forecasted. Level of uncertainty – moderate **Impacts** – Delivery of capital expenditure to a different time frame than projected would have both a financial impact and could impact when the proposed level of service improvements would be achieved. The financial implications would depend on the planned funding sources for the relevant capital expenditure and its associated expenses. The financial impact would be on funding requirements, borrowings, interest expense, depreciation expense and consequential operating costs. The actual timing of capital expenditure (and the achievement of related service level improvements) will be impacted by a number of factors. One of the key areas under the control of council is the quality of project management. Other areas such as the market's response to the increased programme certainty are beyond the control of the council.
Weathertight-ness claims	The council has considered the financial impact of weathertightness claims, including those already lodged and potential claims. On the basis of an actuarial assessment, a provision was established at 1 November 2010 for future weathertightness claims. Based on an updated assessment completed in June 2020, the council is forecasting claim payments of $199 million over the period of this plan. The cost of funding these settlements should not fall unfairly on ratepayers in the year of settlement. Rather than penalising current ratepayers with the full impact of these settlements, it is assumed they will be funded from borrowings and the repayment of these borrowings spread over 30 years.	**Risk** - The council's exposure to claims is different than the potential liability forecasted in this plan. Level of uncertainty – moderate **Impacts** - If claims are higher or lower than forecast, then the council's levels of borrowing and the associated borrowing costs will also be higher or lower than forecast. Depending on how large the variance is, it may affect future forecast rate requirements.

Assumption	Assumption data for LTP 2021-2031 and source	Risks and impacts
Asset sales	Asset recycling is an important lever for the council as it allows capital to be re-invested in assets that support more strategically important activities. In this 10-year budget, we are proposing to increase our asset recycling target to $70 million for the first three years of the plan. Including our $244 million Emergency Budget asset recycling target, our total target over four years is $454 million. We are confident we can meet these targets after considering our potential opportunities, including an identified pipeline of $590 million of potential property, commercial and business unit opportunities. For an analysis of asset recycling opportunities, please see Section 7.16 of the Supporting Information. On top of this, the council also made a decision to recycle $50 million of capital from off-street carparking as one of the actions to address the increased funding commitment to CRL. The council also plans to dispose of property assets as part of its property and urban development activities (including Panuku's Unlock and Transform programmes). The council's corporate property strategy is a self-funding plan where the movement towards more efficient and fit-for-purpose corporate accommodation is funded through the sale of other assets within the corporate property portfolio.	**Risk** - That sufficient disposals are not identified or realised to achieve the targets set. Level of uncertainty – moderate **Impacts** - If the level of asset sales is higher or lower than forecast it will result in changes to the level, and pace, of capital investment that the council can prudently undertake

$million	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Asset recycling targets	70	70	70	20	20	20	20	0	0	0
Releasing carpark capital	0	0	50	0	0	0	0	0	0	0
Unlock and transform disposals	96	97	50	56	83	39	9	0	0	0
Corporate property strategy	17	43	6	1	1	0	0	0	0	0

Assumption	Assumption data for LTP 2021-2031 and source	Risks and impacts
Useful lives of assets and sources of funding of replacements	The useful lives of significant assets are shown in the statement of significant accounting policies. The useful life is used to determine the timing of renewing the asset and the level of depreciation for the asset. Renewals of most categories of council assets are to be funded by depreciation funding as set out in our Revenue and Financing Policy. As we are moving towards fully funding depreciation, in the long-run this is expected to match our renewals requirement. Any timing differences between when assets need renewing and depreciation funding is collected is to be covered through borrowings. Other funding sources for the replacement of assets include: • Watercare Services Limited will continue to fund depreciation to meet forecast average renewal requirements • Ports of Auckland will fully fund their depreciation from commercial revenues. • The council receives some subsidies for renewing assets such as the Waka Kotahi subsidy for renewing some roads (see transport government funding assumption)	**Risk** - Assets wear out and need to be replaced earlier than estimated. Level of uncertainty – low **Impacts** - Depreciation costs would change with updated information about the remaining useful life of an asset and borrowing costs would increase if capital expenditure was required earlier than anticipated. However, these impacts could be mitigated by reprioritising the capital expenditure programme.
Climate change	Climate change is expected to have a variety of implications for Auckland's infrastructure networks. The most recent climate change projections indicate warming temperatures, less annual rainfall in the north but more in the south and stronger winds. More frequent and severe weather events are expected. The specifications of some infrastructure may no longer be adequate to deal with more rainfall, or a warmer climate. Sea-level rise will increase risks for assets on the coast from inundation and erosion. Council is responding to the risk of climate change by increasing knowledge of risks to infrastructure networks, such as developing a	**Risk** – If the impact of climate change is higher than anticipated there may be increased surface flooding, damage to infrastructure due to extreme weather events and greater risk to public safety and private property. Level of uncertainty – moderate **Impacts** –Increased investment in new or improved infrastructure may be required and the timing of maintenance and replacement of assets may be affected. Further information of the potential impacts of climate change on our assets can be found in the Draft Infrastructure Strategy, Section 1.1 of the Supporting Information.

Assumption	Assumption data for LTP 2021-2031 and source	Risks and impacts
	Natural Hazards Risk Management Action Plan and undertaking new research on the impact of climate change on Auckland. An Auckland Council Coastal Management Framework was developed to help the council better manage its coastal assets, and to better mitigate the risks associated with coastal erosion and the combined effects of predicted climate change. This framework will enable the council to move from the current default position of reactionary 'like-for-like' renewals to a prioritised work programme that is based on improved asset management planning underpinned by business cases leading to improved asset investment.	
Foreign exchange risk	The council manages foreign currency risk of the group apart from Ports of Auckland. Foreign exchange risk of all entities under the group is managed through derivative financial instruments. The risk is mitigated by entering into forward foreign currency exchange contracts where the threshold is set by the treasury management policies. The risk on offshore borrowings is offset by cross-currency interest rate swaps over the life of the borrowings. The group and council are not planning to have any material exposure to foreign exchange as all foreign currency denominated borrowings and material purchases will be hedged.	**Risk** – That group and council transactions that are denominated in a foreign currency other than NZD. The NZD may deteriorate against the relevant foreign currency from the period between when the transaction was entered and when foreign currency payments are made. Level of uncertainty – low **Impacts** – The group and council are not planning to have any material exposure to foreign exchange as all foreign currency denominated borrowings and material purchases will be hedged.
Legislation	The council has assumed there will be no material changes to existing legislation and other national standards applicable to Auckland Council.	**Risk** - New legislation or changes to existing legislation may alter the nature and scope of services currently being provided. Level of uncertainty – High **Impacts** - If changes in legislation require the council to provide further services, or significantly increase levels of compliance or operating costs then this will need to be offset by an increase in fees and charges and or an increase in rates. It is not possible to quantify the potential financial impact of such changes at this time.

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

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

$000 Financial year ending 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Operating surplus/ (deficit) after income tax per Prospective Statement of comprehensive revenue	**577,458**	**917,569**	**1,123,427**	**1,286,822**	**1,170,852**	**1,270,085**	**1,412,971**	**1,509,936**	**1,707,039**	**1,814,171**	**1,904,091**
Items recognised as income in Statement of comprehensive revenue and as capital expenditure funding sources in Funding Impact Statement:											
Capital subsidies	(453,638)	(513,813)	(537,252)	(559,765)	(503,149)	(502,137)	(553,270)	(554,447)	(628,402)	(626,157)	(625,000)
Development contributions	(136,698)	(179,713)	(225,702)	(251,301)	(251,301)	(251,301)	(245,770)	(243,222)	(243,222)	(243,222)	(243,222)
Non-cash items recognised in Statement of comprehensive revenue and not included in Funding Impact Statement:											
Depreciation	1,051,289	1,063,106	1,098,175	1,142,132	1,221,923	1,278,678	1,346,760	1,433,457	1,493,554	1,543,371	1,620,135
Depreciation of make good provision added back in funding impact statement	(323)	0	0	0	0	0	0	0	0	0	0
Discounting of provisions	2,760	1,759	855	329	199	152	148	151	153	154	147
Recognition of revenue from vested assets	(409,921)	(449,821)	(453,660)	(458,917)	(462,032)	(475,340)	(479,738)	(484,515)	(487,930)	(491,665)	(495,528)
Un-realised fair value gains and losses	(1,020)	(1,040)	(1,061)	(1,082)	(1,104)	(1,126)	(1,149)	(1,172)	(1,172)	(1,172)	(1,172)
Other reconciling items:											
Retro-fit your home targeted rate included in funding impact statement but not recognised as revenue in the statement of comprehensive income	5,034	5,375	4,510	3,737	3,062	2,487	1,781	1,026	403	0	0
Retro-fit your home targeted rate interest component recognised as revenue in the statement of comprehensive income	0	(971)	(736)	(538)	(372)	(235)	(126)	(52)	(13)	0	0
Share of equity accounted (surplus) /deficit from associates not distributed by way of dividends to Auckland Council	(1,701)	19,746	20,085	20,328	13,014	5,196	5,323	5,412	5,583	5,756	5,934
Income tax recognised in statement of comprehensive revenue not included in the funding impact statement	31,223	67,516	82,769	105,327	112,170	133,202	151,293	169,823	196,113	202,325	204,490
Operating funding surplus/ (deficit) per Prospective Funding Impact Statement	**664,463**	**929,713**	**1,111,410**	**1,287,072**	**1,303,262**	**1,459,661**	**1,638,223**	**1,836,397**	**2,042,106**	**2,203,561**	**2,369,875**

Note 4: Reserve Funds

Auckland Council group

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

Reserve	Purpose	Activities
Cash flow hedge reserve	Gains from revaluation of the Diversified Financial Assets portfolio	Organisational support
Available-for-sale investment revaluation reserve	Recognition in group accounts of associated' reserves	Organisational support
Share of associates' reserves	Accumulated gains from asset revaluation	Investment
Asset revaluation reserve	Accumulated gains from asset revaluation	Various
Restrict equity reserves		
Statutory funds (Off street parking)	Funds accumulated under legislation (primarily related to subdivisions or off-street parking).	Parking and enforcement
Trust and bequests	These trusts are primarily related to assets held by council. The trust deeds restrict council's action in relation to these assets.	Various
Regional fuel tax reserve	Fuel tax collected for specific transport projects.	Roads and footpaths and Public transport and travel demand management
Other restricted equity	Reserve funds related to particular projects or assets whereby council is restricted in its decision-making ability.	Various
Targeted rates reserves		
City Centre targeted rate reserve	Targeted rate collected for enhancement of central business district as a place to work, live, visit and do business.	Regional planning
Riverhaven Drive targeted rate reserve	Targeted rate being collected to recover the costs of the construction of a road.	Roads and footpaths
Jackson Crescent wastewater targeted rate reserve	Targeted rate collected to recover the cost of the council providing financial assistance to connect to a wastewater scheme.	Wastewater treatment and disposal
Point Wells wastewater targeted rate reserve	Targeted rate collected to recover the cost of the council providing financial assistance to connect to a wastewater scheme.	Wastewater treatment and disposal
Harbourview Orangihina Park targeted rate reserve	Targeted rate collected for development of Harbourview Orangihina Park.	Regional community services
Open space/ Volcanic cones	Legacy targeted rates. No longer levied.	Regional community services
Araparera	Araparera Forest harvest proceeds set aside for roading development in the area.	Development Auckland

Targeted rates reserves		
Water quality targeted rate reserve	Targeted Rate collected to help fund the capital costs of investment in cleaning up Auckland's waterways.	Stormwater management
Natural environment targeted rate reserve	Targeted Rate collected to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.	Development Auckland
Accommodation provider targeted rate reserve	A targeted rate that helps fund the costs of visitor attraction, major events and destination and marketing.	Economic growth and visitor economy
Rodney Local Board transport targeted rate reserve	A targeted Rate that helps fund the capital and operating costs of additional transport investment and services.	Roads and footpaths and Public transport and travel demand management

The funding flows for these reserves are:

$000 As at	Annual Plan 2020/2021	Opening balance 1 July 2020	Deposits	Withdrawals	Closing balance 30 June 2031
Cash flow hedge reserve	455	0	0	0	0
Available-for-sale investment revaluation reserve	29,588	194,000	0	0	194,000
Share of associates' reserves	725,247	0	0	0	0
Asset revaluation reserve	13,173,426	10,203,407	12,805,965	0	23,009,372
Restricted equity reserves					
Statutory funds	4,702	5,577	0	(1,320)	4,257
Trust and bequests	1,362	1,639	765	(617)	1,787
Regional fuel tax	240,614	132,457	142,500	(60,690)	214,267
Other restricted equity	29,615	43,457	73,679	(90,579)	26,557
Total restricted equity	**276,293**	**183,130**	**216,944**	**(153,206)**	**246,868**
Targeted rates reserves					
City Centre targeted rate reserve	26,354	52,806	277,285	(341,294)	(11,202)
Riverhaven Drive targeted rate reserve	(470)	(426)	441	(15)	0
Jackson Crescent wastewater targeted rate reserve	(1)	(2)	0	0	(2)
Point Wells wastewater targeted rate reserve	(37)	(55)	55	0	0
Harbourview Orangihina Park targeted rate reserve	1,478	1,471	84	0	1,555
Open space/ Volcanic cones	2,336	2,323	132	0	2,455
Araparera	0	0	0	0	0
Water quality targeted rate reserve	15,113	11,719	619,498	(631,216)	0
Natural environment targeted rate reserve	9,578	12,364	362,090	(376,001)	(1,547)
Accommodation provider targeted rate reserve	2,783	0	162,503	(172,028)	(9,525)
Rodney Local Board transport targeted rate reserve	9,271	5,263	49,503	(26,181)	28,585
Total targeted rates reserves	**66,405**	**85,463**	**1,471,590**	**(1,546,736)**	**10,318**
Total reserves	**14,271,414**	**10,666,000**	**14,494,499**	**(1,699,942)**	**23,460,558**

Note 5: Auckland Council (Parent) financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council parent

$000 Financial year ending 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Revenue											
Rates	1,987,516	2,144,305	2,256,309	2,379,584	2,467,612	2,585,916	2,713,458	2,852,810	2,999,702	3,153,239	3,304,880
Fees and user charges	253,869	279,570	309,311	329,936	341,192	346,773	354,131	361,341	370,048	378,841	387,904
Grants and subsidies	63,968	38,591	32,935	24,154	17,201	14,868	16,189	17,560	16,745	14,399	13,500
Development and financial contributions	136,698	179,714	225,701	251,301	251,301	251,301	245,771	243,223	243,223	243,223	243,223
Other revenue	234,555	247,847	288,758	320,501	332,200	352,542	375,619	385,905	400,216	400,386	413,677
Vested assets	113,494	105,847	107,205	109,713	110,446	121,206	123,000	124,830	124,830	124,830	124,830
Finance revenue measured using effective interest method	33,986	31,607	30,795	30,069	29,195	28,401	27,712	27,093	25,083	24,376	23,640
Other finance revenue	95,377	74,701	81,286	88,398	95,116	105,074	132,471	151,562	160,675	172,714	181,071
Total revenue	**2,919,463**	**3,102,182**	**3,332,300**	**3,533,656**	**3,644,263**	**3,806,081**	**3,988,351**	**4,164,324**	**4,340,522**	**4,512,008**	**4,692,725**
Expenditure											
Employee benefits	544,737	555,573	567,891	576,608	588,548	599,965	611,107	624,800	642,345	659,522	680,368
Depreciation and amortisation	301,552	312,168	327,659	349,344	383,754	414,664	451,642	484,115	515,443	534,111	547,746
Grants, contributions and sponsorship	1,160,117	1,142,704	1,145,893	1,225,503	1,180,262	1,200,132	1,257,160	1,271,535	1,358,711	1,370,034	1,383,874
Other operating expenses	662,266	706,470	750,494	788,559	879,276	906,313	932,809	966,690	1,000,184	1,022,374	1,062,994
Finance costs	434,057	447,074	486,951	517,936	534,875	546,698	563,850	579,960	582,189	574,015	559,252
Total expenses	**3,102,729**	**3,163,989**	**3,278,888**	**3,457,950**	**3,566,715**	**3,667,772**	**3,816,568**	**3,927,100**	**4,098,872**	**4,160,056**	**4,234,234**
Operating surplus/ (deficit)	**(183,266)**	**(61,807)**	**53,412**	**75,706**	**77,548**	**138,309**	**171,783**	**237,224**	**241,650**	**351,952**	**458,491**
Other gains and losses	0	0	0	0	0	0	0	0	0	0	0
Share of surplus/ (loss) in associates and joint ventures	3,351	(17,832)	(18,203)	(18,558)	(11,314)	(3,761)	(3,943)	(4,087)	(4,257)	(4,431)	(4,609)

$000 Financial year ending 30 June	**Annual Plan 2020/21**	**LTP 2021/22**	**LTP 2022/23**	**LTP 2023/24**	**LTP 2024/25**	**LTP 2025/26**	**LTP 2026/27**	**LTP 2027/28**	**LTP 2028/29**	**LTP 2029/30**	**LTP 2030/31**
Operating surplus/ (deficit) before income tax	**(179,915)**	**(79,639)**	**35,209**	**57,148**	**66,234**	**134,548**	**167,840**	**233,137**	**237,393**	**347,521**	**453,882**
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
Surplus/ (deficit) after income tax	**(179,915)**	**(79,639)**	**35,209**	**57,148**	**66,234**	**134,548**	**167,840**	**233,137**	**237,393**	**347,521**	**453,882**
Other comprehensive revenue											
Net gain on revaluation of property, plant and equipment	1,732,724	5,592	10,502	1,154,798	370,711	14,246	1,136,867	12,055	365,736	1,137,462	11,579
Total other comprehensive revenue	**1,732,724**	**5,592**	**10,502**	**1,154,798**	**370,711**	**14,246**	**1,136,867**	**12,055**	**365,736**	**1,137,462**	**11,579**
Total comprehensive revenue/ (expenditure)	**1,552,809**	**(74,047)**	**45,711**	**1,211,946**	**436,945**	**148,794**	**1,304,707**	**245,192**	**603,129**	**1,484,983**	**465,461**

Prospective statement of financial position

Auckland Council parent

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Assets											
Current assets											
Cash and cash equivalents	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Receivables and prepayments	370,799	367,180	391,052	413,651	427,741	446,959	468,534	489,963	512,865	534,556	558,000
Derivative financial instruments	9,475	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Other financial assets	60,439	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Inventories	13,861	14,566	14,857	15,154	15,457	15,766	16,081	16,403	16,731	17,066	17,407
Income tax receivable	0	0	0	0	0	0	0	0	0	0	0
Non-current assets held for sale	132,349	209,339	176,397	77,218	103,895	58,831	28,815	0	0	0	0
Total current assets	**666,923**	**772,085**	**763,306**	**687,023**	**728,093**	**702,556**	**694,430**	**687,366**	**710,596**	**732,622**	**756,407**
Non-current assets											
Receivables and prepayments	7,315	20,573	21,917	23,184	23,974	25,051	26,260	27,461	28,745	29,961	31,275
Derivative financial instruments	441,516	641,000	641,000	641,000	641,000	641,000	641,000	641,000	641,000	641,000	641,000
Other financial assets	2,979,009	4,722,759	4,976,220	5,194,517	5,479,635	5,951,712	6,480,736	6,822,736	7,024,496	7,047,360	7,069,488
Property, plant and equipment	17,695,212	16,897,936	17,128,875	18,571,426	19,302,042	19,727,349	21,287,216	21,780,797	22,722,693	24,417,648	25,055,378
Intangible assets	240,745	303,169	307,312	333,194	346,301	353,931	381,917	390,773	407,672	438,081	449,522
Investment property	497,945	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000	485,000
Investments in subsidiaries	19,730,543	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000	19,681,000
Investments in associates and joint ventures	2,515,218	1,544,719	1,998,215	2,137,357	2,125,743	2,117,682	2,109,440	2,101,053	2,092,495	2,083,763	2,074,854
Other non-current assets	4,821	4,060	5,121	6,203	7,307	8,433	9,582	10,754	11,926	13,098	14,270
Total non-current assets	44,112,324	44,300,216	45,244,660	47,072,881	48,092,002	48,991,158	51,102,151	51,940,574	53,095,027	54,836,911	55,501,787
Total assets	**44,779,247**	**45,072,301**	**46,007,966**	**47,759,904**	**48,820,095**	**49,693,714**	**51,796,581**	**52,627,940**	**53,805,623**	**55,569,533**	**56,258,194**

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Liabilities											
Current liabilities											
Payables and accruals	719,699	735,372	740,454	775,892	822,021	840,439	877,233	904,224	987,676	1,000,937	1,037,422
Employee entitlements	59,833	66,668	68,146	69,192	70,625	71,995	73,332	74,975	77,080	79,141	81,643
Borrowings	1,457,231	1,300,840	1,412,871	1,469,976	1,534,405	1,613,999	1,699,513	1,762,397	1,816,357	1,846,368	1,866,875
Derivative financial instruments	8,464	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Provisions	105,501	64,809	42,547	40,304	39,049	37,685	36,120	34,700	33,397	32,215	31,218
Total current liabilities	**2,350,728**	**2,170,689**	**2,267,018**	**2,358,364**	**2,469,100**	**2,567,118**	**2,689,198**	**2,779,296**	**2,917,510**	**2,961,661**	**3,020,158**
Non-current liabilities											
Payables and accruals	151,609	133,604	134,528	140,967	149,346	152,686	159,373	164,279	179,435	181,840	188,476
Employee entitlements	1,555	966	987	1,002	1,023	1,043	1,062	1,086	1,117	1,147	1,183
Borrowings	9,063,010	10,280,454	11,165,824	11,617,110	12,126,296	12,755,324	13,431,127	13,928,081	14,354,555	14,591,708	14,753,782
Derivative financial instruments	1,829,757	2,706,000	2,706,000	2,706,000	2,706,000	2,706,000	2,706,000	2,706,000	2,706,000	2,706,000	2,706,000
Provisions	151,605	306,948	214,258	205,164	200,088	194,507	188,078	182,263	176,942	172,130	168,087
Total non-current liabilities	**11,197,536**	**13,427,972**	**14,221,597**	**14,670,243**	**15,182,753**	**15,809,560**	**16,485,640**	**16,981,709**	**17,418,049**	**17,652,825**	**17,817,528**
Total liabilities	**13,548,264**	**15,598,661**	**16,488,615**	**17,028,607**	**17,651,853**	**18,376,678**	**19,174,838**	**19,761,005**	**20,335,559**	**20,614,486**	**20,837,686**
Net assets	**31,230,983**	**29,473,640**	**29,519,351**	**30,731,297**	**31,168,242**	**31,317,036**	**32,621,743**	**32,866,935**	**33,470,064**	**34,955,047**	**35,420,508**
Equity											
Contributed equity	26,569,091	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000	26,569,000
Accumulated funds	(1,756,059)	(1,758,129)	(1,729,425)	(1,669,969)	(1,561,833)	(1,416,643)	(1,247,052)	(1,009,171)	(771,719)	(425,727)	23,737
Reserves	6,417,951	4,662,769	4,679,776	5,832,266	6,161,075	6,164,679	7,299,795	7,307,106	7,672,783	8,811,774	8,827,771
Total ratepayers equity	**31,230,983**	**29,473,640**	**29,519,351**	**30,731,297**	**31,168,242**	**31,317,036**	**32,621,743**	**32,866,935**	**33,470,064**	**34,955,047**	**35,420,508**
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Total equity	**31,230,983**	**29,473,640**	**29,519,351**	**30,731,297**	**31,168,242**	**31,317,036**	**32,621,743**	**32,866,935**	**33,470,064**	**34,955,047**	**35,420,508**

Prospective statement of movement in equity

Auckland Council parent

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Contributed equity											
Opening balance	**26,569,091**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**
Surplus after income tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other comprehensive revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Total comprehensive revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	**26,569,091**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**	**26,569,000**
Accumulated funds											
Opening balance	**(1,530,608)**	**(1,675,806)**	**(1,758,129)**	**(1,729,425)**	**(1,669,969)**	**(1,561,833)**	**(1,416,643)**	**(1,247,052)**	**(1,009,171)**	**(771,719)**	**(425,727)**
Surplus/ (deficit) after income tax	**(179,915)**	**(79,639)**	**35,209**	**57,148**	**66,234**	**134,548**	**167,840**	**233,137**	237,393	347,521	453,882
Other comprehensive revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Total comprehensive expenditure	**(179,915)**	**(79,639)**	**35,209**	**57,148**	**66,234**	**134,548**	**167,840**	**233,137**	**237,393**	**347,521**	**453,882**
Transfer to/ (from) reserves	(45,536)	(2,684)	(6,505)	2,308	41,902	10,642	1,751	4,744	59	(1,529)	(4,418)
Balance as at 30 June	**(1,756,059)**	**(1,758,129)**	**(1,729,425)**	**(1,669,969)**	**(1,561,833)**	**(1,416,643)**	**(1,247,052)**	**(1,009,171)**	**(771,719)**	**(425,727)**	**23,737**
Reserves											
Opening balance	**4,639,691**	**4,654,493**	**4,662,769**	**4,679,776**	**5,832,266**	**6,161,075**	**6,164,679**	**7,299,795**	**7,307,106**	**7,672,783**	**8,811,774**
Surplus after income tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0
Other comprehensive revenue	**1,732,724**	**5,592**	**10,502**	**1,154,798**	**370,711**	**14,246**	**1,136,867**	**12,055**	365,736	1,137,462	11,579
Total comprehensive revenue	**1,732,724**	**5,592**	**10,502**	**1,154,798**	**370,711**	**14,246**	**1,136,867**	**12,055**	**365,736**	**1,137,462**	**11,579**
Transfer to/ (from) reserves	45,536	2,684	6,505	(2,308)	(41,902)	(10,642)	(1,751)	(4,744)	(59)	1,529	4,418
Balance as at 30 June	**6,417,951**	**4,662,769**	**4,679,776**	**5,832,266**	**6,161,075**	**6,164,679**	**7,299,795**	**7,307,106**	**7,672,783**	**8,811,774**	**8,827,771**
Total equity											
Opening balance	**29,678,174**	**29,547,687**	**29,473,640**	**29,519,351**	**30,731,297**	**31,168,242**	**31,317,036**	**32,621,743**	**32,866,935**	**33,470,064**	**34,955,047**
Surplus/ (deficit) after income tax	**(179,915)**	**(79,639)**	**35,209**	**57,148**	**66,234**	**134,548**	**167,840**	**233,137**	237,393	347,521	453,882
Other comprehensive revenue	**1,732,724**	**5,592**	**10,502**	**1,154,798**	**370,711**	**14,246**	**1,136,867**	**12,055**	365,736	1,137,462	11,579

$000 As at 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Total comprehensive revenue/ (expenditure)	**1,552,809**	**(74,047)**	**45,711**	**1,211,946**	**436,945**	**148,794**	**1,304,707**	**245,192**	**603,129**	**1,484,983**	**465,461**
Transfer to/ (from) reserves	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	**31,230,983**	**29,473,640**	**29,519,351**	**30,731,297**	**31,168,242**	**31,317,036**	**32,621,743**	**32,866,935**	**33,470,064**	**34,955,047**	**35,420,508**

Prospective statement of cash flows

Auckland Council parent

$000 Financial year ending 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Cash flows from operating activities											
Receipts from rates revenue	1,937,516	2,144,305	2,256,309	2,379,584	2,467,612	2,585,916	2,713,458	2,852,810	2,999,702	3,153,239	3,304,880
Receipts from grants and other services	671,707	725,187	785,111	821,022	835,406	835,931	842,570	849,349	862,218	864,430	873,586
Interest received	129,363	106,308	112,081	118,467	124,311	133,475	160,183	178,655	185,758	197,090	204,711
Dividend received	14,473	9,162	49,618	84,222	94,804	112,431	129,507	139,178	146,957	152,641	163,088
Payments to suppliers and employees	(2,553,322)	(2,252,900)	(2,576,233)	(2,542,692)	(2,534,750)	(2,652,262)	(2,764,157)	(2,945,601)	(2,951,920)	(3,096,571)	(3,079,839)
Interest paid	(431,620)	(445,315)	(486,096)	(517,606)	(534,676)	(546,546)	(563,702)	(579,809)	(582,036)	(573,861)	(559,105)
Net cash from operating activities	**(231,883)**	**286,747**	**140,790**	**342,997**	**452,707**	**468,945**	**517,859**	**494,582**	**660,679**	**696,968**	**907,321**
Cash flows from investing activities											
Proceeds from Sale of other financial assets	0	0	0	0	0	0	0	0	0	0	0
Acquisition of other financial assets	(3,895)	(4,978)	(4,782)	(2,437)	(2,741)	(3,368)	(3,610)	(2,644)	(2,540)	(1,583)	(1,175)
Advances of loans to related parties	(168,974)	(348,702)	(248,355)	(235,528)	(348,905)	(509,132)	(527,481)	(231,846)	(155,278)	34,633	(28,220)
Sale of property, plant and equipment, investment property and intangible assets	310,013	232,349	209,339	176,397	77,218	103,894	58,831	28,815	0	0	0
Purchase of property, plant and equipment, investment property and intangible assets	(552,501)	(637,465)	(621,431)	(630,483)	(750,213)	(770,979)	(808,444)	(849,667)	(983,672)	(997,182)	(1,060,507)
Proceeds from community loan repayments	5,034	3,434	3,038	2,662	2,318	2,018	1,529	922	377	0	0
Investment in associates and joint ventures	(395,000)	(572,000)	(476,000)	(162,000)	(4,000)	0	0	0	0	0	0
Advances to external parties	(6,000)	0	0	0	0	0	0	0	0	0	0
Net cash from investing activities	**(811,323)**	**(1,327,362)**	**(1,138,191)**	**(851,389)**	**(1,026,323)**	**(1,177,567)**	**(1,279,175)**	**(1,054,420)**	**(1,141,113)**	**(964,132)**	**(1,089,902)**
Cash flows from financing activities											
Proceeds from borrowings	2,216,241	2,341,456	2,410,272	1,978,368	2,108,023	2,322,623	2,460,830	2,322,235	2,296,791	2,113,532	2,049,456
Repayment of borrowings	(1,335,189)	(1,300,841)	(1,412,871)	(1,469,976)	(1,534,407)	(1,614,001)	(1,699,514)	(1,762,397)	(1,816,357)	(1,846,368)	(1,866,875)
Net cash from financing activities	**881,052**	**1,040,615**	**997,401**	**508,392**	**573,616**	**708,622**	**761,316**	**559,838**	**480,434**	**267,164**	**182,581**

$000 Financial year ending 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Net increase/(decrease) in cash and cash equivalents and bank overdraft	**(162,154)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Opening cash and cash equivalents and bank overdrafts	242,154	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Closing cash and cash equivalents and bank overdrafts	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**

Note 6: Group depreciation and amortisation by group of activity

$000 Financial year ending 30 June	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Roads and Footpaths	314,514	309,062	318,334	327,884	337,721	347,852	358,288	369,037	380,108	391,511	403,256
Public Transport and travel demand management	103,785	101,381	104,423	107,556	110,782	114,106	117,529	121,055	124,686	128,427	132,280
Wastewater	145,624	137,048	141,109	147,101	167,662	178,800	192,301	217,601	227,968	238,818	269,754
Water supply	110,896	108,329	111,075	113,026	125,598	130,750	138,535	156,425	162,461	167,786	187,759
Stormwater	64,344	70,615	75,857	83,915	93,899	103,364	114,804	121,732	128,417	131,778	133,637
Local Council Services	22,202	2,047	1,741	1,643	1,565	1,452	1,374	1,331	1,268	1,084	971
Regionally delivered council services	239,037	270,681	279,204	290,719	311,162	327,542	348,829	371,220	392,739	408,782	417,711
Council controlled services	50,565	63,944	66,432	70,288	73,535	74,812	75,100	75,057	75,906	75,186	74,768
	1,050,967	**1,063,107**	**1,098,175**	**1,142,132**	**1,221,924**	**1,278,678**	**1,346,760**	**1,433,458**	**1,493,553**	**1,543,372**	**1,620,136**

2.3 Financial reporting and prudence benchmarks

Long-term plan disclosure statement for the period commencing 1 July 2021 to 31 June 2031

What is the purpose of this statement?

The purpose of this statement is to disclose the group's planned financial performance in relation to various benchmarks to enable the assessment of whether the group is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its 10-year budget 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.

Notes

1. Rates affordability benchmark

The group meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

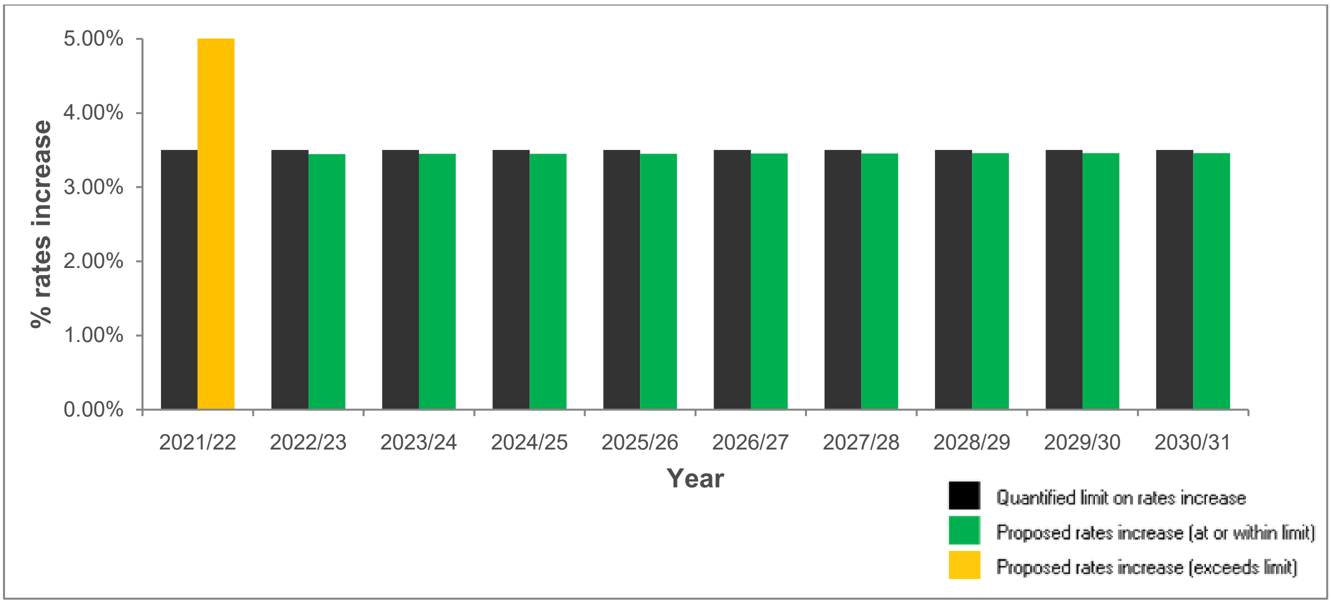
Rates (income) affordability

Following an amendment to the Local Government Act 2002 in 2019, the council has not included a quantified limit on rates in the proposed financial strategy for the 10-year Budget 2021-31.

Rates (increases) affordability

The following graph compares the group's planned rates increases with a quantified limit on rates increases contained in the proposed financial strategy for the 10-year Budget 2021-2031. The quantified limit we use for this benchmark is to maintain average rates increases for existing ratepayers to 3.5 per cent per annum. This limit includes targeted rates that apply generally across Auckland and refers to the overall average increase across all ratepayers (including different ratepayer groups such as business, farm and lifestyle ratepayers). Targeted rates that apply to specific groups of ratepayers are excluded.

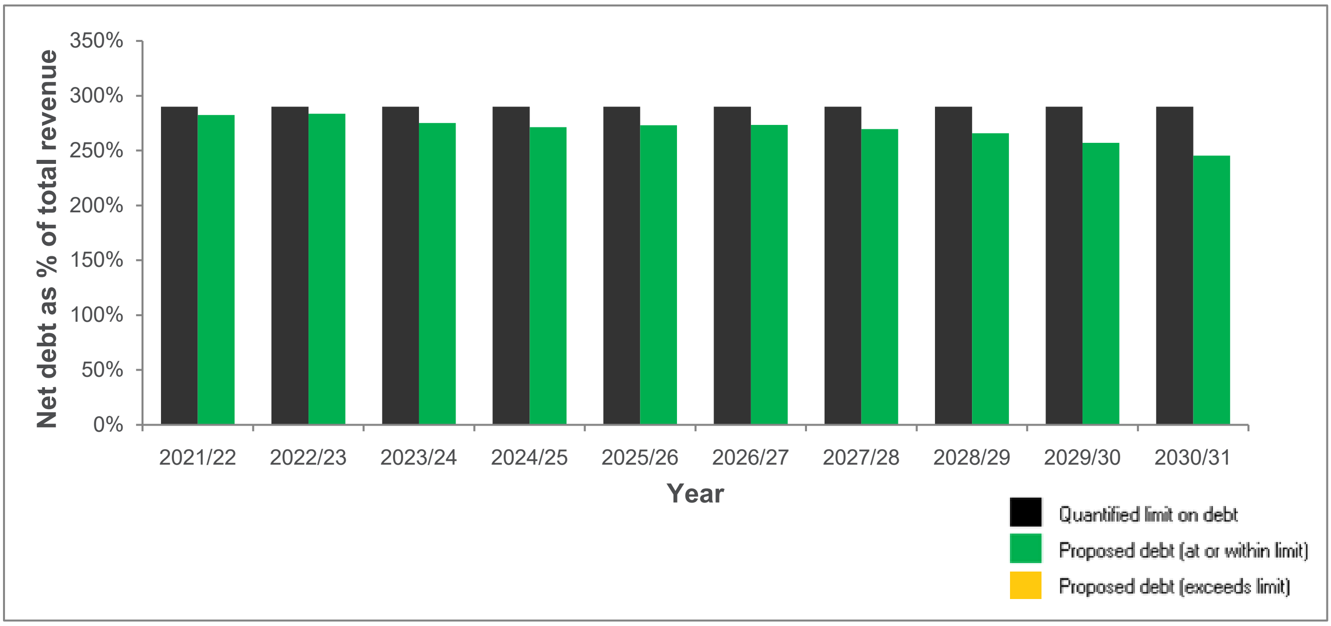
To respond to the impacts of COVID-19 on our revenue streams and to maintain the supply of investment capacity we are proposing a one-off increase in average general rates of five per cent for the first year of the 10-year Budget only. Additionally, to ensure equity between similar properties, we are proposing to extend the Urban Rating Area to include areas previously designated as rural which slightly increases the overall average. These will be reflected in an increase above the limit in that year.



2. Debt affordability benchmark

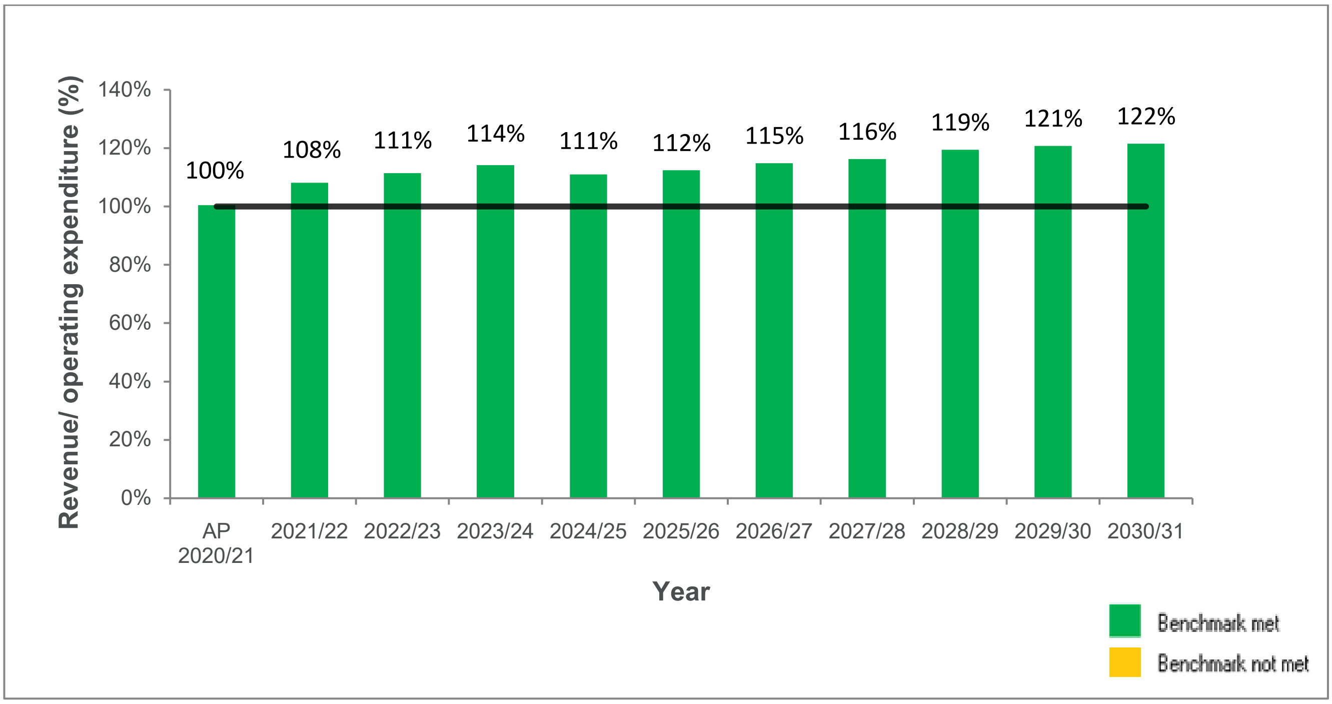
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council's planned debt with the quantified limit on borrowing contained in the financial strategy included in this 10-year budget. The quantified limit is measured in terms of net debt as a percentage of total revenue, and the quantified limit is 290 per cent.



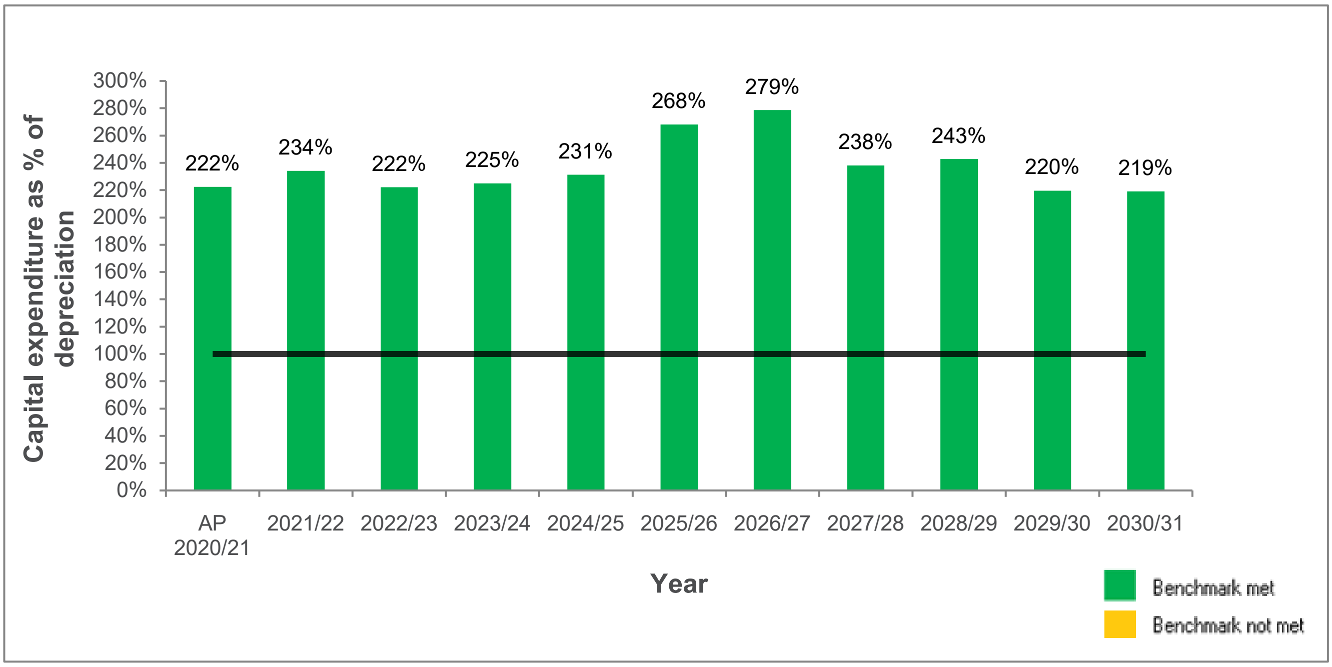
3. Balanced budget benchmark

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



4. Essential services benchmark

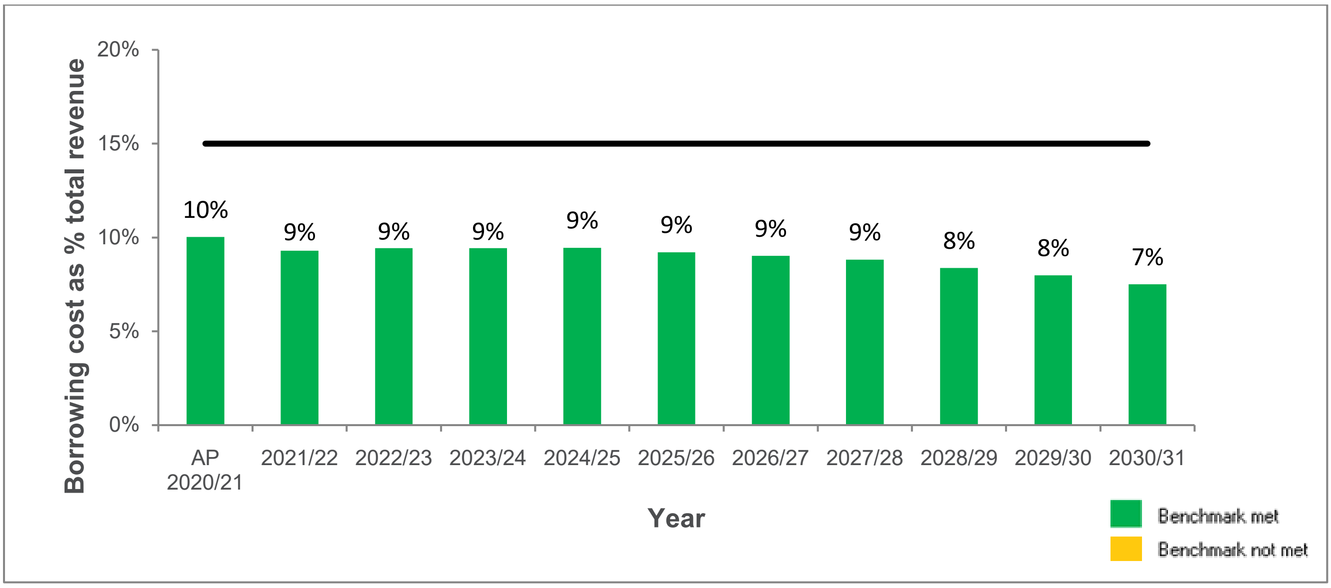
The following graph displays the group's planned capital expenditure on network services as a proportion of expected depreciation on network services. The group meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



5. Debt servicing benchmark

The following graph displays the group's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15 per cent of its planned revenue.



Additional information

The group's planned revenue includes net other gains, finance income, and net share of surpluses in associates and jointly-controlled entities.

The groups planned operating expenditure includes net other losses, and net share of deficits in associates and jointly-controlled entities.

Net debt refers to the group's financial liabilities less financial assets (excluding trade and other receivables).

Borrowing cost includes interest expense and losses on early close out of interest rate swaps, and excludes adjustments for time value of money.

Network infrastructure refers to infrastructure related to water supply, sewerage treatment and disposal, stormwater drainage, flood protection and control, roads and footpaths.

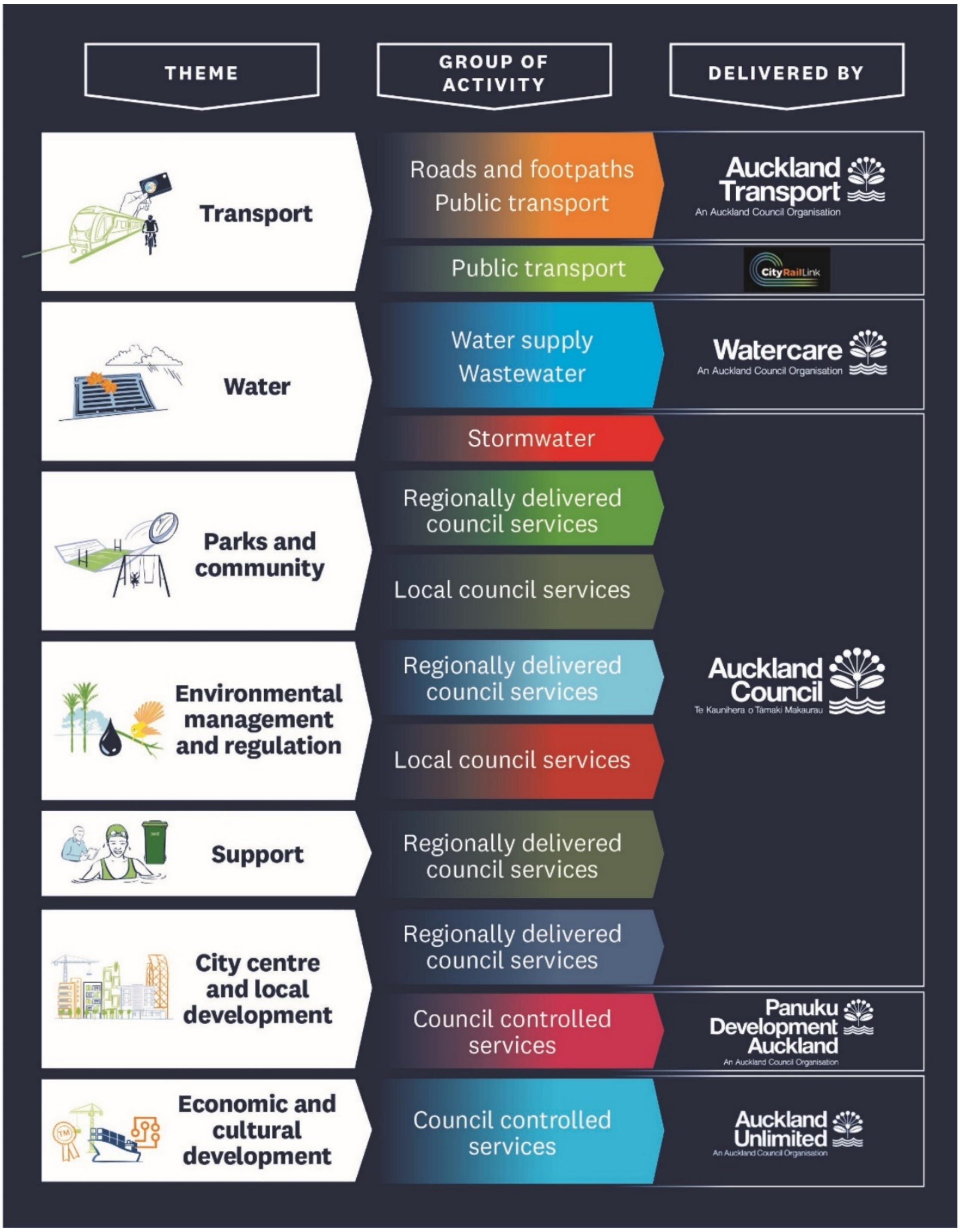
For the rates affordability benchmark:

- Rates income:
  - general rates including remissions, less any internal rate charges. This does not include income arising from water and wastewater charges and targeted rates.

Section Three: Our Activities

3.0 Overview

The following sections describe each of the groups of activities that comprise the council's service delivery. This includes the contributions to Auckland Plan outcomes, the statements of service provision, and financial information presented by activity in table format and by group of activity in funding impact statement format. The financials prepared in this section are based off the significant forecasting assumptions.



Summary of revenue and expenditure by group of activity

$000		10-year Budget total		
Group of activity	Activity	Non-rates revenue	Direct operating expenditure*	Capital investment
Roads and footpaths	Roads and footpaths	1,663,818	1,672,928	7,340,170
Public Transport and travel demand management	Public transport and travel demand management	8,481,027	10,387,338	4,949,830
Water supply	Water supply	4,642,404	1,604,429	4,252,832
Wastewater treatment and disposal	Wastewater treatment and disposal	7,095,474	1,874,234	5,737,655
Stormwater management	Stormwater	24,960	673,372	1,502,683
Local council services	Local community services	533,872	3,130,618	2,636,259
	Local environmental management	-	63,057	-
	Local governance	-	226,280	-
	Local planning and development	-	224,861	2,114
Regionally delivered council services	Auckland emergency management	-	54,565	7,793
	Investment	3,916,624	1,881,736	714,583
	Environmental services	8,610	503,401	26,215
	Regional community services	375,839	3,520,976	1,857,618
	Regional governance	27,268	455,563	20
	Regional planning	35,128	771,287	437,036
	Waste services	388,447	1,351,413	112,925
	Third party amenity and grants	-	754,218	-
	Organisational support	100,815	2,362,997	738,940
	Regulatory services	2,446,480	2,054,392	13,232
Council controlled services	Development Auckland	456,870	595,272	777,984
	Economic growth and visitor economy	271,566	842,495	11,564
	Regional facilities	824,276	1,316,460	326,292
Total		31,293,478	36,321,891	31,445,744

*Direct operating expenditure does not include interest and depreciation

Levels of service, performance measures and targets are also set out for each group of activity. Note that some of the descriptions of our levels of service, performance measures and targets have changed from how they have previously been described. This is to better explain our activities and to align the descriptions to those used in other strategic plans.

Further information about how these activities contribute to the council's strategic outcomes is set out in sections 1.0 Strategic overview and 1.1 Auckland's Draft 30-year Infrastructure Strategy.

The performance information set out in the following section forms part of a broader performance management framework extending to our Auckland Plan 2050 and its monitoring framework. It includes outcome measures for Auckland that Auckland Council contributes towards but is not wholly responsible for. Key examples include measures relating to housing delivery, employment, and greenhouse gas emissions. This framework will also include more detailed management and CCO accountability measures to monitor performance within the council group.

There are some performance measure targets across the 10-year period that are under review and have not been finalised. These are noted in the tables as To Be Confirmed (tbc). Throughout the consultation period and beyond, work is ongoing to review and set targets. This includes a process our Council Controlled Organisations (CCOs) are undertaking to develop their Statement of Intent over March and April 2021 which includes a review of their KPIs and targets.

.

How it fits together

The Auckland Plan is implemented through our key strategies, regulatory plans, and funding programmes as set out in this 10-year Budget. It provides the strategic direction for council's priorities and forms the basis for alignment with Kia Ora Tāmaki Makaurau and Te Tāruke-ā -Tāwhiri - to lead a Council-wide response in delivering Māori outcomes and climate actions.

Kia Ora Tāmaki Makaurau guides the council on supporting strong Māori communities, as well as enabling effective Māori participation and ensuring that council staff are empowered to deliver on outcomes for and with Māori.

Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan sets the blueprint to a zero-carbon, climate-resilient Auckland that will require combined efforts from all of us – Auckland Council, government, mana whenua, mataawaka, businesses, communities, and individuals.

GROUPS OF ACTIVITIES

AUCKLAND PLAN OUTCOMES	THE WELLBEINGS	Roads and Footpaths	Public Transport/ Travel Demand Management	Water Supply		Wastewater Treatment and Disposal	Stormwater Management	Local Council Services	Regionally Delivered Council Services	Council-controlled Services
BELONGING AND PARTICIPATION	Environmental, Social, Cultural, Economic	We provide safe opportunities for physical activities	We provide accessible travel choices to enable Aucklanders to get where they want to go more easily, safely, and	We support Aucklanders' health by providing safe drinking water		We support Aucklanders' health by treating wastewater and returning it safely to the environment	We work with developers to ensure efficient infrastructure investments that lead to public benefits	We provide opportunities for Aucklanders to participate and foster a sense of belonging and inclusion	We provide opportunities to participate and foster a sense of belonging	We provide opportunities to celebrate and showcase Auckland's diversity
MĀORI IDENTITY AND WELLBEING	Environmental, Social, Cultural, Economic	We reflect Māori identity in transport network and services	We reflect Māori identity in transport network and services	We enable mana whenua participation in the management of water		We enable mana whenua participation in the management of water	We enable Māori participation in management, restoration, and protection of taonga resources	We advance wellbeing through creating welcoming spaces and enabling whānau Māori	We provide support to mana whenua to exercise kaitiakitanga	We promote Māori business, tourism, and employment by showcasing Māori culture and identity
HOMES AND PLACES	Environmental, Social, Cultural	We support and enable growth by unlocking development opportunities	We integrate travel choices where people live, work and play	We support and enable growth by building essential water infrastructure		We support and enable growth by building essential water infrastructure	We support and enable growth by building essential water infrastructure	We provide public spaces that enhance urban living	We support and enable growth by unlocking development opportunities	We support and enable growth by unlocking development opportunities
TRANSPORT AND ACCESS	Environmental, Social, Economic	We make walking and cycling preferred choices	We influence travel demand and make use of transport technology					We integrate travel choices where people live, work and play	We integrate land-use and transport decisions	We activate urban regeneration that facilitates all modes of transport
ENVIRONMENT AND CULTURAL HERITAGE	Environmental, Social, Cultural, Economic	We provide sustainable travel choices that mitigate negative environmental impacts	We provide sustainable travel choices that mitigate negative environmental impacts	We provide resilient infrastructure and mitigate negative environmental impacts		We provide resilient infrastructure and mitigate negative environmental impacts	We provide resilient infrastructure and mitigate negative environmental impacts	We lead environmental action and encourage community stewardship	We lead environmental action and encourage community stewardship	We provide opportunity to interact with cultural heritage
OPPORTUNITY AND PROSPERITY	Environmental, Social, Economic	We deliver efficient transport networks to support productivity growth	We deliver efficient transport networks to support productivity growth					We support strong local economies through skills development and lifelong learning	We support strong local economies through skills development and lifelong learning	We drive investment and support businesses to grow

THE WELLBEINGS: ENVIRONMENTAL, SOCIAL, CULTURAL, ECONOMIC

3.1 Roads and footpaths

Auckland Transport (AT) is responsible for managing Auckland’s roads and footpaths in a way that is consistent with the strategic direction set by the council. We look after 7,580km of roads and 7,364km of footpaths. We are responsible for all of the region’s transport services (excluding state highways), from roads and footpaths to cycling, parking and public transport. Our day-to-day activities keep Auckland's transport systems moving; including planning and funding of public transport, promoting alternative ways to get around and operating the local roading network.

Key activities

We design, build, and manage our local and arterial roads, busways, cycleways, footpaths, and shared paths to improve safety, improve traffic flow and minimise congestion. We manage roading infrastructure, maintaining surface quality and road marking, street lighting, traffic signals, intersection optimisation, incident response and road safety initiatives. Alongside these activities, we deliver public realm upgrade projects for Auckland, facilitate urban regeneration, create new transport options, encourage us to do more cycling and walking, protect the environment and balance the needs of all road users – pedestrians, cyclists, scooter riders, bus passengers and motorists.

Things we are keeping an eye on

Too many people die or are seriously injured on our roads. We are continuously improving the design of our roads to make them safer for all users. We have also reduced the speed limits on many rural roads and most inner-city roads to prevent accidents and to reduce the impact when accidents do occur.

Auckland has an extensive transport network, and, within the existing urban area, there are very limited opportunities to build new corridors or expand existing ones. To manage the extensive growth in travel-demand we must make the best use of existing networks by maintaining and renewing existing assets and building capacity and performance.

When we replace or build roads and footpaths, we can create carbon emissions and run-off sediments, and cause disruptions to Aucklanders. We minimise the environmental impacts of our work and use traffic management systems to minimise disruptions and keep the work areas safe. We keep residents in the loop about what the work is and how long it will take.

Key projects

Making Auckland's transport system safe by eliminating harm

Vision Zero for Tamaki Makaurau Transport Safety Strategy 2030

Delivering safety improvements to high-risk roads and intersections

Other safety improvement projects including:

- Pedestrian programme
- Safe speeds programme
- Road safety behaviour change
- School safety

Public transport safety improvements

Red light cameras and CCTV cameras

Better connecting people, places, goods, and services

Network capacity and performance improvements to improve the movement of people and goods around Auckland including:

- Optimisation of traffic lights,
- Physical improvements to enhance people movement capacity, general traffic flow and safety,
- Targeted freight movement improvements on the freight network

Network management and operations

- Working with partners to manage incidents and planned events on our transport network
- Complete the amalgamation of ATOC Smales and ATOC Central into a single, multi-modal transport operation centre

Develop and implement the unsealed road improvement framework, supporting innovative and low-cost techniques to treat a wide range of issues occurring on Auckland's unsealed roads.

Regional Fuel Tax funded corridor improvements including Lincoln Road, Carrington Road, Lake Road, and Glenvar / East Coast Road intersection.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We provide safe, high quality and efficient local roads, footpaths and cycle ways for pedestrians, cyclists, public transport users and drivers						
The change from the number of deaths and serious injuries on the local road network, expressed as a number	533	Reduce by at least 36 (497)	Reduce by at least 50	Reduce by at least 50	Reduce by at least 50	Reduce by at least 50 per year
The target trajectory for future years reflects the 10-year target for Deaths and Serious Injuries as set out in ATAP and endorsed by the LTP and RLTP. The 12-month total (January to December) number of deaths and serious injuries on local roads are according to NZ Transport Agency's Crash Analysis system.						
Average AM peak period lane productivity across 32 monitored arterial routes	32,951	23,000	30,000	33,000	33,000	33,000 per year
Road productivity is a measure of the efficiency of the road in moving people during the peak hour. It is measured as the product of number of motorised vehicles (cars, buses, and trucks), their average journey speed and average vehicular occupancy per lane in one hour. It is measured across 32 arterial routes. These routes comprise all Primary Arterials of the Road Network, as defined in the One Network Road Classification (ONRC). The monitored arterial routes are defined in the Auckland Transport 2019 SOI Route Productivity map.						
Proportion of level 1A and 1B freight network operating at Level of Service C or better during the inter-peak	94%	85%	85%	85%	85%	85%

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
Percentage of intersections with average pedestrian delay within the city centre, metropolitan and town centres at good levels of service (LOS A-C) at interpeak	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
The freight network comprises all level 1A and 1B freight routes as defined in the Auckland Transport Freight Network. The monitored freight network is defined in the Auckland Transport Statement of Intent. Level of Service measured by median speed as a % of the posted speed limit. LoS C or better = >50%.						
Number of cycle movements past 26 selected count sites	3.669M	4.1018m	4.020m	4.120m	Maintain or improve	Maintain or improve
Auckland transport uses the following sites to monitor cycle movements: Beach Road, Curran Street, East Coast Road, Grafton Bridge, Grafton Gully, Grafton Road, Great South Road, Highbrook shared path, Hopetoun Street, Karangahape Road, Lagoon Drive, Lake Road, Lightpath, Mangere Bridge, Northwestern cycleway – Kingsland, Northwestern cycleway – Te Atatu, Orewa shared path, Quay Street (Vector Arena), SH20 shared path (near Dominion Road), Symonds Street, Tamaki Drive (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Drive, Upper Queen Street, Victoria Street West. *Note: some trips may be counted more than once across the cycle network. Micromobility devices are not captured at our count sites.*						
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed rural roads	94%	92%	88%	88%	88%	88%
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all sealed urban roads	87%	81%	78%	78%	78%	78%
Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.						
Percentage of the sealed local road network that is resurfaced	5.6%	6.5%	6.0%	Progress on 10-year target	Progress on 10-year target	7%
Percentage of footpaths in acceptable condition	98%	95%	92%	Progress on 10-year target	Progress on 10-year target	95%
Proportion of road assets in acceptable condition	94.2%	95%	92%	92%	92%	92%
As defined in the Auckland Transport's Asset Management plans.						
Percentage of customer service requests relating to roads and footpaths which receive a response within specific timeframes	86.4%	85%	85%	85%	85%	85%
Specified time frames are defined in Auckland Transport's customer service standards: one hour for emergencies, two days for incident investigation as a high priority, and three days for an incident investigation as a normal priority.						

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Roads and footpaths	Non-rates revenue	143,847	159,635	160,912	162,340	1,180,931	1,663,818
	Direct operating expenditure*	156,586	156,002	158,231	160,514	1,198,181	1,672,928
	Capital expenditure	585,475	555,238	563,997	570,558	5,650,376	7,340,170

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	284,031	255,955	262,084	267,989	277,332	282,628	288,702	296,840	304,649	320,158	335,964
Targeted rates	1,623	1,678	1,706	1,734	1,763	1,791	1,822	1,855	1,890	1,925	1,957
Subsidies and grants for operating purposes	55,606	58,843	60,150	61,613	63,130	64,401	66,183	67,170	68,433	69,720	71,031
Fees and charges	3,653	6,185	6,183	6,180	6,178	6,176	6,174	6,171	6,368	6,600	6,842
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	84,588	94,607	94,580	94,547	94,529	94,506	94,478	94,456	95,533	96,120	96,731
Total operating funding	**429,501**	**417,268**	**424,703**	**432,063**	**442,932**	**449,502**	**457,359**	**466,492**	**476,873**	**494,523**	**512,525**
Applications of operating funding:											
Payment to staff and suppliers	156,585	156,001	158,233	160,514	162,531	164,628	166,837	169,100	173,642	178,318	183,126
Finance costs	66,868	55,801	54,076	51,264	48,027	46,406	48,578	52,449	56,425	60,913	65,483
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**223,453**	**211,802**	**212,309**	**211,778**	**210,558**	**211,034**	**215,415**	**221,549**	**230,067**	**239,231**	**248,609**
Surplus (deficit) of operating funding	**206,048**	**205,466**	**212,394**	**220,285**	**232,374**	**238,468**	**241,944**	**244,943**	**246,806**	**255,292**	**263,916**
Sources of capital funding:											
Subsidies and grants for capital expenditure	203,199	329,002	349,582	361,598	328,725	328,725	361,598	361,598	410,907	410,907	410,907
Development and financial contributions	29,883	43,132	55,054	61,299	61,299	61,299	59,437	58,598	58,598	58,598	58,598
Increase (decrease) in debt	146,345	(22,361)	(53,034)	(72,623)	(47,521)	62,785	132,882	140,852	188,285	196,163	223,392
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	1	2	3	4	5	6	7	8	9
Total sources of capital funding	**379,427**	**349,773**	**351,602**	**350,274**	**342,503**	**452,809**	**553,917**	**561,048**	**657,790**	**665,668**	**692,897**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	68,769	96,162	82,018	72,557	62,785	72,828	125,186	120,374	136,050	134,596	128,485
- to improve the level of service	320,638	248,409	246,645	248,413	266,923	253,221	262,993	255,265	289,615	287,994	297,048
- to replace existing assets	196,068	210,668	235,333	249,589	245,169	365,228	407,682	430,352	478,931	498,370	531,280
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**585,475**	**555,239**	**563,996**	**570,559**	**574,877**	**691,277**	**795,861**	**805,991**	**904,596**	**920,960**	**956,813**
Surplus (deficit) of capital funding	**(206,048)**	**(205,466)**	**(212,394)**	**(220,285)**	**(232,374)**	**(238,468)**	**(241,944)**	**(244,943)**	**(246,806)**	**(255,292)**	**(263,916)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.2 Public transport and travel demand management

Public transport contributes significantly to the quality of life of Aucklanders by increasing genuine and flexible travel choices for a healthy, vibrant, and equitable Auckland. Public transport, in tandem with walking and cycling, has strong potential to become the preferred travel choice for many more Aucklanders. While we have made significant improvements to the public transport systems across Auckland, there are still many more improvements that need to be made before it can reach its full potential. We're on our way to a simpler and more integrated public transport network that will change the way you travel.

Key activities

Public transport

We manage and plan current and future public transport. This includes new bus, train and ferry networks, local and peak services, connections, and hubs, with more frequent, more connected travel.

High quality, rapid transit services bypass congestion and allow people quick and easy access to major employment and town centres across the city, between sub-regions. Important infrastructure projects are progressing such as the Eastern Busway and the Puhinui Station Interchange. The City Rail Link is due to open in 2024. It will double the capacity of the rail network and will deliver transport benefits across the whole of Auckland.

Over the next ten years, patronage on the network is expected to continue to grow as the network becomes more useful to more people. We recognise that customers are looking for a 'turn up and go' experience and aim to integrate this new rapid transit infrastructure with services and networks that provide for a seamless end-to-end customer journey.

Parking and enforcement

Parking is an integral part of the public transport and road network. Most vehicular journeys involve parking at both the start and end of each trip and the decision to drive, particularly for commuting purposes, influences public transport patronage and congestion on the road network.

We manage off-street and on-street parking, balancing parking demand with the needs of road users, businesses, and residents.

We provide and manage Park and Ride facilities at public transport interchanges along the rapid and frequent transit network, and some ferry terminals. Park and Ride facilities located at the right locations can effectively increase public transport patronage, provide decongestion benefits, and improve accessibility for commuters who are not served by frequent public transport feeder services.

Things we are keeping an eye on

With increased travel demand across the region, congestion is becoming increasingly worse. An expanded public transport Rapid and Frequent transit network will give Aucklanders' greater transport choice, enabling them to 'opt-out' of congestion via services travelling on their dedicated right-of-way (such as the rail system or busways) or on priority lanes, and provide access for those people whose transport choices are limited. We keep people safe on public transport through the implementation of Project SaFE – a fare inspection, enforcement, and security programme of warranted Transport Officers on services

To increase the capacity of the transport network and provide customers with a more reliable journey, more road space must be allocated to public transport (as public transport is a more efficient means of quickly moving large numbers of people along shared corridors), active modes (i.e. cycling and walking) and alternative vehicle share modes (such as carshare, bike share), where it increases the actual number of people moved on main corridors and reduces single occupant car use.

As Auckland accommodates more growth, development in both existing urban areas and 'greenfield' growth areas will require new transport networks to support new housing and business opportunities. The new transport networks will need to be designed to ensure greater public transport and active mode use than has been traditionally been the case. We also want to decarbonise our public transport network, accelerating our transition from diesel to electric and hydrogen buses to reduce our impact on the climate.

When we work on public transport infrastructure, we can create carbon emissions and run-off sediments, and cause disruptions to commuters. We minimise the environmental impacts of our work and use schedule changes, traffic management systems and alternative public transport services to minimise disruptions and keep the work areas safe. We keep commuters in the loop about what the work is and how long it will take.

Key projects

Better travel choice for Aucklanders

Eastern busway

Bus, rail, and ferry network improvements

Zero emissions bus fleet – we will stop adding diesel buses to our fleet from 2021 and work with central government to make 50 per cent of our bus fleet electric or hydrogen vehicles by 2030.

Bus and trains station improvements, including:
- Rosedale bus station
- Puhinui interchange

Southwest Gateway programme

New cycleways and shared paths including:
- Urban cycleway programme
- Working with Waka Kotahi to integrate the Northern Pathway with the cycle network

Deliver events, training, campaigns, and activities to promote cycling and cycle safety

Delivering new and improved footpaths across Auckland

Enabling and supporting Auckland's growth

Downtown infrastructure development programme including:
- Downtown ferry terminal improvements
- Quay street seawall strengthening
- Lower Albert Street
- Downtown public space
- Quay Street enhancements

City centre projects including the City Rail Link

Access for everyone programme

Continue delivering initiatives to improve parking outcomes across Auckland, including:
- Review of the parking strategy
- Continue the installation of CCTV enforcement zones in Special Vehicle Lanes to ensure the network continues to operate efficiently.
- Implement initiatives at poor performing (low compliance) Special Vehicle lanes that makes compliance easier.
- Assess opportunities for park and ride charging to manage demand and support public transport revenue

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We specify, contract for, and promote public transport services and provide safe, high quality public transport infrastructure						
Total public transport boardings	82.3M	104.8M	99.0M	114.6M	Maintain or improve	Maintain or improve
The percentage of public transport trips that are punctual	98%	96%	96%	96%	96%	96%
The percentage of passengers satisfied with public transport services	July-March 90.5% April-June 86%	85%	85-87%	85-87%	85-87%	85-87%

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
The percentage of the total public transport operating cost recovered through fares	33.7%	47-50%	40-45%	43-47%	Maintain or improve	Maintain or improve
Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.						
Percentage reduction of greenhouse gas emissions from AT's assets (baseline 2018/19)	N/A	New measure	9%	9%	9%	9%

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10 years Total
Public transport and travel demand management	Non-rates revenue	629,906	691,113	737,271	774,559	6,278,084	8,481,027
	Direct operating expenditure*	822,258	866,883	903,517	939,075	7,677,863	10,387,338
	Capital expenditure	566,825	956,762	907,003	691,442	2,394,624	4,949,830

*Direct operating expenditure does not include interest and depreciation

*Total capital investment for this activity includes the council 's investment in the City Rail Link project of $1.305 billion as well as the capital expenditure shown in this table.

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	342,679	376,710	369,669	374,692	456,826	533,902	555,279	552,934	548,436	546,085	543,048
Targeted rates	2,836	2,911	2,962	3,011	3,062	3,112	3,167	3,226	3,289	3,350	3,407
Subsidies and grants for operating purposes	330,428	298,946	298,039	304,374	327,959	344,041	349,621	356,398	363,038	369,792	376,665
Fees and charges	210,426	284,801	331,297	361,525	381,960	397,730	418,102	435,052	448,893	465,297	482,338
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	89,053	107,366	107,935	108,660	104,536	106,197	106,769	107,349	110,419	112,093	113,834
Total operating funding	**975,422**	**1,070,734**	**1,109,902**	**1,152,262**	**1,274,343**	**1,384,982**	**1,432,938**	**1,454,959**	**1,474,075**	**1,496,617**	**1,519,292**
Applications of operating funding:											
Payment to staff and suppliers	822,257	866,881	903,519	939,075	984,984	1,034,659	1,071,511	1,102,011	1,131,319	1,161,298	1,192,079
Finance costs	121,998	144,512	174,029	198,033	209,815	208,876	203,457	197,647	190,087	181,882	172,862
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**944,255**	**1,011,393**	**1,077,548**	**1,137,108**	**1,194,799**	**1,243,535**	**1,274,968**	**1,299,658**	**1,321,406**	**1,343,180**	**1,364,941**
Surplus (deficit) of operating funding	**31,167**	**59,341**	**32,354**	**15,154**	**79,544**	**141,447**	**157,970**	**155,301**	**152,669**	**153,437**	**154,351**
Sources of capital funding:											
Subsidies and grants for capital expenditure	201,656	160,998	170,418	188,402	171,275	171,275	188,402	188,402	214,093	214,093	214,093
Development and financial contributions	13,683	19,336	23,983	26,703	26,703	26,703	26,534	26,430	26,430	26,430	26,430
Increase (decrease) in debt	320,319	717,087	680,247	411,183	151,601	(30,701)	(68,767)	(76,123)	(47,788)	(64,921)	(101,688)
Gross proceeds from sale of assets	0	0	0	50,000	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	1	2	3	4	5	6	7	8	9
Total sources of capital funding	**535,658**	**897,421**	**874,648**	**676,288**	**349,579**	**167,277**	**146,169**	**138,709**	**192,735**	**175,602**	**138,835**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	9,231	40,933	37,516	47,570	50,004	37,439	28,956	40,903	38,561	34,387	35,141
- to improve the level of service	186,662	309,125	347,057	444,911	340,537	220,783	215,752	190,737	237,829	223,240	182,336
- to replace existing assets	(24,068)	34,704	46,429	36,961	34,582	50,502	59,431	62,370	69,014	71,412	75,709
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	395,000	572,000	476,000	162,000	4,000	0	0	0	0	0	0
Total applications of capital funding	**566,825**	**956,762**	**907,002**	**691,442**	**429,123**	**308,724**	**304,139**	**294,010**	**345,404**	**329,039**	**293,186**
Surplus (deficit) of capital funding	**(31,167)**	**(59,341)**	**(32,354)**	**(15,154)**	**(79,544)**	**(141,447)**	**(157,970)**	**(155,301)**	**(152,669)**	**(153,437)**	**(154,351)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Introduction to the Three waters

The Auckland Council group delivers the ‘three waters’ services of drinking water, wastewater and stormwater. We also look after the region’s natural waterways, including rivers, streams, estuaries, harbours, and aquifers.

As a unitary authority with responsibilities for both local and regional aspects of water management, we are well-positioned to deliver our services in an integrated and effective way. Our actions include building, maintaining and renewing water infrastructure, setting regulation and associated guidance, undertaking compliance and incident response. We manage negative effects on surface water including pipes, streams, and overland flow paths. Through Watercare, Aucklanders have access to safe and reliable drinking water and can trust that wastewater is treated to a high standard. The council group educates the public on water use. We research and monitor the health of Auckland’s waterways and aquifers. The council also partners with mana whenua and communities, and advocates to central government for better water outcomes.

An Auckland Water Strategy is currently under development. This will set the long-term direction for how the council group will invest to protect and enhance te mauri o te wai – the life supporting capacity of Auckland’s waters.

To move towards Te Mauri O Te Wai, the council has identified that we need to achieve four significant outcomes:

- Cleaning up our waters – taking care of our streams and rivers, lakes, and harbours
- Meeting future water needs – meeting our daily water needs as our population grows
- Growth in the right places – providing water infrastructure for growth and development
- Adapting to a changing water future – preparing our communities for changes in our climate.

Striking a balance between maintaining existing assets and investing in new development to provide for growth is a challenge for how we manage all three waters.

Responding to growth

The greatest opportunities to achieve good water outcomes and reshape Auckland into a resilient water sensitive city, where land use is balanced with ecosystem needs, lie in the planning and development decisions we make, and the way we work with the development community. Water supply and wastewater is a lead infrastructure and must be available before a development goes ahead. Although a development is only responsible for meeting the cost of its own needs, it often makes sense for the council to invest more up front to provide for future neighbouring development that will exceed the capacity of existing systems. Getting the infrastructure right first time is often more cost effective than retrofitting under-specified systems later.

With significant new growth, we must make the most effective use of the council’s limited investment funds. We will prioritise investment in brownfields areas, where we can leverage investment by using or upgrading existing infrastructure. We are looking at the pricing levers available to us to provide for growth while budgets are constrained. Further work with central government and developers may better manage the timing and amount of investment needed to support good water outcomes.

Providing resilient infrastructure that is adaptive to growth and climate changes

Watercare's scale has enabled significant investment in improving and transforming water networks and quality across Auckland while also enabling the city's growth. However, there remain challenges caused by historic underinvestment in Auckland's water infrastructure and work is needed to understand the impact of climate change and continued population growth.

Watercare's Asset Management Plan has a horizon of twenty years. Watercare funds infrastructure through a combination of user charges and borrowings while ensuring that the infrastructure built is optimally used and services are delivered at minimum cost for our customers.

With the expectation of 24/7 services, we must be resilient to changing conditions. In practical terms, this means analysing critical facilities and assets and minimising both the number of service interruptions and the effects on our customers during those interruptions.

In parts of the city, at times of rainfall, the wastewater system is sometimes swamped by stormwater resulting in overflows and polluting waterways. Watercare is undertaking large-scale works to increase the system's capacity and effectiveness, as well as working with Auckland Council to support the council's plans and projects to address its stormwater infrastructure. Overwhelmed stormwater systems and natural waterways are vulnerable to flooding, creating a risk of significant impact on homes and businesses,

As the city grows, we are upgrading and extending our core water and wastewater infrastructure – all while maintaining the thousands of kilometres of pipes, pump stations and plants. The planning process for these system upgrades is carried out between Auckland Council, Watercare, and developers. As we work through the challenges of growth, we are mindful that our business, services, and decision-making increasingly matter to Aucklanders. It also matters to the public that we run an operation that is environmentally and socially sustainable over the long term.

3.3 Water supply

Watercare Services Limited provides essential lifeline services to urban Auckland and plans infrastructure to meet future water needs. Our water and wastewater services are critical to the economic, social, and environmental health and well-being of our communities. We provide 1.7 million Aucklanders with 'Aa'-grade safe and reliable drinking water.

We collect, treat, and distribute drinking water from 27 water sources including rivers and underground aquifers. Aucklanders typically use between 375 million litres per day (MLD) and 570 MLD depending on the time of the year.

Our supplies are also accessed by private companies to refill rainwater tanks for people who are not connected to the Watercare network and rely on the network supply in times of drought.

Planning and investing in infrastructure for today and tomorrow is another important aspect of our work. The water system operated by Watercare belongs to all Aucklanders. A sustainable water system – one that supports our community and ecological systems long into the future – is one to which we all contribute.

Case study

Construction has recently been completed on the Pukekohe East Reservoirs, enabling 50 million litres additional storage. The 31km long Hunua 4 Water Tunnel is almost complete to help with Auckland's water supply and resilience.

Key activities

Watercare manages, maintains, and builds infrastructure to reliably supply 'Aa'-grade safe drinking water:

- 27 sources of water including 12 dams
- 15 'A'-grade water treatment plants
- 87 service reservoirs
- 9,429 km of water pipes
- 260 small water supplies servicing Auckland Council facilities.

Things we are keeping an eye on

We are committed to minimising any detrimental effects of water supply activity where possible and encouraging water conservation. Initiatives are in place to encourage efficient water use. Water resources are managed by Auckland Council through resource consent processes to ensure there are no over-allocation of aquifers and streams.

Significant catchment areas are required to collect water into reservoirs. The construction of large infrastructure projects will have negative effects on the environment. Dams can have downstream impacts on flora and fauna ecosystems. Watercare carefully manages the discharges from its dams to ensure the downstream ecosystems have sufficient water flow. Compensation valves have been installed on dams which allow the release of a flow of water downstream during dry periods. Our trap and haul programme traps whitebait and eels from downstream systems and moves them upstream of dams, and then back, so that they can complete breeding cycles.

Disruption from construction is mitigated by providing early notices to customers and by keeping service disruption from any unplanned outages as short as possible.

Meeting our daily water needs as our population grows while managing the impact of water consumption on the environment

In 2019 Auckland experienced a severe and unprecedented drought, caused by prolonged dry weather. The majority of Auckland's water is sourced from water supply lakes in the Hūnua and Waitākere ranges. Lake storage levels and short and long-range weather forecasts are reviewed daily to balance water supply sources. Watercare's drought management plan was activated in January 2019, the two main aspects of the drought management plan are augmenting water supply and reducing demand.

Significant resources have been invested towards reducing leaks and breaks in water pipes. Annually, about 13 per cent of the total water produced is lost through leaks. While leaks are unavoidable for all water networks around the world, we know there is more we can do to reduce this volume. In November 2020, we published the Supplementary Water Supply Action Plan to outline the initiatives being undertaken across Auckland Council and Watercare to ensure our communities, particularly those who rely on supplementary water services for survival are best prepared to face climate change and future droughts. This Action Plan and its ongoing refinement will allow us to minimise potential supplementary water supply vulnerabilities to Aucklanders both now and in the future.

In response to the 2019/20 drought, Watercare has brought forward its plans for increasing potable water supply and has secured an additional 40 million litres per day. This means that urban Auckland's immediate water needs are well provided for, within the limits of the drought security standard that was set in 1996.

Key projects

North Harbour Watermain Duplication: Construction of the North Harbour No. 2 Watermain, which will run for 33 kilometres from Titirangi to Albany

- Duplication of the watermain is being progressively constructed in stages. The section from Upper Harbour to Albany will be completed over the next three years, with the remainder to be completed by 2026

Waikato Water Treatment Plant Expansion 1: Expansion of the capacity of the existing water treatment plant to cater for additional demand arising from growth

- The plant capacity increase from 150MLD to 175MLD has been completed. Additional process improvements are under way to provide sustainable peak production; these will be completed in 2022

Waikato Water Treatment Plant Expansion 2: Provision of additional water abstraction, treatment, and conveyance capacity from the Waikato River to cater for additional demand arising from growth

- A consent has been lodged for an additional take from the Waikato River and awaits processing by Waikato Regional Council. As a result of processing delays an alternative option is being considered that will allow early construction of the second treatment plant to meet the high growth currently being experienced.

Huia Water Treatment Plant upgrade: Replacement of the Huia Water Treatment Plant which is reaching the end of its design life and the provision of better treatment processes that will maintain supply and improve levels of service.

Redoubt Road Reservoir Expansion: Construction of an additional 50ML treated water storage reservoir to maintain security of supply and cater for growth

- Early works started in 2020 and project will be completed in 2022

Key performance measures

Watercare Services Limited have indicated that some of their performance targets may need to be reviewed and updated to reflect the financial projections in this 10-year Budget. As part of the annual Statement of Intent process, Watercare Services Limited will be reviewing their performance targets and any changes will be reflected in the final 10-year Budget 2021-2031 in June 2021.

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We provide Aucklanders with a reliable supply of safe water						
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%	100%	100%
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	100%	100%
Compliance with the New Zealand Drinking Water Standards from its Small Waters ‘network’ systems measured by the number of non-compliance notices received from the Drinking Water Regulator	N/A	New measure	0	0	0	0
Further details can be found at www.health.govt.nz/publication/drinking-water-standards-new-zealand-2005-revised-2008.						
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	50 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
Media response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	2.9 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	1.7 days	≤5 days	≤5 days	≤5 days	≤5 days	≤5 days
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)	2.1 days	≤6 days	≤6 days	≤6 days	≤6 days	≤6 days
An urgent call-out is one that leads to a complete loss of supply of drinking water. A non-urgent call-out is one where there is still a supply of drinking water.						
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	7.2	≤10	≤10	≤10	≤10	≤10
The percentage of real water loss from the local authority's networked reticulation system	13.2%	≤13%	≤13%	≤13%	≤13%	≤13%
This measure tracks unexplained water losses as a percentage of total water produced. These losses are calculated by deducting water sales volumes and allowable unbilled water usage from the total volume of water produced						
The average consumption of drinking water per day per resident within the territorial authority district (litres)	268.6	262 litres +/- 2.5%	262 litres +/- 2.5%	262 litres +/- 2.5%	262 litres +/- 2.5%	262 litres +/- 2.5%
A DIA mandatory measure to provide information on whether the water supply system is being managed to ensure demand does not outstrip capacity. Careful management of the demand for water is an important component of integrated water resources management to ensure that demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised.						

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual PlanFY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Water supply	Non-rates revenue	190,957	318,473	345,909	381,116	3,596,906	4,642,404
	Direct operating expenditure*	117,517	136,120	138,838	145,599	1,183,873	1,604,429
	Capital expenditure	292,790	204,601	122,282	247,248	3,678,701	4,252,832

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	(799)	(850)	(893)	(942)	(986)	(1,034)	(1,084)	(1,139)	(1,191)	(1,247)	(1,306)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	132,613	243,446	267,844	298,337	304,343	336,121	370,297	413,373	459,228	476,976	500,422
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	58,344	75,027	78,064	82,779	86,020	99,482	105,501	113,967	111,254	109,856	110,067
Total operating funding	**190,158**	**317,623**	**345,015**	**380,174**	**389,377**	**434,569**	**474,714**	**526,201**	**569,291**	**585,585**	**609,183**
Applications of operating funding:											
Payment to staff and suppliers	117,517	136,121	138,837	145,598	151,893	158,814	160,755	167,732	174,502	181,278	188,900
Finance costs	17,821	16,111	20,399	20,713	18,304	19,793	30,790	41,745	48,803	54,704	58,665
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**135,338**	**152,232**	**159,236**	**166,311**	**170,197**	**178,607**	**191,545**	**209,477**	**223,305**	**235,982**	**247,565**
Surplus (deficit) of operating funding	**54,820**	**165,391**	**185,779**	**213,863**	**219,180**	**255,962**	**283,169**	**316,724**	**345,986**	**349,603**	**361,618**
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	157,970	39,209	(63,497)	33,385	200,561	321,549	392,210	171,621	225,567	113,169	121,784
Gross proceeds from sale of assets	80,000	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**237,970**	**39,209**	**(63,497)**	**33,385**	**200,561**	**321,549**	**392,210**	**171,621**	**225,567**	**113,169**	**121,784**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	(140,126)	83,141	44,879	119,050	194,963	249,022	219,691	202,996	202,199	202,788	249,671
- to improve the level of service	515,388	4,300	4,319	13,074	17,945	11,702	6,880	1,150	1,062	8,176	1,215
- to replace existing assets	(82,472)	117,159	73,084	115,124	206,833	316,787	448,808	284,199	368,292	251,808	232,516
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**292,790**	**204,600**	**122,282**	**247,248**	**419,741**	**577,511**	**675,379**	**488,345**	**571,553**	**462,772**	**483,402**
Surplus (deficit) of capital funding	**(54,820)**	**(165,391)**	**(185,779)**	**(213,863)**	**(219,180)**	**(255,962)**	**(283,169)**	**(316,724)**	**(345,986)**	**(349,603)**	**(361,618)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.4 Wastewater treatment and disposal

Our wastewater network collects and treats around 460 million litres of wastewater to a high standard, every day. The two main wastewater plants servicing most of the region are located at Māngere on the Manukau Harbour and Rosedale on the North Shore.

Around 40,000 properties and many of our regional parks and rural public places are not connected to Watercare's wastewater network. These properties instead rely on onsite wastewater systems, like septic tanks, to treat their wastewater. As a council group, we ensure these systems are properly maintained to prevent risks to human health and the environment.

Planning and investing in infrastructure for today and tomorrow is another important aspect of our work. The wastewater system operated by Watercare belongs to all Aucklanders. A sustainable wastewater system – one that supports our community and ecological systems long into the future – is one to which we all contribute.

Case study

Recent work at the Rosedale Wastewater Treatment Plant and ongoing improvements to the Northern Interceptor wastewater pipeline will help free up capacity at the Māngere Wastewater Treatment Plant to cater for growth in northern Auckland.

Key activities

Wastewater, also known as sewage, is what leaves our sinks, washing machines, showers, baths and toilets at home, work, and industry. Most of it is water, but it also includes human waste, food scraps, cooking fats and debris. Then there's chemicals, paint and medicines which can harm our health, waterways, and harbours. This makes effective treatment very important.

Every day, our 515 wastewater pump stations collect around 460 million litres of wastewater, treating it to a high standard through 18 wastewater treatment plants before discharging. This happens through 8000km of wastewater pipes.

The key activities are managing and maintaining:

- 8,327 km of wastewater pipes
- 528 wastewater pump stations
- 18 wastewater treatment plants
- 360 onsite wastewater systems servicing Auckland Council facilities.

In rural areas, the council's onsite wastewater system compliance programme is ensuring that wastewater from properties not connected to Watercare's network is not contaminating our waterways.

Things we are keeping an eye on

Receiving environments must have the capacity to accept treated wastewater discharges without adverse effects, and overflows from the network must be minimised. Where possible, we work to improve the quality of the receiving environment. Integrating environmental considerations into everything Watercare does is key to

Watercare's role as a trusted iwi partner and community organisation. Harbours, estuaries, and freshwater ecosystems need to be kept healthy so Aucklanders can continue to enjoy a safe, clean environment.

Disruption from wastewater main construction works will be mitigated by working collaboratively with service providers and informing the public of disruptions before work commencing and ensuring that all areas will be reinstated to original condition.

Watercare and Auckland Council fulfil their environmental responsibilities through a regulatory framework. Meeting legal and regulatory obligations are baseline requirements for Watercare and Auckland Council. The assets are subject to many consent conditions and Watercare and Healthy Waters work to always comply with regulatory conditions.

Key projects

Central Interceptor: Construction of a new wastewater conveyance and storage pipeline to service central Auckland as well as the isthmus, east and south

- The scope of the project has expanded to improve service to the Grey Lynn catchment. Construction commenced in 2019 and will be completed by December 2025.

Northern Interceptor - Westgate to Hobsonville: Construction of the second stage of the Northern Interceptor to divert wastewater flows from Whenuapai, Redhills, Kumeu, Huapai and Riverhead catchments to the Rosedale Wastewater Treatment Plant. The project also includes trunk sewers servicing local catchments to provide for growth

- The necessary consents, landowner approvals and detailed design are to be obtained during this period with completion due by 2024.

Puketutu Island/Te Motu a Hiaroa: Rehabilitation of Puketutu Island using treated biosolids from the adjacent Māngere Wastewater Treatment Plant

South-west Wastewater Servicing: Construction of a new wastewater treatment plant at Waiuku; new wastewater pipeline, pump stations and harbour outfall at Clarks Beach

- Consent has been obtained. Design has commenced with construction completion expected by 2026.

Western Isthmus Water Quality Improvement Programme: Joint initiative with Healthy Waters to develop and implement specific improvement programmes in the priority catchments of Westmere, Avondale, Freemans Bay, Grey Lynn, Herne Bay, Meola Road, Motions Road, Oakley, Pt Chevalier, St Mary's Bay and Waterview

- This programme is at the planning and construction stages. The target completion date remains 2028.

Key performance measures

Watercare Services Limited have indicated that some of their performance targets may need to be reviewed and updated to reflect the financial projections in this 10-year Budget. As part of the annual Statement of Intent process, Watercare Services Limited will be reviewing their performance targets and any changes will be reflected in the final 10-year Budget 2021-2031 in June 2021.

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We collect and treat Auckland's wastewater in a safe and sustainable way						
The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0.55	≤10	≤5	≤5	≤5	≤5
Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment during periods of dry weather						
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders, d) convictions received by the territorial authority in relation to those resource consents	a) 0 b) 0 c) 0 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
Compliance with the territorial authority's resource consents for discharge from its Small Waters onsite wastewater systems measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	N/A	New measure	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0	a) ≤3 b) ≤3 c) ≤3 d) 0
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)	43 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)	2.4 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
Sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment						
The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system	20.1	≤50	≤50	≤50	≤50	≤50

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Wastewater	Non-rates revenue	467,206	446,777	489,034	550,591	5,609,072	7,095,474
	Direct operating expenditure*	168,314	162,298	162,994	169,306	1,379,636	1,874,234
	Capital expenditure	445,229	567,741	617,412	552,625	3,999,877	5,737,655

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	(1,771)	(1,842)	(1,937)	(2,041)	(2,137)	(2,241)	(2,349)	(2,469)	(2,581)	(2,704)	(2,831)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	383,328	373,089	411,037	464,935	515,064	571,525	633,971	705,557	780,815	818,580	858,007
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	83,878	73,688	77,997	85,656	93,383	94,199	100,246	109,696	107,895	108,595	111,540
Total operating funding	**465,435**	**444,935**	**487,097**	**548,550**	**606,310**	**663,483**	**731,868**	**812,784**	**886,129**	**924,471**	**966,716**
Applications of operating funding:											
Payment to staff and suppliers	168,315	162,296	162,992	169,303	177,103	182,252	188,662	195,457	203,332	211,954	220,869
Finance costs	75,404	56,224	58,301	64,925	73,937	82,272	98,516	106,506	108,444	114,485	118,818
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**243,719**	**218,520**	**221,293**	**234,228**	**251,040**	**264,524**	**287,178**	**301,963**	**311,776**	**326,439**	**339,687**
Surplus (deficit) of operating funding	**221,716**	**226,415**	**265,804**	**314,322**	**355,270**	**398,959**	**444,690**	**510,821**	**574,353**	**598,032**	**627,029**
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	223,513	341,326	351,609	238,304	187,683	224,500	168,503	96,079	(31,646)	(107,578)	(46,818)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**223,513**	**341,326**	**351,609**	**238,304**	**187,683**	**224,500**	**168,503**	**96,079**	**(31,646)**	**(107,578)**	**(46,818)**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	594,451	271,245	308,814	263,213	264,779	288,289	274,546	297,173	279,311	253,076	290,204
- to improve the level of service	(364,864)	102,157	123,186	94,426	66,952	77,728	111,502	115,237	62,569	61,163	27,729
- to replace existing assets	215,642	194,339	185,413	194,987	211,222	257,442	227,145	194,490	200,827	176,215	262,278
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**445,229**	**567,741**	**617,413**	**552,626**	**542,953**	**623,459**	**613,193**	**606,900**	**542,707**	**490,454**	**580,211**
Surplus (deficit) of capital funding	**(221,716)**	**(226,415)**	**(265,804)**	**(314,322)**	**(355,270)**	**(398,959)**	**(444,690)**	**(510,821)**	**(574,353)**	**(598,032)**	**(627,029)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.5 Stormwater

This group of activities includes managing the impacts of rainfall and flood events on people, buildings, and the natural environment. It involves the operation and maintenance of an extensive network of built and natural stormwater infrastructure, and implementation of projects funded through the water quality targeted rate.

We need to make sure our stormwater systems can adapt to a changing water future, such as more frequent and severe storms due to climate change. We also need to respond to the continuing pressures of rapid growth and historic underinvestment in assets. We have a responsibility to manage discharges into waterways, to safeguard public health and protect the health of rural and urban waterways.

Case study

Stage 1 of the Awakeri Wetlands development has recently opened. The wetland channel opens nearby formerly flood-prone peaty farmland for future development of 5000 homes. It also provides open space for recreation, walking and cycling, and will improve the quality of water flowing into the Manukau Harbour. The design reflects mana whenua narratives of the area, recreating an ancient kauri swamp.

Key activities

As part of our stormwater responsibilities, we are working to clean up our waterways, provide stormwater infrastructure to meet growth and development expectations, and prepare our communities and stormwater systems to adapt to climate change.

With the funding provided by the water quality targeted rate, we are reducing wastewater overflows and stormwater contaminants entering our harbours. By improving water quality, we create healthy habitats for plants and animals in streams. By expanding our stormwater network, we reduce the risk of flooding during storms.

It is important to note that under the Local Government Act, councils are required to show flood protection and control works (such as major stop banks and dams) designed to protect urban and rural areas from flooding, as a separate group of activities. Due to the relatively short river catchments in the Auckland Region, Auckland Council does not have any flood protection and control works of a size and scale that qualify as major flood protection and control schemes under the criteria relating to reporting requirements set out in the Non-Financial Performance Measure Rules 2013. Therefore, the council manages any minor flood protection and control works within our stormwater management activity.

Auckland Council is actively working to clean up our waters. This is a long-term commitment. Waterway health will take decades to restore. Our approach is to:

- develop accurate scientific models such as the Freshwater Management Tool to underpin effective investment decisions
- integrate water quality improvements into asset renewals and other redevelopment opportunities (i.e. roads, parks, and other community assets)
- use targeted investment in places where it will have the greatest impact, such as the most vulnerable ecosystems and the most highly polluted catchments

- set standards for water quality improvements, for example through introduction of low impact design guidelines and unitary plan regulations
- build public awareness of water quality through tools such as Safeswim.

Some of the activities the council group is currently undertaking include:

- managing urban and rural stormwater flows
- reducing sediment and wastewater contamination from private property
- replanting and rehabilitating natural waterways
- improving stormwater systems to reduce wastewater overflows
- setting conditions for resource consents for earthworks and discharges
- measuring and reporting water quality information via Safeswim.

Our stormwater network includes:

- 6,300km of pipes
- 626 ponds and wetlands
- 22,000km of natural waterways
- 154,000 manholes
- 3,600 treatment devices (including 3,000 water sensitive devices)
- 115,000 catchpits
- 2,000 soak holes

Things we are keeping an eye on

There are no significant negative effects associated this activity has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

Stormwater which is not treated can pollute harbours by transporting environmental contaminants. It can also degrade streams and rivers in heavy rainfall, and cause property damage as well as potentially impact on the environment with associated health risks.

We maintain stormwater networks, care for our natural waterways, and manage surface water to reduce risks of flooding and damage. We monitor storms as they move over Auckland so that we can direct preparations to risk areas.

Our Ngā whatunga wai Haumaru (Safe Networks) initiative helps us detect leakages from the wastewater network that can contaminate stormwater. By targeting repair work we reduce contaminants entering our stormwater network.

We keep locals in the loop about what work will happen and when and manage work areas very carefully to minimise environmental impacts and to minimise disruption.

We schedule maintenance and renewal programmes to maximise the life of an asset before replacement.

We work with developers as much as possible to ensure efficient infrastructure investments that lead to public benefits.

Key projects

Over the 10 years of the 2021-2031 10-year Budget, the council proposes to improve water outcomes for Auckland through key initiatives described below:

Models to support targeted investments: With 22,000 kilometres of waterways and 1800 kilometres of coastline, we need to prioritise opportunities for the greatest impact. The Freshwater Management Tool, currently in development, will help us to identify which issues to target in the six watersheds that make up the region.

Continuing the water quality targeted rate to 2031: Extending the water quality targeted rate for a further three years will allow the council to deliver projects with a longer development pipeline and spread high infrastructure costs over a longer period. It will enable the work that has started to be completed. Notable new projects will include the Southern Catchments Alignment Programme, ensuring roading upgrades achieve optimal stormwater outcomes, and expanding stormwater and wastewater separation across the isthmus to include the eastern suburbs.

Responding to legislation: New controls in the Action for Healthy Waterways package will mean changes to the way we work within or near natural wetlands, streams, and rivers. It will also require new policies and rules within the Unitary Plan, and administrative systems to collect and monitor required information, for example from farmers. We must give full effect to the National Policy Statement for Freshwater Management (NPS-FM) by 31 December 2024. Our Plans and Places team will require sufficient resourcing to develop, notify and hear Unitary Plan changes, as will teams across council to provide the technical evidence to support these plan changes.

'Too much water' policy: This programme will develop a 100-year adaptive management policy to respond to too much water, including flooding, coastal inundation and associated coastal erosion to mitigate risks to people and property. Taking a long-term approach allows new knowledge, technological advancements, and political change to inform ongoing policy refinement. It recognises the intergenerational impact of too much water and that the effectiveness of some interventions may diminish. It includes consideration of interventions, risk and liability, knowledge, and impacts of social change.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We manage our harbours and waterways through sustainable management of the stormwater network						
Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices, b) infringement notices, c) enforcement orders, d) convictions, received in relation those resource consents	0	0	0	0	0	0
We manage the stormwater network to minimise the risks of flooding to Aucklanders						
The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system	0.80	< 3 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties	< 3 per 1000 properties
The percentage of response time during storms to close stormwater manholes within three hours	97%	90%	90%	90%	90%	90%
The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network	Not measured	< 1 per 1000 properties	< 1 per 1000 properties	< 1 per 1000 properties	< 1 per 1000 properties	< 1 per 1000 properties
The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site (hours)	Not measured	< 2 hours	< 2 hours	< 2 hours	< 2 hours	< 2 hours
We provide safe water quality at beaches and coastal areas for recreation (Auckland swimability Index)						
The proportion of time that a reference set of beaches are suitable for contact recreation during the summer swimming season (1 November to 30 April)	82%	80%	81%	82%	83%	Increasing by 1% every year to 90% in 2030/31

Recreational activities that bring people physically into contact with water, such as swimming. Safeswim water quality forecasts take account of rainfall, wind, tide, sunlight, and beach type. It is built using high-frequency targeted sampling on top of historical monitoring results spanning over 20 years at some sites and are underpinned by the best available meteorological data Reported based on 84 beaches that have been selected as key by Safeswim

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Stormwater management	Non-rates revenue	2,239	2,262	2,319	2,368	18,011	24,960
	Direct operating expenditure*	42,062	50,334	52,536	57,357	513,144	673,372
	Capital expenditure	90,000	136,200	132,136	142,057	1,092,290	1,502,683

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	120,663	133,102	147,795	160,526	174,716	183,112	197,440	236,297	211,777	217,333	218,860
Targeted rates	42,294	45,382	47,828	50,348	52,991	55,729	58,684	61,870	65,260	68,796	72,404
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2,239	2,262	2,319	2,368	2,421	2,453	2,524	2,574	2,626	2,679	2,733
Total operating funding	**165,196**	**180,746**	**197,942**	**213,242**	**230,128**	**241,294**	**258,648**	**300,741**	**279,663**	**288,808**	**293,997**
Applications of operating funding:											
Payment to staff and suppliers	42,063	50,333	52,538	57,356	61,611	65,593	69,949	74,310	77,332	80,473	83,873
Finance costs	15,380	16,023	15,636	14,563	12,999	10,854	8,741	6,087	3,111	862	(1,473)
Internal charges and overheads applied	12,462	12,723	12,836	13,951	14,195	14,032	15,249	16,058	16,882	17,964	16,409
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**69,905**	**79,079**	**81,010**	**85,870**	**88,805**	**90,479**	**93,939**	**96,455**	**97,325**	**99,299**	**98,809**
Surplus (deficit) of operating funding	**95,291**	**101,667**	**116,932**	**127,372**	**141,323**	**150,815**	**164,709**	**204,286**	**182,338**	**189,509**	**195,188**
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	26,497	34,159	39,371	43,836	43,836	43,836	41,746	40,554	40,554	40,554	40,554
Increase (decrease) in debt	(31,788)	374	(24,168)	(29,151)	(45,821)	(46,202)	(50,964)	(86,364)	(59,521)	(61,179)	(77,462)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**(5,291)**	**34,533**	**15,203**	**14,685**	**(1,985)**	**(2,366)**	**(9,218)**	**(45,810)**	**(18,967)**	**(20,625)**	**(36,908)**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	45,529	34,279	32,329	35,627	36,047	35,896	38,253	39,137	38,843	40,669	36,303
- to improve the level of service	29,902	43,284	57,890	62,502	73,329	82,530	85,687	82,204	84,437	88,071	80,808
- to replace existing assets	14,569	58,637	41,916	43,928	29,962	30,023	31,551	37,135	40,091	40,144	41,169
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**90,000**	**136,200**	**132,135**	**142,057**	**139,338**	**148,449**	**155,491**	**158,476**	**163,371**	**168,884**	**158,280**
Surplus (deficit) of capital funding	**(95,291)**	**(101,667)**	**(116,932)**	**(127,372)**	**(141,323)**	**(150,815)**	**(164,709)**	**(204,286)**	**(182,338)**	**(189,509)**	**(195,188)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.6 Local council services

Local council services focus on activities governed locally by Auckland Council's 21 Local Boards. While primarily centring on community services and public spaces to enhance community wellbeing and create a sense of belonging, these services also extend to programmes to improve local environmental and economic development outcomes.

Services range from library and literacy services, arts and culture, sport and recreation, open spaces, community-led action, and volunteering, and caring for the environment. Local planning and development activities are focused on street environments, town centres, local environment, and heritage protection. It also includes the business improvement districts which are funded by targeted rates.

The council organisation provides local boards with support for governance services, including preparing local board plans and agreements, engagement with mana whenua and Māori, and providing input into regional plans, policies, and strategies.

Key activities

Local community services

We support strong, diverse, and vibrant communities through libraries and literacy, arts and culture, parks, sport and recreation, and events delivered by a mix of council services, community group partnerships and volunteers.

Local environmental management

We support healthy ecosystems and sustainability through local board-funded initiatives such as planting, pest control, stream and water quality enhancements, healthy homes, and waste minimisation projects.

Local governance

We support elected representatives across our 21 local boards to make well-informed decisions on local activities. This includes strategic advice and leadership in preparing local board plans and annual local board agreements (budgets) and work programmes. We lead engagement with communities, including mana whenua and Māori. We support their input into regional plans, policies, and strategies, and provide democracy and administrative services. We manage fora for elected members, local board members and councillors to explore, develop, advocate for, and manage issues of communal concern.

Local planning and development

Local planning and development include supporting local town centres and communities to thrive by developing town centre plans and development, supporting Business Improvement Districts (BIDs), heritage plans and initiatives and the Young enterprise scheme.

Things we are keeping an eye on

There are no significant negative effects associated this activity has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

Auckland is demographically diverse, and it can be challenging to equitably meet the needs of our diverse communities. Our 21 local boards with 149 elected members in total, ensure the diverse needs of our communities are met through tailored work programmes, activities, and events for each area.

We provide a transparent and consistent pricing structure for hire for council-managed community venues, centres and houses and arts facilities, in order to ensure people can access safe and affordable spaces to pursue their interests.

Climate change can adversely impact our natural environment and we need to work together to protect, restore and enhance it. Our 21 local boards are committed to the Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, Urban Ngahere (Forest) Strategy, and the need to both reduce emissions and build local resilience to respond to the changing climate.

Key projects

Local community services

Aucklanders predominately interact with council through community services using digital, face to face, retail, voice, and post channels. We will continue to promote 'Digital' as the channel of choice, create integrated community hubs, drive commercial returns through retail and deliver higher value and more complex interactions at our contact centres.

Our focus is on improving service to our customers and communities by:

- Joining up our services and programmes in new and existing service sites so that customers can access literacy, digital literacy, learning, arts and cultural programmes, community networking spaces, public information, and wider council services in integrated community hubs
- Making it easy for people to get out and about and be physically active by continuing our walkway and trail programmes
- Continuing our sports parks redevelopment programme with investment in parks
- Connecting people and nature through an ongoing parks development programmes
- Serving new communities or addressing gaps in provisions for learn to swim, community recreation and fitness programmes and having fun as a family
- Continued investment through maintenance and renewals for existing assets to ensure they are fit for purpose and maintained to a good standard.

Key performance measures

Our 21 local boards review their performance measures and targets every year as part of their annual local board agreements. The measures listed below are subject to change as our local boards review their measures and targets from March 2021 together with their work programmes. This will be incorporated in final local board agreements released in June 2021.

We are not expecting a significant change in our levels of services across this Groups of Activities.

	Actual	Target	Indicative Long-term Plan targets			
Performance measure	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25-30/31**
Provide safe, reliable, and accessible social infrastructure for Aucklanders that contributes to placemaking and thriving communities						
Percentage of Aucklanders that feel their local town centre is safe - day time	79%	80%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
Percentage of Aucklanders that feel their local town centre is safe - night time	39%	40%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
Utilising the Empowered Communities Approach, we support Aucklanders to create thriving, connected and inclusive communities						
The percentage of Empowered Communities activities that are community led	71%	45%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
The percentage of Empowered Communities activities that build capacity and capability to assist local communities to achieve their goals	65%	40%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve

Empowered Communities activities support the implementation of the Empowered Communities Approach through - facilitation and delivery of activities and programmes that respond to community priorities, provision of funding to community groups and organisations to deliver activities that achieve local board and regional outcomes.

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We fund, enable, and deliver services, programmes, and facilities (art facilities, community centres, hire venues, and libraries) that enhance identity, connect people, and support Aucklanders to participate in community and civic life						
The percentage of local community services, programmes and facilities that are community led	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
The above measure is made up of two existing performance measures that focus on delivering local activities and services that are community led 1. The percentage of arts, and culture programmes, grants and activities that are community led (2019/20 Actual 92% against a target of 80%) 2. The percentage of art facilities, community centres and hire venues network that is community led (2019/20 Actual 57% against a target of 53%)						
The number of participants for local community services, programmes, and facilities	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
The above measure is made up of three existing performance measures that focus on participation across our local activities and services. 1. The number of attendees at council-led community events (2019/20 Actual 44,950 against a target of 60,500) 2. The number of participants in activities at art facilities, community centres and hire venues (2019/20 Actual 5.46M against a target of 6.04M) 3. The number of visits to library facilities (2019/20 Actual 8.48M against a target of 10.43M)						
The percentage of customers satisfied with quality of local community services, programmes, and facilities	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
The above measure is made up of two existing performance measures that focus on customer satisfaction across our local community activities and services 1. The percentage of attendees satisfied with a nominated local community event (2019/20 Actual 79% against a target of 73%) 2. Percentage of customers satisfied with the quality of library service delivery (2019/20 Actual 96% against a target of 85%)						
The number of internet sessions at libraries (unique sessions over public computing or public WIFI networks)	5.10M	7.9M	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often						
The percentage of park visitors who are satisfied with the overall quality of sportsfields	80%	74%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
The customers' Net Promoter Score for Pools and Leisure Centres	34	29	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others. Sample weighting is applied at a population base of centre members.						
The percentage of users who are satisfied with the overall quality of local parks	75%	73%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
The percentage of residents connecting with nature at least once per month	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
We showcase Auckland's Māori identity and vibrant Māori culture						
The percentage of local programmes, grants and activities that respond to Māori aspirations	23.8%	11.4%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve

Local environmental management

Continue to work closely with community groups, schools, and iwi to improve water quality and biodiversity through local board investment

Ongoing delivery of local board funded ecological restoration or water quality initiatives.

Supporting local Pest Free Auckland initiatives such as community rat and possum trappers, weed control and community restoration groups.

Localised low carbon programmes to support local actions at a household level such as Healthy Rentals, Love Your Neighbourhood, Eco Neighbourhoods and Low Carbon Networks.

Key performance measures

Our 21 local boards review their performance measures and targets every year as part of their annual local board agreements. The measures listed below are subject to change as our local boards review their measures and targets from March 2021 together with their work programmes. This will be incorporated in final local board agreements released in June 2021.

We are not expecting a significant change in our levels of services across this Groups of Activities.

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We work with Aucklanders to manage the natural environment and enable low carbon lifestyles to build resilience to the effects of climate change						
The percentage of local environmental programmes that have successfully contributed towards local board plan outcomes	74%	98%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
This measure is made up of three supporting measures outlined below which identifies our programmes and projects that contribute to sustainability, natural environment improvement, and waste minimisation outcomes						
The percentage of local low carbon or sustainability projects that have successfully contributed towards local board plan outcomes	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
The percentage of local water quality or natural environment improvement projects that have successfully contributed towards local board plan outcomes	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
The percentage of local waste minimisation projects that have successfully contributed towards local board plan outcomes	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve

Local governance

Develop and deliver three-yearly local board plans.

Develop annual local board agreements (budgets).

Develop and deliver local board work programmes.

Support local boards input into regional strategies, policies, plans, bylaws, and central government proposals.

Key performance measures

There is no performance measure for this activity.

Local planning and development

Developing plans for town centres and local areas

Identifying and protecting heritage places and providing heritage advice.

Key performance measures

Our 21 local boards review their performance measures and targets every year as part of their annual local board agreements. The measures listed below are subject to change as our local boards review their measures and targets from March 2021 together with their work programmes. This will be incorporated in final local board agreements released in June 2021.

We are not expecting a significant change in our levels of services across this Groups of Activities.

	Actual	Target	Indicative Long-term Plan targets			
Performance measure	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25-30/31
We help attract investment, businesses, and a skilled workforce to Auckland						
The percentage of Business Associations meeting their Business Improvement District (BID) Partnership Programme obligations	100%	100%	100%	100%	100%	100%

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Local community services	Non-rates revenue	39,140	47,745	48,843	49,981	387,303	533,872
	Direct operating expenditure*	270,042	285,475	291,561	296,848	2,256,735	3,130,618
	Capital expenditure	73,187	125,914	138,758	158,571	2,213,016	2,636,259
Local environmental management	Direct operating expenditure*	6,353	5,780	5,877	5,979	45,421	63,057
Local governance	Direct operating expenditure*	20,940	20,507	21,651	21,462	162,659	226,280
Local planning	Direct operating expenditure*	20,657	20,694	21,106	21,343	161,718	224,861
	Capital expenditure	-	934	1,181	-	-	2,114

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	356,446	349,873	359,727	368,752	377,060	386,080	398,856	411,079	431,764	452,123	453,030
Targeted rates	20,256	20,814	21,190	21,529	21,917	22,312	22,757	23,213	23,677	24,150	24,634
Subsidies and grants for operating purposes	4,541	5,016	5,111	5,208	5,307	5,408	5,511	5,616	5,723	5,832	5,944
Fees and charges	28,022	35,621	36,360	37,128	37,904	38,700	39,514	40,348	41,977	43,666	45,426
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	6,578	7,108	7,372	7,646	7,907	8,183	8,413	8,719	8,890	9,067	9,248
Total operating funding	**415,843**	**418,432**	**429,760**	**440,263**	**450,095**	**460,683**	**475,051**	**488,975**	**512,031**	**534,838**	**538,282**
Applications of operating funding:											
Payment to staff and suppliers	317,994	332,457	340,196	345,633	351,811	359,126	365,446	372,078	384,399	395,723	397,952
Finance costs	47,453	36,842	41,152	45,834	52,206	60,031	68,326	77,273	85,768	94,421	102,257
Internal charges and overheads applied	40,761	55,095	54,886	56,285	55,213	53,162	55,586	56,614	58,916	61,928	55,421
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**406,208**	**424,394**	**436,234**	**447,752**	**459,230**	**472,319**	**489,358**	**505,965**	**529,083**	**552,072**	**555,630**
Surplus (deficit) of operating funding	**9,635**	**(5,962)**	**(6,474)**	**(7,489)**	**(9,135)**	**(11,636)**	**(14,307)**	**(16,990)**	**(17,052)**	**(17,234)**	**(17,348)**
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	20,624	29,732	38,394	42,749	42,749	42,749	42,244	42,097	42,097	42,097	42,097
Increase (decrease) in debt	42,929	103,078	108,019	123,311	227,161	231,841	274,719	271,114	335,379	338,883	341,492
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**63,553**	**132,810**	**146,413**	**166,060**	**269,910**	**274,590**	**316,963**	**313,211**	**377,476**	**380,980**	**383,589**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	8,019	31,571	33,306	23,076	64,903	76,566	76,940	84,115	102,103	110,346	97,500
- to improve the level of service	13,440	7,807	6,603	6,897	62,331	49,171	99,699	82,439	102,092	79,104	76,789
- to replace existing assets	51,729	87,470	100,030	128,598	133,541	137,217	126,017	129,667	156,229	174,296	191,952
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**73,188**	**126,848**	**139,939**	**158,571**	**260,775**	**262,954**	**302,656**	**296,221**	**360,424**	**363,746**	**366,241**
Surplus (deficit) of capital funding	**(9,635)**	**5,962**	**6,474**	**7,489**	**9,135**	**11,636**	**14,307**	**16,990**	**17,052**	**17,234**	**17,348**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.7 Regionally delivered council services

These are service-based activities, designed to create a city with great neighbourhoods, centres, parks and public spaces loved by Aucklanders. We also support the mayor and councillors in governing Auckland for the benefit of ratepayers, residents, and businesses.

This group of activities includes Auckland Emergency Management, investment, environmental services, regional community services, regional governance, regional planning, waste services, third-party amenity and grant, organisational support, and regulatory services.

Things we are keeping an eye on

There are no significant negative effects associated this activity has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

These services cover different roles and functions – from managing emergencies, overseeing investments, providing community services such as parks, libraries, recreation centres and community centres, through to regulatory functions. The negative effects and risks (challenges) we manage are listed under each activity. Across all the activities, we focus on the principles of equity, diversity, fairness, sustainability, and efficiency.

Key activities

Auckland Emergency Management

The role of Auckland Emergency Management is to administer and coordinate the responsibilities of the Auckland Civil Defence Emergency Management (CDEM) Group under the CDEM Act 2002 and to provide professional services to the CDEM Group partner agencies. Auckland Emergency Management's key accountabilities are set out in the Civil Defence Emergency Management Act 2002, National Plan Order 2015, Civil Defence Emergency Management Regulations 2003, and the group strategy is described in the Auckland CDEM Group Plan.

The Auckland CDEM Group is made up of a number of organisations and agencies that include local government, emergency services, lifelines utilities and welfare agencies responsible for working in partnership to lead and implement the group plan. The group plan aims to build resilience in Auckland through the application of the emergency management framework known as the 4Rs: reduction, readiness, response, and recovery. During an emergency, the CDEM Group will work together to coordinate response and recovery activities.

Things we are keeping an eye on

Emerging Risks

Due to Auckland's location and particular characteristics, the region is susceptible to a wide variety of hazards. They range from infrequent events, such as eruptions in the Auckland volcanic field, earthquakes, and tsunami, to more regular events, such as flooding, infrastructure failure and fire. The effects of climate change and

Auckland's growth are likely to intensify the impacts of specific disasters in the future, such as superstorms and other weather events.

Auckland has recently experienced the impacts of drought and human health diseases, for example, the 2019 Measles Outbreak and COVID-19. Consequences from these events will be felt in the community for some time. Auckland Emergency Management continues to monitor these hazards and work in partnership with responding agencies to ensure that the Auckland CDEM Group can respond effectively to any emergency event that may occur in the Auckland region.

Emergency Management System Reform

On 30 August 2018, the Civil Defence Minister released the Government's response to a Technical Advisory Group's report into how New Zealand responds to natural disasters and emergencies. The Government's response addresses the group's findings and 42 recommendations, setting out a multi-year work programme that will deliver extensive change to New Zealand's emergency response system. This will improve how New Zealand responds to natural disasters and other emergencies in five key areas:

- Putting the safety and wellbeing of people at the heart of the emergency response system
- Strengthening the national leadership of the emergency management system
- Making it clear who is responsible for what, nationally and regionally
- Building the capability and capability of the emergency management workforce
- Improving the information and intelligence system that supports decision making in emergencies

As these national programmes progress, the standards, guidance, and priorities of the emergency management sector will change. Auckland Emergency Management will ensure that any changes made to the systems are reflected in the Auckland CDEM Group Plan and group work programme

Investment

Auckland Council holds 100 per cent of the shares in Ports of Auckland Limited (PoAL) and 18.09 per cent of the shares in Auckland International Airport Limited (AIAL), an NZX listed entity. These shareholdings are strategic assets under the Local Government Act 2002, and we manage them accordingly.

Environmental services

Fresh air, clean water, green spaces, and biodiversity all make Auckland special. Climate change and human activity can adversely impact our natural environment and we need to work together to protect and enhance it. We work alongside iwi, mana whenua, the community, schools, and landowners to protect our environment, eradicate pests, restore habitats, and enable climate action, delivering on our Indigenous Biodiversity Strategy, Regional Pest Management Plan, Kaitiakitanga objectives of Kia Ora Tāmaki Makaurau (The Māori Outcomes Framework), the Auckland Climate Plan and further environmental, low carbon and sustainability education programmes. Our climate investment package will enable us to engage many more Aucklanders in reducing their emissions and preparing for climate impacts over the next ten years.

We want an Auckland that has clean waterways and harbours that we can safely swim in and in which marine animals can thrive. We want the city to be wrapped with a forest with healthy ecosystems of native plants and trees, including the mighty kauri. We want to control pest plants and animals, such as possums and stoats and keep the pest-free state of island and mainland sanctuaries. We want our forests across the region to be thriving habitats for native bats and lizards and to hear the songs of our native birds, including ones that we haven't heard for a while such as the kōkako.

We want to respect and enable mana whenua as kaitiaki of the environment and work alongside them in their leadership role in this area. We want our communities to lead on climate action and building healthy, vibrant, and resilient places to live. We want our tamariki to experience and learn about the natural environment and take action that contributes to a sustainable future.

Things we are keeping an eye on

If not well managed many of our native species and important ecosystems are at risk of loss or significant degradation. We undertake programmes to protect our natural environment including carefully selecting the methods we use to tackle pests, weeds and diseases that threaten our native species. We also support and enable others to also play their part.

Regional community services

We plan, manage, and provide community services for those services best suited to operating as a network because their services reach beyond the local board boundaries of where they are located. This include our regional parks, cemeteries and crematoria and co-governance activities, and other services that are best managed at a regional level.

We also support communities to do more for themselves by providing regional grants and partnering opportunities with them to deliver events, arts, and community activities.

Things we are keeping an eye on

Auckland has a diverse and dynamic population that means Aucklanders want to receive community services in different ways. This includes the services and programmes that are offered, and the facilities used to deliver our services. Equitable access is important to ensure Aucklanders have opportunities to participate. We strive to make services affordable so that everyone has the opportunity to be fully involved in their community.

There may be some negative effects arising from the activities undertaken by the community groups and entities in which the council funds through grants and other sources. We closely monitor or grants programme to ensure the funded activities create a positive effect in their community.

Regional governance

Regional governance keeps the wheels of democracy turning and supports elected members to effectively represent their communities. We manage local elections, provide advisory support to the mayoral office, councillors, and Council Controlled Organisations, and ensure the Governing Body, committees and other council groups run smoothly.

We also support co-governance entities such as the Tupuna Maunga Authority and joint committees of council such as the Hauraki Gulf Forum.

Things we are keeping an eye on

Auckland is governed by the Mayor and 20 councillors who rely on high quality, neutral and thorough advice to make critical strategic decisions on behalf of the city.

We want all Aucklanders to have a voice in decision making. We have an obligation to engage Aucklanders so they can provide input into decisions made by representatives. We consult with a wide range of Aucklanders when key decisions need to be made, run surveys to gather feedback on issues, and use demographic advisory panels to see feedback from specific communities.

Our policy and services are increasingly being designed and delivered through greater collaboration with users or the broader public. This helps to better understand the problem, issues, and risks, and to craft solutions that are more likely to meet users' needs and achieve other policy objectives.

Regional planning

Regional planning services comprise spatial planning, strategy, and research, maintaining, monitoring, and improving the Auckland Unitary Plan, natural environment, and heritage protection, preparing community and social policies, urban design, infrastructure planning and the Southern and Western Initiatives.

The priorities are:

- Delivery of the Auckland Plan including integrated strategies and ongoing research, analysis and monitoring of housing, urban development, infrastructure, transport, natural environment, and sustainability & climate change
- Monitoring the effectiveness of the Auckland Unitary Plan and responding to national directions from central government on urban development and freshwater
- Implementing Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan through forming regional partnerships and embedding climate change into Council’s planning and decision-making processes
- Identifying and protecting heritage places, including places of significance of Mana Whenua, and providing heritage advice and protection
- Policy advice on regional and local investment in community services, social issues, public safety, and order.
- Provision of urban design and landscape inputs into the regulatory process, management of design review panels programme,
- Delivery of the Southern Initiative transformation programme in South Auckland (focussed on shared prosperity, resilience and thriving children and whanau) and extension of programme to West Auckland
- Enabling the delivery of major development in priority growth areas, including housing (and Māori housing), through programme management, advice on infrastructure and development strategy. In addition, carrying out negotiations to secure the necessary finance and funding agreements to deliver developments.

City centre development: Auckland’s city centre is an important ‘economic engine’ for both the region and New Zealand and is experiencing rapid growth.

- While the ongoing impacts from the global pandemic continue to play out, the city centre is still forecasted to be one of the fastest growing regions in Auckland, in terms of household as well as employment growth, as well as being Auckland’s educations, civic and entertainment hub.

- The city centre programme seeks to deliver on the outcomes of the City Centre Masterplan, including improving the vibrancy, accessibility, and attractiveness of the city centre. The programme supports growth and leverages existing public and private investment such as the City Rail Link as well as major international events.

Things we are keeping an eye on

Policy, plan development and place making are all responding to population growth in Auckland. Well managed growth presents opportunities to build on economic, social, cultural, and environmental wellbeing within our city. Plan making and placemaking enable us to find efficiencies in how we use open space and community assets as well as taking advantage of scale to improve other services such as transport links. To get the best out of these outcomes for Auckland continuous monitoring is needed across all of this work. We also engage with landowners and developers to ensure that development is done sustainably in a way that supports community and environmental, economic, and social wellbeing.

We work with mana whenua to ensure that they have input into development and are provided with opportunities to be involved in development where appropriate.

We work with central government and advocate on behalf of Auckland so that legislative changes both recognise the differences that Auckland presents as well as align with our own outcomes reflected in policy, plans and placemaking.

Waste services

Auckland Council manages the region’s kerbside domestic refuse, recycling and food scraps services, hazardous and inorganic waste, illegal dumping, public litter bins, and community recycling centres. This work is driven through the implementation of Auckland’s Waste Management and Minimisation Plan 2018 (WMMP).

There are 200 closed landfills in the Auckland region. We invest in remedial works to the surface and internal infrastructure and undertake operational management of sites to minimise effects of leachate and gas discharges.

How we manage household waste, recycling, hazardous and inorganic waste, illegal dumping, and public litter bins is crucial to a healthy natural environment.

Things we are keeping an eye on

As with all major cities, managing waste effectively and sustainably is critical for our health and the environment.

We are working toward zero waste by 2040 by encouraging everyone to minimise their waste. We cannot continue to dump the amount of waste that we do, so we have programmes to encourage recycling and reuse.

We mainly service domestic waste across its entire lifecycle – from minimisation to collection, sorting, recycling, composting, landfilling, and then closed landfill management (particularly monitoring and managing gas and liquids escaping from old landfills).

Third-party amenity and grants

Auckland Council funds many community organisations across the region who add to the rich tapestry of culture, arts, and education in the city.

We are required by legislation to contribute funding to the Auckland War Memorial Museum and the Museum of Transport and Technology (MOTAT). We also contribute funding to the Auckland Philharmonia Orchestra, NZ Opera, Auckland Theatre Company, Auckland Arts Festival, Stardome Observatory.

Organisational support

The services provided in this activity support the operational functioning of the council, and the day-to-day services it provides to decision-makers (the governing body and local boards) and the public as those receiving the council services.

These include financial, procurement, corporate support and property, people and culture, strategy, business improvement, communications, engagement, legal, risk and assurance services.

Things we are keeping an eye on

We provide support so that our front-line services are provided as efficiently as possible. We continuously review the support services we provide, undertaking value for money reviews regularly to ensure they are providing the best value to Aucklanders.

We also need to make sure that the way we behave as an organisation supports the outcomes we strive to achieve for the city. We have a strong focus on workplace equity, valuing diversity, sustainability, and inclusiveness in the way that we work and the things that we do.

Regulatory services

Regulation underpins Auckland’s successful development, manages environmental impacts, and helps Auckland to be a safe place. We are an enabler for Auckland’s economy through resource and building consents, and licensing of businesses. Developing property can be a very exciting, but stressful time, and we strive to make our end of the process smooth, timely and reliable while ensuring building work is done to standard.

Our mahi supports the building of a Tāmaki Makaurau we can all be proud of; we support development that meets legislative requirements and brings social, cultural, economic, and environmental outcomes to Auckland. We are focussed on keeping Aucklanders and whānau safe through our consenting, licensing, and compliance functions, by:

- Meeting Auckland Council's statutory obligations under the Resource Management Act, the Building Act, the Food Act, the Sale and Supply of Alcohol Act, the Health Act, the Animal Welfare Act, and the Local Government Act, as well Council bylaws and policies
- Enabling, protecting, and supporting Auckland’s built and natural environment through world-class regulatory services
- Delivering Māori Outcomes by supporting the development of papakāinga and Māori housing

- Reducing the cost and time burden for our customers
- Delivering Kokiri Whakamua, Regulatory Services transformation journey.

Things we are keeping an eye on

Our regulatory functions are important for a healthy and safe city. They guide good urban development, and they keep us safe from bad food, dangerous animals, and inappropriate behaviours from others.

We are careful that when performing our regulatory functions, we act lawfully, are neutral, consistent and provide clear advice. When providing oversight to regulation, we consider the rights and needs of all relevant stakeholders, partners, and mana whenua.

Key projects

Auckland Emergency Management

Auckland Emergency Management delivers key projects as agreed through the Auckland CDEM Group work programme.

- Management of natural hazards and risks through strong governance, key partnerships with stakeholders and working with Auckland's communities to build resilience.
- Enhanced emergency readiness through effective warning and hazard monitoring systems.
- Increased capability and capacity to effectively respond to and recover from an emergency.
- Increasing community awareness, understanding preparedness and participation in emergency management.
- Enhancing Auckland's capability to recover from disasters.
- Develop resilience within Auckland region and communities.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We work with partner agencies and stakeholders to coordinate the response in a hazard event and build resilience in the Auckland community						
The percentage of Aucklanders who are prepared for an emergency	71%	65%	65%	65%	65%	65%
The percentage of Aucklanders that have a good understanding of the types of emergencies that could occur in Auckland	83%	75%	75%	75%	75%	75%

Investment

Auckland Council's investments – our strategic assets play an integral part in Auckland's economy and its growth. And as such, we seek to have a positive influence on environmental, social, cultural and governance issues.

Key performance measures

There is no performance measure for this activity.

Environmental services

Coordination and support for **Pest Free Auckland** – A community-led conservation programme designed to engage the community in eradicating pest animals, plants, and pathogens; restore and connect native ecosystems

Coordinate and implement Auckland Council's accelerated programme for **kauri dieback management**, to protect taonga kauri

Lead implementation of the **Regional Pest Management Plan 2020-2030**. This is a statutory tool which identifies and controls priority pests (including kauri dieback disease, pest animals and pest plants)

Pest eradications - leverage central government funding to undertake pest eradications, including removing mammalian pests from Kawau, stoats and rats from Waiheke and possums from at least one mainland peninsula

Auckland Indigenous Biodiversity Strategy implementation – Protecting high priority indigenous species and ecosystems through site and species focused strategies on Council land and in partnership with stakeholders

Marine biosecurity – deliver a marine biosecurity education and behaviour change programme, develop, and implement an inter-regional marine pest pathway management plan and carry out increased surveillance and monitoring in relation to marine pests.

Live Lightly – A collaborative regional climate action programme designed to encourage the adoption of everyday lifestyle changes that enable Aucklanders to reduce their carbon emissions and become more resilient to the impacts of climate change

FutureFit –A carbon footprint tool for individuals and engagement programme for businesses that provides personalised steps to reduce emissions, measure personal and collective carbon savings (in real time) and enable collective action on climate change.

Community climate action – Through our new climate investment package, establish a Community Climate Action Fund, open five low carbon demonstration sites and support a larger network of community climate action groups.

Māori resilience to climate impacts – Engage 20 marae and associated kura in co-designing solutions to increase their resilience to climate change.

Sustainable Schools – Education for Sustainability programmes that engage school communities in sustainability initiatives, provide experiential learning outside the classroom, develop youth leadership, foster kaitiakitanga and deliver sustainability outcomes through youth-led action.

Provide specialist technical expertise and information to guide decision making and support Council's regulatory functions to maintain indigenous biodiversity and manage biosecurity pressures.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We work with Aucklanders to manage the natural environment and enable low carbon lifestyles to build resilience to the effects of climate change						
The proportion of the region under community stewardship for natural environment outcomes	N/A	New measure	60%	65%	70%	85%
The proportion of kauri areas, managed by Council, with site-based mitigation in place to reduce the spread of kauri dieback disease	N/A	New measure	97.7%	99.7%	99.7%	99.7%
Kauri areas refer to kauri forests that council has a mandate to manage, including council parks, Department of Conservation land where a Memorandum of Understanding is in place for Council to manage, and private land deemed high priority for kauri forest management where an agreement has been reached with the landowner. Does not include areas that consist of only a small number of kauri trees or amenity plantings.						
Kilometres of planned track upgrades, to reduce the risk of spread of kauri dieback, completed and open to the public	N/A	New measure	166.5km	195.7km	195.71km	195.7km per year
Number of indigenous plants and animals regionally vulnerable to extinction under active management	N/A	New measure	94	96	98	100 per year
399 plants, birds, freshwater fish, lizards, frogs, and bats are currently considered "vulnerable to extinction" in the region through a review of national and regional data and expert knowledge (invertebrates, fungi, lichen and non-vascular plants and marine species have not been assessed and are therefore out of scope for this measure).						
The proportion of rural mainland Auckland under sustained management for possums	N/A	New measure	26%	27%	30%	50%

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
The proportion of priority native habitats on regional parks under active management for pest plants	N/A	New measure	7.75%	10.21%	13.48%	22.32%
Priority native habitats are a minimum suite of sites identified as requiring the restoration and maintenance of ecological integrity in order to maintain the greatest number and most diverse range of Auckland's indigenous ecosystems and sequences. Priority native habitats are otherwise known as Biodiversity Focus Areas. Native habitats are defined as the indigenous ecosystem types described in Singers et al., 2017, Indigenous terrestrial and wetland ecosystems of Auckland.						
Number of species-led projects being delivered on Hauraki Gulf islands for the purpose of maintaining or achieving eradication of pest plants and pest animals	N/A	New measure	9	10	10	10 per year
Species-led projects are projects that target single or multiple species. This includes both site level pest control projects and projects that manage pest pathways to prevent species re-invading those islands from which they have been eradicated.						
Number of native trees planted	N/A	New measure	735,000	740,000	495,000	495,000 per year
Number of Aucklanders engaged in living low carbon lifestyles	48,816	30,000	30,000	30,000	30,000	30,000 per year
The percentage of schools engaging in sustainability education programmes	61%	58%	60%	60%	60%	60%

Regional community services

Aucklanders are increasingly making use of digital information, with e-books and e-magazines representing an increasing amount of our total lending through Library services. Auckland libraries will continue to:

- provide access to safe, welcoming libraries and expertise to connect customers with knowledge and ideas, support, and expert advice, and support the delivery of quality learning programmes and services
- curate, manage and provide access to a broad range of information in both physical and eResources to support reading, discovery, and participation
- provide access to heritage, Māori and Pacific, children's collections, technology including free public WiFi, computers and printers

Invest in sector and community-led arts and cultural activities, events, community development and safety activities through the Regional Grants Programme

As Kaitiaki (land manager) of Auckland's regional parks, we will connect Aucklanders with nature through camping and bach accommodations, look after Auckland's ecosystem by delivering and managing the plant nursery propagation services for Regional Parks planting through Botanic Gardens, and Waitakere Ranges nursery

Deliver asset renewals safeguard our facilities from asset failure and support high-priority growth projects such as the Scott Point sustainable sports park and the Flatbush combined library, community, and arts centre at Ormiston

Replacing and renewing coastal assets, including the Orewa seawall project. Coastal compartment management plans will be developed which will inform the coastal asset management plan. This will prioritise the need for protection and development of new coastal assets.

Continue working with our key partners (Aktive and SportsNZ) to invest into and target populations of low participation, and or are high risk of becoming inactive, supported by the 'Get Active Your Way', 'Swim to Survive and Thrive', and 'Active and Healthy Environments' initiatives.

Deliver Arts and Culture activities for all Aucklanders to experience as part of their everyday lives through:

- Investing in digital channels for discovery, showcasing and interpretation of artforms

- Increasing accessibility options such as signed performances and digital channels optimised for the vision impaired
- Delivering services and assets that have an environmental impact lens applied to ensure our operations keep pace with public interest in this area
- Support Aucklanders to maintain their cultural identities and traditions and provide opportunities for cultural expression

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We manage Auckland's natural environment and help Aucklanders adopt a low carbon lifestyle						
The number of New Zealand native plants grown for revegetation programmes in the Botanic Gardens	69,532	60,000	60,000	60,000	60,000	60,000 per year
The number of volunteer hours worked in regional parks each year	51,715	80,000	80,000	80,000	80,000	80,000
We provide library services and programmes that support Aucklanders with reading and literacy and opportunities to participate in community and civic life						
The number of library items checked out (including e-items)	13.5M	14.0M	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
The number of website sessions for the Auckland Libraries website and library catalogue	5.03M	8.0M	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
We updated our methodology for recording website sessions in FY2019/20 to correct for the incorrect cross-domain sessions inflating our previous results. The 2019/20 result of 5.03M reflects the website sessions for corrected sessions, but the target of 8.0M for 2020/21 was back in 2017/18.						
The number of active library members (members who have used their membership account at least once in the past 12 months)	403K	380K	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve
We provide safe and accessible parks, reserves, beaches, recreation programmes, opportunities and facilitates to get Aucklanders more active, more often						
The percentage of residents participating in sport and recreation at least once per week	72%	72%	72%	72%	72%	72%
The percentage of the public who have used a regional park in the last 12 months	66%	76%	76%	76%	76%	76%
The percentage of park visitors satisfied with the overall quality of their visit	95%	96%	96%	96%	96%	96%
We provide rental services to older tenants and maintain the older persons property portfolio						
Percentage of tenants satisfied with the provision and management of “housing for older people"	91%	78%	78%	78%	79%	79%
We showcase Auckland's Māori identity and vibrant Māori culture						
The percentage of regional programmes, grants and activities that respond to Māori aspirations	48.5%	17.2%	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve

Regional governance

Make better use of technology to support the work of elected members and make it easier for the public to engage with the council.

Implement community engagement and education initiatives to increase voter participation in local body elections.

Pro-actively coordinate the council's response to Treaty settlements.

Provide opportunities for improved governance and working relationships with mana whenua and Māori communities.

Enable thriving Māori wellbeing and identity through supporting Māori culture and prosperity in Tāmaki Makaurau.

Key performance measures

	Actual	Target	Indicative Long-term Plan targets			
Performance measure	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25-30/31**
We contribute to resilient, sustainable, and thriving marae facilities and infrastructure that support marae as hubs for their communities						
The number of mana whenua and mataawaka marae that received support	N/A	New measure	Set baseline	Maintain or improve	Maintain or improve	Maintain or improve
We provide opportunities for Aucklanders to contribute to community and civic life						
The percentage of Aucklanders who feel Council provides opportunities for them to have a say in shaping Auckland	41%	50%	50%	50%	50%	50%
The percentage of Māori residents who believe that they have adequate opportunities to have their say in decision making	34%	50%	50%	50%	50%	50%
The number of compliance notices issued by the Privacy Commissioner	N/A	New measure	0	0	0	0
The percentage of LGOIMA and Privacy Act decisions made and communicated within statutory timeframes	86%	95%	95%	95%	95%	95%
We support the Māori led housing and papakāinga development through planning & development processes						
The Number of Māori organisations and trusts projects that have been supported to achieve Māori housing and papakāinga development	18	18	20	22	24	26

Regional planning

Implementing the Auckland Plan 2050

Developing a future management framework for Auckland's waters

Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan through forming regional partnerships and a cross-sectoral leadership group to drive change across the region

Supporting growth and housing delivery including:

- Auckland housing infrastructure programme for delivery of Housing in Tamaki, Mt Roskill, Mangere, Northcote and Oranga

- Programming staging and sequencing Drury and Redhills and aligning our programming with Crown investment and sequencing of infrastructure.

Ensuring the Auckland Unitary Plan remains fit for purpose and adapts to an ever-changing Auckland by evaluating the environmental, social, economic, and cultural outcomes it is achieving and making changes where needed.

Planning and securing investment for new housing and employment land in 'future urban zoned' areas on the edge of the existing urban area; planning to support investment in light rail; and protecting Māori cultural heritage.

Work with developers to reduce the planned infrastructure network costs burden.

Policy/bylaw focus is on Smoke-free policy implementation, new Freedom Camping & Public Places Bylaw, Local Alcohol Policy, indicative business plans for community and sports and recreation facilities, service design pilots for Tamariki wellbeing and increasing belonging and participation, Regional Investment Plans for Golf, Sports and Recreation, Play and Outdoor Recreation, Homelessness Plan and Affordable Housing think-piece.

Since 2015, the **City Centre Targeted Rate** has funded significant investments in the city centre to improve the visitor experience and attractiveness by funding street and public spaces improvements such as Freyberg Square, Albert Street, Karangahape Road enhancements, Quay Street and Lower Queen Street; as well as contributing to the vibrancy of the city centre through activation, events, and marketing activities such as Artweek.

The funding from the targeted rate from 2025 will support safe pedestrian and cycling access around the new City Rail Link Aotea and Karangahape Road stations. New residential communities are anticipated as a result of intensification around the stations. The targeted rate will support streetscape enhancement and placemaking activities to connect these communities to the city centre and create a sense of belonging to urban neighbourhoods.

From 2025, the targeted rate will help fund the regeneration of midtown as our civic and cultural hub through the streetscape and laneway projects identified in the City Centre Masterplan. The targeted rate will continue to be used to fund activation and destination marketing programmes that will encourage people to visit the city centre and provide and safe, exciting, and welcoming environment that is distinctly Tamaki Makaurau.

Key performance measures

	Actual	Target	Indicative Long-term Plan targets			
Performance measure	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25-30/31**
We meet all planning legislative requirements						
The percentage of Auckland Unitary plan changes and notices of requirement processed within statutory timeframes	N/A	New measure	100%	100%	100%	100%
Percentage of elected members satisfied with local spatial plans	N/A	New measure	73%	73%	73%	73%
The percentage of adopted core strategies, policies and plans incorporating Maori outcomes or developed with Maori participation	100%	100%	100%	100%	100%	100%
We provide a coordinated council response to major development and infrastructure programmes, including major housing developments						
The percentage of Development Programme Office programmes that identify and engage with key stakeholders including Mana Whenua and Maori organisations	100%	95%	95%	95%	95%	95%

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
The percentage of City Centre Targeted Rate programme delivered on time and within budget	83%	80%	80%	80%	80%	80%

Waste services

Food waste: Continue the roll out of a rates-funded, weekly kerbside food scraps service, which has already started in Papakura, to all households in urban areas by 2023. Working with our community partners to identify and recover organic waste streams.

Recycling: Significant investment in upgrading the Visy Materials Recycling Facility will increase the type, quantity, and quality of materials that Auckland Council is able to recover for recycling. Supporting the Government to explore onshore reprocessing opportunities for some materials.

Zero Waste Auckland: the programme's emissions reduction potential and contribution to community resilience has been incorporated into the Auckland Climate Plan and work will continue to develop the network of resource recovery sites around the region. By 2030 the council proposes to have 21 Community Recycling Centres that receive, collect and process unwanted material from the public, along with two Resource Recovery Parks for recovery of construction and demolition waste.

We will be preparing for the increase and expansion of the waste levy as proposed by the Ministry for the Environment including potential changes in data reporting requirements for those generating and waste to landfill and materials recovered across the region.

Our staff are participating in the development of mandatory national product stewardship schemes for electronic waste, textiles, beverage containers and other packaging, tyres, agrichemicals, and large batteries.

Commercial waste: Continue to identify opportunities to reduce and design out waste from key commercial waste sources – Construction and Demolition (C&D) waste, organics, and plastic waste - working with industry to leverage a change in practice.

Operational waste: Improve waste diversion from our own activities, broadening the focus to include the council and CCO's operational activities with a focus on supply chain waste from procurement activities.

We will continue to resource our focus on illegal dumping and enforcement.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We manage the collection and processing of household waste and help Aucklanders minimise waste						
Percentage of council controlled closed landfill discharge consents achieving category one or two compliance rating	100%	98%	98%	98%	98%	98%
Percentage of customers satisfied with overall waste collection services	N/A	New measure	75%	75%	75%	75%
We help Aucklanders minimise waste to landfills						
The total waste to landfill per year (kg per capita)	930kg	877kg	877kg	793kg	751kg	582kg
The volume of domestic kerbside refuse per capita per annum	138kg	144kg	144kg	144kg	110kg	88kg
The total number of Resource Recovery Facilities	8	8	9	10	12	23

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
A Resource Recovery Facility is a facility in the community where the public can drop off reusable and recyclable items. Resource Recovery Facilities can vary greatly - from simple drop off stations in small rural areas through to large eco-industrial parks. The long-term target of 23 facilities is a proposed number of sites.						

Third-party amenity and grants

Auckland Council is undertaking a review of Auckland's major cultural heritage institutions. The focus of this review is to maximise the cultural and community benefit from Auckland's investment in cultural heritage institutions (Auckland War Memorial Museum, MOTAT Auckland Art Gallery, Stardome Observatory and Planetarium and the New Zealand Maritime Museum). This review will look at both strategic investment priorities, and also the funding and governance structures of the cultural heritage sector and its institutions.

Focused on completing the Auckland War Memorial Museum's capital refurbishment programme.

Key performance measures

There is no performance measure for this activity

Organisational support

Renew corporate property and the vehicle fleet

Progress our Worksmart programme

Renew network and user devices and software at the end of life, and do critical ICT security remediation

Renew research and monitoring sites and equipment

A portfolio of projects that deliver against organisational strategy outcomes including cost savings and efficiencies such as group shared services and group strategic procurement

Diversity programme aimed at community-centred thinking and decision making, reaching Auckland's 220 ethnicities.

Key performance measures

There is no performance measure for this activity

Regulatory services

Our customers and our people are driving our vision for a Tāmaki Makaurau we can all be proud of. We are delivering a programme to be future fit, make it easy for Aucklanders to do business with us, and to do this with pride and to a world class standard. Implementation will allow us to realise significant change in our culture, capability, systems, and our services, while responding to the impacts of COVID-19 and effectively managing and mitigating risks.

Regulatory Services Transformation Journey, Kokiri Whakamua:

Delivering outcomes for Auckland
- Aligning our services to support the climate action framework
- Protecting our natural environment by increased monitoring of high-risk resource consents
- Education of and support for iwi and marae when requested in areas such as food hygiene and dog registration and management
- Supporting the development of papakāinga and Māori housing

- Implementation of the Cultural Values Assessment Project that reviews and improves existing training and guidance materials, existing systems and processes, relationships between council staff, mana whenua and applicants and improving understanding of how mana whenua values should be considered in resource consent process streamlines

Customer value (connection and eco-system)
- Making it easy for our customers to do business with us
- Effective segmentation of customers to create tailored, seamless services, and enhance customers' trust and confidence in Auckland Council
- Providing an integrated customer experience for consenting across the Council family
- Creating communication channels that keep everyone informed
- Continuing to partner and engage with government agencies, industry, customers, mana whenua and stakeholders

Adaptive Operations
- Improved operational efficiency
- Providing staff with systems and tools that allow them to do their job faster and easier and provide greater customer service
- Using data and innovation to better inform business decisions
- Key initiatives include legislative change implementation, simplification and standardisation of our processes, and automation of manual tasks

People, our greatest asset
- Developing the skills of our people and making Regulatory Services a great place to work
- Delivering our mahi to a world class standard
- Driving Health, Safety and Wellness outcomes including proactive risk identification, management, and mitigation
- Supporting the wellness of our people, particularly in the time of COVID-19
- Key initiatives include implementation of a people development strategy, with a focus on customer service, understanding Te Ao Māori and providing for Health Safety and Wellbeing

Key performance measures

	Actual	Target	Indicative Long-term Plan targets			
Performance measure	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25-30/31**
We make it easy for customers to apply for consents and we process these in a timely and professional way						
The percentage of building consent applications processed within 20 statutory working days	82.1%	100%	100%	100%	100%	100%
The percentage of customers satisfied with the overall quality of building consent service delivery	62.1%	65%	65%	65%	67%	67%
The percentage of non-notified resource consent applications processed within 20 statutory days	71.2%	100%	100%	100%	100%	100%
The percentage of customers satisfied with overall quality of resource consents service delivery	54.5%	65%	55%	60%	65%	65%
The time it takes to process consents is measured according to MBIE and IANZ guidelines as to the correct application of the Building Act 2004 and the Resource Management Act 1991 about when timing starts and stops.						
The percentage of notified resource consent applications processed within statutory time frame	78%	100%	100%	100%	100%	100%
The statutory timeframe differs depending on the nature of the notified resource consent. The applicable statutory timeframes relating to this measure are included in Part 6 of the Resource Management Act 1991.						
We help reduce harm from noise and other nuisances						

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
Percentage of noise calls for service attended within 45 minutes for urban areas or 75 minutes for remote areas	New measure	N/A	Urban: 95% Remote: 100%	Urban: 95% Remote: 100%	Urban: 95% Remote: 100%	Urban: 95% Remote: 100%
The percentage of non-compliance with Excessive Noise Direction within 72hours	New measure	N/A	20%	20%	20%	20%
We register dogs and respond efficiently when animals cause harm or nuisances						
The percentage of cases of non-compliance for menacing dogs that reach compliance within 3 months	76%	90%	90%	90%	90%	90%
We regulate the safe operation of premises selling food and/or alcohol						
The percentage of food premises that receive a D or E grade that are revisited within 20 or 10 working days	New measure	N/A	95%	95%	95%	95%
20 working days for premises that receive a D grade, and 10 working days for premises that receive a E grade						
The percentage of high-risk alcohol premises that are visited annually.	New measure	N/A	100%	100%	100%	100%
Percentage of licensees satisfied with the food and alcohol licensing service	New measure	N/A	85%	85%	85%	85%

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Auckland emergency management	Direct operating expenditure*	4,702	4,835	4,938	5,042	39,751	54,565
	Capital expenditure	3,679	2,541	1,216	773	3,263	7,793
Investment	Non-rates revenue	230,919	259,732	316,386	353,724	2,986,782	3,916,624
	Direct operating expenditure*	147,780	156,508	164,150	170,016	1,391,062	1,881,736
	Capital expenditure	73,601	63,020	61,854	74,997	514,712	714,583
Environmental services	Non-rates revenue	554	699	716	731	6,464	8,610
	Direct operating expenditure*	38,712	43,673	42,021	44,113	373,595	503,401
	Capital expenditure	7,000	11,979	5,739	5,000	3,497	26,215
Regional community services	Non-rates revenue	37,606	34,188	34,872	35,594	271,184	375,839
	Direct operating expenditure*	220,052	235,174	236,791	250,206	2,798,805	3,520,976
	Capital expenditure	110,506	109,522	103,762	102,406	1,541,927	1,857,618
Regional governance	Non-rates revenue	994	2,397	3,897	2,397	18,576	27,268
	Direct operating expenditure*	34,143	43,759	44,446	40,027	327,332	455,563
	Capital expenditure	972	20	-	-	-	20
Regional planning	Non-rates revenue	5,238	3,127	3,202	3,269	25,530	35,128
	Direct operating expenditure*	68,042	69,622	71,576	69,815	560,274	771,287
	Capital expenditure	109,951	53,431	63,366	47,578	272,661	437,036
Waste services	Non-rates revenue	32,155	30,428	33,898	35,077	289,044	388,447
	Direct operating expenditure*	114,998	127,026	133,197	143,550	947,640	1,351,413
	Capital expenditure	6,150	41,015	16,739	14,477	40,694	112,925
Third party amenity and grant	Direct operating expenditure*	68,160	68,828	71,004	72,385	542,000	754,218
Organisational support	Non-rates revenue	13,243	11,989	12,710	12,866	63,249	100,815
	Direct operating expenditure*	230,987	211,965	220,122	227,912	1,702,998	2,362,997
	Capital expenditure	48,956	63,209	65,202	57,286	553,243	738,940
Regulation	Non-rates revenue	170,597	193,867	220,602	237,431	1,794,580	2,446,480
	Direct operating expenditure*	155,932	169,029	187,618	198,377	1,499,368	2,054,392
	Capital expenditure	2,100	2,000	2,000	2,000	7,232	13,232

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	479,841	598,375	661,668	723,713	706,769	716,357	785,715	856,426	996,204	1,097,575	1,226,602
Targeted rates	166,727	181,525	189,601	206,689	181,180	182,183	182,547	185,357	189,041	193,679	195,718
Subsidies and grants for operating purposes	10,644	9,224	10,030	8,846	8,411	6,987	7,074	7,162	7,285	7,409	7,556
Fees and charges	437,175	478,852	534,471	569,447	592,397	616,689	635,937	655,038	675,421	695,945	718,613
Internal charges and overheads recovered	201,386	205,259	210,245	217,812	218,910	218,216	228,281	234,799	244,048	253,409	242,229
Local authorities fuel tax, fines, infringement fees and other receipts	43,487	47,399	81,106	102,361	108,030	115,244	116,069	117,192	117,628	117,239	121,936
Total operating funding	**1,339,260**	**1,520,634**	**1,687,121**	**1,828,868**	**1,815,697**	**1,855,676**	**1,955,623**	**2,055,974**	**2,229,627**	**2,365,256**	**2,512,654**
Applications of operating funding:											
Payment to staff and suppliers	1,083,505	1,130,422	1,175,863	1,221,438	1,338,678	1,378,153	1,409,387	1,449,833	1,491,834	1,525,615	1,589,312
Finance costs	91,734	122,848	122,054	118,778	113,099	111,911	100,374	93,146	84,600	62,304	38,366
Internal charges and overheads applied	148,163	137,443	142,520	147,577	149,502	151,022	157,447	162,126	168,249	173,518	170,399
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**1,323,402**	**1,390,713**	**1,440,437**	**1,487,793**	**1,601,279**	**1,641,086**	**1,667,208**	**1,705,105**	**1,744,683**	**1,761,437**	**1,798,077**
Surplus (deficit) of operating funding	**15,858**	**129,921**	**246,684**	**341,075**	**214,418**	**214,590**	**288,415**	**350,869**	**484,944**	**603,819**	**714,577**
Sources of capital funding:											
Subsidies and grants for capital expenditure	48,783	23,813	17,252	9,764	3,149	2,137	3,270	4,447	3,402	1,157	0
Development and financial contributions	44,749	51,535	66,551	74,099	74,099	74,099	73,225	72,968	72,968	72,968	72,968
Increase (decrease) in debt	(28,297)	(120,329)	(11,410)	(253,087)	(73,695)	(16,126)	(53,521)	32,587	(151,003)	(162,816)	(311,684)
Gross proceeds from sale of assets	269,623	136,536	112,708	76,304	21,454	21,238	20,331	20,015	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**334,858**	**91,555**	**185,101**	**(92,920)**	**25,007**	**81,348**	**43,305**	**130,017**	**(74,633)**	**(88,691)**	**(238,716)**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	122,291	105,939	113,894	96,409	123,453	150,728	146,064	193,089	200,763	223,907	218,106
- to improve the level of service	157,183	142,412	99,508	103,000	141,859	110,262	115,977	98,869	109,071	122,831	118,745
- to replace existing assets	83,441	98,387	106,476	105,108	96,094	89,052	110,639	126,973	140,299	116,351	184,099
Increase (decrease) in reserves	91,010	24,429	115,807	11,666	6,531	7,098	8,142	7,386	6,776	6,147	5,186
Increase (decrease) in investments	(103,209)	(149,691)	(3,900)	(68,028)	(128,512)	(61,202)	(49,102)	54,569	(46,598)	45,892	(50,275)
Total applications of capital funding	**350,716**	**221,476**	**431,785**	**248,155**	**239,425**	**295,938**	**331,720**	**480,886**	**410,311**	**515,128**	**475,861**
Surplus (deficit) of capital funding	**(15,858)**	**(129,921)**	**(246,684)**	**(341,075)**	**(214,418)**	**(214,590)**	**(288,415)**	**(350,869)**	**(484,944)**	**(603,819)**	**(714,577)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.8 Council controlled services

Auckland Council delivers a significant number of services through its Council Controlled Organisations. Council controlled services encompass a range of non-infrastructure-based activities. Each activity is governed by an independent board of directors or similar governance group. These activities include property development services, provision of major events and major facilities.

Council manages the outcomes of the infrastructure network deliverables aligning with the strategic housing and employment outcomes by the Development Programme Office growth area programming, staging, and sequencing with investment agreements and strategies to support holistic enablement of a growth area. The timing and response to growth area programmes are tailored to Council and Crown direction and prioritisation and response to the pace of developer delivery in these areas.

Key activities

Development Auckland

Panuku Development Auckland (Panuku) delivers urban regeneration in agreed locations across the city. It creates vibrant, liveable places with high-quality housing and businesses, in well-designed town centres with good transport connections.

We collaborate with the private sector, community organisations, iwi, and the government to deliver urban regeneration. Supporting this work, Panuku manages and maintains $3 billion of the council’s non-service properties and provides property disposals and acquisition services.

Economic growth and visitor economy

Auckland Unlimited promotes Auckland as a place to work, invest, study and visit.

We support businesses and industry sectors to be strong, encourages investment, and promotes talent and innovation. It also promotes Auckland as a tourism destination and as an international student centre and supports major cultural and business events.

Regional facilities

Auckland Unlimited enriches people’s lives by getting them involved in the arts, environment, sport, and events.

We run the Auckland Art Gallery, Auckland Conventions, Auckland Live, Auckland Stadiums, Auckland Zoo, and the New Zealand Maritime Museum. Its landmark venues include Aotea Centre, Aotea Square, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium, New Zealand Maritime Museum, North Harbour Stadium, Queens Wharf and Western Springs Stadium.

Things we are keeping an eye on

There are no significant negative effects associated this activity has on the social, economic, environmental, or cultural well-being of the community. However, there are some negative effects arising from this activity and associated risks when we do not provide this activity for our community. We keep an eye on these risks and potential negative effects to the community.

Town centre developments require the private sector to invest to support urban regeneration. We take a strategic approach when seeking development partners, keeping the property market conditions in mind. Large urban developments can cause negative impacts on local residents and businesses, such as travel and business disruption and noise during construction, or changes in land use and activity. We provide targeted information to affected residents and businesses and put-on special activities to ensure town centres remain vibrant and safe when being redeveloped.

We also carry out placemaking to ensure town centres are vibrant and safe and take communities with us as these centres change over time. We ensure that developments provide a range of different homes, at different price points in the market, to retain diversity in communities.

We want all Aucklanders (not just those who can afford it) to have the opportunity to be involved in arts, cultural, and community activities and events. We provide a large range of free community events so everyone can be involved.

Large scale events can also cause disruptions to residents and businesses. To minimise health and safety risks and traffic congestion, Auckland Unlimited use traffic management systems and partner with Auckland Transport to provide free public transport to and from large concerts and sports events held in our stadia.

Key projects

Development Auckland

Over the next ten years, Panuku will:

- Continue to regenerate our neighbourhoods in Takapuna, Northcote, Henderson, Avondale, Panmure, Onehunga, Papatoetoe, Manukau, Pukekohe, Ormiston, and the Waterfront.
- Increase the vibrancy, safety, and success of these centres by facilitating projects that will deliver new homes, purchasing strategic sites, public realm upgrades and activations to create walkable, well connected neighbourhoods.
- Continue to work with Haumaru Housing Limited to enable the delivery of more affordable homes for older people through optimising its property portfolio.
- Begin the phased delivery of the Wynyard Point open space.
- Continue to work with Auckland Transport on transport-oriented development opportunities.
- Continue to optimise the return to Auckland Council through its disposal programme and management of its non-service properties.
- Renew critical assets, particularly on our waterfronts.

Through our projects, programmes, and initiatives we will deliver business excellence with a focus on outcomes for Māori and climate change to build resilient communities.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We make the waterfront and town centres dynamic, culturally-rich, safe and sustainable laces for Aucklanders and visitors to enjoy						
Net new dwellings (housing units)	N/A	New measure	Progress 3-year target	Progress 3-year target	909	3,995
Number of housing units includes an apartment, duplex unit, a town-house or a residential dwelling. These relate to town centre intensification a key element of the council's development strategy.						
Commercial / Retail gross floor area (GFA) or net lettable area (square meter)	N/A	New measure	Progress 3-year target	Progress 3-year target	30,000	220,600
Capital project milestones approved by the board achieved	N/A	New measure	80%	80%	80%	80%
The milestones originate from the programme business cases or planning documents and reviewed by the programme directors. A list of project milestones is compiled for Panuku Board approval. It is reset each year to consider any deferrals agreed with council as part of the Annual Plan process.						
We manage and maintain council's properties, assets, and services to optimise financial returns						
Annual property portfolio net operating budget result agreed with the council achieved	N/A	New measure	$22.8m	$17.7m	$16.2m	$118m
The monthly average occupancy rate for tenantable properties	96.9%	≥ 95%	Commercial 85% Residential 95%	Commercial 85% Residential 95%	Commercial 85% Residential 95%	Commercial 85% Residential 95%
In the first 3 years of the LTP, there may be impacts of Covid-19 on ability of tenants to pay rent. Panuku will accommodate for Covid-19 hardship arrangements in its annual budget result. The occupancy of properties or rental objects, are those that are 'available for rent' and are tenantable						

Regional facilities

Breathing life into Auckland through our programmes, events, and exhibitions

- Deliver engaging, innovating, and relevant exhibitions and events for Auckland
- Measure and improve our customers' experience of our programmes and venues

Provide for all Aucklanders by ensuring that we offer experiences that are relevant and accessible to all Auckland's diverse communities

- Deliver a programme of free and/or subsidised experiences (Auckland Zoo, Art Gallery, Maritime museum – free or subsidised entries)
- Reaching our community online, and reflecting our bi-cultural nation

Provide for future generations by ensuring a future Auckland that can be rich in experiences

- Nurturing the next generation's interest in the arts, culture, sport, and the environment
- Improving Auckland's cultural infrastructure – infrastructure investment framework focussed on the arts, sporting, and natural and cultural heritage venues for the future
    - Auckland stadiums renewals, Auckland live, recladding of the Aotea Centre, Auckland Zoo renewals, etc.
    - Reduce our impact on the climate by replacing gas boilers in our stadiums and art gallery with clean heat pumps and install solar panels on some facilities.

Support ongoing wildlife, visual arts and heritage conservation activities at Auckland Zoo, Auckland Art Gallery, and the New Zealand Maritime Museum.

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
Auckland Unlimited deliver arts, wildlife, collections, sports, and events that provide experiences that are engaging and embraced by Aucklanders						
The number of people who experience Auckland Unlimited's arts, environment and sports venues and events	2.79M	3.9M	3.9M	4.0M	4.0M	4.0M per year
The net promoter score for Auckland Unlimited's audiences and participants	45	20	20	20	20	20
Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.						
The percentage of operating expenses funded through non-rates revenues	52%	65%	65%	65%	65%	65%
The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	44	18	20	20	20	20 per year

Economic growth and visitor economy

Driving investment into Tāmaki Makaurau Auckland

Attract business and investment to promote Auckland and opportunities in collaboration with the broader council family and NZ Inc.

Manage Auckland Film Studios and Kumeu Film Studios

Investigate COVID-19 investment opportunities – safe haven Auckland

Rebuilding the regional economy from the neighbourhood up

Work with local boards and partners to develop and deliver local programmes to help build consumer and business confidence

Support regional dispersal of locals and visitors and spread economic and social benefits throughout the Auckland region, including facilitating development of new local visitor product and experiences

Support key urban growth, regeneration, and redevelopment programmes to inform the delivery of local economic outcomes

Showcasing a culturally rich, vibrant, and resilient Tāmaki Makaurau Auckland

Lead the development of Auckland stories in alignment with He Aratohu - the Auckland Playbook and provide open-source Auckland brand assets (photography, videography) via aucklandnz.com allowing partners to tell a compelling and aligned Auckland story

Deliver Lantern, Pasifika, Diwali, and Tāmaki Herenga Waka Festivals under a consolidated cultural festivals strategy including a consolidated approach to landfill waste diversion and carbon footprint monitoring

Supporting businesses to innovate and thrive

Support local business capability development, innovation and research and development including through delivery of the government's Regional Business Partner Network programme

Connect Māori businesses and tourism operators to resources and opportunities to assist them to grow and innovate in their businesses such as through GridMNK (Te Haa o Manukau), He Waka Eke Noa, Regional Business Partners and Māori Business Advisor resource

Foster Auckland's innovation ecosystem and deliver new responses to the city's urban and economic challenges through the GridAKL strategy and physical locations in Wynyard Quarter and Manukau.

Work with businesses and central government to identify innovative solutions to reduce Auckland's greenhouse gas emissions and increase our resilience to climate change.

Drive the Creative Industries Auckland plan which supports the growth of creative industries and Auckland's position as a creative hub, with a focus on screen and creative tech sectors

Key performance measures

Performance measure	Actual 2019/20	Target 2020/21	Indicative Long-term Plan targets 2021/22	2022/23	2023/24	2024/25-30/31
We support the sustainable growth of the Auckland visitor economy through destination management and marketing, major events, business events and international education attraction and support programmes						
The contribution to regional GDP from major events and business events attracted or supported	$33.7M	$66.5M	Progress 10-year target	Progress 10-year target	Progress 10-year target	Increasing to $70M
The number of visitor nights generated as a result of an Auckland Unlimited intervention	244,259	435,000	Progress 10-year target	Progress 10-year target	Progress 10-year target	442,500 by 2031
We manage and maintain council's properties, assets, and services to optimise financial returns						
Number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention	4,315	3,000	3,000	3,000	3,000	3,000 per year
Number of Māori businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention	333	120	150	150	150	150 per year

Intervention is a programme or service delivered by Auckland Unlimited. The targets reflect Auckland Unlimited's emerging strategy which is likely to result in the delivery of fewer larger interventions.

Prospective Financial Information

Activity	Operating cost and revenue $000 Financial year ending 30 June	Annual Plan FY21	LTP FY22	LTP FY23	LTP FY24	LTP FY2024/25-2030/31	10-years Total
Development Auckland	Non-rates revenue	49,711	44,099	41,424	39,172	332,176	456,870
	Direct operating expenditure*	55,332	52,936	53,925	54,349	434,062	595,272
	Capital expenditure	100,000	90,161	90,789	100,000	497,034	777,984
Economic Growth and Visitor Economy	Non-rates revenue	21,023	34,737	35,179	27,705	173,945	271,566
	Direct operating expenditure*	81,804	88,166	88,236	81,959	584,134	842,495
	Capital expenditure	204	6,373	875	678	3,637	11,564
Regional facilities	Non-rates revenue	35,962	56,120	67,050	78,043	623,062	824,276
	Direct operating expenditure*	94,670	109,890	116,710	123,482	966,378	1,316,460
	Capital expenditure	50,080	45,510	50,528	55,424	174,830	326,292

*Direct operating expenditure does not include interest and depreciation

Prospective Funding Impact Statement

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	162,942	159,994	172,791	180,088	192,334	196,025	194,805	198,859	197,775	201,282	201,974
Targeted rates	3,558	14,516	14,806	15,102	15,404	15,712	16,027	16,347	16,674	17,008	17,348
Subsidies and grants for operating purposes	9,890	13,506	15,149	7,371	4,147	4,238	4,286	4,334	4,398	630	625
Fees and charges	23,409	43,814	52,964	62,398	65,337	66,715	68,578	70,431	72,204	73,277	75,151
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	76,897	81,936	79,841	79,451	81,258	82,614	91,404	92,317	98,903	97,807	100,628
Total operating funding	**276,696**	**313,766**	**335,551**	**344,410**	**358,480**	**365,304**	**375,100**	**382,288**	**389,954**	**390,004**	**395,726**
Applications of operating funding:											
Payment to staff and suppliers	231,807	250,992	258,873	259,790	263,620	269,189	278,098	286,361	292,594	294,001	300,706
Finance costs	14,961	15,300	18,741	22,130	24,572	25,059	25,369	25,484	25,298	24,900	24,476
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**246,768**	**266,292**	**277,614**	**281,920**	**288,192**	**294,248**	**303,467**	**311,845**	**317,892**	**318,901**	**325,182**
Surplus (deficit) of operating funding	**29,928**	**47,474**	**57,937**	**62,490**	**70,288**	**71,056**	**71,633**	**70,443**	**72,062**	**71,103**	**70,544**
Sources of capital funding:											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,262	1,819	2,349	2,615	2,615	2,615	2,584	2,575	2,575	2,575	2,575
Increase (decrease) in debt	78,703	(3,061)	(14,725)	40,904	(24,965)	(52,616)	(19,099)	12,152	18,997	19,912	20,155
Gross proceeds from sale of assets	40,390	95,813	96,631	50,093	55,764	82,657	38,500	8,800	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**120,355**	**94,571**	**84,255**	**93,612**	**33,414**	**32,656**	**21,985**	**23,527**	**21,572**	**22,487**	**22,730**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	39,766	38,930	41,862	71,320	38,338	28,152	29,088	32,369	19,514	13,589	25,612
- to improve the level of service	68,305	41,469	28,682	23,344	29,246	44,728	39,389	25,894	46,349	55,535	27,389
- to replace existing assets	42,212	61,646	71,648	61,438	36,118	30,832	25,141	35,707	27,771	24,466	40,273
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**150,283**	**142,045**	**142,192**	**156,102**	**103,702**	**103,712**	**93,618**	**93,970**	**93,634**	**93,590**	**93,274**
Surplus (deficit) of capital funding	**(29,928)**	**(47,474)**	**(57,937)**	**(62,490)**	**(70,288)**	**(71,056)**	**(71,633)**	**(70,443)**	**(72,062)**	**(71,103)**	**(70,544)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

4.1 Draft Revenue and Financing Policy

Proposed amendments to the Revenue and Financing Policy are highlighted in the blue call out boxes.

Policy purpose and overview

The purpose of the Revenue and Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of selecting various tools to fund the operating and capital expenditures of the council.

Policy background

Funding principles

To assist with the identification of the appropriate funding methods, the council has used a set of guiding principles that incorporate the matters set out in Section 101 of the Local Government Act 2002. These are set out in table 4.1.1 below.

Table 4.1.1

Principle	Rationale for its application
Paying for benefits received or costs imposed	Under this principle, the council considers benefit distribution and cost causation and the period in or over which benefits and costs are expected to occur. The allocation of costs to those who benefit from a council service or those who impose costs to the council (whether the community as a whole, any identifiable part of community, or individuals) is considered economically efficient and equitable and the extent to which the actions or inaction of individuals or a group contribute to the need to do the activity Section 101(3)(a)(ii), Section 101(3)(a)(iv), Section 101(3)(a)(iii)
Transparency, accountability and costs and benefits of funding activities separately	This principle is applied when considering the costs and benefits of separate funding. Transparency of funding enables the users of services to assess whether they get value for money. Accountability makes the council more efficient in providing these services. From the perspective of the service users, transparency and accountability also enables them to make more informed decisions in using council services Section 101(3)(a)(v)
Market neutrality	This principle is relevant when the council is competing with the private sector in producing or delivering services. The council can be placed in an advantageous position vis a vis the private sector because of its ability to fund such services from rates, either fully or partially. This can lead to market distortions and economic inefficiencies. It can also discourage private enterprise. To avoid this, in tandem with other principles such as affordability, the council will apply commercial best practice when providing such services Section 101(3)(b)
Financial prudence and sustainability	This principle is relevant in determining appropriate funding mixes. It is recognised that additional revenue may be required to support debt repayment and manage treasury ratios Section 101(2)

Principle	Rationale for its application
Optimal capital usage	This principle relates to the effectiveness of funding tools in achieving efficiencies. The council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers. Among other things, this principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities Section 101(3)(b)
Strategic alignment	The Auckland Plan sets out a vision for the city over the next 30 years. The Revenue and Financing Policy should have regard to its impact on the broader strategies and priorities as set out in the council's vision and the Auckland Plan The infrastructure strategy outlines how the council intends to manage its infrastructure assets. The Revenue and Financing Policy will show how investment in infrastructure is funded Section 101(3)(b)
Overall social, economic, environmental and cultural impacts	Decisions on how the council's revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the current and future social, economic, environmental and cultural well-being of the community and the community outcomes to which the activity relates Section 101(3)(b)
Community outcomes in the Auckland Plan	Decisions on how the councils revenue requirements will be met (by ratepayers and other groups) should take into account the impact of such decisions on the community outcomes in the Auckland Plan Section 101(3)(a)(i)
Affordability	The council needs to consider the impact of funding methods on people's ability to pay as this can have implications for community well-being Section 101(3)(b)
Minimise the effects of change	The integration and harmonisation of the policies of the former councils may lead to major changes in the incidence or rates and user charges for services. Funding and financial policies should seek to minimise or manage the impact of these changes Section 101(3)(b)
Efficiency and effectiveness	The councils financial policies should have regard to the costs of carrying them out, and how effective they will be in achieving their objectives Section 101(3)(a)(v)
Practicality of policy	The councils funding policies must be achievable and unconstrained by practical issues that will prevent compliance Section 101(3)(a)(v)
Legal compliance	The LGA 2002 and related legislation include a number of legal requirements for the development of the Revenue and Financing Policy. All aspects of the policy will comply with legislation

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the council applies these principles to assess how to fund the separate activities, the council then considers the overall impact of any allocation of liability on the community.

Policy details

Expenditure to be funded

Legislation requires the council to make adequate provision in its long-term plan to meet expenditure needs identified. Generally, this will mean that all expenditure is funded. Exceptions include funding of depreciation expenditure where it is financially prudent not to do so. In determining the level of non-funded depreciation, the council will have regard to:

- whether at the end of its useful life, the replacement of an asset will be funded by way of a grant or subsidy from a third party
- whether the council has elected not to replace an asset at the end of its useful life
- whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
- whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

Table 3.1.2 below sets out the minimum level of depreciation funding the council will incorporate when calculating its rates requirement.

Table 3.1.2 Proportion of depreciation expenditure to be funded

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Funded	78%	82%	85%	89%	93%	96%	100%	100%	100%	100%
Not funded	22%	18%	15%	11%	7%	4%	0%	0%	0%	0%

As a result of this policy of moving towards funding 100 per cent of depreciation by 2025 the council has resolved that for three of the next 10 years, the councils operating revenue (adjusted for items such as vested assets and development contributions) will be less than the councils total operating expenditure (including depreciation).

This implies that in the early years of the plan, the council is more reliant on borrowings, rather than rates and other current revenue, to fund its capital expenditure. However, the council considers that the level of council debt is manageable and prudent in every year of the plan. In particular, the projected level of council debt will not exceed our prudential limit of 270 per cent of revenue. Further information about our prudent approach to managing debt is included in our Financial Strategy in section 1.4.

The council considers that this policy on funding depreciation and the consequential impacts on councils operating budgets and debt levels is financially prudent, reasonable and appropriate having had regard to our funding principles, the factors in section 100(2) of the Local Government Act 2002 and all other relevant matters.

Proposed amendment: replace Expenditure to be funded section with below

Expenditure to be funded

Legislation requires the council to make adequate and effective provision in its long-term plan to meet the expenditure needs identified in that plan. Generally, this will mean that all expenditure is funded.

Funding depreciation

Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation (referred to as "funding depreciation") generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach.

In some cases, it is not financially prudent to fund depreciation. In determining the level of non-funded depreciation, the council will have regard to:

a) whether at the end of its useful life, the replacement of an asset will be funded by way of a grant or subsidy from a third party
b) whether the council has elected not to replace an asset at the end of its useful life
c) whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
d) whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

On creation of the Auckland Council the legacy councils only funded, on average, 63 per cent of the qualifying depreciation (that which does not come under a-c above). The council adopted a policy of moving towards funding 100% of qualifying depreciation by 2025. Given the impacts of COVID-19 on our operating revenues maintaining this target would present an unreasonable burden on ratepayers so we have extended this target by three years to 2028.

Table 3.1.2 below sets projected levels of depreciation funding for this long-term plan.

Table 3.1.2 Targeted minimum proportion of depreciation expenditure to be funded

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/3
Funded	70%	75%	80%	85%	85%	90%	100%	100%	100%	100%
Not funded	30%	25%	20%	15%	15%	10%	0%	0%	0%	0%

The council considers that this policy on funding depreciation and the consequential impacts on council's operating budgets and debt levels is financially prudent, reasonable and appropriate having had regard to our funding principles, the factors in section 100(2) of the Local Government Act 2002 and all other relevant matters.

Sources of funding

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2002.

Sources of funding: Operating expenditure

The council has determined the funding sources for operating expenditure after considering the funding principles set in Table 3.1.1.

Table 3.1.3 Funding sources for operating expenditure.

Funding source	Rationale
Fees and charges	Fees and charges can be applied where the users of a service can be identified and charged according to their use of the service (and those that do not pay are denied access to the service). This is based on the paying for benefits received principle. Fees are also appropriate where an individual's action or inaction creates the need for an activity (cost causation). For example, the cost of obtaining a building consent is met by the building owner
Grants and subsidies	Grants and subsidies are generally only appropriate for funding the operating costs of the particular activity that the grant or subsidy is intended to pay for. For example, NZTA (government) transport subsidies can only be used to fund transport projects.
Development or financial contributions	Development contributions or financial contributions can only be used to fund capital expenditures related to growth. Development contributions also include financing costs incurred due to timing differences between growth-related capital expenditure being incurred and the related development contribution being received
Targeted rates	Appropriate to fund operating expenditure (including projects to support growth) where one or more of the following apply: • that benefit a specific group of ratepayers • to incentivise land owners to develop land in response to a commitment to the provision of infrastructure • to provide certainty of the council recovering its costs • where greater transparency in funding the cost of the activity is desirable • where an individual or a group of ratepayers voluntarily chooses to adopt the rate, such as for business improvement districts or the Retrofit Your Home scheme • where the rate is for a specific service, or bundle of services, such as for waste collection.
General rates	General rates are appropriate for funding activities where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the service and charge them for the benefits received or costs imposed (e.g. regional parks and open spaces). It is also appropriate for general rates to partially fund activities where the provision of a private good also generates wider social benefits or where the application of fees and charges either causes affordability issues or compromises the wider objectives of the activity. This is consistent with the guiding principle of affordability
CCO profits, and net rental and interest from investments	CCO profits and net returns from investments will be used to offset the general rates funding requirement of other council activities, reducing the burden on all ratepayers
Borrowing	Borrowing will not generally be used to fund operating expenses. The council may choose to borrow for an operating expense where it is providing a grant to an external community organisation that is

Funding source	Rationale
	building an asset such as a community facility or in other cases where operating expenditure provides enduring economic benefits. Borrowing may also be used to fund the interest expense accrued on borrowing during the period of construction of an asset; and to fund the cost of discovered liabilities such as the council's share of weathertightness claims. In these cases borrowing and repaying the debt over time promotes intergenerational equity by spreading the responsibility for funding across the generations who will benefit
Trusts, bequests and other reserve funds	Certain operating expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met
Other funding sources	The use of any other funding sources should be assessed with regard to the guiding principles. Any miscellaneous revenue not linked to a specific activity should be used to fund activities that would otherwise be funded through the general rate
Surpluses from previous financial years	A surplus may be available to be carried forward if the actual surplus/(deficit) is improved compared to the forecast surplus/(deficit). Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward. The amount of any surplus carried forward will be accounted for as an operating deficit in the year the benefit is passed to ratepayers
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the operating expenditure associated with the approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions or proceeds from asset sales to fund operating expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating expenditure of individual activities.

Sources of funding: Capital expenditure

The council has determined the funding sources for capital expenditure after considering the funding principles set out in Table 3.1.1.

Table 3.1.4 Funding sources for capital expenditure

Funding source	Rationale
General rate	Appropriate funding source where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the capital expenditure
Targeted rates	Appropriate to fund capital expenditure projects (including projects to support growth) where one or more of the following apply: • that benefit a specific group of ratepayers • to incentivise land owners to develop land in response to a commitment to the provision of infrastructure • to provide certainty of the council recovering its costs • where greater transparency in funding the cost of the activity is desirable
Fees and charges	Appropriate funding source where users of a service can be identified and charged according to their service. Examples include water charges and Infrastructure Growth Charges from Watercare Services Limited

Funding source	Rationale
Interest and dividends from investments	Interest and dividends from investments may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding.
Borrowing	Borrowing is used to spread the funding requirement for capital expenditure across multiple years. Given assets deliver benefits throughout their useful lives it is appropriate that the funding is spread across the useful life
Proceeds from asset sales	Funds received from the sale of surplus assets will generally be used to repay borrowings. On a case-by-case basis these surpluses may be used to fund investment in another asset of higher strategic priority than the asset sold
Development or financial contributions	Appropriate to fund capital expenditure in anticipation of or in response to development (growth) that will generate a demand for additional reserves, network or community infrastructure (such as stormwater systems). Contributions are set through the council's Contributions Policy
Grants, subsidies, and donations	Appropriate to fund specific capital expenditure projects as per terms of the grant, subsidy or donation. An example of this is NZTA subsidies to partially fund transport projects
Trusts, bequests and other reserve funds	Certain capital expenditure may be funded from restricted or special funds that are subject to special conditions of use, whether under statute or accepted as binding by the council. Transfers from reserves may only be made when the specified conditions for use of the funds are met
Other sources	Other revenue sources may be used where appropriate and consistent with the council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding. An example of this is the use of commercial returns from property holdings to fund capital spend on those property assets
Regional Fuel Tax	A Regional Fuel Tax may be used to fund the capital expenditure associated with the approved list of transport capital projects as set out in the Regional Fuel Tax scheme.

Note: Auckland Council does not intend to use lump sum contributions to fund capital expenditure.

The funding mix for activities shown in Table 3.1.6 below reflects the application of the above principles and rationale to the operating and capital expenditure of individual activities.

Rating Policy

The council will use general rates to fund activities which have a 'public good' element, e.g. civil defence, or where it wishes to subsidise the provision of services because of the wider social benefits they provide e.g. libraries.

Valuation basis

The general rate will be set on the basis of capital value. Capital value better reflects the level of benefit a property is likely to receive from services rather than land value or annual value.

Application of a uniform annual general charge

To ensure that the rates incidence isn't disproportionately borne by higher value properties the council sets a uniform annual general charge (UAGC). Every ratepayer will therefore make a minimum contribution to meeting the council's costs.

The charge will apply to every separately used or inhabited part of a rating unit e.g. shop in a mall or granny flat. This ensures equal treatment between these properties and main street shops or apartments on individual titles.

Rates differentials

It is the council's view that some land uses receive more benefit from, or place more demand on, council services and/or may have a differing ability to pay rates. The differentials will be determined based on land use (including consideration of land use classifications determined under the Rating Valuation Rules) and location.

Proposed amendment:

Add "the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the Auckland Unitary Plan" as a matter that will be used to determine differentials

The council will apply general rates differentially (the base level for rating is the urban residential sector) and may also apply targeted rates differentially to:

- business properties in the urban area
- business properties in rural areas
- residential properties in the rural areas
- farm/lifestyle properties
- moderate-occupancy online accommodation providers in the rural areas
- moderate-occupancy online accommodation providers in the urban area
- medium-occupancy online accommodation providers in the rural areas
- medium-occupancy online accommodation providers in the urban area
- properties with no direct or indirect road access
- properties where the council chooses not to charge rates (eg: zero-rated).

The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates take, which is substantially lower than the current level. Business rates will move to that level in equal steps by 2037/2038 to manage the affordability impact of the shift in the rates incidence to the non-business sector.

Proposed amendment:

Replace paragraph with "The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates take, which is substantially lower than the current level. Business rates will move from 31.33 per cent in 2020/2021 to 25.8 per cent in 2037/2038. The differential will be reduced in equal steps each year to manage the affordability impact of the shift in the rates incidence to the non-business sector. This approach to the business differential removes the impact on the split of rates between business and non-business properties that changes in property values have resulting from the triennial region-wide revaluation."

Targeted rates

The council mainly uses targeted rates where there is a clearly identifiable group benefiting from a specific council activity. Targeted rates will apply to properties that receive certain services, or which are located in specified areas. Targeted rates may be used where the council wishes to incentivise development in areas where infrastructure investments have been made and/or to provide more certainty over the timing of payment for those investments. Targeted rates may also apply universally to fund a specific activity where a greater degree of transparency is desired. The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate.

The council intends to set targeted rates to fund activities as set out in Table 3.1.5 below.

Table 3.1.5: Services to be funded by targeted rates

Targeted rate	Services to be funded or part funded
Waste management targeted rates	Refuse, inorganic, food scraps collection, resource recovery centres and recycling services as appropriate for former council areas
City centre targeted rate	Investment in projects to enhance the central city environs
Local targeted rates as proposed by local boards	Local or regional activities in the local board's area
Business improvement district targeted rates	Investments to enhance the environs in the area of the business association as agreed with the business association
Loan repayment targeted rates	To repay financial assistance provided by the council to ratepayers for specific purposes
Waitakere rural sewerage targeted rate	To pay for the provision of inspection and pump out services for on-site waste management systems
Swimming pool fence inspection targeted rate	To pay for the provision of pool fence and barrier inspections including associated administrative costs
Infrastructure targeted rates	Activities requiring infrastructure investment
Accommodation provider targeted rate	ATEEDs visitor attraction and major events expenditure
Water Quality targeted rate	Additional investment in improving water quality
Natural Environment targeted rate	Additional investment in improving environmental outcomes

Proposed amendment:

Amend service being funded or part funded for "Accommodation provider targeted rate" to remove reference to ATEED.

Insert rows in above table to include targeted rates for:

- **"Electricity network resilience targeted rate", the service being funded or part funded is "To pay for the maintenance of trees near powerlines"**
- **"Rodney drainage districts targeted rate", the service being funded or part funded is "To pay for maintenance of drainage assets in the drainage districts"**
- **"Clevedon wastewater and water connection targeted rate", the service being funded or part funded is "To pay for connection costs to reticulated wastewater and water systems"**

Annual adjustments to regulatory fees and charges

The council will amend its regulatory fees and charges annually to:

- reflect increases in costs as measured by the council rate of inflation and/or
- maintain the cost recovery levels underlying the basis for setting the fee levels.

The change to fee levels will be made on a practical basis recognising that the percentage change applied to individual fees may not precisely equal the council rate of inflation. This also means smaller fees may increase by more material amounts in one year and remain constant for a period before being adjusted again.

Application of funding principles to the funding of operating and capital expenditure for each activity

The council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in Table 3.1.1 and the rationale for the use of funding sources in Tables 3.1.3 and 3.1.4 above. A brief summary of the decisions and consideration of funding principles for each activity is set out in table 3.1.6 below.

Table 3.1.6 Funding sources for operating and capital expenditure for each activity

Groups of Activities: Council controlled services

Activities	Consideration of funding principles	Funding policy
Development Auckland	This involves both commercial operations that deliver private benefits and public initiatives that benefit the community as a whole Lessees, tenants and purchasers derive the full benefit	Costs of commercial operations are funded from user charges and other non-rates revenue Costs of public initiatives are primarily funded from the general rate Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Economic growth and visitor economy	The related industries benefit from increased visitor numbers The community as a whole benefit from growth in the economy and employment	Visitor attraction and major events expenditure is funded by a mix of general and targeted rates Economic development costs are primarily funded from the general rate Subsidies from government and other sources are utilised where available User charges are applied where benefits are private (event tickets) Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Regional facilities	Users of the facilities derive a direct benefit The community as a whole benefit through a more diverse and vibrant lifestyle and an increased sense of pride and identity created by the events hosted in the facilities An enhancement to the overall economy and employment resulting from increased visitor numbers	The majority of the costs are funded from the general rate with the balance funded from user charges such as venue hire Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Groups of Activities: Local services

Activities	Consideration of funding principles	Funding policy
Local planning and development	Business improvement districts (BIDs) directly benefit from council expenditure on local economic development made at their direction The rest of the council's service in local planning and development benefits the community as a whole	Grants provided to each BID for spending in the BID area are funded from the respective BID targeted rate Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available The balance of the costs are funded from the general rate Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Local environmental management	These are public goods that benefit the community as a whole	Costs are fully funded from the general rate Revenue from any other sources (including from any user charges, targeted rate, grants, donations and sponsorships) will be utilised should they become available Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Local governance	These are public goods that benefit the community as a whole	Costs are primarily funded from the general rate Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Local community services	Service users derive a direct benefit The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space In most cases it is impractical to directly charge users In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions) The target recipients of the services may have affordability issues	Costs are primarily funded from the general rate User charges may apply where the service is private and a charge can be implemented without compromising the council's social objectives Subsidies from government and other sources, (including from any targeted rate, grants, donations and sponsorships) are utilised where available Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Groups of Activities: Regional council services

Activities	Consideration of funding principles	Funding policy
Regional planning	The community as a whole benefit from this activity The city centre redevelopment programme directly benefits businesses in the city centre area through enhancing the quality of the environment in the city centre for workers and visitors	Costs are primarily funded from the general rate Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Regulatory services	The need for the council involvement is mainly caused by licence or consent applicants or holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community In some cases it is difficult to identify and charge the parties who cause the costs (e.g. owners of unregistered dogs) In some cases charging the full cost may discourage compliance Certain related services (e.g. provision of property information) deliver private benefit to users	Costs are primarily funded from user charges Certain charges are set at a level below cost to encourage compliance, with the balance funded from general rates Where costs cannot be easily attributed to individual parties, they are funded from the general rate Targeted rates are used where there is a clearly identifiable group benefiting from a specific council activity (e.g. on-site sewerage pump out) Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Organisational support	Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits The remainder of the activity contributes to the council's provision of other external services	Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers There is a small amount of revenue from fees and charges The remainder of the costs are allocated to the council's external services Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Regional governance	These are public goods that benefit the community as a whole	Costs are primarily funded from the general rate (see note below) Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Regional community services	Service users derive a direct benefit The wider public benefit from a more vibrant and friendly community, a safer community environment and access to high quality open space In most cases it is impractical to directly charge users In some cases the service is private and a charge can be implemented (e.g. use of park space or facilities for private functions)	Costs are primarily funded from the general rate User charges may apply where the service is private and a charge can be implemented Subsidies from government and other sources (including from any targeted rate, grants, donations and sponsorships) are utilised where available Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from

Activities	Consideration of funding principles	Funding policy
	The target recipients of the services may have affordability issues	development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences
Environmental services	The provision of environmental services is primarily a public good that benefits the community as a whole	Costs are funded predominantly from the general rate Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent
Investment	All ratepayers as a whole bear the risk of the investments	Any profit realised is used to reduce the general rate requirement Any loss would be funded from the general rate or other revenue Borrowings are used to address cash-flow timing differences
3rd party amenities and grants	Regional amenities such as MOTAT and Auckland War Memorial Museum benefit the community as a whole Council is required under legislation to provide funding for amenities included in this activity	Costs to the council are primarily funded from the general rate Borrowings may be used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Note: Revenue from council owned cafeteria is currently grouped under this activity and is used to offset the general rate.

Groups of Activities: Roads and Footpaths

Activities	Consideration of funding principles	Funding policy
Road and footpaths	Road and footpath users derive a direct benefit There are legal and practical constraints in directly charging users The vast majority of the public are users	Costs are funded from a combination of the general rate, user charges, and government grants. Targeted rates may also be used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers Costs associated with the city centre redevelopment programme are funded from a combination of the city centre targeted rate and general rates Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure

Activities	Consideration of funding principles	Funding policy
		Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme

Groups of Activities: Public Transport and Travel Demand Management

Activities	Consideration of funding principles	Funding policy
Public Transport and travel demand management	Service users derive a direct benefit Public transport provides benefit for the wider community by reducing demand from private transportation for roading infrastructure	Costs are funded from a combination of the general rate, user charges and government grants Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences The Regional Fuel Tax may be used to fund the some of the operating and capital expenditure associated with approved list of transport capital projects as set out in the Regional Fuel Tax scheme
Parking and enforcement	Parking customers derive the full benefit Individuals failing to comply with restrictions create the need for the council involvement	Costs are fully funded from user charges and fines Borrowings are used to address cash-flow timing differences
Organisational support (Auckland Transport)	Certain services within this activity (e.g. provision of financial assistance to certain ratepayers and supply of information for commercial or private use) deliver private benefits The remainder of the activity contributes to the council's provision of other external services	Costs are allocated to the council's external services Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences

Groups of Activities: Stormwater Management

Activities	Consideration of funding principles	Funding policy
Stormwater management	These are public goods that benefit the community as a whole (except for a small number of local projects that benefit a specific group of ratepayers)	Costs are primarily funded from the general rate Targeted rates are used where financial assistance is provided by the council for a specific group of ratepayers to fund local projects that solely benefit those ratepayers

Activities	Consideration of funding principles	Funding policy
		Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) not funded from development contributions where a project benefits a specific group of ratepayers Development contributions are used to fund the majority of the total cost of interest and capital expenditure on qualifying growth-related public infrastructure Financial contributions are used to fund the costs of environmental mitigation through the resource consent process Borrowings are used to spread the costs fairly and prudently across different generations of ratepayers and to address cash-flow timing differences Targeted rates applied universally on a differential basis (business and non-business) are used where a greater degree of transparency is desired in relation to how funds are spent

Groups of Activities: Wastewater treatment and disposal

Activities	Consideration of funding principles	Funding policy
Wastewater	Water and wastewater customers derive the full benefit	Costs are mainly funded from user charges Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences

Groups of Activities: Water Supply

Activities	Consideration of funding principles	Funding policy
Water supply	Water and wastewater customers derive the full benefit	Costs are mainly funded from user charges Targeted rates are used to fund operations, maintenance and renewal costs where a project benefits a specific group of ratepayers Targeted rates are used to fund interest and capital expenditure cost for infrastructure (including projects to support growth) and are not funded by other user charges and/or development contributions where a project benefits a specific group of ratepayers Borrowings are used to spread the costs fairly and prudently across different generations of water users and to address cash-flow timing differences

4.2 Prospective funding impact statement

Prospective consolidated funding impact statement

Auckland Council group consolidated

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Sources of operating funding:											
General rates, UAGCs, rates penalties	1,744,032	1,871,317	1,970,904	2,072,777	2,181,914	2,294,829	2,417,364	2,548,827	2,686,833	2,830,605	2,975,341
Targeted rates	237,294	266,826	278,093	298,413	276,317	280,839	285,004	291,868	299,831	308,908	315,468
Subsidies and grants for operating purposes	411,109	385,535	388,479	387,412	408,954	425,075	432,675	440,680	448,877	453,383	461,821
Fees and charges	1,218,626	1,465,808	1,640,156	1,799,950	1,903,183	2,033,656	2,172,573	2,325,970	2,484,906	2,580,341	2,686,799
Interest and dividends from investments	9,078	7,432	37,069	58,796	63,491	68,287	72,279	75,368	75,204	75,291	78,629
Local authorities fuel tax, fines, infringement fees and other receipts	435,986	481,961	492,145	504,672	514,593	534,591	553,125	570,902	577,944	578,165	588,088
Total operating funding	**4,056,125**	**4,478,879**	**4,806,846**	**5,122,020**	**5,348,452**	**5,637,277**	**5,933,020**	**6,253,615**	**6,573,595**	**6,826,693**	**7,106,146**
Applications of operating funding:											
Payment to staff and suppliers	2,940,043	3,085,505	3,191,048	3,298,708	3,492,231	3,612,414	3,710,646	3,816,881	3,928,953	4,028,661	4,156,817
Finance costs	451,619	463,661	504,388	536,240	552,959	565,202	584,151	600,337	602,536	594,471	579,454
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**3,391,662**	**3,549,166**	**3,695,436**	**3,834,948**	**4,045,190**	**4,177,616**	**4,294,797**	**4,417,218**	**4,531,489**	**4,623,132**	**4,736,271**
Surplus (deficit) of operating funding	**664,463**	**929,713**	**1,111,410**	**1,287,072**	**1,303,262**	**1,459,661**	**1,638,223**	**1,836,397**	**2,042,106**	**2,203,561**	**2,369,875**
Sources of capital funding:											
Subsidies and grants for capital expenditure	453,638	513,813	537,252	559,764	503,149	502,137	553,270	554,447	628,402	626,157	625,000

Financial year ending 30 June $000	Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Development and financial contributions	136,698	179,713	225,702	251,301	251,301	251,301	245,770	243,222	243,222	243,222	243,222
Increase (decrease) in debt	909,694	1,055,323	973,041	492,226	575,004	695,030	775,963	561,918	478,270	271,633	169,171
Gross proceeds from sale of assets	390,013	232,349	209,339	176,397	77,218	103,895	58,831	28,815	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**1,890,043**	**1,981,198**	**1,945,334**	**1,479,688**	**1,406,672**	**1,552,363**	**1,633,834**	**1,388,402**	**1,349,894**	**1,141,012**	**1,037,393**
Application of capital funding:											
Capital expenditure:											
- to meet additional demand	747,930	702,200	694,618	728,822	835,272	938,920	938,724	1,010,156	1,017,344	1,013,358	1,081,022
- to improve the level of service	926,654	898,963	913,890	996,567	999,122	850,125	937,879	851,795	933,024	926,114	812,059
- to replace existing assets	497,121	863,010	860,329	935,733	993,521	1,277,083	1,436,414	1,300,893	1,481,454	1,353,062	1,559,276
Increase (decrease) in reserves	91,010	24,429	115,807	11,666	6,531	7,098	8,142	7,386	6,776	6,147	5,186
Increase (decrease) in investments	291,791	422,309	472,100	93,972	(124,512)	(61,202)	(49,102)	54,569	(46,598)	45,892	(50,275)
Total applications of capital funding	**2,554,506**	**2,910,911**	**3,056,744**	**2,766,760**	**2,709,934**	**3,012,024**	**3,272,057**	**3,224,799**	**3,392,000**	**3,344,573**	**3,407,268**
Surplus (deficit) of capital funding	**(664,463)**	**(929,713)**	**(1,111,410)**	**(1,287,072)**	**(1,303,262)**	**(1,459,661)**	**(1,638,223)**	**(1,836,397)**	**(2,042,106)**	**(2,203,561)**	**(2,369,875)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Rating mechanism

This section sets out how the council sets its rates. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.

Background

The council's general rate is made up of the Uniform Annual General Charge (UAGC) and the value-based general rate. Revenue from the general rate is used to fund the council activities that are deemed to generally and equally benefit Auckland and that part of activities that are not funded by other sources.

Rating base information

The following table sets out the projected number of rating units at the end of the preceding financial year for each year of the long-term plan.

Financial year ending 30 June	Number of rating units for Auckland Council
2021	589,312
2022	599,625
2023	609,459
2024	619,881
2025	629,985
2026	641,073
2027	653,125
2028	665,730
2029	678,180
2030	689,709

How the increase in the rate requirement is applied

The increase in the general rate requirement is split to maintain the proportion of the UAGC at around 13.4 per cent of the total general rate (UAGC plus value based general rate). This is achieved by applying the general rates increase to the UAGC and rounding to the nearest dollar.

Uniform annual general charge (UAGC) and other fixed rates

The UAGC is a fixed rate that is used to fund general council activities. The council will apply the UAGC to all rateable land in the region per separately used or inhabited part of a rating unit (SUIP). The definition of a separately used or inhabited part of a rating unit is set out in the following section.

Where two or more rating units are contiguous or separated only by a road, railway, drain, water race, river, or stream, are owned by the same person or persons, and are used jointly as a single unit, those rating units will be treated as a single rating unit and only one uniform annual general charge will be applied.

The council will also set the following targeted rates which will have a fixed rate component:

- Waste management targeted rates
- part of some Business Improvement District targeted rates
- City centre targeted rate for residential properties
- Electricity network resilience targeted rate
- Point Wells wastewater targeted rate

- Jackson Crescent wastewater targeted rate
- Riverhaven Drive targeted rate
- Waitākere rural sewerage targeted rate
- Ōtara-Papatoetoe swimming pool targeted rate
- Māngere-Ōtāhuhu swimming pool targeted rate
- Rodney Local Board Transport targeted rate
- Paremoremo Public Transport targeted rate
- Swimming/spa pool compliance targeted rate
- Clevedon wastewater and water connection targeted rate

Funds raised by uniform fixed rates, which include the UAGC and any targeted rate set on a uniform fixed basis[1] set per rating unit or per SUIP, cannot exceed 30 per cent of total rates revenue sought by the council for the year (under Section 21 of Local Government (Rating) Act 2002).

A UAGC of $461 (including GST) will be applied per SUIP for 2021/2022. This is estimated to produce around $260.8 million (excluding GST) for 2021/2022.

The definition of a separately used or inhabited part of a rating unit

The council defines a separately used or inhabited part (SUIP) of a rating unit as ‘any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or any other agreement’. For the purposes of this definition, parts of a rating unit will be treated as separately used if they come within different differential categories, which are based on use. An example would be a rating unit that has a shop on the ground floor (which would be rated as business) and a residence upstairs (rated as residential).

Rating units used for commercial accommodation purposes, such as motels and hotels, will be treated for rating purposes as having one separately used or inhabited part, unless there are multiple businesses within the rating unit or another rating differential applies. Examples of how this might apply in practice are as follows:

- a business operating a motel on a rating unit will be treated for rating purposes as a single separately used or inhabited part. If that rating unit also includes a residential unit, in which the manager or owner resides, then the rating unit will be treated for rating purposes as having two separately used or inhabited parts
- a hotel will be treated for rating purposes as a single separately used or inhabited part, irrespective of the number of rooms. If, on the premises, there is a florist business and a souvenir business, then the rating unit will be treated for rating purposes as having three separately used or inhabited parts.

A similar approach applies to universities, hospitals, rest homes and storage container businesses. Vacant land will be treated for rating purposes as having one separately used or inhabited part.

Rating units that have licence to occupy titles, such as some retirement villages or rest homes, will be treated as having a separately used or inhabited part for each part of the property covered by a licence to occupy.

The above definition applies for the purposes of the UAGC as well as any targeted rate which is set on a “per SUIP” basis.

Value-based general rate

The value-based general rate will apply to all rateable land in the region and will be assessed on capital value and is assessed by multiplying the capital value of a rating unit by the rate per dollar that applies to that rating unit’s differential category.

[1] Except rates set solely for water supply or sewerage disposal.

Rates differentials

General and targeted rates can be charged on a differential basis. This means that a differential is applied to the rate or rates so that some ratepayers may pay more or less than others with the same value rating unit.

The differential for urban residential land is set at 1.00. Business attracts higher rates differentials than residential land. Lower differentials are applied to rural, farm/lifestyle and no road access land.

The council defines its rates differential categories using location and the use to which the land is put. When determining the use to which the land is put, the council will consider information it holds concerning the actual use of the land, and the land use classification that council has determined applies to the property under the Rating Valuation Rules.

Where there is no actual use of the land (i.e. the land is vacant), the council considers the location of the land and the highest and best use of the land to determine the appropriate rates differential. Highest and best use is determined by the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.

The definition for each rates differential category is listed in the table below. For clarity, where different parts of a rating unit fall within different differential categories then rates will be assessed for each part according to its differential category. Each part will also be classified as being a separate SUIP (see definition above).

Rates differential definitions

Differential group	Definition
Urban business	Land in the Urban Rating Area that is used for commercial, industrial, transport, utility, public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land in the Urban Rating Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Urban residential	Land in the Urban Rating Area that is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.(1) Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence). Land in the Urban Rating Area that is used for lifestyle or rural industry purposes, excluding mineral extraction will be charged the urban residential rate.
Rural business	Land outside the Urban Rating Area that is used for commercial, industrial, transport, utility network(2), or public communal – licensed or mineral extraction purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Rural residential	Land outside the Urban Rating Area that is used exclusively or almost exclusively for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels (1). Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)
Farm and lifestyle	Any land outside the Urban Rating Area that is used for lifestyle or rural industry purposes, excluding mineral extraction(3)

Differential group	Definition
No road access	Includes all land (irrespective of use) for which direct or indirect access by road is unavailable or provided for, and all land situated on the islands of Ihumoana, Kaikoura, Karamuramu, Kauwahia, Kawau, Little Barrier, Mokohinau, Motahaku, Motuketekete, Motutapu, Motuihe, Pakatoa, Pakihi, Ponui, Rabbit, Rakitu, Rangiahua, Rotoroa and The Noises
Zero-rated	Includes land on all Hauraki Gulf islands and Manukau Harbour other than Waiheke, Great Barrier and the islands named in the definition of No road access. Also includes land used by religious organisations for: • housing for religious leaders which is onsite or adjacent to the place of religious worship • halls and gymnasiums used for community not-for-profit purposes • not-for-profit childcare for the benefit of the community • libraries • offices that are onsite and which exist for religious purposes • non-commercial op-shops operating from the same title • car parks serving multiple land uses but for which the primary purpose is for religious purposes.
Urban moderate-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Rural moderate-occupancy online accommodation provider	Land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation that offer short-term rental accommodation services via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Urban medium-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Rural medium-occupancy online accommodation provider	Land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.

Notes to table:

1. Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.
2. Utility networks are classed as rural business differential. However, all other utility rating units are categorised based on their land use and location.

Urban Rating Area

The Urban rating Area includes all land within the Rural Urban Boundary as identified in the Unitary Plan, excluding any land that is:

- zoned Future Urban (with the exception of the land in the Hall's Farm and Ockleston Landing Urban Rating Area maps)
- within Warkworth.

The long-term differential strategy

The council has decided that the appropriate differential for business is to raise 25.8 per cent of the general rates revenue (UAGC and value-based general rate), which is substantially lower than the current level. Business rates will move from 31.33 per cent in 2020/2021 to 25.8 per cent in 2037/2038. The differential will be reduced in equal steps each year to manage the affordability impact of the shift in the rates incidence to the non-business sector. This approach to the business differential removes the impact on the split of rates between business and non-business properties that changes in property values have resulting from the triennial region-wide revaluation.

The table below sets out the rates differentials and rates in the dollar of capital value to be applied in 2021/2022. This is estimated to produce around $1,632.0 million (excluding GST) for 2021/2022.

Value-based general rate differentials for 2021/2022

Property category	Effective relative differential ratio for general rate for 2021/2022	Rate in the dollar for 2021/2022 (including GST) ($)	Share of value-based general rate (excluding GST) ($)	Share of value-based general rate (%)
Urban business	2.71	0.00559912	521,207,158	31.9%
Urban residential	1.00	0.00206811	940,498,503	57.6%
Rural business	2.44	0.00503921	47,015,926	2.9%
Rural residential	0.90	0.00186130	48,034,769	2.9%
Farm and lifestyle	0.80	0.00165449	73,245,870	4.5%
No road access	0.25	0.00051703	257,962	Less than 0.1%
Zero-rated(1)	0.00	0.00000000	0	0.0%
Urban moderate-occupancy online accommodation provider	1.85	0.00383361	57,621	Less than 0.1%
Rural moderate-occupancy online accommodation provider	1.67	0.00345025	24,490	Less than 0.1%
Urban medium-occupancy online accommodation provider	1.43	0.00295086	1,225,053	0.1%
Rural medium-occupancy online accommodation provider	1.28	0.00265578	476,543	Less than 0.1%

Note to table: 1. Rating units within the Zero-rated differential category are liable for the UAGC only, which is automatically remitted through the rate remission policy.

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the value-based general rates requirement determined on their share of the city's land value rather than a share of the city's capital value as applies for other properties.

Targeted rates

The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate. Unless otherwise stated, the targeted rates described below will be used as sources of funding for each year until 2030/2031.

Water Quality Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2030/2031 to clean up Auckland's waterways. The rate will fund expenditure within the following activities: Stormwater Management.

Activities to be funded

The Water Quality Targeted Rate (WQTR) will be used to help fund the capital costs of investment in cleaning up Auckland's waterways.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of $0.00011211 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business and Rural business) as defined for rating purposes, and $0.00006380 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around $45.2 million (excluding GST) for 2021/2022, $11.5 million from business and $33.7 million from non-business.

Natural Environment Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2030/2031 to enhance Auckland's natural environment. The rate will fund expenditure within the following activities: Regional environmental services.

Activities to be funded

The Natural Environment Targeted Rate (NETR) will be used to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio is set so that 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of $0.00007603 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business and Rural business) as defined for rating purposes, and $0.00004326 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around $30.7 million (excluding GST) for 2021/2022, $7.8 million from business and $22.9 million from non-business.

Waste Management targeted rate

Background

The benefit of the provision of waste management services in public areas e.g. public litter bins is funded through the general rate. Privately generated waste is funded through a mixture of targeted rates and pay as you throw charges.

The refuse, recycling, inorganic collection and other waste management services in Auckland are being standardised under the Waste Management and Minimisation Plan (WMMP). The food scraps collection service is currently available in Papakura and some parts of Northcote, Milford and Takapuna. This is scheduled to be rolled out to the whole of urban Auckland from 2022/2023.

Solid waste targeted rates for 2021/2022 include:

- a region-wide rate to cover the cost of the base service including recycling, inorganic collection, resource recovery centres, the Hauraki Gulf Islands subsidy and other regional waste services
- a standard refuse rate will apply in the former Auckland City and the former Manukau City to fund refuse collection
- an additional targeted rate for Papakura and parts of North Shore to cover the cost of the food scraps collection
- additional rates may apply to properties that request additional recycling or refuse services.

Where user charges currently apply, these will continue.

The council is implementing the Auckland WMMP. Information on the plan can be found on the council's website.

Activities to be funded

The targeted rate for waste management is used to fund refuse collection and disposal services (including the inorganic refuse collection), recycling, food scraps collection, waste transfer stations and resource recovery centres within the solid waste and environmental services activity.

How the rate will be assessed

For land outside of the district of the former Auckland City Council where a service is provided or available, the targeted rate for the base service and the standard refuse service (for the former Manukau City) and the food scraps service (for the former Papakura District and the previous food scraps trial area in Northcote, Milford and Takapuna), will be charged on a per SUIP basis. See the UAGC section prior for the council's definition of a SUIP. The standard refuse service includes one 120 litre refuse bin (or equivalent).

For land within the district of the former Auckland City Council, the targeted rate for the base service and the standard refuse service will be charged based of the number and type of services supplied or available to each rating unit. For rating units made up of one SUIP, the council will provide one refuse collection service. For rating units made up of more than one SUIP, the council will provide the same service as was provided at 30 June 2021, unless otherwise informed by the owner of the rating unit (that is, at least one base service and one refuse collection service). Land which has an approved alternative service will be charged the waste service charge that excludes the approved alternative service or services. See sample properties at the end of this section for examples on how these apply.

For land within the former district of Auckland City and Manukau City, a large refuse rate will apply, on top of the standard refuse rate, if a 240 litre refuse bin is supplied instead of the standard 120 litre bin.

For all land across Auckland, an additional recycling rate will apply if an additional recycling service is supplied.

In the future, the waste management targeted rate may be adjusted to reflect changes in the nature of services and the costs of providing waste management services to reflect the implementation of the Auckland Waste Management and Minimisation Plan.

The following table sets out the waste management targeted rates to be applied in 2021/2022. This is estimated to produce around $109.7 million (excluding GST) for 2021/2022.

Waste management targeted rates

Service	Differential group	Amount of targeted rate for 2021/2022 (including GST) $	Charging basis	Share of targeted rate (excluding GST) ($)
Base service	Rating units in the former Auckland City	142.71	Per service available	166,019
	Rating units in the former Franklin District, Manukau City, North Shore City, Papakura District, Rodney District and Waitākere City	142.71	Per SUIP	402,721
Base service excluding recycling	Rating units in the former Auckland City	53.87	Per service available	32,315
Standard refuse	Rating units in the former Auckland City	142.94	Per service available	164,815
	Rating units in the former Manukau City	142.94	Per SUIP	117,949
Large refuse	Rating units in the former Auckland City and Manukau City	67.18	Per service available	16,510
Additional recycling	All rating units	88.84	Per service available	1,780
Food scraps	Rating units in the former Papakura District and the former food scraps trial area in Northcote, Milford and Takapuna	69.88	Per SUIP	22,055

For the avoidance of doubt, properties that opt out of one or more council services in the former Auckland City area will be rated as below:

- land which has an approved alternative refuse service will be charged the base service rate ($142.71)
- land which has an approved alternative recycling service will be charged the standard refuse rate ($142.94) plus the base service excluding recycling rate ($53.87)
- land which has approved alternative refuse and recycling services will be charged the base service excluding recycling rate ($53.87).

Accommodation provider targeted rate

Background

Auckland Council, through Auckland Unlimited, has a strong focus on developing Auckland's visitor economy into a sustainable year-round industry, including working with industry partners such as Tourism New Zealand and Auckland International Airport Limited to attract high-value visitors, and facilitating the establishment of world-class attractions. The Auckland Convention Bureau team attracts business events which inject millions annually into the economy.

Auckland Unlimited is also focused on continuing to expand Auckland as a world-leading events city through attracting, delivering and/or supporting an annual portfolio of more than 30 major events.

Activities to be funded

The Accommodation provider targeted rate will be used to help part fund the costs of visitor attraction, major events and destination and marketing which are part of council's "economic growth and visitor economy" activity.

How the rate will be assessed

A differentiated targeted rate will be assessed on capital value and applied to all rateable land in Zones A and B defined as business, moderate-occupancy online accommodation provider, and medium-occupancy online accommodation provider for rating purposes operated as Tier one, two, three, four, five, or six accommodation. The capital value to which the targeted rate applies excludes the value of the portion not attributable to the provision of commercial accommodation.

The rate will be differentiated by provider type and by location as laid out below.

Provider type

The rate will be differentiated by provider type as described in the categories of accommodation below:

1. hotels
2. motels and motor inns
3. lodges
4. pub accommodation
5. serviced apartments
6. campgrounds, motor parks, and holiday parks
7. backpackers and short stay hostels
8. bed and breakfasts and homestays
9. high-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year)
10. moderate-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year)
11. medium-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year)

Long-stay residential accommodation is excluded from liability for the rate. Note that some motor inns, campgrounds, motor parks or holiday parks may be primarily long-stay accommodation and treated accordingly where appropriate supporting evidence can be provided. Additionally, any portion of commercial accommodation contracted for emergency housing by the Ministry of Social Development will be excluded from liability for the rate.

Where an accommodation operator offers differing accommodation types from one establishment then the different parts should be treated according to their differential category use. For example, many campgrounds, motor parks, and holiday parks offer a mixture of self-contained units (similar to motels), cabins (similar to backpackers), and camp sites.

Provider types will be grouped into the following seven tiers:

- Tier 1: hotels, serviced apartments and high-occupancy online accommodation providers*
- Tier 2: motels and motor inns, lodges, pub accommodation, and serviced apartments and high-occupancy online accommodation providers not included in Tier 1
- Tier 3: moderate-occupancy online accommodation providers that have characteristics similar to hotels (different to motels as described above)
- Tier 4: moderate-occupancy online accommodation providers that have characteristics similar to motels (as described above)
- Tier 5: medium-occupancy online accommodation providers that have characteristics similar to hotels (different to motels as described above)
- Tier 6: medium-occupancy online accommodation providers that have characteristics similar to motels (as described above)
- Tier 7: other accommodation providers such as backpackers, short stay hostels, bed and breakfasts, homestays and campgrounds.

* serviced apartments and high-occupancy online accommodation providers that have characteristics similar to motels (such as parking provided directly outside the apartment, managers accommodation on-site, buildings are 1 or 2 levels) will be classified as Tier 2 for the purposes of establishing liability for the Accommodation provider targeted rate.

Location

The rate will also be differentiated by location as described in the zones below:

- Zone A: accommodation providers located in local board areas of Albert-Eden, Devonport-Takapuna, Māngere-Ōtāhuhu, Maungakiekie-Tāmaki, Ōrākei, Waitematā.
- Zone B: accommodation providers located in local board areas of Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Manurewa, Ōtara-Papatoetoe, Puketāpapa, Upper Harbour, Waiheke, Whau.
- Zone C: accommodation providers located in local board areas of Franklin, Great Barrier, Papakura, Rodney and Waitākere Ranges.

Differential ratios

The table below sets out the differential ratios that are applied to the differential categories described above for the Accommodation provider targeted rate:

Differential ratios		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	1.0	0.6	0.50	0.30	0.25	0.15
	Zone B	0.5	0.3	0.25	0.15	0.125	0.075

Accommodation provider targeted rate

The following table sets out the Accommodation provider targeted rate to be applied to the differential categories described above for 2021/2022. This is estimated to produce around $14.5 million (excluding GST) for 2021/2022.

Rate in the dollar to be based on the capital value of the portion of the rating unit used for commercial accommodation (including GST) ($)		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	0.00590727	0.00354436	0.00295363	0.00177218	0.00147682	0.00088609
	Zone B	0.00295363	0.00177218	0.00147682	0.00088609	0.00073841	0.00044305

Accommodation located in Zone C or used for Tier 7 purposes will not be liable for the Accommodation provider targeted rate.

City centre targeted rate

Background

The City Centre targeted rate will be used to help fund the development and revitalisation of the city centre. The rate applies to business and residential land in the City Centre area.

Activities to be funded

The City Centre redevelopment programme aims to enhance the city centre as a place to work, live, visit and do business. It achieves this by providing a high-quality urban environment, promoting the competitive advantages of the city centre as a business location, and promoting the city centre as a place for high-quality education, research and development. The programme intends to reinforce and promote the city centre as a centre for arts and culture, with a unique identity as the heart and soul of Auckland. The rate will fund expenditure within the following activities: Regional planning; Roads and footpaths; Local community services.

The targeted rate will continue until 2030/2031 to cover capital and operating expenditure generated by the projects in the City Centre redevelopment programme. The depreciation and consequential operating costs of capital works are funded from general rates.

How the rate will be assessed

A differentiated targeted rate will be applied to business and residential land, as defined for rating purposes, in the city centre. You can view a map of the city centre area at www.aucklandcouncil.govt.nz/rates or at any Auckland Council library or service centre.

A rate in the dollar of $0.00128365 (including GST) of rateable capital value will be applied to urban business land in 2021/2022. This is estimated to produce around $22.2 million (excluding GST) for 2021/2022.

A fixed rate of $63.02 (including GST) per SUIP (see UAGC section prior for the council's definition of a SUIP) will be applied to urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider land in 2021/2022. This is estimated to produce around $1.2 million (excluding GST) for 2021/2022.

Rodney Local Board Transport Targeted Rate

Background

The council is funding additional transport investment to deliver improved transport outcomes in the Rodney Local Board area. The rate will fund expenditure within the following activities: Roads and footpaths and Public transport and travel demand management.

Activities to be funded

The Rodney Local Board Transport Targeted Rate (RLBTTR) will be used to help fund the capital and operating costs of additional transport investment and services.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Rodney Local Board area except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be $150 (including GST) per SUIP. This is estimated to produce around $4.5 million (excluding GST) for 2021/2022.

Paremoremo Public Transport Targeted Rate

Background

The council is funding additional transport investment to deliver improved transport outcomes in the Paremoremo area. The rate will fund expenditure within the following activities: Public transport and travel demand management.

Activities to be funded

The Paremoremo Public Transport Targeted Rate will be used to help fund the capital and operating costs of additional public transport investment and services in the Paremoremo area.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land located in the area as defined in the Paremoremo public transport area of benefit (see the proposal for the Paremoremo Public Transport Targeted Rate in Section 7.15 of the Supporting Information for maps showing the proposed area of benefit), except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be $153 (including GST) per SUIP. This is estimated to produce around $170,000 (excluding GST) for 2021/2022.

Electricity Network Resilience Targeted Rate

Background

Auckland Council undertakes management of Auckland Council-owned trees under or near Vector’s power lines. Tree maintenance near powerlines improves public safety around power lines, reduces power outages, and improves the resilience of public trees. The council also undertakes tree planting to support the Auckland Urban Ngahere (Forest) Strategy. The rate will fund expenditure within the following activities: Regional community services.

Activities to be funded

The Electricity Network Resilience Targeted Rate will be used to help fund the operating costs of

- management of Auckland Council-owned trees under or near power lines
- additional tree planting activity to increase canopy cover as provided for in the Auckland Urban Ngahere (Forest) Strategy.

How the rate will be assessed

The targeted rate will be applied as a fixed charge of $12.075 million (including GST) on Vectors electricity network utility rating unit where tree management service is provided. This is estimated to produce around $10.5 million (excluding GST) for 2021/2022.

Rodney drainage districts targeted rate

Auckland Council is responsible for maintaining the public drainage assets in the drainage districts of Te Arai and Okahukura in northern Rodney. The Rodney drainage districts targeted rate will be used to fund the capital and operating costs of maintaining the drainage assets. A management plan will be developed to establish the levels of service for the drainage district assets. The rate will fund expenditure within the following activities: Stormwater management.

The targeted rate will be applied to all rating units that are located entirely or partially within the drainage districts of Te Arai and Okahukura as defined in the former Rodney County Council drainage district maps. The table below sets out the differentiated rates that apply based on location of the land. This is estimated to produce around $60,000 (excluding GST) for 2021/2022.

Drainage district	Rate for each square metre of Class A land for 2021/2022 (including GST) ($)	Rate for each square metre of Class B land for 2021/2022 (including GST) ($)	Rate for each square metre of Class C land for 2021/2022 (including GST) ($)
Te Arai	0.00184463	0.00092231	0.00000000
Okahukura	0.00266984	0.00133492	0.00000000

For maps that show where Class A, B and C land is located, go to www.aucklandcouncil.govt.nz/rates.

Business Improvement District targeted rates

Background

Business Improvement Districts (BID) are areas within Auckland where local businesses have agreed to work together, with support from the council, to improve their business environment and attract new businesses and customers. The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted and agreed to pay to fund BID projects and activities.

Activities to be funded

The main objectives of the BID programmes are to enhance the physical environment, promote business attraction, retention and development, and increase employment and local business investment in BID areas. The programmes may also involve activities intended to identify and reinforce the unique identity of a place and to promote that identity as part of its development. The rate will fund expenditure within the following activities: Local planning and development.

How the rates will be assessed

The BID targeted rates will be applied to business land, as defined for rating purposes, that is located in defined areas in commercial centres outlined in the following table. For maps of the areas where the BID rates will apply, go to www.aucklandcouncil.govt.nz/rates.

The BID targeted rates will be assessed using a fixed rate and value-based rate on the capital value of the property. Each BID area may recommend to council that part of its budget be funded from a fixed rate of up to $575 (including GST) per rating unit. The remaining budget requirement will be funded from a value-based rate for each area and be applied as a rate in the dollar. There will be different rates for each BID programme.

The table below sets out the budgets and the rates for each BID area that the council will apply in 2021/2022. This is estimated to produce around $19.6 million (excluding GST) in targeted rates revenue for 2021/2022.

Business Improvement Districts fixed rates per rating unit and rates in the dollar of capital value

BID area	Amount of BID grant 2021/2022 (excluding GST) ($)	Amount of BID targeted rate revenue 2021/2022 (excluding GST) ($)	Amount to be funded by fixed charge for 2021/2022 (excluding GST) ($)	Fixed rate per rating unit for 2021/2022 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2021/2022 (excluding GST) ($)	Rate in the dollar for 2021/2022 to be multiplied by the capital value of the rating unit (including GST) ($)
Avondale	154,000	155,063	0	0.00	155,063	0.00130864
Birkenhead	196,350	196,351	0	0.00	196,351	0.00091677
Blockhouse Bay	60,000	60,000	0	0.00	60,000	0.00149831
Browns Bay	150,000	149,999	0	0.00	149,999	0.00051893
Central Park Henderson	400,000	400,000	221,520	250.00	178,480	0.00009955
Devonport	129,000	129,217	17,391	250.00	111,826	0.00066818
Dominion Road	280,000	280,837	0	0.00	280,837	0.00058503
Ellerslie	162,000	162,000	0	0.00	162,000	0.00206997
Glen Eden	91,920	92,978	0	0.00	92,978	0.00100832
Glen Innes	250,000	252,728	0	0.00	252,728	0.00080013
Greater East Tāmaki	545,000	545,837	337,783	195.00	208,054	0.00003661
Heart of the City	4,782,614	4,788,538	0	0.00	4,788,538	0.00041090
Howick	179,390	179,389	0	0.00	179,389	0.00094960
Hunters Corner	126,590	129,140	0	0.00	129,140	0.00077749
Karangahape Road	457,210	455,318	0	0.00	455,318	0.00051521
Kingsland	237,930	237,778	0	0.00	237,778	0.00044516
Mairangi Bay	67,500	67,500	5,000	250.00	62,500	0.00136611
Māngere Bridge	29,400	29,400	0	0.00	29,400	0.00139336
Māngere East Village	6,100	6,100	0	0.00	6,100	0.00029693
Māngere Town	284,949	284,949	0	0.00	284,949	0.00401509
Manukau Central	510,000	501,604	0	0.00	501,604	0.00033453
Manurewa	315,000	315,000	0	0.00	315,000	0.00099371
Milford	145,000	144,999	0	0.00	144,999	0.00062599
Mt Eden Village	92,035	92,071	0	0.00	92,071	0.00060190
New Lynn	199,548	199,764	0	0.00	199,764	0.00060667
Newmarket	1,750,820	1,700,890	0	0.00	1,700,890	0.00055627
North Harbour	725,152	725,534	344,726	150.00	380,808	0.00009405
North West District	180,000	178,599	94,565	250.00	84,034	0.00017735
Northcote	125,000	125,000	0	0.00	125,000	0.00243177

BID area	Amount of BID grant 2021/2022 (excluding GST) ($)	Amount of BID targeted rate revenue 2021/2022 (excluding GST) ($)	Amount to be funded by fixed charge for 2021/2022 (excluding GST) ($)	Fixed rate per rating unit for 2021/2022 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2021/2022 (excluding GST) ($)	Rate in the dollar for 2021/2022 to be multiplied by the capital value of the rating unit (including GST) ($)
Old Papatoetoe	100,692	100,698	0	0.00	100,698	0.00123455
One Warkworth	135,000	135,000	135,000	575.00	0	0.00000000
Onehunga	410,000	411,964	0	0.00	411,964	0.00112273
Orewa	261,216	260,373	0	0.00	260,373	0.00096626
Ōtāhuhu	663,000	663,182	0	0.00	663,182	0.00071751
Ōtara	94,730	95,379	0	0.00	95,379	0.00165360
Panmure	443,896	429,401	0	0.00	429,401	0.00142560
Papakura	250,000	250,089	0	0.00	250,089	0.00072536
Parnell	910,000	907,845	0	0.00	907,845	0.00056842
Ponsonby	627,679	627,592	0	0.00	627,592	0.00078678
Pukekohe	462,000	458,979	0	0.00	458,979	0.00051389
Remuera	242,564	242,563	0	0.00	242,563	0.00112213
Rosebank	455,000	454,736	0	0.00	454,736	0.00038467
South Harbour	81,324	81,323	0	0.00	81,323	0.00043944
St Heliers	138,484	138,484	0	0.00	138,484	0.00107212
Takapuna	443,895	446,427	0	0.00	446,427	0.00040767
Te Atatu	102,000	102,000	0	0.00	102,000	0.00135649
Torbay	18,365	18,365	0	0.00	18,365	0.00108301
Uptown	322,250	325,718	0	0.00	325,718	0.00018510
Waiuku	135,025	133,970	0	0.00	133,970	0.00103271
Wiri	759,425	755,566	0	0.00	755,566	0.00022168
Total	19,689,053	19,626,238	1,155,986		18,470,252	

Note to the table: Targeted rate amounts include surpluses and deficits (if any) carried over from 2019/2020 so may differ from grant amounts.

Business Improvement Districts fixed rate per rating unit and rates in the dollar based on land value

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the Business Improvement District value based rates requirement determined on their share of the BID areas land value rather than a share of the BID areas capital value as applies for other properties.

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Background

Auckland Council has a region-wide swimming pool pricing policy, whereby children 16 years and under have free access to swimming pool facilities and all adults are charged. These targeted rates fund free access to swimming pools for adults 17 years and over in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

Activities to be funded

To fund the cost of free adult entry to swimming pool facilities in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. The rate will fund expenditure within the following activity: Local parks sport and recreation – asset based services.

How the rate will be assessed

These local activity targeted rates apply to all residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider land, as defined for rating purposes that are located in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

The local activity targeted rate will be assessed using a fixed rate applied to each SUIP (see UAGC section prior for the council's definition of a SUIP) of residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider land, as defined for rating purposes, in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. There will be a different fixed rate for each local board area.

The following table sets out the local activity targeted rates that apply in 2021/2022 for the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. This is estimated to produce around $1.2 million (excluding GST) for 2021/2022.

Local board area	Local activity targeted rates	
	Fixed rate for each separately used or inhabited part of a rating unit for 2021/2022 (including GST) ($)	Revenue from the targeted rate (excluding GST) ($)
Māngere-Ōtāhuhu	33.35	574,954
Ōtara-Papatoetoe	31.65	613,129

Swimming/spa pool fencing compliance targeted rate

Background

All residential swimming pools and spa pools must be inspected once every three years to ensure compliance with the Building Act 2004. Pools failing the first inspection require subsequent inspections until all defects have been remedied. Inspection can be carried out by either the council or an independently qualified pool inspector (IQPI).

Activities to be funded

To fund the costs of providing pool fence and barrier inspections and associated administrative costs. The rate will fund expenditure within the following activity: Regulatory services.

How the rate will be assessed

The pool fencing compliance targeted rate will apply to all rateable land on council's register of pool fence and barrier inspections. The rate will be assessed as a fixed rate per rating unit. The table below sets out the differentiated rates that apply based on whether the council is required to carry out a three-yearly inspection. Additional fees will be invoiced separately where subsequent inspections are required.

Inspection service provided	Fixed rate per rating unit for 2021/2022 (including GST)
Council inspection required	$44.44
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	$22.22

This is estimated to produce around $1.0 million (excluding GST) for 2021/2022.

Riverhaven Drive targeted rate

The council has constructed Riverhaven Drive for the benefit of the rating units in the immediate area. The construction of the road and the payment of the rate have been agreed with the association representing the owners of the rating units. The Riverhaven Drive targeted rate is used to repay the council for the cost of the road, including interest costs. The rate will fund expenditure within the following activities: Local planning and development – locally driven initiatives, Roads and footpaths.

The targeted rate applies to the land which benefits from the construction of a road that provides access to the rating unit. The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 25 years (2006/2007 to 2030/2031). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of $9,248.42 (including GST) per rating unit for 2021/2022. This is estimated to produce around $40,200 (excluding GST) for 2021/2022.

Waitākere rural sewerage targeted rate

The Waitākere rural sewerage targeted rate is set as a uniform charge on all rating units in the non-reticulated wastewater area of the Waitākere Ranges Local Board that have private on-site wastewater systems which are scheduled to be pumped out by the council within a three-yearly cycle. The uniform charge is assessed in respect of each on site waste management system utilised in conjunction with the particular rating unit. The rate will fund expenditure within the following activities: Stormwater management.

The council will set the Waitākere rural sewerage targeted rate to fully recover the costs of providing this service.

To align with the rules set by the Auckland Unitary Plan chapter E5, the property owner remains responsible for repairs and routine servicing of their onsite wastewater system.

For 2021/2022 the targeted rate will be a uniform charge of $290 (including GST) for each on-site waste management system utilised in conjunction with the rating unit. This is estimated to produce around $865,000 (excluding GST) for 2021/2022.

Retro-fit your home targeted rate

The Retro-fit Your Home targeted rate is set on land that has received financial assistance from Auckland Council for energy efficiency assessment, and the installation of clean heat, insulation, water conservation, mechanical extraction and fire place decommissioning in respect of the land. The rate will fund expenditure within the following activities: Regulatory services.

The council intends to charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for nine years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Retro-fit Your Home targeted rate that the council will apply in 2021/2022. This is estimated to produce around $5.4 million (excluding GST) for 2021/2022.

Retro-fit your home targeted rate

Year of repayment	Rate in the dollar for 2021/2022 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
1	0.14001671
2	0.15377193
3	0.17152081
4	0.19526048
5	0.22858572
6	0.27868604
7	0.36233690
8	0.52986452
9	1.03289980

Kumeu Huapai Riverhead wastewater targeted rate

The Kumeu Huapai Riverhead wastewater targeted rate is set on land that has received financial assistance from Auckland Council for the purchase and installation of equipment for pumping waste from the property to Watercare's pressurised wastewater scheme. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Kumeu Huapai Riverhead wastewater targeted rate that council will apply in 2021/2022. This is estimated to produce around $5,300 (excluding GST) for 2021/2022.

Kumeu Huapai Riverhead wastewater targeted rate

Year of repayment	Rate in the dollar for 2021/2022 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
1	0.11037762
7	0.16034044
9	0.19658495

On-site wastewater systems (septic tank) upgrades targeted rate

The On-site wastewater systems (septic tank) upgrades targeted rate is set on land that has received financial assistance from Auckland Council for the replacement or upgrade of failing on-site wastewater systems (septic tanks) in the west coast lagoons (Piha, Te Henga and Karekare) and Little Oneroa (Waiheke Island) catchments. The rate will fund expenditure within the following activities: Regulatory services.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the On-site wastewater systems (septic tank) upgrades targeted rate that the council will apply in 2021/2022. This is estimated to produce around $1,500 (excluding GST) for 2021/2022.

On-site wastewater systems (septic tank) upgrades targeted rate

Year of repayment	Rate in the dollar for 2021/2022 to be multiplied by the ratepayers outstanding balance as at 30 June 2021 (including GST) ($)
1	0.11110680
4	0.12963612

Clevedon wastewater and water connection targeted rate

The Clevedon wastewater and water connection targeted rate is set on land in Clevedon with residential dwelling built before 30th September 2019 where the ratepayer has applied and been approved to participate in the council's "Clevedon wastewater and water connection scheme" to part fund connection to Watercare's reticulated wastewater and/or water system. The rate will fund expenditure within the following activity: Stormwater management.

Once a ratepayer's application to participate in the scheme is approved, Watercare and council will arrange for wastewater and/or water connection to be made available to the rating unit. For wastewater, this will include provision of the connection point up to and including the installation of the wastewater pit or connection to an allocated wastewater pit. For water supply, this will include provision of the connection point up to and including the installation of the water metre adjacent to the property boundary. Any private infrastructure required beyond that point is the responsibility of the landowner and is not funded by this targeted rate. A fixed rate will be applied for each connection provided or scheduled to be provided to the rating unit. The rate is set differentially based on the provision of the service being the connection type and the timing of the request to participate in the scheme, as set out in the table below. The difference in the fixed amount reflects the costs to council of providing the various connections and the increased costs to council to provide the connection where the application is made after 31 March 2021. The targeted rate will apply for 15 years from the time the targeted rate is first applied to the rating unit.

Type of connection	Fixed rate per connection for 2021/2022 (including GST)	
	Application to participate in the scheme and receive service made on or before 31 March 2021	Application to participate in the scheme and receive the service made after 31 March 2021
Wastewater only	$1,614	$2,303
Wastewater and "town to tank" water supply	$1,837	$2,525
Wastewater and standard town water supply	$2,411	$3,100

Note: town to tank water connections enable residential homeowners that rely on rain tanks to top up their tanks using the town water supply on an 'as required' basis.

This is estimated to produce around $72,000 (excluding GST) for 2021/2022.

Point Wells wastewater targeted rate

The Point Wells wastewater targeted rate is set on land that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in the Point Wells area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year according to the amount of assistance provided. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The following table sets out the Point Wells wastewater targeted rate that council will apply in 2021/2022. This is estimated to produce around $13,800 (excluding GST) for 2021/2022.

Point Wells wastewater targeted rate

Total assistance provided	Amount of targeted rate per rating unit for 2021/2022 (including GST) ($)
$8,000	632.52
$8,500	672.06
$9,000	711.60
$9,500	751.12
$10,000	790.66

Jackson Crescent wastewater targeted rate

The Jackson Crescent wastewater targeted rate is set on the rating unit that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in Jackson Crescent, Martins Bay area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of $570.91 (including GST) per rating unit in 2021/2022. This is estimated to produce $496 (excluding GST) for 2021/2022.

Rates payable by instalment

All rates will be payable by four equal instalments due on:

- Instalment 1: 31 August 2021
- Instalment 2: 30 November 2021
- Instalment 3: 28 February 2022
- Instalment 4: 30 May 2022.

It is council policy that any payments received will be applied to the oldest outstanding rates before being applied to the current rates.

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2021/2022 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

A further 10 per cent penalty calculated on former years' rate arrears to be added on 6 July 2021 and then again six months later.

Early payment discount policy

Objectives

The council encourages ratepayers to pay their rates in full by the date that their first instalment is due by providing a discount.

Conditions and criteria

Ratepayers will qualify for the discount if their rates are paid in full, together with any outstanding prior years' rates and penalties, by 5.00pm on the day their first rates instalment for the new financial year is due.

Delegation of decision-making

Decisions about applying the discount will be made by staff in accordance with the Chief Executive's delegation register.

Review process

The council will set the rate of discount that ratepayers are eligible for on an annual basis. The discount will be set to return to those ratepayers making an early payment the interest cost saving to the council. The interest cost saving will be set based on the council's short-term cost of borrowing for the financial year in which the discount will apply. In making this forecast the council will take into account current market interest rate forecasts provided by financial institutions. The reviewed discount rate will be adopted by a council resolution at the same time as other rates-related decisions are made as part of its annual plan or long-term plan decision making process.

If the council wants to make any significant change to the discount policy, it must consult with the public.

Discount in 2021/2022

The discount is 0.15 per cent for 2021/2022.

Sample properties

The following section is intended to provide examples of the individual rates for 2021/2022.The following targeted rates are not shown:

- Business improvement district targeted rates
- Riverhaven Drive targeted rate
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate
- On-site wastewater systems (septic tank) upgrades targeted rate
- Electricity network resilience targeted rate.

For more information on these and other rates please see the relevant section of the Rating mechanism.

General rates, Water Quality Targeted Rate and Natural Environment Targeted Rate

The table below shows indicative rates (general rate, Water Quality Targeted Rate, and Natural Environment Targeted Rate) for fully rateable rating units with one SUIP at different values for each of the main differential categories. An extra UAGC charge should be added for each extra SUIP the rating unit has.

Differential category	Capital value ($)	UAGC (including GST) ($)	General rate (including GST) ($)	Water quality targeted rate (including GST) ($)	Natural Environment targeted rate (including GST) ($)	Total rates (including GST) ($)
Urban - business	500,000	461	2,800	56	38	3,355
	1,500,000	461	8,399	168	114	9,142
	3,000,000	461	16,797	336	228	17,823
	10,000,000	461	55,991	1,121	760	58,334
Urban - residential	750,000	461	1,551	48	32	2,092
	1,000,000	461	2,068	64	43	2,636
	1,500,000	461	3,102	96	65	3,724
	2,000,000	461	4,136	128	87	4,811
	3,000,000	461	6,204	191	130	6,987
Rural - business	500,000	461	2,520	56	38	3,075
	1,500,000	461	7,559	168	114	8,302
	3,000,000	461	15,118	336	228	16,143
	10,000,000	461	50,392	1,121	760	52,735
Rural - residential	750,000	461	1,396	48	32	1,937
	1,000,000	461	1,861	64	43	2,429
	1,500,000	461	2,792	96	65	3,414
	2,000,000	461	3,723	128	87	4,398
	3,000,000	461	5,584	191	130	6,366
Farm/lifestyle	1,000,000	461	1,654	64	43	2,223
	1,500,000	461	2,482	96	65	3,103
	2,000,000	461	3,309	128	87	3,984
	3,000,000	461	4,963	191	130	5,746
	10,000,000	461	16,545	638	433	18,077

Differential category	Capital value ($)	UAGC (including GST) ($)	General rate (including GST) ($)	Water quality targeted rate (including GST) ($)	Natural Environment targeted rate (including GST) ($)	Total rates (including GST) ($)
Urban moderate-occupancy online accommodation provider	500,000	461	1,917	32	22	2,431
	750,000	461	2,875	48	32	3,417
	1,000,000	461	3,834	64	43	4,402
	1,500,000	461	5,750	96	65	6,372
Rural moderate-occupancy online accommodation provider	500,000	461	1,725	32	22	2,240
	750,000	461	2,588	48	32	3,129
	1,000,000	461	3,450	64	43	4,018
	1,500,000	461	5,175	96	65	5,797
Urban medium-occupancy online accommodation provider	500,000	461	1,475	32	22	1,990
	750,000	461	2,213	48	32	2,754
	1,000,000	461	2,951	64	43	3,519
	1,500,000	461	4,426	96	65	5,048
Rural medium-occupancy online accommodation provider	500,000	461	1,328	32	22	1,842
	750,000	461	1,992	48	32	2,533
	1,000,000	461	2,656	64	43	3,224
	1,500,000	461	3,984	96	65	4,605

The following tables contain indicative values for the most common targeted rates. If a rating unit is liable for one of these, then the value shown should be added to the general rates, water quality targeted rate, and natural environment targeted rate figure from the table above to determine the total rates liability.

Waste management targeted rate

Most rating units are liable for waste management targeted rates. These vary depending on the former council area that the property is located.

Former council area	Service	Total amount of charges (including GST) ($)				
	Number of waste management charges	1	2	3	5	10
Auckland City	Full service (base service plus standard refuse service)	286	571	857	1,428	2,857
	Opt out of refuse	143	285	428	714	1,427
	Opt out of recycling	197	394	590	984	1,968
	Opt out of both refuse and recycling	54	108	162	269	539
	Additional recycling	89	178	267	444	888
Manukau City	Full service (base service plus standard refuse service)	286	571	857	1,428	2,857
Papakura District, North Shore City, Waitākere City, Franklin District and Rodney District	Base service	143	285	428	714	1,427

Former council area	Service	Total amount of charges (including GST) ($)				
	Number of waste management charges	1	2	3	5	10
Papakura District and the former food scrap trial area in North Shore	Food scraps	70	140	210	349	699

Accommodation provider targeted rate

Some rating units that provide visitor accommodation are liable for the Accommodation provider targeted rate.

Rating units in Zone A that provide visitor accommodation						
Capital value	Zone A – Tier 1 rate (including GST) ($)	Zone A – Tier 2 rate (including GST) ($)	Zone A – Tier 3 rate (including GST) ($)	Zone A – Tier 4 rate (including GST) ($)	Zone A – Tier 5 rate (including GST) ($)	Zone A – Tier 6 rate (including GST) ($)
500,000	2,954	1,772	1,477	886	738	443
1,500,000	8,861	5,317	4,430	2,658	2,215	1,329
3,000,000	17,722	10,633	8,861	5,317	4,430	2,658
10,000,000	59,073	35,444	29,536	17,722	14,768	8,861

Rating units in Zone B that provide visitor accommodation						
Capital value	Zone B – Tier 1 rate (including GST) ($)	Zone B – Tier 2 rate (including GST) ($)	Zone B – Tier 3 rate (including GST) ($)	Zone B – Tier 4 rate (including GST) ($)	Zone B – Tier 5 rate (including GST) ($)	Zone B – Tier 6 rate (including GST) ($)
500,000	1,477	886	738	443	369	222
1,500,000	4,430	2,658	2,215	1,329	1,108	665
3,000,000	8,861	5,317	4,430	2,658	2,215	1,329
10,000,000	29,536	17,722	14,768	8,861	7,384	4,431

City centre targeted rate

All rating units in the City Centre are liable for the City Centre targeted rate.

Business rating units located in the city centre area	
Capital value	Rate (including GST) ($)
500,000	642
1,500,000	1,925
3,000,000	3,851
10,000,000	12,837
Residential rating units located in the city centre area	
Number of separately used or inhabited parts	**Rate (including GST) ($)**
1	63
2	126
3	189

Business rating units located in the city centre area	
Capital value	**Rate (including GST) ($)**
5	315
10	630

Rodney Local Board Transport Targeted Rate

Rating units in the Rodney local board area are liable for the Rodney Local Board Transport Targeted Rate.

Number of separately used or inhabited parts	Total targeted rate amount (including GST) ($) 1	2	3	5	10
Rate amount	$150	$300	$450	$750	$1,500

Rodney drainage districts targeted rate

Rating units with Class A or Class B land located in the drainage districts of Te Arai and Okahukura are liable for the Rondey drainage districts targeted rate.

Drainge district	Size of land (HA)	1	2	3	5	10	50
Te Arai	Rate for Class A land	18	37	55	92	184	922
	Rate for Class B land	9	18	28	46	92	461
Okahukura	Rate for Class A land	27	53	80	133	267	1,335
	Rate for Class B land	13	27	40	67	133	667

Swimming pool targeted rates

Residential rating units in Māngere-Ōtāhuhu and Ōtara-Papatoetoe local board areas are liable for Swimming Pool targeted rates.

Residential rating units located in	Total targeted rate amount (including GST) ($)				
Number of separately used or inhabited parts	1	2	3	5	10
Māngere-Ōtāhuhu	33	67	100	167	334
Ōtara-Papatoetoe	32	63	95	158	317

Waitākere rural sewerage targeted rate

Some residential rating units not connected to the wastewater system in the Waitākere Ranges Local Board area are liable for the Waitākere Rural Sewerage targeted rate.

Residential rating units located in	Total targeted rate amount (including GST) ($)				
Number of septic tanks pumped out once every 3 years	1	2	3	5	10
Former Waitākere City that have septic tanks pumped out by council	290	580	870	1,450	2,900

Swimming/spa pool fencing compliance

Rating units on council's register of pool fence and barrier inspections are liable for the Swimming/spa pool fencing compliance targeted rate.

Inspection service provided	Total targeted rate amount (including GST) ($) for the rating unit
Council inspection required	44.44
No council inspection required – successful inspection carried out by Independently Qualified Pool Inspector	22.22

Retro-fit your home targeted rate

Ratepayers who have taken advantage of the Retro-fit Your Home scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2021 ($)			
	1,500	2,000	2,500	3,500
Rate for 1st year of repayment (including GST) ($)	210	280	350	490
Rate for 2nd year of repayment (including GST) ($)	231	308	384	538
Rate for 3rd year of repayment (including GST) ($)	257	343	429	600
Rate for 4th year of repayment (including GST) ($)	293	391	488	683
Rate for 5th year of repayment (including GST) ($)	343	457	571	800
Rate for 6th year of repayment (including GST) ($)	418	557	697	975
Rate for 7th year of repayment (including GST) ($)	544	725	906	1,268
Rate for 8th year of repayment (including GST) ($)	795	1,060	1,325	1,855
Rate for 9th year of repayment (including GST) ($)	1,549	2,066	2,582	3,615

Paremoremo Public Transport Targeted Rate

Ratepayers located in the Paremoremo public transport area of benefit are liable for the Paremoremo Public Transport Targeted Rate.

	Total targeted rate amount (including GST) ($)				
Number of separately used or inhabited parts	1	2	3	5	10
Rate amount	$153	$306	$459	$765	$1,530

Kumeu Huapai Riverhead wastewater targeted rate

Ratepayers who have taken advantage of the Kumeu Huapai Riverhead wastewater scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance as at 30 June 2021 ($)			
	5,000	7,000	9,000	11,000
Rate for 1st year of repayment (including GST) ($)	552	773	993	1,214

Category	Outstanding balance as at 30 June 2021 ($)			
	5,000	7,000	9,000	11,000
Rate for 7th year of repayment (including GST) ($)	802	1,122	1,443	1,764
Rate for 9th year of repayment (including GST) ($)	983	1,376	1,769	2,162

Clevedon wastewater and water connection targeted rate

Ratepayers who have applied to be part of the Clevedon wastewater and water connection scheme are liable for the Clevedon wastewater and water connection targeted rate.

For applications to participate in the scheme and receive service made before 31 March 2021

Type of connection	Number of connections				
	1	2	3	5	10
Wastewater only	$1,614	$3,228	$4,842	$8,070	$16,140
Wastewater and “town to tank” water supply	$1,837	$3,674	$5,511	$9,185	$18,370
Wastewater and standard town water supply	$2,411	$4,822	$7,233	$12,055	$24,110

For applications to participate in the scheme and receive the service made after March 2021

Type of connection	Number of connections				
	1	2	3	5	10
Wastewater only	$2,303	$4,606	$6,909	$11,515	$23,030
Wastewater and “town to tank” water supply	$2,525	$5,050	$7,575	$12,625	$25,250
Wastewater and standard town water supply	$3,100	$6,200	$9,300	$15,500	$31,000

4.3 Draft Local Boards Funding Policy

Purpose/Introduction

The Local boards funding policy sets out how local boards are funded to meet the costs of:

- providing local activities
- administration support.

Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the Allocation of decision-making table in the long-term plan. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into three parts based on the nature of the service provided and the allocation of decision making between the Governing Body and local boards. The three classifications of activities are set out in the table below.

Nature of service	Nature of local board decision making role*	Examples of activities
Asset based services	Make decisions within parameters set by the Governing Body	Swimming pools, Libraries Local parks
Locally driven initiatives	Make decisions on how locally driven initiative funding allocated from Governing Body is spent	Local events Local community grants
Locally driven capital projects	Make decisions on how locally driven capital projects funding allocated from Governing Body is spent	Local park improvements Streetscape improvements

* Local boards make decisions on specific location, design, and build of new facilities, service standards, and renewals, within parameters set by the governing body. Local boards also decide on use of facilities, including change of use and leases. Local board's decision making is set out in full in the "Allocation of decision making responsibility for non-regulatory activities" in the Long-term Plan.

Local boards have decision making responsibility for fees and charges for both asset based services and locally driven initiatives within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

How local asset based services, locally driven initiatives, locally driven capital projects and administration support, will be funded is set out below.

Funding for local asset based services

Local asset based services will be funded by:

1. fees and charges collected from local asset based services for base fee levels set by the Governing Body
2. plus any other revenue including grants, donations, and sponsorships
3. plus any revenue from a targeted rate set to fund local asset based services

4. plus general rate funding to meet the balance of costs for providing the services levels set by the Governing Body in the long-term plan for local asset based services being provided to each local board area.

Funding for locally driven initiatives (operational funding)

Funding sources

The amount of budget available to each local board for locally driven initiatives is determined by:

1. fees and charges collected from locally driven initiatives
2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue from a targeted rate set to fund local activities in the local board area
6. plus an allocation from a budget pool for locally driven initiatives funded from the general rate.

Level of total budget available for locally driven initiatives

The total general rates funded budget available for locally driven initiatives will be set by the Governing Body and will be identified in the long-term plan or annual plan.

Allocation of total budget pool

Each local board will be allocated a share of the total budget available after deducting the funding for the Aotea/Great Barrier Island Local Board and the Waiheke Island Local Board, see section 4.4 below. Each local board's share of the budget will be equivalent to its share of the regional population adjusted for deprivation[1] and land area, excluding Aotea/Great Barrier Island and Waiheke Island. This is set out in the table on the next page.

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population*	90%	Local board population divided by the total population of all local boards***
Deprivation**	5%	Average local board deprivation divided by the total of the average deprivation of each local board***
Land area	5%	Local board land area divided by the total land area of all local boards***

* adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

** based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

*** excluding Aotea/Great Barrier Island Local Board and Waiheke Local Board

Funding for Aotea/Great Barrier Island Local Board and Waiheke Island Local Board

The amount of budget available for locally driven initiatives on Aotea/Great Barrier Island and Waiheke Island is determined by:

1. fees and charges collected from locally driven initiatives

[1] Population will be adjusted annually based on revised estimates from Statistics New Zealand.

2. plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards sets higher fees, (see section 3 above)
3. minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
4. plus any revenue from grants, donations, and sponsorships
5. plus any revenue collected from targeted rates set to fund local activities
6. plus a general rates allocation

General rates funding will be provided to meet the balance of the costs of providing locally driven initiatives on Aotea/Great Barrier Island and the Waiheke Island. This will be based on the expenditure on these activities agreed with the Governing Body in their local board agreements each year net of revenue generated from the items in 1 to 5 above.

Transition

The table below sets out the transition mechanism that will be applied from 2021/2022 onwards.

Local boards funded to the level of the allocation formula	Local boards funded above their allocation under the formula
Increases in the total budget for locally driven initiatives budget will be applied as per the formula	Locally driven initiatives budget will be held at its current absolute level (no increases for inflation) until it is exceeded by the allocation under the formula

Definition of local asset based services and locally driven initiatives

The Governing Body, after considering local board feedback, will determine which services are local asset based services and locally driven initiatives when the total budget for local activities is set.

Funding allocation for locally driven initiatives (capital funding)

This funding enables local boards to deliver small local asset based projects, either directly, in partnership with the community, or through joint agreements between boards.

The budget available for locally driven capital projects will be set by the Governing Body and will be identified in the long-term plan or annual plan. These funds will be allocated to local boards on the following basis:

1. one per cent of the total fund allocated to the Aotea/Great Barrier Island local board
2. two per cent of the total fund allocated to Waiheke Island local board
3. the remainder of the fund allocated to the remaining local boards, with each board's share equivalent to its share of the regional population adjusted for deprivation and land area, as set out in the table below:

Factor	Proportion of budget for locally driven capital projects	Local board share
Population*	90%	Local board population divided by the total population of all local boards***
Deprivation**	5%	Average local board deprivation divided by the total of the average deprivation of each local board***
Land area	5%	Local board land area divided by the total land area of all local boards***

* adjusted each year to reflect changes in population estimates provided by Statistics New Zealand

** based on the most recently available update of the Index of Deprivation provided by the Ministry of Health

*** excluding Aotea/Great Barrier Island Local Board and Waiheke Local Board

Funding allocation for other purposes

The Governing Body may make available funds to local boards for purposes other than local asset based services, locally driven initiatives, locally driven capital projects or administrative support. These funds will be allocated to local boards on the same basis as funding for locally driven initiatives (capital funding).

Funding allocation for administrative support

The funding for administrative support is allocated by adopting the following method:

a) Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member

b) Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

Funding allocation for non-dedicated purposes

There will be no allocation of non-dedicated (general purpose) funding to local boards in the Long-term Plan 2021-2031.

Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing policy.

4.4 Te Tuku I Te Mana Whakatau-Mahi Tikanga Here-Kore

4.4 Decision-Making Responsibilities of Auckland Council's Governing Body and local boards

This policy sets out Auckland Council's allocation of decision-making responsibilities of non-regulatory activities among the Governing Body and local boards. Providing context for this is:

- an overview of the sources of decision-making responsibilities for the Governing Body and local boards
- a summary of the associated powers.

Sources of decision-making responsibilities

The Governing Body and local boards obtain their decision-making responsibilities from three sources.

(a) Statutory decision-making responsibilities

The Governing Body and local boards have statutory responsibilities under the Local Government (Auckland Council) Act 2009 (Act). These statutory responsibilities are not repeated in the allocation table.

(b) Delegation of decision-making responsibilities

The Governing Body can delegate some of its decision-making responsibilities to local boards.

The Governing Body and local boards can also be delegated decision-making responsibilities from Auckland Transport. There are currently no delegations in place.

(c) Allocation of decision-making for non-regulatory activities

The Governing Body is required by legislation to allocate decision-making responsibility for the non-regulatory activities of Auckland Council to either the Governing Body or local boards, in accordance with principles contained in section 17(2) of the Act. This provides as follows:

a) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its local boards unless paragraph (b) applies:

b) decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its Governing Body if the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because-

   i. the impact of the decision will extend beyond a single local board area; or

   ii. effective decision making will require alignment or integration with other decisions that are the responsibility of the Governing Body; or

   iii. the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.

Decision-making for non-regulatory activities can only be allocated to either the Governing Body or to a local board. Where more than one local board has an interest in a local activity then section 16(3) of the Act provides that:

… a local board should collaborate and co-operate with 1 or more other local boards in situations where the interests and preferences of communities within each local board area will be better served by doing so.

The non-regulatory decision-making allocation is required to be identified in the Auckland Council's Long-Term Plan and Annual Plans (section 14(3) of the Act).

Statutory and delegated decision-making responsibilities

a) Statutory decision-making responsibilities

Governing Body: The Governing Body is a local authority, and hence has the power of general competence under section 12 of the Local Government Act 2002. In addition, the Governing Body has specific statutory decision-making responsibility for the following:

- The regulatory activities of Auckland Council (such as Unitary Plan, consenting, and bylaws)
- Allocation of non-regulatory activities to either local boards or the Governing Body
- Any non-regulatory activities of Auckland Council that are allocated to the Governing Body
- Agreeing local board agreements with local boards
- Emergency management
- Compliance with the financial management requirements of section 101 of the Local Government Act (including the Annual Plan, the Long-term Plan, and financial policies)
- Regional strategies and policies (such as the Auckland Plan and the Local Board Funding Policy)
- Governance of Council-Controlled Organisations
- Appointment of the Chief Executive
- Maintaining the capacity of Auckland Council to provide its services and facilities
- Transport networks and infrastructure.

Local boards: The statutory role of local boards includes decision-making responsibility for the following:

- Any non-regulatory activities of Auckland Council that are allocated to local boards
- Adoption of local board plans
- Agreement of local board agreements (with the Governing Body) and monitoring the implementation of local board agreements - this can include proposing a local targeted rate
- Providing input into regional strategies, policies and plans
- Proposing bylaws for the local area
- Community engagement, consultation and advocacy.

Local boards are not local authorities but will act as such for specified allocated matters, or those matters set out in the Local Government (Auckland Council) Act 2009.

b) Delegated decision-making responsibilities

To date the Governing Body has delegated the following decision-making responsibilities to local boards:

- Input into notification decisions for resource consent applications
- Authorising the destruction of wandering stock on Great Barrier Island, in accordance with the Impounding Act 1955 is delegated to the Great Barrier Local Board
- Decision-making on operational cemeteries on Great Barrier Island is delegated to the Great Barrier Local Board.
- Amendments to the Policy on Dogs in relation to any dog access rules in local parks, local beaches or local foreshore areas in their local board area
- Making objections to liquor licensing applications under the Sale and Supply of Alcohol Act 2012
- Making, amending or revoking alcohol bans, except in areas of regional significance.
- Certain powers under the Reserve Act 1977 for local reserves: declaring a reserve (s.14(1)), classifying a reserve (s.16(1) or 16(2A), reclassifying a reserve (24(1)), and proposing the revocation of reserve status (s.24(1)) in order to manage the land under the Local Government Act 2002.
- Disposal of local service property and reinvestment of sale proceeds in accordance with the service property optimisation approach (as adopted by the Governing Body).

Allocation of decision-making for non-regulatory activities

The allocation of decision-making responsibility to the Governing Body and to local boards for the non-regulatory activities of Auckland Council is set out in the following tables. These will apply from 1 July 2021.

The allocation has been written on an inclusive basis. It does not contain an exhaustive list of all elements that make up an allocated activity. To aid interpretation, elements of the key decision-making responsibilities of local boards and the Governing Body are provided for each allocated activity.

It is intended that the allocation be interpreted on a principled basis. Given the broad range of activities undertaken by Auckland Council it is not possible to list in precise detail all elements that are allocated to a local board or the Governing Body. Instead the allocation is applied on a case-by-case basis.

This needs to take into account the principles of section 17 of the Act. The general principle is that a non-regulatory decision will be made by local boards unless the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland.

Group of activities	Local Board non-regulatory responsibilities ***Local boards are allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.***	Governing Body non-regulatory responsibilities ***The Governing Body is allocated decision-making responsibility for the following non-regulatory activities of Auckland Council.***
Local council services **and** **Regionally delivered council services**	**Local governance *including*:** • decision-making and oversight of decisions on local activities • development of local policy positions such as determining areas in which activities may take place and local service specifications • submissions to government on legislation where it specifically relates to that local board area only • civic duties, engagements and functions in the local area, including citizenship ceremonies and recognition of volunteers.	**Regional governance *including:*** • decision-making and oversight of decision on regional activities • submissions to government on legislation including official submissions of Auckland Council incorporating local board views • regional civic duties, engagements and functions.
	Explanatory notes: • A local board does not have the power to make submissions or objections on matters where the council is exercising its regulatory responsibilities unless specifically delegated by the Governing Body. • Local boards have a statutory role identifying and communicating the interests and preferences of its communities in relation to policies, plans and bylaws.	
	Local planning and development *including*: • local place-shaping activities, including local leadership to create a local identity • local strategic visioning, policy making and planning within parameters set by regional strategies, policies and plans	**Regional planning *including:*** • Auckland Plan, area plans, regional spatial priority areas and prioritised development areas focusing on growth development and key infrastructure priorities • regional strategies, policies and plans • Auckland-wide place-shaping activities, including regional leadership to create Auckland's identity.

	Street environment and town centres including: • maintenance of the local street environment and local centres, within parameters set by the Governing Body • improvements to the local street environment and town centres excluding any improvements that are integral to centres prioritised for growth as set out in the Auckland Plan • naming of roads pursuant to section 319(1)(j) of the Local Government Act 1974. *Business area planning including:* • local economic development plans, projects and initiatives (including local centre branding and marketing and local business events) within parameters set by regional strategies, policies and plans • Business Improvement District (BID) programmes, including the strategic direction (in partnership with the business association), establishment of new BIDs within the parameters set by the BID policy and recommending BID targeted rates to the Governing Body.	*Street environment and town centres including:* • street environment and town centres strategy and policy, including the classification of town centres • centres that are prioritised for growth as set out in the Auckland Plan *Economic development including:* • regional economic development strategy and policy, such as Auckland economic development strategy, investment framework and BID policy • international relationships, including entering into new relationships and ending existing relationships • Auckland-wide economic development programmes and initiatives, including regional business events, and branding and marketing for the city centre, metropolitan centres and centres prioritised for growth as set out in the Auckland Plan.
	Explanatory notes: • Area plans will require a high degree of involvement from local boards. • Regional strategies and policies are not intended to be prescriptive or unduly restrict the decision-making role of local boards. Where they relate to local activities, they provide regional parameters within which local boards then make decisions on local activities. • Development of the city centre waterfront is the responsibility of Panuku Development Auckland. • Auckland Transport has significant decision-making responsibilities within the street environment and town centres • A number of agencies will be involved in the delivery of transformation programmes. • Major events, tourism and visitor centres, and business attraction and development are the responsibility of Auckland Unlimited.	
	Local parks and community services *including*: *Arts and culture including:* • the specific location, design, build and fit out of new local arts and culture facilities within budget parameters agreed with the Governing Body • the use of local arts and culture facilities, including changes of use.	**Regional parks and community services *including*:** *Arts and culture including:* • any new arts and culture facilities acquired for an Auckland-wide purpose or function • the number and general location of all new arts and cultural facilities and the prioritisation of major upgrades to all existing arts and culture facilities

	• local arts and culture projects, initiatives and events • local public artwork and local public art programmes • local community funding and grants • tailoring regional arts and culture programmes and events to local needs.	• the use of regional arts and culture facilities. • regional arts and culture strategy and policy • regional arts and culture programmes and events • regional public artwork and regional public art programmes • development, maintenance and access to the regional visual arts collection, including exhibitions and interpretive programmes • region-wide community funding and grants • regional arts and culture programmes, which can be tailored to local needs.
	Events including: • attraction, development, delivery and promotion • sub-regional events which are the responsibility of the local board in which the event is located, in collaboration with other affected local boards • local events sponsorship, funding and grants • tailoring regional events programmes to local needs.	*Events including:* • regional events strategy and policy, including region-wide events plan • coordinating regional events, including attraction, development, delivery and promotion • regional events sponsorship, funding and grants • regional events programmes, which can be tailored to local needs.
	Community development and facilities including: • plans, projects and initiatives specific to the local area • tailoring region-wide community development and safety programmes to local needs • facilitating community-led placemaking and development initiatives • community advisory services • local community funding and grants. • the specific location, design, build and fit out of new local community facilities within budget parameters agreed with the Governing Body • the use of local community facilities, including leasing and changes of use.	*Community development and facilities including:* • regional community development strategy and policy • regional community development and safety programmes which can be tailored to local needs • regional community funding and grants. • the number and general location of all new community facilities and the prioritisation of major upgrades to all existing community facilities • the location design and use of any new community facilities developed for an Auckland-wide purpose • social housing, such as housing for the elderly.
	Libraries including: • the specific location, design, build and fit out of new local libraries within budget parameters agreed with the Governing Body • the design and type of community facilities within local libraries • the use of local libraries including local exhibitions, programmes and events within local libraries.	*Libraries including:* • libraries strategy and policy • the number and general location of all new libraries and the prioritisation of major upgrades to existing libraries • the libraries' collection policy and practice (including development and maintenance of all library collections) • regional exhibitions, programmes and events within libraries

		• the mobile library service • the central library, other than the ground and first floors.
	Recreation facilities and initiatives including: • the specific location, design, build and fit out of new local recreation and sports facilities within budget parameters agreed with the Governing Body • the use of local recreation facilities and initiatives including leasing and changes of use • local recreation and sports programmes • local community funding and grants • tailoring regional recreation and sports programmes to local needs.	*Recreation facilities and initiatives including:* • any new recreational facilities developed for an Auckland-wide purpose or function • the number and general location of all new recreation and sports facilities (including sports stadiums) and the prioritisation of major upgrades to all existing recreation and sports facilities • the use of regional recreation and sports facilities (including sports stadiums) • coordination of the use of recreation and sports facilities on a regional basis • regional recreation and sports strategy and policy • regional recreation and sports programmes, which can then be tailored to local needs • regional community funding and grants
	Parks including: • the specific location of new local parks (including the prioritisation for acquisition) within budget parameters agreed with the Governing Body • reserve management plans for local parks • local parks improvements and place shaping • the use of and activities within local parks, such as community events and community planting programmes • cemeteries that are no longer in regular active use and are functioning as local parks • naming of local parks.	Parks including: • any new parks acquired for an Auckland-wide purpose or function • regional open space strategy and policy, including open space network plan and volcanic cones strategy • reserve management plans for regional parks • the number and general location of all new parks and the prioritisation of major upgrades to existing parks (including sports fields within parks) • the use of and activities within regional parks • acquisition and divestment of all park land, including the disposal of surplus parks, excluding any disposal and reinvestment made in accordance with the service property optimisation approach • coordination of the use of all sports fields on a regional basis • Open cemeteries.
	Explanatory notes: • Definitions of local and regional events are set out in schedule 2 in accordance with the Auckland Council Events Policy. • Regional sports facilities and regional events facilities and amenities are the responsibility of Auckland Unlimited. These include the Viaduct Events Centre, stadium management, The EDGE, Auckland Zoo and the Auckland Art Gallery.	

	Local environmental management *including*: • local environmental initiatives and projects • facilitating community-led placemaking and development initiatives • local stormwater quality projects • within regional frameworks • local waste management plans and projects within regional parameters set out in the Waste Minimisation and Management Plan.	**Waste services** and **Environmental services *including*:** • regional environmental, heritage and urban design strategy, policy and guidelines • regional environmental programmes and projects • waste management, including the Waste Minimisation and Management Plan • landfill management • environmental research and monitoring.
Stormwater		**Stormwater management including:** • the stormwater network, including catchment management plans the Te Arai Drainage District, the Okahuhura Drainage Area and the Glorit Drainage District (located in Rodney Local Board)

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
Fees and charges	Setting of fees and charges for local activities ***excluding:*** • library collections fees and charges; and • any fees and charges for local activities that are set on a region-wide basis by the Governing Body in a regional policy.	Setting of fees and charges for regional activities *and:* • regional fees and charges for local activities that are set by the Governing Body in a regional policy • library collections fees and charges.
Service specifications	Setting of service specifications for local activities ***subject to*** any minimum service specifications that the Governing Body has decided, for policy reasons, to set on an Auckland-wide basis.	Setting of service specifications for regional activities and minimum service specifications for local activities where the Governing Body decides to do so for policy reasons.
Procurement	Procurement for local activities ***excluding:*** • procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis.	Procurement for regional activities and • procurement of major service delivery contracts (such as maintenance, security and cleaning contracts) for Auckland-wide local assets and facilities on a coordinated basis • the procurement policy for Auckland Council.
	Explanatory notes: • There are significant efficiencies to be gained by the Governing Body procuring some contracts on a larger scale or a coordinated basis. This is likely to cover areas like parks and facilities maintenance, security and cleaning, which involve local and regional assets and facilities across Auckland. (The guidelines for procuring these types of contracts will be contained in the procurement manual. Procurement for most local activities will though, remain a local board decision-making responsibility). • Local boards will set the service specifications as they relate to their local area as set out in the allocation above.	

Relevant to each group of activities/ area	Local board non-regulatory responsibilities	Governing Body non-regulatory responsibilities
Asset renewal	Maintaining service capacity and integrity of local assets throughout their useful life in accordance with Auckland-wide parameters and standards set by the Governing Body.	Maintaining the service capacity and integrity of regional assets throughout their useful life and setting Auckland-wide parameters and standards for all asset management planning.
	Explanatory note: • The local board's asset renewal decision-making responsibility is within the framework and standards set by the Governing Body to ensure regional consistency	
Other activities of Auckland Council		All other non-regulatory activities of Auckland Council
Explanatory note: • An assessment of the principles for allocating non-regulatory decisions set out in section 17 of the Local Government Auckland Council Act must be considered before applying this allocation		

Schedule 1- Governance of parks

1. The Governing Body has governance responsibility for the following regional parks and contiguous land.

Regional Parks	
Auckland Council has classified the following as regional parks:	
Ambury	Scandrett
Ātiu Creek	Shakespear
Auckland Botanic Gardens	Tāpapakanga
Āwhitu	Tāwharanui
Duder	Tawhitokino
Glenfern Sanctuary	Te Ārai
Hūnua Ranges	Te Muri
Long Bay	Te Rau Pūriri
Mahurangi	Waharau
Motukorea / Browns Island	Waitākere Ranges
Muriwai (excluding Muriwai Village Green)	Waitawa
Mutukaroa / Hamlins Hill	Wenderholm
Ōmana	Whakanewha
Ōrere Point	Whakatīwai
Pakiri	
Te Motu a Hiaroa / Puketutu	

Land contiguous with Regional Parks		
Relevant Regional Park	**For the avoidance of doubt, land listed below is part of the adjacent regional park**	
Long Bay	Piripiri Park	Section 1 SO 70452
Mahurangi	Scott Point Reserve, Te Kapa Peninsula	Lot 15 DP 44711
		Sec 216 Mahurangi Village SO 43441
		Lot 14 DP 44711
Muriwai	Oaia Reserve, Muriwai	Lot 11 DP 58521
Te Ārai	Te Ārai Reserve	Lot 1 DP 66227
		Lot 1 DP 59556

Regional Parks		
Waitākere Ranges	Mārama Plantation Reserve, Little Huia	Lot 12 DP 27798
	Douglas Scenic Reserve	Lot 31 DP 77453
	Rāroa Park	Lot 100 DP 21358
	Parkland surrounding Waitākere Quarry Scenic Reserve	Lot 2 DP 193044
	Karekare Reserve	Lot 31 DP 40109
	Lone Kauri Road – 3 reserves	Lot 99 DP 42402
		Lot 106 DP 42402
		Lot 107 DP 42402
	South Piha Plantation Reserve	Lot 77 DP 31268
	Lake Wainamu Scenic Reserve	Section 3 Block 1/Waitakere SD/
	Tasman View Esplanade	Lot 90 DP 42223
	Lake Wainamu Walkway	Pt Waitakere 1A (Easement over lake edge only)
	Waitoru Reserve, Bethells Rd	Pt Allotment 5 PSH OF Waitakere
Whakanewha	Upland Road Walkway	Lot 489 DP 20610 Pt Whakanewha Block

2. The Maunga Authority has governance decision-making responsibility for the following maunga.

Parks under the administration of the Maunga Authority
Matukutūruru / Wiri Historic Reserve **Maungakiekie / One Tree Hill** **Maungarei / Mt Wellington** **Maungauika (North Head)** **Maungawhau / Mt Eden** **Ōhinerau / Mt Hobson** **Ōhuiarangi / Pigeon Mountain** **Ōtāhuhu / Mt Richmond** **Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert** **Puketāpapa / Pukewīwī / Mount Roskill** **Takarunga / Mount Victoria** **Te Kōpuke / Tītīkōpuke / Mount St John** **Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain** **Te Tātua a Riukiuta / Big King**
Note: ownership of Maungakiekie / One Tree Hill Northern land remains with the Crown and it is administered by the Tupuna Maunga Authority under the Nga Mana Whenua o Tamaki Makaurau Collective Redress Act 2014 and the Reserves Act 1977.

3. Post settlement governance entities have governance responsibility for the following reserves.

Park name	Governance entity	Relevant legislation
Kaipātiki (formerly Parakai Recreation Reserve)	Te Poari o Kaipātiki ki Kaipara (formerly Parakai Recreation Reserves Board)	Ngāti Whātua o Kaipara Claims Settlement Act 2013

Whenua Rangatira and Pourewa Creek Recreation Reserve	Ngāti Whātua o Orākei Reserves Board	Ngāti Whātua Ōrākei Claims Settlement Act 2012

4. The Governing Body has responsibility for the majority of land contiguous to Tupuna Maunga governed by the Maunga Authority. The Ngā Mana Whenua o Tāmaki Makaurau Redress Act 2014 provides for the transfer of administration by the council of these lands to the Maunga Authority at the discretion of the Governing Body.

Land contiguous with parks subject to Treaty of Waitangi settlement	
Park subject to Treaty of Waitangi Settlement	Contiguous council owned land allocated to the Governing Body
Maungawhau / Mt Eden	Lot 1 DP 131932
Maungarei / Mt Wellington	Lot 200 DP 436081
Ōhinerau / Mt Hobson	Pt Allotment 2 SECT 11 SBRS OF Auckland
Ōhuiarangi / Pigeon Mountain	Lot 182 DP 98841
	Lot 183 DP 98841
	Section 1 SO 434440
	Section 2 SO 434440
	Section 3 SO 434440
	Allotment 19 SECT 5 SM FMS NEAR Howick
Land contiguous with parks subject to Treaty of Waitangi settlement	
Ōtāhuhu / Mt Richmond	Lot 1 DP 47429
	Lot 2 DP 47429
	Lot 3 DP 47429
	Lot 4 DP 47429
	Lot 5 DP 47429
	Lot 6 DP 47429
	Lot 7 DP 47429
	Lot 8 DP 47429
	Pt Lot 10 DP 47429
Ōwairaka / Te Ahi-kā-a-Rakataura / Mount Albert	Lot 29A DP 17682
	Lot 19 DP 58177
	Lot 59 DP 16603
Te Kōpuke / Tītīkōpuke / Mount St John	Lot 1 DP 334602
	Lot 2 DP 413830
	Lot 13 DP 20564
	Lot 2 DP 35331
Te Tātua a Riukiuta / Big King	Lot 4 DP 44196

Land contiguous with parks subject to Treaty of Waitangi settlement	
	Lot 3 DP 44196
	Lot 5 DP 108794
	Lot 4 DP 21107
	Lot 5 DP 108794
	Lot 1 DP 108794
	Pt Allotment 80 SECT 10 SBRS of Auckland

5. Auckland Domain

Decision making allocation for Auckland Domain is geographically split, with the Waitemata Local Board being allocated responsibility for the playing fields areas and two community recreational leases (Auckland Bowling Club and Parnell Tennis Club), and the balance of land within Auckland Domain being allocated to the Governing Body. The Waitematā Local Board and the Governing Body have delegated decision making to the Auckland Domain Committee, a joint governance committee of the Waitematā Local Board and Governing Body.

Schedule 2 - Auckland Council Events Policy categories

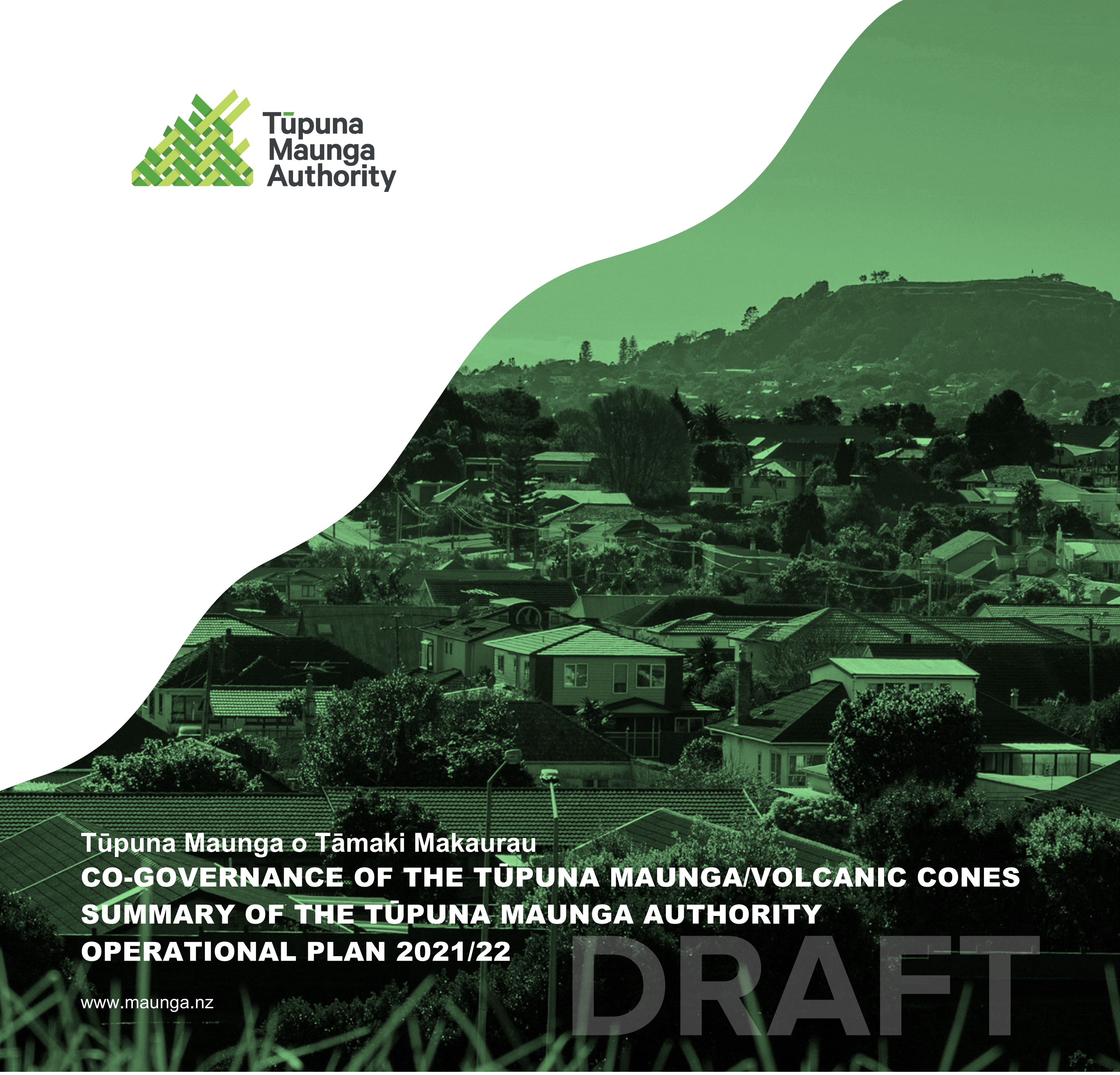
The Events Policy identifies three categories of events, local, regional and major.

Local events - An event is considered to be a local activity governed by local boards unless it meets the criteria for a regional or major event as defined in this policy.

Regional and major events - An event must demonstrate the strategic outcomes, appeal, profile and economies of scale to be categorised a regional or major event as defined in the table below. It will have most, if not necessarily all, of the distinguishing characteristics below.

Event Category	Strategic Outcomes	Appeal – breadth and depth of the event	Profile	Regional Coordination
Regional	• delivers regional objectives set by the Governing Body • helps deliver on Auckland-wide strategies such as for sport and recreation, arts and culture • offers a distinctive event proposition for the region.	• demonstrates it draws from a regionally-distributed audience e.g. appeals to a specific demographic or interest group that is geographically dispersed across the region • demonstrates a size and scale that is regionally significant.	• has region-wide and maybe national profile, demonstrated through media and wide public awareness.	• demonstrates clear benefits of decisions being coordinated at a region-wide level only if the nature of the event is such that decision-making on an Auckland-wide basis will better promote community well-being across Auckland e.g. delivered in multiple locations across the region, ensuring regional distribution , ability to attract sponsorship, region-wide marketing and promotion.
Major	• delivers economic development outcomes • delivers significant economic return on investment provides measureable economic benefits such as significant increase in visitor nights.	• appeals to regional, national and international audiences and participants • a large mass appeal social event that is distinctive to Auckland.	• has regional, national and international profile.	

Tūpuna Maunga Authority



Tūpuna Maunga o Tāmaki Makaurau

CO-GOVERNANCE OF THE TŪPUNA MAUNGA/VOLCANIC CONES SUMMARY OF THE TŪPUNA MAUNGA AUTHORITY OPERATIONAL PLAN 2021/22

DRAFT

www.maunga.nz

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) requires the Tūpuna Maunga o Tāmaki Makaurau Authority (Tūpuna Maunga Authority) and Auckland Council to prepare an Annual Operational Plan and a summary of that plan for inclusion in the Auckland Council's Annual Operational Plan 2021/22 process.

The Tūpuna Maunga Authority and Auckland Council are required to approve the Annual Operational Plan. The Tūpuna Maunga Authority Operational Plan 2021/22 must be considered and adopted concurrently with the Auckland Council's Operational Plan 2021/22. A summary of the Tūpuna Maunga Authority's indicative funding requirements are outlined in this Section.

Cover Image: looking North toward Maungawhau/Mount Eden from Puketāpapa/Pukewīwī/Mount Roskill

NGĀ MANA WHENUA O TĀMAKI MAKAURAU

Ngā Mana Whenua o Tāmaki Makaurau negotiated a collective settlement of their historical Treaty claims with the Crown. Ngā Mana Whenua o Tāmaki Makaurau is the collective name of the 13 iwi/hapū with historical Treaty claims in wider Tāmaki Makaurau. The iwi/hapū are grouped into the following three rōpū:

MARUTŪĀHU RŌPŪ	NGĀTI WHĀTUA	WAIOHUA TĀMAKI RŌPŪ
Ngāti Maru	Ngāti Whātua o Kaipara	Ngāi Tai ki Tāmaki
Ngāti Pāoa	Ngāti Whātua Ōrākei	Ngāti Tamaoho
Ngāti Tamaterā	Te Rūnanga o Ngāti Whātua	Ngāti Te Ata
Ngāti Whanaunga		Te Ākitai Waiohua
Te Patukirikiri		Te Kawerau ā Maki

THE NGĀ MANA WHENUA O TĀMAKI MAKAURAU COLLECTIVE REDRESS ACT 2014

The Collective Redress Act 2014 vested the Crown owned land in 14 Tūpuna Maunga (ancestral mountains / volcanic cones) in Ngā Mana Whenua o Tāmaki Makaurau. They are held for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The Tūpuna Maunga are vested as reserves under the Reserves Act 1977.

THE 14 TŪPUNA MAUNGA ARE:

Matukutūruru/Wiri Mountain	**Ōtāhuhu**/Mount Richmond
Maungakiekie/One Tree Hill	**Ōwairaka**/Te Ahi-kā-a-Rakataura/ Mount Albert
Maungarei/Mount Wellington	**Puketāpapa**/Pukewīwī/Mount Roskill
Maungauika/North Head	**Rarotonga**/Mount Smart *
Maungawhau/Mount Eden	**Takarunga**/Mount Victoria
Ōhinerau/Mount Hobson	**Te Kōpuke**/Tītīkōpuke/Mount St John
Ōhuiarangi/Pigeon Mountain	**Te Tātua a Riukiuta**/Big King

CO-GOVERNANCE

The Act also established the Tūpuna Maunga Authority, a bespoke co-governance entity, to administer the Tūpuna Maunga.

The Authority has six representatives from Ngā Mana Whenua o Tāmaki Makaurau, six from Auckland Council and one non-voting Crown representative appointed by the Minister for Arts, Culture and Heritage. The term of the Authority aligns with the term of the Council.

Under the Act, the Tūpuna Maunga Authority is the administering body for each Maunga for the purposes of the Reserves Act 1977, with two exceptions of Maungauika / North Head and Rarotonga / Mount Smart.

Maungauika / North Head has previously been administered by the Crown (Department of Conservation) but has now been transferred to the Tūpuna Maunga Authority. Routine management is now undertaken by council under the direction of the Tūpuna Maunga Authority in the same way as for the other Maunga.

Responsibility for administration and management of Rarotonga / Mount Smart remains with Auckland Council (Regional Facilities Auckland) under the Mount Smart Regional Recreation Centre Act 1985 and Reserves Act 1977.

The Tūpuna Maunga Authority is also the administering body for Te Pane-o-Mataaho / Te Ara Pueru / Māngere Mountain and the Maungakiekie / One Tree Hill northern land.

The legislation provides for funding and staff resourcing through Auckland Council. The Authority is currently supported by a core team of eight council staff across the Governance and Parks, Sport and Recreation units.

The scale of this co-governance arrangement is unparalleled in Auckland and the resulting unified and cohesive approach to caring for the Maunga has garnered widespread support.

STRATEGIC FRAMEWORK:

TŪPUNA MAUNGA INTEGRATED MANAGEMENT PLAN

The Tūpuna Maunga Integrated Management Plan ("IMP") sets the foundations for how the Tūpuna Maunga are valued, protected, restored, enhanced, and managed in the future with equal consideration and reverence. The IMP established a set of Values for the Tūpuna Maunga which are outlined below.

The IMP was developed in accordance with Section 41 of the Reserves Act to provide for and ensure the use, enjoyment, maintenance, protection, preservation, and development as appropriate for the reserve purposes for which each of the Tūpuna Maunga is classified. This single integrated plan replaces the former separate legacy reserve management plans for the Tūpuna Maunga.

The IMP was approved in 2016 following a public consultation process and can be read online at www.maunga.nz.

TŪPUNA MAUNGA INTEGRATED MANAGEMENT PLAN STRATEGIES

The Tūpuna Maunga Integrated Management Plan Strategies are the next level of policy development for the Tūpuna Maunga and aim to support the Values and Pathways in the Tūpuna Maunga Integrated Management Plan 2016.

The IMP Strategies was approved in 2019 following a public consultation process and can be read online at www.maunga.nz.

TŪPUNA MAUNGA VALUES

Within the Tūpuna Maunga Integrated Management Plan, the Tūpuna Maunga Authority has articulated a set of values of the Tūpuna Maunga. The values promote the statutory purpose of the Tūpuna Maunga under section 109 of the Collective Redress Act, where in exercising its powers and functions the Authority must have regard to the spiritual, ancestral, cultural, customary and historical significance of the Tūpuna Maunga to Ngā Mana Whenua.

The values provide a strategic framework to guide the Tūpuna Maunga Authority in making any decision about the Tūpuna Maunga.

The values weave together and give expression to mana whenua and other world views, and the connections and histories in a manner that highlights the way in which these views complement each other and create a richness to the relationship people have with the Tūpuna Maunga and multiple ways in which ways in which these relationships are thought of and expressed.

VALUE	PATHWAYS
WAIRUATANGA / SPIRITUAL	• Restore and recognise the relationship between the Maunga and its people. • Recognise the tihi is sacred. • Tread gently. • Treat the Maunga as taonga tuku iho – treasures handed down the generations.
MANA AOTŪROA / CULTURAL AND HERITAGE	• Enable mana whenua role as kaitiaki over the Tūpuna Maunga. • Recognise European and other histories, and interaction with the maunga. • Encourage culturally safe access. • Restoring customary practices and associated knowledge.
TAKOTORANGA WHENUA / LANDSCAPE	• Protect the integrity of the landscape of the Tūpuna Maunga. • Active restoration and enhancement of the natural features of the Maunga. • Encourage activities that are in keeping with the natural and indigenous landscape. • Encourage design that reflects Tūpuna Maunga values. • Promote a connected network of Tūpuna Maunga. • Preserve the visual and physical integrity of the Maunga as landmarks of Tāmaki.
MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY	• Strengthen ecological linkages between the Tūpuna Maunga. • Maunga tū mauri ora, Maunga tū makaurau ora / if the Maunga are well, Auckland is well. • Protect and restore the biodiversity of the Tūpuna Maunga.
MANA HONONGA TANGATA / LIVING CONNECTION	• Rekindle the sense of living connection between the Maunga and the people. • Give expression to the history and cultural values of the Tūpuna Maunga. • Actively nurture positive relationships. • A place to host people.
WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL	• Alignment with the Tūpuna Maunga values. • Foster partnerships and collaboration. • Focus on commercial activities that create value and enhance experience. • Explore alternative and self-sustaining funding opportunities.
MANA WHAI A RĒHIA / RECREATIONAL	• Balance informal and formal recreation. • Encourage informal inclusive recreational activities. • Recreational activities consistent with tikanga Māori. • Maunga are special places and treasures handed down. • Promote health and wellbeing.

TŪPUNA MAUNGA OPERATIONAL PLAN 2021/22

Each financial year, the Tūpuna Maunga Authority and Council must agree an annual operational plan to provide a framework in which the Council will carry out its functions for the routine management of the Tūpuna Maunga and administered lands for that financial year, under the direction of the Tūpuna Maunga Authority.

The Tūpuna Maunga Operational Plan 2021/22 identifies a number of projects to be delivered or commenced in the coming financial year and the subsequent two financial years. The Tūpuna Maunga Operational Plan 2021/22 also sets out the 10-year work programme and funding envelope confirmed through the Long-Term Plan 2021-2031. The budget for 2021/22 and the subsequent years fits within this funding envelope.

A copy of the Operational Plan can be found at www.aucklandcouncil.govt.nz

This work programme is a continuation from the Long-Term Plan 2018-28. This year's operational plan reflects the progress that has been made on this programme and includes further projects which have emerged from the Tūpuna Maunga Strategies.

PRIORITY PROGRAMMES AND PROJECTS OVER THE NEXT 3 YEARS INCLUDE:

POLICY AND MANAGEMENT

- Develop individual Tūpuna Maunga plans to provide direction on how the Values, Pathways, guidelines and strategies should be reflected on each Tūpuna Maunga.
- Progressing the potential transfer of administration over certain Maunga reserve lands from the Department of Conservation to the Authority, and the potential transfer of the administration of land contiguous to other Tūpuna Maunga
- Establishment of a compliance programme including a review of current and establishment of appropriate bylaws.
- Development of individual Tūpuna Maunga plans which reflect the Integrated Values and Pathways, overarching guidelines and strategies for each of the Tūpuna Maunga.

HEALING THE MAUNGA

VALUES:

TAKOTORANGA WHENUA / LANDSCAPE VALUE

- Protection and restoration of the tihi (summits) including reconfiguring space and provision of cultural infrastructure.
- Protection and restoration of historic kumara pits, pā sites and wahi tapu
- Development of infrastructure to enhance visitor experience at including provision of carparks, amenity areas and ancillary infrastructure such as wharepaku/ toilets.
- Removal of redundant infrastructure (built structures, water reservoirs, impermeable surfaces, etc) and returning areas to open space

EDUCATION, COMMUNICATIONS AND PARTNERSHIPS

VALUES:
WAIRUATANGA / SPIRITUAL VALUE

- On-site staff to protect and enhance the Tūpuna Maunga and the visitor experience
- Volunteer programmes to connect communities to the Tūpuna Maunga
- Education programmes, community events and a bespoke website that celebrates the living connection that all communities have with the Tūpuna Maunga
- Implementation of the Education Strategy to promote the values of the Tūpuna Maunga and the unique history and whakapapa of Ngā Mana

Whenua. This includes exploration of visitor centre opportunities, connecting with communities of learning such as schools and the development of a communications strategy.

CULTURAL CONNECTION

VALUES:

MANA AOTŪROA / CULTURAL AND HERITAGE VALUE

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

- Development of a programme of work which enables Ngā Mana Whenua to express their living and unbroken connection with the Tūpuna Maunga. This may include cultural interpretation including distinct entrance ways, pou whenua, pa reconstructions, kaitiaki opportunities, and other cultural activities.
- Mana whenua living connection programme focusing on their role as kaitiaki (guardians), restoring customary practices and associated knowledge and enabling cultural activities

BIODIVERSITY/BIOSECURITY

VALUES:

MAURI PŪNAHA HAUROPI / ECOLOGY AND BIODIVERSITY VALUE

- Restoration of indigenous native ecosystems; reintroducing native plants and attracting native animal species; removing inappropriate exotic trees and weeds (For context, see pages 58, 65-66, 71, 87, and 90-91 of the Tūpuna Maunga Authority Integrated Management Plan, and at pages 7 and 34 of the Integrated Management Plan Strategies)
- Pest control on all Maunga in line with Auckland's plan to be pest free by 2050
- Researching options to achieve efficient and effective animal and pest control methods, which includes a phased reduction in the use of herbicides and pesticides on the Tūpuna Maunga.

RECREATION AND ACTIVATION

VALUES:

MANA HONONGA TANGATA / LIVING CONNECTION VALUE

MANA WHAI A RĒHIA / RECREATIONAL VALUE

- Exploration of facilities and activities on, around and between the Tūpuna Maunga which provide for passive and active recreational opportunities.

COMMERCIAL

VALUES:

WHAI RAWA WHAKAUKA / ECONOMIC / COMMERCIAL VALUE

- Develop and implement a commercial framework which ensures continued investment back into the Tūpuna Maunga. This includes exploration of potential commercial activities and facilities, as well as the development of a concession framework for commercial operators on the Maunga.

All projects are designed to deliver outcomes for the 13 iwi/hapū of the Tāmaki Collective and all the people of Auckland, enhance the mana and mauri of the Tūpuna Maunga and deliver improved open spaces across the eight local board areas.

They will also enable a compelling case in a future UNESCO World Heritage bid for the Tūpuna Maunga, which will contribute to a Māori identity that is Auckland's point of difference in the world. The bid for World Heritage status will require a dedicated resource and will continue to be progressed in this financial year in partnership with the Department of Conservation.

SUMMARY OF INDICATIVE FUNDING REQUIREMENTS

The funding for Tūpuna Maunga is set at a regional level. The 10 Year budget to enable the priority projects and programmes in the council's 10 Year Budget (Long-Term Plan) 2021-2031 is shown in Table 2.

The budget for 2021-22 fits within this 10 Year Budget (Long-Term Plan) 2021-2031 funding envelope.

TABLE 2 – FUNDING ENVELOPE FOR THE TŪPUNA MAUNGA AUTHORITY IN THE COUNCIL'S 10 YEAR BUDGET (LONG-TERM PLAN) 2021-2031

FUNDING ENVELOPE	2021/22 $000's	2022/23 $000's	2023/24 $000's	2024/25 $000's	2025/26 $000's	2026/27 $000's	2027/28 $000's	2028/29 $000's	2029/30 $000's	2030/31 $000's
Net operating expenditure:*										
Net operating expenditure: 2021-2031**	3,489	3,512	3,642	3,897	3,917	3,917	3,917	4,358	4,460	4,557
Net operating expenditure: 2021-2031(including inflation)***	3,524	3,600	3,792	4,127	4,219	4,297	4,376	4,955	5,160	5,364
Capital expenditure 2021-2031	6,925	8,875	9,086	9,395	9,820	12,780	12,800	13,056	13,317	13,583
Total LTP Funding Requirement 2021-2031	10,414	12,387	12,728	13,292	13,737	16,697	16,717	17,414	17,777	18,141
Total LTP Funding Requirement 2021-2031 (including inflation)	10,449	12,475	12,878	13,522	14,039	17,077	17,176	18,011	18,478	18,948

Notes:
* Net operating expenditure excludes depreciation
** Figures are in 2020/21 year values
*** Inflation is calculated at Council agreed rates

Image: Maungarei/Mount Wellington from Maungakiekie / One Tree Hill

4.6 Draft Auckland Airport Shareholding Policy

Policy purpose and overview

The purpose of this policy is to set out the strategy for managing the council's investment in Auckland International Airport Limited ("AIAL"), the NZX listed company that owns and operates Auckland Airport.

The policy does not provide for any sale of the council's current shareholding in AIAL, with the exception of additional shares received through the Dividend Reinvestment Plan, rights issues (or similar) or where there are exceptional circumstances. The policy allows the council to undertake a technical transfer of its shareholdings as part of a restructuring transaction that will result in the number of AIAL shares council holds being no less than prior to the transaction.

Policy background

As at November 2020, the council owns 266,328,912 shares in AIAL, which equates to an 18.09 per cent shareholding.

Section 5 of the LGA 2002 defines the council's shareholding in AIAL as a strategic asset. Under section 97 of the act, a transfer of ownership or control of a strategic asset can only occur if the decision to do so is provided for in the council's long-term plan.

Policy details

Objectives for shareholding

The objectives are to maintain a strategic stake in Auckland Airport as an important national and regional asset, and ensure an appropriate financial return from the investment in the airport.

Strategy

The council's strategy is to:

- maintain the number of shares it holds in AIAL
- consider selling its shares only if the council would be substantially better off as a result, or worse off by maintaining its holding or where the sale relates to the realisation of council's participation in any dividend reinvestment plan, rights and securities issues, takeover offers, mergers, capital restructuring or similar transaction
- maintain a strong relationship with AIAL directors and senior officers
- monitor the risks associated with the airport both operationally and financially.

Dividend reinvestment plan

Council's default position will be to not participate in AIAL's Dividend Reinvestment Plan, but the council may decide to make an exception from time to time.

Rights and securities issues

The council will decide whether or not to participate in rights and securities issues (or similar) on a case by case basis. In determining whether it will participate, council will take into account the:

- matters set out in this policy

- impact on the council's financial position of funding an additional investment
- extent of any discount to market in the issue price, taking into account the likelihood of the council being able to realise this
- future prospects for the business
- economic effects of the rights or other securities issue structure.

Takeover offers, mergers and capital restructuring

The council will assess any options that may become available to it in exceptional circumstances against the following seven general criteria. In applying these criteria, the council will follow the decision-making principles outlined in the LGA 2002.

1. Overall impact: the overall impact on the current and future social, economic, environmental and cultural well-being of the community. This assessment will include the likelihood of Auckland Airport's role as an integral part of the city's regional and national transport system being enhanced or compromised.
2. Feasibility: the likelihood of successfully implementing the option, as measured by the extent of tax, legal and other issues that would need to be worked through.
3. Strategic value: the impact in terms of the council's long-term objectives, desired community outcomes and the broader public interest. This would be reflected in factors such as:
    a. the council's ability to have input into the appointment of directors to the board of Auckland Airport
    b. the council's ability to have input into the management of Auckland Airport
    c. the level of public scrutiny of the management of Auckland Airport
    d. the level of council ownership and influence
    e. the size of shareholding held by a single shareholder other than the council should not exceed 50 per cent
    f. the extent of New Zealand ownership of Auckland Airport
    g. the commitment of new shareholders to the development of the airport.
4. The council's ability to block a full takeover of Auckland Airport, or otherwise block ownership changes that could significantly impact on the business plan and operations of Auckland Airport.
5. Financial returns: the impact on the council's projected after-tax cash flows.
6. Liquidity: the ability of the council to quickly convert its shareholding to cash if required. This would be reflected in factors such as whether the council's shares can still be traded on the New Zealand Stock Exchange, the likely number of buyers for the council's shareholding, and any new procedures or restrictions that may be put in place in relation to the council exiting its investment.
7. Risk: the likelihood and impact of negative consequences. This includes any operational risk associated with changes to the management or operation of AIAL, as well as any financial risk associated with an increase in AIAL's level of debt funding. A higher level of debt would reduce the airport's capital expenditure flexibility and increase the risk associated with the airport's ability to make future distributions to shareholders.

The council recognises that, as AIAL is a widely held company, it may not in all circumstances be able to achieve all of the objectives above but will ensure that as many as possible are realised. The council may consider selling its shareholding in the event of a takeover that would leave it as the only other remaining shareholder and hence lacking any influence over the direction of the airport.

Implementation options

A change in ownership or control of some or all of the council's shareholding in AIAL or a restructure of the council's interest may take place by any of the options listed below, or by a combination of those options, or in any other ways that satisfy the council's policy set out above.

Option 1: The council joins a consortium, which will execute a full or partial takeover or otherwise acquire a substantial stake in AIAL. The council would achieve an ultimate stake at least equivalent to its percentage holding in the Auckland Airport prior to the transaction in the airport by taking shares, or other securities, in the consortium.

Option 2: The council agrees to AIAL merging with another company, exchanging the council's shares in the airport for shares or other securities in the new entity, provided the council would achieve an ultimate stake in the new entity at least equivalent to its percentage holding in the AIAL prior to the transaction.

Option 3: The council agrees to AIAL being restructured so that its business units separate into stand-alone entities, with the council receiving a proportionate equity stake in one or all of the stand-alone entities, provided that the council would achieve an ultimate stake at least equivalent to its percentage holding in the AIAL prior to the transaction of the combined equity of the stand-alone entities.

Option 4: The council sells shares, or other securities, in Auckland Airport for cash or some other form of consideration, provided that the council's ultimate stake in the airport is at least equivalent to its percentage holding in the Auckland Airport prior to the transaction.

Option 5: The council buys shares or other securities in Auckland Airport.

Option 6: The council transfers its ownership stake in Auckland Airport to a holding company.

Option 7: The council exchanges its share in the airport for other securities in the airport.

Decision-making under this policy

Any decision made under this policy will require the prior approval of the Finance and Performance Committee or the Governing Body. If it is not practicable to hold a meeting within the required timeframes to make a decision, the decision can be made by the Mayor and any two of the Deputy Mayor, Chair and Deputy Chair of the Finance and Performance Committee, after receiving advice from the Chief Executive.

Adoption and amendment of this policy

The council may be required to use a long-term plan amendment process and the special consultative procedure set out in the LGA 2002 to make any significant amendments to this policy.

5.1 Overview of Auckland Council's CCOs

A council-controlled organisation (CCO) is a company or organisation in which the council controls 50 per cent or more of the votes or the right to appoint 50 per cent or more of the directors or trustees.

The council uses CCOs to apply commercial disciplines and specialist expertise in the management of key regional council assets and efficient service delivery.

CCOs are accountable to the council, which agrees the objectives and targets for each CCO and also monitors their performance. The council, in turn, is accountable to ratepayers and residents for the performance of the CCOs. The council is required to have a policy on the accountability of its substantive CCOs. The policy establishes the council's enduring expectations for each CCO. The council's CCO Accountability Policy can be found as part 5.2 of this document.

To find out more about each of the CCOs, refer to their Statements of Intent, which can be found on the council's website. https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-annual-reports/Pages/cco-statements-of-intent.aspx

The substantive CCOs

A substantive CCO[1] is either responsible for the delivery of a significant service or activity on behalf of the council or owns or manages assets with a value of more than $10 million.

The council's substantive CCOs[2] are:

- **Auckland Transport (AT)** – responsible for managing the region's transport system. AT provides Auckland's transport requirements (except state highways and Auckland motorways) which include roads, footpaths, cycleways, the public transport network and parking and enforcement.
- **Auckland Unlimited** – responsible for enriching cultural and economic life in Tāmaki Makaurau by creating and sharing experiences and opportunities. Auckland Unlimited aims to drive investment and support Auckland businesses to innovate and thrive, enhance Auckland as a culturally vibrant city, provide experiences and opportunities for all, and tell the Auckland story to Aucklanders, New Zealanders and the international community. It manages major regional facilities and landmark venues across the region, including: ANZ Viaduct Events Centre, Aotea Centre, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium, North Harbour Stadium, Western Springs Stadium and the New Zealand Maritime Museum.
- **Panuku Development Auckland (Panuku) –**partners with the development sector, iwi and central government to facilitate redevelopment of selected areas across Auckland to promote quality built environments and residential and commercial growth. Panuku will actively review the council group property portfolio for sites that are surplus to service requirements, require renewal or are underutilised and make land available for redevelopment. Panuku will continue to redevelop the city waterfront area and manage non-service properties on behalf of the Auckland Council Group. Panuku also manages on behalf of the council the Westhaven Marina Limited, Westhaven (Existing Marina) Trust and Westhaven (Marina Extension) Trust.
- **Watercare Services Limited (Watercare)** – provides high quality drinking water supply and wastewater treatment and disposal for the Auckland region. Watercare's subsidiaries are: Lutra Limited and Auckland City Water Limited. Watercare also has a relationship with and provides funding to the Water Utility Consumer Assistance Trust and the Watercare Harbour Clean-up Trust.

---

[1] The meaning of CCO includes subsidiaries of CCOs. For the purpose of this document any reference to a substantive CCO means the substantive CCO and its subsidiaries.

[2] The Governing Body resolved on 27 August 2020 to agree to the establishment of a merged CCO entity by amalgamating Regional Facilities Auckland Limited and Auckland Tourism, Events and Economic Development Limited.

Contribution to council strategies and activities

As this plan is prepared on a group basis, each of the substantive CCOs' financial and performance information is embedded with the group of activity information contained in this plan. The group of activities information can be found in Part 3 of this document. The groups of activities that each CCO contributes to are listed below.

CCO	Group of activities
AT	Public transport and travel demand management
	Roads and footpaths
Auckland Unlimited	Council controlled services
Panuku	Council controlled services
Watercare	Water supply
	Wastewater treatment and disposal

Legacy CCOs

In addition to its substantive CCOs, Auckland Council has several CCOs which were established before amalgamation. These are commonly referred to as legacy CCOs.

While legacy CCOs are smaller in size and scale, they provide a valuable service to a wide range of stakeholders and are key contributors to delivering council programmes and services.

The following three CCOs are required to meet CCO governance requirements such as half-year and annual reports and Statements of Intent:

- Community Education Trust Auckland (COMET Auckland) – promotes and supports better education and training opportunities, especially for communities of high educational needs across Auckland
- Contemporary Art Foundation – promotes the arts through ownership and management of the Te Tuhi Centre for the Arts, a public gallery in Pakuranga which hosts local, national and international art exhibitions
- Manukau Beautification Charitable Trust – the Trust promotes, supports and undertakes programmes, actions and initiatives to beautify Auckland.

The following five CCOs are exempt from CCO governance requirements such as half-year and annual reports and Statements of Intent:

- Te Taumata Toi-a-Iwi (Arts Regional Trust)– aims to grow entrepreneurship in the Auckland's arts, culture and creative sectors to generate cultural, creative and economic outcomes that benefit the region through the provision of unique and innovative programmes
- Highbrook Park Trust – the Trust manages Highbrook Estate, which includes 40 hectares of parkland open to the public
- Māngere Mountain Education Trust – the Trust administers the Māngere Mountain Education Centre (MMEC) which provides educational opportunities for Aucklanders of all ages to learn about Māngere mountain and its people
- Mount Albert Grammar School Community Swimming Pool Trust – supports the Mt Albert Aquatic Centre, which is a local community pool
- Te Puru Community Charitable Trust – manages the community centre at Te Puru Park and supports sports, leisure, community and cultural groups in the Beachlands, Maraetai and Whitford communities.

5.2 CCO Accountability Policy

This policy sets out the council's expectations for its substantive council-controlled organisations (CCOs) in accordance with section 90 of the Local Government (Auckland Council) Act 2009 (LGACA) and more generally the approach used for accountability of substantive CCOs by Auckland Council.

This policy is designed to be understood in conjunction with:

- The general accountability expectations on CCOs required by Part 5 of the Local Government Act 2002
- The Statement of Expectations issued under section 64B of the Local Government Act 2002
- The Statements of Intent of each CCO, as described in Schedule 8 of the Local Government Act 2002
- The constitutions (where applicable) of each CCO
- section 92(2) of the Local Government (Auckland Council) Act 2009 which requires each substantive CCO to act consistently with the relevant aspects of any other plan (including a local board plan) or strategy of the Council to the extent specified in writing by the governing body of the Council.
- section 64A of the Local Government Act 2002 under which council can require CCOs to prepare and deliver additional plans, including an asset management plan, long-term plan and one or more thematic plans.

Under section 92(1) of the Local Government (Auckland Council) Amendment Act 2009, a substantive CCO must give effect to the aspects of the council's Long-term Plan relevant to it. The CCO accountability policy must be included in the council's Long-Term Plan (section 90(3)(b)), and as such forms part of it. Amendments to the policy can only be done through an amendment to the Long-term Plan (section 90(3)(c)).

1. The council's expectations for CCO's contribution to the council's objectives and priorities

Section 90(2) of the LGACA sets out the requirements of the accountability policy, and states that:

"(2) The policy must—

a) *include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, the Council's objectives and priorities.*

b) *include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, any relevant objectives and priorities of central government."*

Central government departments have been involved in the development of plans and strategies of the council, including the Auckland Plan and others such as the Auckland Transport Alignment Plan. Therefore, the objectives and priorities of central government are reflected in the expectations set out in this policy.

The Auckland Plan 2050 is our 30-year strategy for growth and development which brings together social, economic, environmental and cultural objectives for Auckland (not just Auckland Council). The plan comprises the Development Strategy and six outcomes.

The Long-term Plan is our 10-year Budget that outlines Auckland Council's funding priorities to delivery on the Auckland Plan.

Statement of Expectations

Auckland Council has a number of expectations of each substantive CCO. Additional expectations to those set out in this Policy will be set out in the Statement of Expectations issued in accordance with section 64B of the Local Government Act 2002. These expectations may include:

- How the CCOs should conduct relationships with council, communities, specified stakeholders within those communities and iwi/hapu/Māori organisations
- The expectation that CCOs must act consistently with statutory obligations of the council, including council's obligations pursuant to third party agreements
- Other shareholder expectations, such as expectations in relation to community engagement and collaboration with shareholders and others in the delivery of services.

The statement of expectations will be published on Auckland Council's website.

1.1 Common expectations

Auckland Council has a number of common expectations of all its substantive council-controlled organisations in respect of their contribution to, and alignment with, the council's objectives and priorities. Each substantive CCO is to meet the common expectations set out below and the specific expectations for each.

1.1.1 Improve outcomes for Māori

The substantive CCOs are to give effect to the council's Māori Outcomes framework 'Kia ora Tāmaki Makaurau' and foster more positive and productive relationships between the council group and Māori, develop the ability of the council group and its people to respond more effectively to Māori and contribute to Māori wellbeing by developing strong Māori communities in Tāmaki Makaurau. This is to be achieved by:

- Ensuring that the principles of te Tiriti o Waitangi, such as shared decision-making, partnership and mutual benefit, are applied consistently in activities and decision-making.
- Implementing and reporting on agreed Te Tiriti o Waitangi Audit actions and Māori Responsiveness Plans.
- Fulfilling statutory obligations to Māori under the Local Government (Auckland Council) Act 2009, Local Government Act 2002 and other statutes.
- Providing council with information necessary to fulfil its statutory duties to the Independent Māori Statutory Board under the Local Government Auckland Council Act 2009, in particular section 88.
- Enabling Māori outcomes.
- Valuing te ao Māori – the Māori world view.
- In addition, the substantive CCOs are to contribute to achieving a collaborative and aligned approach across the council group to working with mana whenua and matāwaka.

1.1.2 Health and safety

Each substantive CCO is to give effect to the group Health, Safety and Wellbeing Policy Statement. This sets out principles and behaviours to give effect to the health and safety vision of the group.

1.1.3 Group policies

Each substantive CCO is to implement agreed existing group policies and participate in the development of any further group policies.

1.1.4 Significance and engagement

Each substantive CCO is to include customers and communities in decision making where appropriate, using the principles in the Significance and Engagement Policy.

1.1.5 Climate change and reducing carbon emissions

- Each substantive CCO is to contribute towards reducing carbon emissions and contributing towards a climate resilient future. This is to be achieved by:
- Supporting the implementation of actions identified in Te Tāruke-ā-Tāwhiri Auckland Climate Plan as appropriate for each CCO.
- Supporting the delivery of our regional and organisational targets of halving emissions by 2030, reaching net zero by 2050 and taking a precautionary approach to planning for the impacts of climate change
- Embedding climate change considerations into investment decision-making and planning, and corporate policies regarding both emissions reduction and addressing the impacts of current and on-going climate change.
- Fully assessing and disclosing its climate-related risks to support Council's reporting requirements under in the Climate Change Response (Zero Carbon) Amendment Act and its commitment to disclosure on climate-related financial risks through its group Annual Report.

1.2 Council's expectations of CCO alignment with and contribution to Council's objectives and priorities

1.2.1 Auckland Unlimited Limited

In 2020 Regional Facilities Auckland Limited amalgamated with Auckland Tourism, Events and Economic Development Limited, and is now known as Auckland Unlimited Limited. The purposes of Auckland Unlimited Limited include enriching cultural and economic life in Tāmaki Makaurau by creating and sharing experiences and opportunities and acting as the corporate trustee of the Regional Facilities Auckland Trust.

Auckland Unlimited Limited aligns with and contributes to the following Auckland Plan outcomes:

Outcome: Belonging and Participation

- Create safe opportunities for people to meet, connect and enjoy community and civic life
- Recognise the value of arts, culture and sports and recreation to quality of life

Outcome: Māori Identity and Wellbeing

- Promote Māori success, innovation and enterprise
- Showcase Auckland's Māori identity and vibrant Māori culture
- Celebrate Māori culture and support te reo Māori to flourish

Outcome: Environment and cultural heritage

- Ensure Auckland's natural environment and cultural heritage is valued and cared for

Outcome: Opportunity and Prosperity

- Create the conditions for a resilient economy through innovation, employment growth and raised productivity
- Attract and retain skills, talent and investment
- Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy
- Leverage Auckland's position to support growth in exports

It does this by undertaking the following activities:

- Managing and/or partnering with Auckland's important cultural heritage institutions (including Auckland Zoo, MOTAT, Auckland Art Gallery, New Zealand Maritime Museum, Auckland War Memorial Museum)
- Maintaining and developing, and partnering with sporting and entertainment venues (The Civic, Aotea Centre, Eden Park, Mt Smart Stadium, North Harbour Stadium, Bruce Mason Theatre)
- Attracting visitors to Auckland and ensuring a range of experiences are available for them to enjoy, including festivals and exhibitions, museums and attractions, and arts, cultural and sporting events
- Partnering with other agencies which support business, such as Ministry of Business, Innovation and Employment, Chamber of Commerce, New Zealand Trade and Enterprise and others.
- Attracting and providing services and venues for business events - meetings, conferences, conventions, exhibitions and incentive activity.
- Delivering programmes to attract investment alongside partners including central government, managing specific facilities for sectors such as film, connecting businesses to resources to help them grow and support skills development.
- Providing an umbrella approach to a compelling and aligned Auckland story across business, entertainment, and cultural assets.

1.2.2 Auckland Transport

Auckland Transport was legislatively established as a CCO at amalgamation in 2010, to contribute to an effective, efficient, and safe Auckland land transport system in the public interest[1].

Auckland Transport aligns with and contributes primarily to the following Auckland Plan outcomes:

- Outcome: Transport and Access
- Better connect people, places, goods and services
- Increase genuine travel choices for a healthy, vibrant and equitable Auckland
- Maximise safety and environment protection

In doing so, Auckland Transport is to:

- Make Auckland's transport system safe by eliminating harm to people.
- Accelerate better travel choices for Aucklanders.
- Better connect people, places, goods and services.
- Enable and support Auckland's growth through a focus on intensification in brownfield areas, with some managed expansion into emerging greenfield areas.
- Improve environmental resilience and sustainability of the transport system, and significantly reduce the greenhouse emissions it generates.

Auckland Transport is to contribute to other relevant outcomes in the Auckland Plan, including:

- Outcome: Māori Identity and Wellbeing
- Outcome: Belonging and Participation
- Outcome: Homes and Places
- Outcome: Environment and Cultural Heritage
- Outcome: Opportunity and Prosperity

It contributes to these outcomes by undertaking the following activities:

- Providing an excellent customer experience for all services and customers.
- Supporting the Council Group's contribution towards Māori wellbeing outcomes, expectations and the aspirations of Māori under the Treaty of Waitangi.
- Collaborative partnering with funders, partners, mana whenua, stakeholders and communities.
- Running an operating model that is agile, financially sustainable and delivers economic benefits.
- Enabling and enhancing culture and capability.

[1] Section 39, Local Government (Auckland Council) Act 2009.

1.2.3 Panuku Development Auckland

Panuku Development Auckland was formed in 2015 as a merger of Auckland Waterfront Development Agency Limited and Auckland Council Property Limited. Its purposes include facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities. Panuku also manages council's non-service property portfolio and provides strategic advice on council's other property portfolios.

Panuku aligns with and contributes to the following Auckland Plan outcomes:

Outcome: Homes and Places

- Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living
- Accelerate the construction of homes that meet Aucklanders' changing needs and preferences
- Develop a quality compact urban form to accommodate Auckland's growth

Outcome: Belonging and Participation

- Create safe opportunities for people to meet, connect, participate in, and enjoy community and civic life

Outcome: Opportunity and Prosperity

- Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy
- Outcome: Māori identity and wellbeing
- Showcase Auckland's Māori identity and vibrant Māori culture
- Celebrate Māori culture and support te reo Māori to flourish
- Reflect mana whenua mātauranga and Māori design principles throughout Auckland

Outcome: Environment and cultural heritage

- Use green infrastructure to deliver greater resilience, long-term cost savings and quality environmental outcomes

It does this by undertaking the following activities:

- Regeneration and development of council's agreed urban locations by making the most of Auckland Council owned land and working with the council, other council-controlled organisations, the crown and infrastructure providers to facilitate urban regeneration
- Selling Auckland Council's surplus property, and where appropriate, reviewing council's service property for optimisation and redevelopment opportunities
- Managing council's assets/property including commercial, residential and marina infrastructure, or redevelopment incorporating a service delivery function
- Undertaking other property-related services such as strategic property advice, place making, acquisitions and disposals
- Ensuring that its capital and operating expenditure, policies and plans (including locally-specific development plans) are directed towards achieving these objectives and priorities.

1.2.4 Watercare Services Limited

Watercare Services Limited (Watercare) provides Auckland's integrated water supply and wastewater services.

Watercare aligns with and contributes to the following Auckland Plan outcomes [2]:

Outcome: Environment and cultural heritage

- Ensuring Auckland's natural environment and cultural heritage is valued and cared for
- Applying a Māori world view to treasure and protect our natural environment (taonga tuku iho)
- Using growth and development to protect and enhance Auckland's natural environment
- Ensuring Auckland's infrastructure is future-proofed

Outcome: Homes and places

- Developing a quality, compact urban form to accommodate Auckland's growth

Outcome: Māori identity and wellbeing

- Advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights.

It does this by undertaking the following activities:

- Delivering high quality drinking water to its customers
- Treating wastewater to a high standard before discharging it to the environment
- Maintaining and expanding water and wastewater infrastructure to cater for Auckland's growth
- Implementing, through its role as a provider of infrastructure critical to urban development, the Development Strategy set out in the Auckland Plan.
- Working with the council, other council-controlled organisations and infrastructure providers to achieve the council's objectives and priorities in an efficient and effective way, including in particular the optimisation and integration of water, wastewater and stormwater (the three waters) outcomes for the benefit of current and future Aucklanders.

[2] Watercare also has specific statutory obligations as the 'Auckland water organisation', which are set out in sections 57 and 58 of the Local Government (Auckland Council) Amendment Act 2009.

2. Additional reporting requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

c) *specify any reporting requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

2.1 Statutory requirements

Sections 66 to 68 of the Local Government Act 2002 (LGA) set out requirements for CCOs to provide half-yearly and annual reports on their operations to the council.

The half-yearly report must be provided within two months after the end of the first half of each financial year. The annual report must be delivered to the council no later than three months after the end of the financial year, and must be publicly available on the CCO’s website, with a hard copy available to any member of the public upon request. The release of the half-yearly and annual reports are required to be managed in accordance with the New Zealand Exchange (NZX) continuous disclosure requirements as noted under Section 2.4.

In addition to the statutory requirements, each substantive CCO is to provide additional reporting as set out below.

2.2 Quarterly reporting

In addition to the statutory requirements for half-yearly and annual reports, the council requires all substantive CCOs to provide:

- a quarterly report on their statement of intent (SOI) performance to the council, no later than 1 month after the end of the first and third quarter of each financial year.[3]The quarterly report must report against the performance targets set out in its SOI, and must be in the format required by the council.
- a group financial quarterly reporting pack as per instructions and timeframes issued by the Group Financial Controller (which includes financial and other information required by the council to fulfil its reporting obligations under legislation and New Zealand Exchange (NZX) regulations)

2.3 Attendance at council committee meetings

The chair and chief executive of each substantive CCO are expected to appear before the relevant council committee when it meets to consider the CCO’s performance against its SOI.

Representatives from the board of each substantive CCO may be required to appear before the relevant council committee when it meets to consider its annual report and/or fourth quarter report.

2.4 New Zealand Exchange requirements

Substantive CCOs must adhere to the New Zealand Exchange (NZX) requirements and work with the council on the timing of public release of financial information. In particular, CCO and group information must remain confidential until the group interim report and the Auckland Council preliminary NZX release by the council are released to the NZX at the end of February and August, respectively or as advised from time-to-time by the Group Treasurer.

Substantive CCOs must also comply with the requirements of the Disclosure Policy relating to Auckland Council.

[3] As provided for in s91(1)(b) of the Local Government (Auckland Council) Amendment Act 2009.

2.5 Audit and risk reporting requirements

Each substantive CCO is to:

- Provide a risk report and top risks register (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis.
- Provide a risk summary (using standard template format) to be reported to the council's Audit and Risk Committee on a quarterly basis. This summary will be reported to the council's Audit and Risk Committee as a confidential item.
- Ensure relevant board members (or their delegates) attend the meeting of the council's Audit and Risk Committee as requested by the committee. This will be every twelve months or as the Committee requires.
- As part of end of financial year processes, report all Audit New Zealand findings through council staff to the council's Audit and Risk Committee in format specified by council and attend the relevant Audit and Risk Committee meeting to discuss these audit and financial risk updates.

2.6 Provide information as required

Each substantive CCO is required to provide information on any aspect of a CCO's performance against its statement of intent if required to by a resolution of the relevant council committee.

3. Additional planning requirements

Section 90(2) of the LGACA states that:

"(2) The policy must—

> d) *specify any planning requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act."*

3.1 Inputs to Long-term Plan and Annual Plan

Each substantive CCO is to have asset management plans, activity plans, performance frameworks and supporting financial information as inputs to the council's Long-term Plan and Annual Plan in accordance with the timeframes and other requirements specified by the council.

Each substantive CCO should provide council with an updated asset management plan on an annual basis, in August of each year. This is to inform the group planning and budgeting processes and support monitoring of council's urban growth strategy and other strategies. The updated asset management plan should clearly outline assumptions made and the information that has informed those assumptions.

3.2 Further requirements

Each substantive CCO must:

- Use accounting policies and standards that are consistent with the council group's accounting policies and standards.
- Comply with council tax initiatives and policies.
- Follow any other planning requirements specified by the council and notified to CCOs.
- Prepare a Māori Responsiveness Plan, and work with the council to monitor and report against it.
- Prepare a local board engagement plan in accordance with the framework specified by council.

4. Management of strategic assets by council-controlled organisations

Section 90(2) of the LGACA states that:

"(2) The policy must—

- *e) identify or define any strategic assets in relation to each substantive council-controlled organisation and set out any requirements in relation to the organisation's management of those assets, including the process by which the organisation may approve major transactions in relation to them."*

4.1 Definition and identification of strategic assets

Strategic assets are defined in section 5 of the Local Government Act 2002 as assets that a local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community. This includes:

- a) any asset or group of assets listed in the local authority's Significance and Engagement Policy; and
- b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
    - I. a port company;
    - II. an airport company.

For the purposes of this policy, the council considers that the "current or future well-being of the community" means the economic, social, environmental and cultural well-being, and the health and safety of communities.

The strategic assets owned and/or managed by the council's substantive CCOs are any scheduled heritage buildings or structures and the assets set out in table 1.

Table 1 – Strategic assets owned or managed by substantive CCOs

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
Auckland Transport	The public transport network including Britomart	The roading network
Auckland Unlimited Limited as corporate trustee of the Regional Facilities Auckland Trust	Auckland Art Gallery (including the arts collections owned by Auckland Unlimited Limited) Auckland Zoo Aotea Centre Bruce Mason Theatre Civic Theatre Viaduct Events Centre North Harbour Stadium	

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
	The council's contractual rights and interest in Auckland City Arena (known as Spark Arena) Mt Smart Stadium	
Panuku Development Auckland Limited	None	The freehold interests in central Auckland waterfront land
Watercare Services Limited	The wastewater network The water supply network	none

4.2 Requirements in relation to the management of strategic assets by CCOs

4.2.1 Principles for the management of strategic assets

Each substantive CCO must manage the strategic assets set out in Table 1 in a way that:

- maximises the long-term benefit of the strategic assets to Auckland.
- gives effect to the expectations set out in Part 1 of this policy and the performance measures set out in this long-term plan.
- enables the CCO to achieve the objectives and performance measures set out in its statement of intent.

In making a decision about a strategic asset that may affect the council's long-term interest in that asset or the associated service delivery to Aucklanders, each substantive CCO must consider the following factors in relation to the proposal, in addition to any of its own considerations:

- the contribution of the issue or proposal to meeting the council's expectations of the CCO as set out in this policy, the long-term plan, Statement of Expectations and in the statement of intent.
- any impacts on the council's other objectives or priorities (both positive and negative).
- its consistency with the council's other plans and strategies, including area-specific plans.
- the likely financial impacts of the proposal, noting the opportunity cost of any investment or expenditure.
- the risks associated with the proposal, including its consistency with council's enterprise risk framework and appetite.

4.2.2 Shareholder oversight of strategic assets and major transactions

Table 2 below provides guidance for CCOs about expectations for shareholder oversight of decisions about strategic assets and major transactions.

A fundamental principle is that CCOs must ensure that they comply with the no surprises policy and any requirements set out in a Statement of Expectations issued to a CCO, and engage with ward councillors and local boards on issues of local significance. An early discussion about the proposal with Council staff should be undertaken, before any decisions have been made which commit the CCO into a course of action, and with sufficient time for council to consider the proposal. Where it is not clear if the proposed action or decision is consistent with an agreed strategy of the council, a CCO should engage with council staff.

The table below sets out examples of transactions which may require shareholder oversight, but cannot capture the full range of possible situations and transactions which may be proposed by CCOs. For example, an action or decision may indicate shareholder approval is required under table 2 below, but not be material to the council's long-term interest in the strategic asset and the associated service delivery to Aucklanders. In these cases, approval from the council may not be required. This can be granted at the discretion of the Mayor, Chair of the Finance and Performance Committee and the council's Chief Executive, according to the criteria in the council's Significance and Engagement Policy.

Table 2 – Shareholder oversight of strategic assets and major transactions

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
• Carry out a *major transaction* (defined in 4.2.3 below) • Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders and: o which represents or may represent a departure from an agreed strategy of the council; or o where there is no agreed strategy of the council	• The sale of any part of Britomart • A 20-year lease on waterfront land	Approval of the governing body of Auckland Council is required except where it is already provided for in the Long-term Plan. Note that some major transactions must be set out in the Long-term Plan. Some decisions must be included in the long-term plan. Section 97 of the Local Government Act 2002 requires that: (a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity and (b) a decision to transfer the ownership or control of a strategic asset to or from the local authority must be explicitly provided for in the long-term plan, and must have been consulted on during the development of the long-term plan.
• Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders which is consistent with an agreed strategy of the council	• Feasibility studies of a significant activity or investment • The development of a water efficiency strategy	Refer to the fundamental principles described above about early engagement with council. In some cases approval of Auckland Council may be required, and in others, provisions of information to the governing body through a workshop or memorandum will be sufficient. Engage with relevant local boards in accordance with the Statement of Expectations.
• Undertake any operational actions that are part of day-to-day business, or which implement agreed decisions	• Entering into a contract for the provision of food and beverage services at Mt Smart Stadium	No governing body oversight is required.

4.2.3 Definition of major transaction

For the purposes of this accountability policy, a "major transaction[4]" is:

[4] Note that this is a different definition of "major transaction" to that provided for in the Companies Act 1993, which has different requirements associated with it. Refer to section 4.2.4.

a) Any acquisition, disposal or replacement of a strategic asset, other than ongoing asset renewal in accordance with a CCO's asset management plan

b) Any transaction or dealing in relation to a strategic asset:

- Reducing control over the asset (whether directly or indirectly)
- Reducing or materially affecting the asset's value
- Granting any legal interest in the asset to a third party
- Affecting the CCO's or council's ownership of the asset

c) Any long-term contracts for the development or operation of a strategic asset (being a contract binding the CCO to a term exceeding fifteen (15) years, including any renewals at the contractor's option)

d) Any matters covered by the rights and securities issues takeover offers, mergers and capital restructuring sections of the Auckland Airport Shareholding Policy.

In relation to network infrastructure, a transaction only qualifies as a major transaction if it relates to any part of a network which:

- is integral to the functioning of the network as a whole, or
- substantially affects the level of service provided to the community.

A lease granted by a CCO on a strategic asset is not a major transaction if the lease:

i. is granted in the ordinary course of the CCO's business on arms-length terms; and

ii. does not exceed fifteen (15) years in duration (including any renewals at the lessee's option); and

iii. does not exceed $500,000 in rent per annum.

4.2.4 Major transactions under the Companies Act 1993

Under section 129 of the Companies Act 1993 a company must not enter into a major transaction unless the transaction is approved by special resolution; or contingent on approval by special resolution.[5] This covers:

a) the acquisition of, or an agreement to acquire, whether contingent or not, assets[6] the value of which is more than half the value of the company's assets before the acquisition;

b) the disposition of, or an agreement to dispose of, whether contingent or not, assets of the company the value of which is more than half the value of the company's assets before the disposition;

c) a transaction that has or is likely to have the effect of the company acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than half the value of the company's assets before the transaction.

Where a special resolution is required, it will be assessed against the criteria set out in section 4.2.5 below.

4.2.5 Process where the council's approval is required

Where approval of the council is required, it will be assessed against the following criteria:

[5] Special resolution means a resolution approved by a majority of 75 per cent or, if a higher majority is required by the constitution, that higher majority, of the votes of those shareholders entitled to vote and voting on the question.
[6] Includes property of any kind, whether intangible or tangible.

- The contribution of the proposal to meeting the expectations set out in this policy and in the statement of intent, and other plans and strategies of council.
- The financial impacts of the decision.
- Evidence that the relevant CCO's Board has considered all of the relevant information which would influence the decision, including the risks and mitigations; and
- Any other factor that the council considers to be relevant, including consistency with council's enterprise risk framework and appetite.
- For decisions which require council approval, quality advice standards[7] which are required for council decision-making should be adhered to by CCOs in papers prepared for board decision-making. Specifically, robust analysis of options and alternatives should be visible.

[7] A summary of Quality Advice Standards can be accessed here: https://governance.aucklandcouncil.govt.nz/media/1095/quality-advice-standards.pdf

Section Six: Local Board Supporting Information

6.1 Albert-Eden Local Board

Message from the chair

During 2020, we consulted on and developed the Albert-Eden local board plan, which sets our vision for the next three years. There was strong community support for the outcomes in the plan.

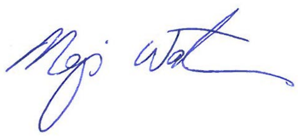
Our community, neighbourhoods and environment are changing. It is more important than ever that people feel connected, support each other and are resilient; that we embrace our rich heritage and celebrate our iconic natural features and suburbs; and that we protect and restore our natural environment and transition to low carbon, sustainable lifestyles.

We are now seeking your feedback on our proposed priorities and activities in the 2021/2022 financial year as well as the bigger ticket items we wish to secure for our area in council's 10-year Budget 2021-2031.

Our main focus is responding to change. There is significant private and government-led development happening in and planned for our area. We will advocate for community facilities and services and public and active transport to be included in planning. The planning for town centre upgrades remains a focus, and we will continue to work with business associations to ensure our villages are thriving places people enjoy visiting.

We look forward to hearing from you soon.

Ngā mihi nui



Margi Watson

Chairperson, Albert-Eden Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Support volunteer groups and initiatives that encourage social connectedness and strong communities, recognising the impacts of COVID-19 and changes brought about by urban development.
- Protect our natural environment by supporting projects like the Albert-Eden Urban Ngahere (Forest) Project and restoration of the biodiversity of our rock forests, urban streams and coast.
- Ensure a range of programmes, tailored to serve the needs of our local, diverse population, are delivered at our community facilities, libraries and recreation centres.
- Consider climate change impacts in our decisions and projects, and support education, awareness raising and action.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$19.9 million	$171,000	$620,000	$1.1 million
Capital Spend 2021/2022	$4.3 million	-	-	-

Key advocacy initiatives for 2021-2031

- Advocate to the Governing Body for funding to upgrade our sportsfields to address the current and future shortfall in sports capacity. We need an increase in playing and competition hours for the growing numbers of sports teams.
- Advocate to the Governing Body for funding to realign the Chamberlain Park 18-hole golf course, to develop a new park, walking and cycling connections and stream restoration.
- Advocate to the Governing Body for the continuing provision of aquatic facilities in the Mt Albert area.
- Advocate to the Governing Body for a civic square to be funded at 915-919 New North Rd, Mt Albert, to provide a focal point for the town centre and connection to the train station.

Proposed boundary expansion to the Dominion Road Business Association Business Improvement District

The Auckland Council Business Improvement District (BID) Policy 2016 requires the local board to approve any BID Programme boundary expansion and recommendation to the council's Governing Body to set the BID targeted rate.

The Dominion Road Business Association is proposing to expand the boundary of the Dominion Road BID programme.

They will hold a postal ballot of the business ratepayers and business owners located in the defined expansion area from February to March 2021.

If the proposal to expand the BID programme boundary is successful the Dominion Road BID programme would represent both current and expanded areas, increasing the membership to about 310 business ratepayers and owners, and the revenue received from the BID targeted rate will increase from $180,000 to $280,000 as of 1 July 2021.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

Do you support the Dominion Road Business Association boundary expansion of the Dominion Road BID programme?

6.2 Aotea / Great Barrier Local Board

Message from the Chair

This has been a most extraordinary and turbulent time.

The COVID-19 pandemic came to our shores and dramatically changed the way we live. Climate change has been providing us with an example of one of the worst droughts on record.

The board spent our first few months of the term engaging with the community and developing our three-year, strategic 2020 Local Board Plan. Thank you to everyone for your feedback. We received a high number of responses to help shape the plan, which was adopted on 3 November 2020.

Our focus for the next three years will be resilience for the island. This means support for community wellbeing, local economy, future-proofing our infrastructure, marine protection and climate change projects, such as food and water security.

This year, Auckland Council will be consulting on and adopting its 10-year Budget 2021-2031. Budgets are going to be tight over the coming months as we continue to feel the effects of COVID-19. We will remain fiscally vigilant with our spending focusing on supporting our island’s resilience.

Our proposed focus for the coming year will be water security, food security and marine protection projects. We also propose to continue with annual funding support for our community groups and environmental projects on the island.

Our proposed advocacy to the Governing Body includes an expansion to the renewable energy micro-grid of our council facilities, better procurement systems to enable local employment, championing Sea Change – Tai Timu Tai Pari and investigating a potential visitor levy to respond to the impacts of tourism.

Thank you once again for helping us shape our local board plan. We look forward to your feedback on our focus for the coming year and advocacy to the Governing Body in the council’s 10-year Budget 2021-2031.

Kind regards

Izzy Fordham

Aotea / Great Barrier Local Board Chairperson

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

Water security

Water security is our top priority. We will work alongside mana whenua, advocate to governing body to establish an emergency water supply and water security plan, and also support AoteaOra Trust with a drinking water refill programme.

Food security

Food security is a big part of our island's resilience. We will continue to progress community initiatives like seed banking, abattoir, island fish and farmers' markets.

Marine protection

Marine protection is important to us all. We will explore the mana whenua and community-led Ahu Moana approach, advocate to governing body for policy changes to prohibit marine dumping and advocate to central government for the reform for commercial fisheries.

Community groups and projects

We will continue annual funding support for our community groups and environmental projects on the island.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/22	$2.1 million	$199,000	-	$597,000
Capital Spend 2021/22	$122,000	-	-	-

Key advocacy initiatives for 2021-2031

- Expanding the renewable energy micro-grid of our council facilities to include Claris airport and also provide public electric vehicle charging facilities.
- Championing the implementation of Sea Change – Tai Timu Tai Pari to protect our Hauraki Gulf.
- Seeking a policy change to prohibit all marine dumping.
- Seeking better council procurement systems to enable local employment and business development.
- Establishing an emergency water supply and water plan for our island.
- Ensuring the protection of our International Dark Sky Sanctuary status by requesting Auckland Transport and Council use low-level night lighting in the region.
- Advocating for more priority to be given to the increasing issue of dust on unsealed roads, caused by climate change and record levels of drought.
- Investigate a potential visitor levy to respond to the impacts of tourism.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.3 Devonport-Takapuna Local Board

Message from the Chair

After a great deal of work and consultation, our Local Board Plan 2020 was adopted in November, providing clear direction on what the community considers important.

Our plan was developed during a very challenging period in the middle of the COVID-19 pandemic. The financial impact from this period may result in us not being able to achieve as much as we would like to in this first year of our plan, but we will be doing our best to provide what our communities and local businesses need to recover and grow stronger.

We will work with council staff, community organisations and volunteers to deliver projects that improve water quality and protect and enhance our natural environment and native habitats.

We recognise that transport issues impact many in the community. We will advocate for funding towards projects that help ease congestion and improve public transport services and infrastructure. We will also look to prioritise projects that provide safe, walkways and cycle paths.

You told us that by funding and supporting facilities, events and programmes, we give people opportunities to connect with each other, which will create a sense of belonging. It also helps make our area a great place to live, work and play.

As always, we welcome your views on the direction we have set and how we are tracking.

Aidan Bennett, QSM

Chairperson, Devonport-Takapuna Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

The 2021/2022 financial year is the first year when we will begin to deliver on the objectives of our new local board plan.

We will focus on the things you have told us are most important to you. We recognise that the effects of COVID-19 will last for some time and that we may need to prioritise services that help our communities recover. At the same time, we will also focus on the many other initiatives that benefit our communities and improve the local board area.

We will:

- support initiatives like the Wairau Estuary Restoration programme that protect and enhance our natural environment
- ensure our parks and facilities meet the needs of our diverse and growing population. The delivery of the new toilet and changing facility on Takapuna Beach will further enhance this popular spot
- fund initiatives that help our communities connect and feel safe
- work with sport organisations to ensure everyone can get active, stay fit and play organised sport whatever their age or ability
- provide safe walking and cycling paths
- support and fund events that encourage people to come to our town centres and take advantage of all they have to offer
- look for opportunities to develop relationships with iwi in our area.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$10.6 million	$73,000	$2.7 million	$830,000
Capital Spend 2021/2022	$4.1 million	-	$934,000	-

Key advocacy initiatives for 2021-2031

- Advocate to council's Governing Body that the new ferry terminal at Bayswater be fully funded in the Regional Land Transport Plan.
- Advocate to the Governing Body for an extension to the length of time that the Water Quality and Natural Environment targeted rates are collected, ideally for the duration of the 10-year Budget 2021-2031 rather than finishing in 2028.
- Advocate to the Governing Body for an increase in budget for the Safe Networks Programme that supports Safeswim and the work to identify and remedy illicit discharges at our beaches.
- Advocate for funding from the Local Board Transport Capital Fund to contribute to the cost of the new walking and cycling connection between Francis Street and Esmonde Road.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.4 Franklin Local Board

Message from the Chair

In 2020, communities across the local board area told us what was most important to them as we developed our Franklin Local Board Plan. This plan is the blueprint which we will use to advocate for funding through the 10-year Budget 2021-2031 and as we plan local initiatives over the next three years.

Unprecedented growth and development is underway in Franklin. This year we will advocate for increased investment in Auckland's roading rehabilitation programme as a response to local growth and to address the poor quality of Franklin roads that are of strategic importance.

We will ask for public transport in the east to link our communities with existing public transport nodes at Papakura, Pine Harbour and Botany. This will help residents in these growing areas to make environmentally sustainable choices and it will also support equitable access to council services and facilities.

Council's ability to build new facilities and expand council services is limited. However, we will advocate that projects with a strong business case and third-party partnership opportunities, such as the Karaka Sport Park, should progress.

As a board, we will prioritise investment in initiatives that empower our communities to restore our local environment. We will facilitate support and stimulate local economic recovery by funding a Franklin-based local economic development broker and will strengthen our community-partnerships approach to providing local social services and activities.

As the impact of the COVID-19 pandemic lingers, not everything we want or even need will be possible. We encourage you to provide feedback on these advocacy priorities as council plans its budget for the next 10 years, and on our delivery priorities for 2021/2022.

Andrew Baker

Chairperson, Franklin Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

We will;

- support and develop community-led environmental restoration initiatives, including those led by mana whenua e. g. Te Korowai o Papatūānuku stream restoration, the C.R.E.S.T project and Pest-Free Franklin
- fund a local economic development broker to support local businesses to leverage and grow economic development opportunities
- review our community partnerships and the grants programme to ensure the community is empowered to deliver local outcomes e.g. support rural hall committees
- develop five-year operational plans and three-year funding agreements with local social service agencies. We will also review the event and ecological partnership funding approach.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$15.2 million	$210,000	$830,000	$1.2 million
Capital Spend 2021/2022	$7.1 million	-	-	-

Key advocacy initiatives for 2021-2031

We're advocating to:

- reinstate local board transport funding to pre-COVID levels i.e. $21m per annum across the region, and for local transport funding of $38m – lost through the COVID-19 pandemic and Emergency Budget – be restored
- increase the AT 2021/2024 budget for renewal, rehabilitation and maintenance and prioritise rehabilitation of Whitford-Maraetai Road, Papakura-Clevedon Road, Alfriston-Brookby Road, Glenbrook Road, Hūnua Road and the Pukekohe ring road
- fund AT to provide a bus service connecting Wairoa sub-division communities to transport nodes at Papakura Train Station, Pine Harbour and Botany to allow for environmentally sustainable transport choices and access to council services and facilities
- allocate $23 million for the development of Karaka Sports Park and community hub.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.5 Henderson-Massey Local Board

Message from the chair

I am pleased to present our proposed priorities for the Henderson-Massey Local Board Agreement 2021/2022. It comes as we continue to deal with the very real local impacts of the global COVID-19 crisis.

We adopted our three-year Local Board Plan 2020 in November, with a focus on enabling our communities to be resilient and proactive in the face of the impacts of climate change and COVID-19. You told us during our engagement on the local board plan that community participation and having connected, resilient and inclusive communities were important to you. This local board agreement is where we take the first steps to deliver on that plan.

As a priority this year, to help address those impacts we propose to work with interested community groups to find ways to use the old Te Rangi Hiroa Reserve nursery site for community-led sustainability and food initiatives.

The local board is also focusing on reducing the carbon footprint at a local level. We propose to fund a programme of street tree planting and complete work on a community-led local Climate Action Plan.

We are advocating on several local active transport initiatives to reduce reliance on cars. For example, the Te Whau Pathway is funded in the Henderson-Massey Local Board area, but still needs funding support to be fully completed in other areas. We propose advocating to restore the Local Board Transport Capital Fund, which was substantially reduced as part of the council’s Emergency Budget 2020/2021. This would enable our board to deliver projects that improve road safety and increase the local walking and cycling network.

We are also proposing to focus on initiatives that support increased diversity and inclusion. You told us during consultation on our local board plan that Henderson-Massey’s ethnic and cultural diversity was a valued and appreciated aspect of living in the area. So, we will continue to develop community spaces that work for our diverse communities and strengthen a sense of belonging and safety in our town centres and community spaces.

You also supported work to highlight Māori culture and identity and support Māori to be part of the local democratic process. As a result, we propose to progress the Waitākere ki Tua action plan and work to increase Māori participation in local decision-making.

Hon Chris Carter JP

Chairperson, Henderson-Massey Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your Local Board Area in 2021/2022

- Progress the Waitākere ki Tua Action Plan and lift Māori participation in local decision-making.
- Investigate options for the Te Rangi Hiroa Reserve nursery site, with a focus on community-led sustainability and food initiatives.
- Progress initiatives such as street tree planting and developing a community-led Climate Action Plan to lower Henderson-Massey's carbon footprint.

We will also focus on:

- Ensuring community spaces cater for our diverse communities and are accessible and welcoming places.
- Enhancing a sense of belonging and safety in our town centres and community spaces.

We will continue to provide quality parks and playgrounds, libraries, community and recreation facilities, and events.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$30.2 million	$273,000	$764,000	$1.1 million
Capital Spend 2021/2022	$8.9 million	-	-	-

Key advocacy initiatives for 2021-2031

- Advocate to the Governing Body to retain funding in the 10-year Budget to progress the work on aquatic provision in the northwest.
- Advocate to the Governing Body to reinstate Auckland Transport's Local Board Transport Capital Fund to pre-Emergency Budget levels for all local boards and restore the funding formally allocated by local boards before the budget was adopted.
- Advocate to the Governing Body for funding in the 10-year Budget to progress the proposed permanent facility for Waitākere Outrigger Canoe (Waka Ama) Club in Te Atatū South (consultation, detailed design, consenting and a detailed estimate). This would help address the gap in regional support for Waka Ama, one of Aotearoa New Zealand's fastest growing sports.
- Advocate to central government and to the Governing Body for funding in the 10-year Budget for the remaining sections of Te Whau Pathway, not covered by the "shovel-ready" central government project funding, to be completed.
- Advocate to the Governing Body fund the Waitangi at Waititi event as part of the regional event programme given the significant number of Aucklanders from across the region who attend the event.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.6 Hibiscus and Bays Local Board

Message from the chairperson

Throughout 2020, we have been reminded of how important it is to care for those around us, be resilient and cherish our wellbeing. The local board wants to support the values of wellbeing and building resilience in our proposed priorities.

Like many of you, Auckland Council has taken a financial hit, and so the local board is focussing this year on renewing or improving those facilities, playgrounds, and paths that are essential or well overdue.

However, we are also planning for the future, by advocating for the continued protection of the beach and southern reserve as part of the Ōrewa Beach Esplanade Enhancement Project. This will help the ongoing planning to ensure this area serves future generations

We are focussed on supporting groups that help directly with our community's wellbeing. Our contestable grants programme will again be available for sports clubs, community groups and organisations in our local board area.

The ability to shop and work locally benefits us all. We want to ensure that the organisations that represent our local businesses are able to be even more resilient and become stronger.

We are also advocating for Auckland Transport to receive the funding it needs to ensure that improvements are made to the future transport connections in our area. Projects like Glenvar Road, which are key safety projects, are desperately needed.

We would like your thoughts on our proposals and welcome your feedback.

Gary Brown

Chairperson, Hibiscus and Bays Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Continue our support for local community groups, especially those working with youth development, family support and helping to build resilience among the most vulnerable in our community
- Funding environmental groups such as Restore Hibiscus and Bays, and other initiatives in schools and neighbourhoods to assist our communities to look after our environment
- Improve our economic wellbeing by actively working with our Business Improvement Districts, Business Associations and event organisers to create a stronger local economy.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$16.8 million	$288,000	$497,000	$1.0 million
Capital Spend 2021/2022	$5.0 million	-	-	-

Key advocacy initiatives for 2021-2031

- Advocate to the Governing Body for funding and delivery of the next phase of the Ōrewa Beach Esplanade Enhancement Project
- Advocate to the Governing Body for equitable regional funding for local arts, culture, and community centres
- Advocate to the Governing Body to allocate sufficient funding to ensure that the Regional Land Transport Plan can continue to fund the Local Board Transport Capital Fund, the Community Safety Fund and the Glenvar / East Coast Roads improvements project.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.7 Howick Local Board

Message from the Chair

It is my pleasure to introduce our proposed priorities for the 2021/2022 financial year following the recent adoption of the Howick Local Board Plan 2020.

Feedback we received during the consultation for the local board plan has clearly told us that we need to focus on renewals and upgrades for the 69 play spaces in our local board area.

We also want to include more opportunities for wheeled play, shade and better accessibility for our play spaces.

In addition, we want to explore the idea of a “destination” play space and would love to hear your thoughts on what one would look like.

Transport remains a key issue for the board and we will be advocating to council’s Governing Body for the Local Board Transport Capital Fund to be fully restored to its pre-COVID-19 budget. This fund provides budget for some of our key projects in the local board area, including the implementation of the Howick Walking and Cycling Network Plan, the Howick Village Centre Plan, and road safety initiatives.

We must, however, continue to acknowledge the challenges our city faces in maintaining services and keeping rates rises at acceptable levels while faced with the ongoing effects of the COVID-19 pandemic.

We welcome your views on how we are tracking and whether we are moving in the right direction.

Adele White

Chairperson, Howick Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- improved focus on play space renewals - including equipment for all ages
- investigate the provision of a play space focused on people with differing needs
- provision of shade for play spaces
- investigation of a destination play space
- more options for wheeled play for all ages.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$25.4 million	$401,000	$528,000	$1.1 million
Capital Spend 2021/2022	$4.9 million	-	-	-

Key advocacy initiatives for 2021-2031

We plan to advocate to the council’s Governing Body:

- for the Local Board Transport Capital Fund to be reinstated to the pre-COVID-19 level of $21 million annually, and for the $38 million previously allocated through the Local Board Transport Capital Fund to local boards – which was lost through the COVID-19 Emergency Budget – to be fully restored
- for increased regional funding for the restoration of our beaches and to address the impacts on our coastline due to climate change, sea level rise and weather-related events
- for funding to upgrade rural roads to urban standards, including widening narrow bridges in response to growth of our urban areas (e.g. Flat Bush School Road, Chapel Road and Murphys Road)
- for use of eco-friendly and environmentally sustainable building methods for the Flat Bush Aquatic & Leisure Centre and the Flat Bush Community Centre and Library
- for the construction timeframe of the Flat Bush Community Centre and Library to be brought forward.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

What should a “destination play space” include – for all ages?

Where is the best location for a “destination play space”?

6.8 Kaipātiki Local Board

Message from the Chair

On behalf of the Kaipātiki Local Board, I'm pleased to present our proposed priorities for the 2021/2022 financial year. These priorities come from our recently adopted 2020 Local Board Plan, which is our guiding document for the next three years. A big thanks to all those who shared their ideas and feedback throughout the development of the plan.

Our natural environment is clearly the most beloved aspect of living in Kaipātiki. We propose a strong focus on our environmental programmes and investment into our parks and open spaces. When we are making improvements to our parks, facilities, and town centres, we will be considering the impact on our climate as well as the impact on the wellbeing of our communities.

The COVID-19 pandemic is likely to significantly impact available budget in the council's 10-year Budget 2021-2031. We are continuing to advocate for additional regional funding for locally important initiatives that are beyond the usual means of the local board to fund. However, we would also like to know whether you would be willing to contribute to these projects through a locally targeted rate. This could include projects such as:

- addressing flooding and seawater inundation at Little Shoal Bay
- the multi-sport facility and aquatic play space at Birkenhead War Memorial Park
- delivering walking and cycling priorities that come out of the updated Kaipātiki Connections Network Plan, such as shared paths, bush tracks and connections to the Northern Pathway.

We want to hear from you to make sure we are on the right track with our proposals. We really do appreciate you taking the time to give us your valuable feedback.

John Gillon

Chairperson, Kaipātiki Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

In 2021/2022, we plan to invest $9.1 million to renew and develop assets and $17.9 million to maintain and operate these assets in your local board area. This investment goes towards local activities and services that you told us were important and were prioritised in the Kaipātiki Local Board Plan 2020, including:

- developing more meaningful relationships with Māori, starting with a hui in early 2021
- continuing to support Pest Free Kaipātiki Restoration Society with its community-led conservation work and 'greening of Kaipātiki' strategy
- working with the council and community groups to address the flooding and seawater inundation at Little Shoal Bay
- finalising the Kaipātiki Connections Network Plan to outline the key commuter and recreational walking and cycling links in and through the local board area
- working with businesses in the Wairau Valley to better understand their issues and opportunities and identify appropriate actions for future consideration.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$16.1 million	$333,000	$322,000	$1.1 million
Capital Spend 2021/2022	$9.1 million	-	-	-

Key advocacy initiatives for 2021-2031

The Kaipātiki Local Board indicated several advocacy initiatives in its Local Board Plan. The key ones we want considered through the council's 10-year Budget 2021-2031 include:

- implementing the Birkenhead War Memorial Park Masterplan, with the first project being to develop a new multi-purpose facility and improved aquatic play space
- implementing measures to minimise the spread of kauri dieback disease, including bush track upgrades, hygiene procedures and training for volunteers and contractors, and support for installing and using hygiene stations
- expanding investment to improve water quality and biodiversity in our waterways, ponds and marine environment, particularly within the catchment of the Wairau Estuary
- delivering the Northcote redevelopment as an excellent example of urban regeneration that supports a successful and integrated community
- working with Auckland Transport and our school communities on better travel options and infrastructure to support safe journeys to and from school

What do you think?

1. Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

2. With additional regional funding likely to be limited in the 10-year Budget 2021-2031, do you support us investigating options for a future locally targeted rate to contribute towards funding major local projects that are beyond the existing funding available to the local board?[1]

   ☐ Yes, I support

   ☐ No, I do not support

   ☐ I don't know

   a. If we were to introduce a locally targeted rate to contribute towards funding major local projects, what key initiative from our 2020 Local Board Plan would you prefer the funding was spent on (please rank all that apply from 1 – 3, with '1' being your top priority):

      ☐ Addressing flooding and seawater inundation at Little Shoal Bay, Northcote

      ☐ Multi-sport facility and improved aquatic play space at Birkenhead War Memorial Park

      ☐ Commuter and recreational walking and cycling links, such as shared paths, bush tracks and connections to the Northern Pathway (to be prioritised in the update of the Kaipātiki Connections Network Connections Plan)

      ☐ Other (please identify) ____

   b. If we were to introduce a locally targeted rate to contribute towards funding major local projects, how much would you be willing to pay annually on top of your rates bill?

      ☐ $0 – I wouldn't be willing to pay any more

      ☐ $0-$50

      ☐ $50-$100

      ☐ $100-$150

      ☐ $150+

[1] Note: It is important to highlight that any decision to propose a targeted rate would involve further public consultation with the community on a specific proposal, and its associated budget. If required, this will be undertaken as part of the 2022/2023 Annual Budget.

6.9 Māngere-Ōtāhuhu Local Board

Message from the Chair

Talofa lava, tēnā koutou, greetings

I am pleased to share the local board's proposed advocacy and key priorities for the 2021/2022 financial year. We recently approved the Local Board Plan 2020, and are now working on delivering those outcomes. But we want you to tell us if we have got the local priorities and advocacy aspirations right for this 10-year budget.

We are mindful of the impact of COVID-19 on our local budgets and will focus on the priorities specifically highlighted in your recent feedback to our local board plan and emergency budget. It included more children and youth programmes, initiatives supporting Māori and various interventions to reduce climate change.

For our 10-year budget, we plan to advocate to Auckland Council's Governing Body to deliver our major projects- in particular, the Ōtāhuhu Town Centre streets upgrade, which will create economic growth and dramatic improvements to pedestrian and traffic movement in this area.

With 10,000 new homes being built in the local area, we also plan to advocate for good connectivity for families occupying these homes to easily access local parks and open spaces.

We need your views on our local targeted rates in providing adults with the free use of our local pools to support healthy lifestyles and community wellbeing.

We will also aim to continue our community grants programme to help achieve the local board plan objectives in supporting educational and arts opportunities for young people and local seniors.

We are proposing to forge ahead with our investments to improve community safety through advocacy and by partnering a community-led response to limit alcohol sales in our local areas, keeping town centres safe and supporting events that bring communities together, such as Movies in Parks, local park activations, festivals and community events.

I would like to ask for your feedback on all these initiatives or any additional thoughts you may have to improve the Māngere-Ōtāhuhu Local Board area.

Lemauga Lydia Sosene

Chairperson, Māngere-Ōtāhuhu Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Support business partnerships to help the local economy recover from the effects of COVID-19.
- Invest in initiatives that can help communities build awareness of how our lifestyles can minimise our emissions, and how we can help support the region's aspiration of becoming zero waste by 2040, and zero emissions by 2050.
- Improve local youth leadership capacity and participation on local matters by working closer with the youth.
- Additional investment and attention are needed to improve the car park and accessibility to onsite facilities at Seaside Park.
- Deliver Massey Homestead full refurbishment by advocating for more resources for structural improvements.
- Maintain and improve facility networks - such as playgrounds, open spaces, and council facilities to meet local needs of all ages and abilities.

Key areas of spend	Community services	Environmental services	Planning services	Governance
Operating spend 2021/2022	$18 million	$297,000	$2.2 million	$944,000
Capital spend 2021/2022	$3.3 million	-	-	-s

Key advocacy initiatives for 2021-2031

- The local board requests Governing Body funding for the Ōtāhuhu Town Centre Streetscape project to complete the remaining development works and deliver a safer, attractive and vibrant town centre for the community.
- The Māngere Mountain Education Trust successfully delivers education programmes to visiting local schools and community groups. The local board seeks ongoing investment support from the Governing Body's 10-year budget to continue the delivery of these programmes.
- The local board transport capital fund is important in improving the local transport network. The local board requests the Governing Body for this fund to be reinstated to pre-Emergency Budget levels through the 10-year budget.
- The local board continues to advocate to the Governing Body to approve budget for the Māngere East Precinct and initiatives to enhance this centre as a thriving and liveable community.
- The local board advocates to the Governing Body to allocate long-term funding for the Ōtāhuhu Portage route project as a priority. The site is of national significance in terms of history and culture, with enormous potential to make the area accessible and connected for local and international visitors.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.10 Manurewa Local Board

Message from the chair

I'm pleased to present our proposed priorities for the 2021/2022 financial year. These come from our recently adopted Manurewa Local Board Plan 2020, which will guide our focus for the next three years. We appreciated all the great ideas and feedback you gave and look forward to working with you to bring some of those ideas to life.

In summary, you told us you want to enjoy inclusive communities and great public spaces, to protect our environment, benefit from a prosperous local economy, and have good transport options. You also supported our new outcome around a thriving Māori identity as a goal we all share.

We propose to continue projects we have already started, such as revitalising Clendon Reserve, and advocate for the reinstatement of budget to progress work at War Memorial Park.

We are blessed with such diverse and vibrant communities and want to support you to deliver more youth and community-led activities. We'd like to explore further investment in our parks, playgrounds and public spaces that cater for the increasing growth we are experiencing. We'd also like to continue our focus on the environment and our local economy.

Transport remains a key issue. We'll advocate for our Local Board Transport Capital Fund to be fully restored to its pre-Emergency Budget levels. If successful, this fund will enable delivery of key projects, including the continuation of upgrades at Te Mahia station, and further road safety initiatives to reduce death and serious injuries.

Our communities have never had to plan for such uncertain times. We're operating within the constraints of limited resources and will push for additional regional funding for important local initiatives that are beyond the usual means of the board to fund.

We really encourage you to be involved in working out our priorities for 2021/2022 and we look forward to hearing what you think.

Joseph Allan

Chairperson, Manurewa Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$16.2 million	$107,000	$1.1 million	$1.2 million
Capital Spend 2021/2022	$2.5 million	-	-	-

- Fund youth and community groups to lead initiatives that:
  - deliver vibrant, multicultural arts, events and festivals
  - strengthen community and cultural connections
  - deliver placemaking activities
  - improve social and economic wellbeing.
- Partner with mana whenua and mataawaka on cultural storytelling and participation in local planning and delivery of economic benefits.
- Renew more play spaces that build the play network, ensuring children of different ages and abilities are challenged, and families have comfortable and accessible places to spend time at.
- Work with our sports and recreation partners to progress works at War Memorial Park, Netball Manurewa, Gallaher Park, Totara Park.
- Support initiatives that improve our environment, clean our waterways and prepare our diverse communities for disasters and climate change.

Key advocacy initiatives for 2021-2031

We highlighted several advocacy initiatives in our Manurewa Local Board Plan 2020. The key ones we propose to advocate to the council's Governing Body this year are:

- for the retention of funding in the 10-year Budget 2021-2031 to progress work at War Memorial Park, to be completed in stages that include sports field improvements, floodlighting and a multi-purpose community facility
- for the reinstatement of the Local Board Transport Capital Fund to pre-Emergency Budget levels
- for funding in the 10-year Budget 2021-2031 to create a community recycling centre in Manurewa, plus a recycling centre and a resource recovery park for the south in partnership with other local boards.

Proposed boundary expansion to Manurewa Business Association Business Improvement District

The Auckland Council Business Improvement District (BID) Policy 2016 requires the local board to approve any BID Programme boundary expansion and recommendation to the council's Governing Body to set the BID targeted rate.

The Manurewa Business Association (MBA) is proposing to expand the boundary of the Manurewa BID programme, located within the Manurewa Local Board boundary.

The MBA will hold a postal ballot for the ratepayers who would be added to the BID area and the new businesses in the targeted rate area, from February to March 2021.

If the proposal to expand the BID programme boundary is successful, the Manurewa BID programme would represent both current and expanded areas, increasing the membership from 215 to about 480 business ratepayers and owners, and the revenue received from the BID targeted rate will increase from $157,000 to $315,000 as of 1 July 2021.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

Do you support the Manurewa Business Association boundary expansion in our area?

6.11 Maungakiekie-Tāmaki Local Board

Message from the Chair

Thank you to everyone who gave feedback on our 2020 Local Board Plan. In 2021/2022, we will focus on funding and delivering the local goals that you've told us are most important.

Throughout the year, COVID-19 continued to spread across the globe and impact our way of life. While we are yet to fully understand what this means socially and economically, we will strive to empower our communities and support our businesses to overcome challenges and succeed.

We will also support social enterprise and innovation projects that have a positive social or environmental impact.

Our community is continuing to grow, which means development is inevitable in order to meet our needs. While we acknowledge that development can create some challenges, we have seen some positive changes this brings, such as investment into our parks and facilities. We will continue to work with other parts of the council family and developers to encourage well-planned physical infrastructure that supports job opportunities for local people.

We want our area to be safe and easy to get around, so we will continue to look for opportunities to better connect our open spaces, facilities and town centres.

We want to continue celebrating our diverse histories, cultures and identities, with a focus on initiatives that enable Te Ao Māori to be seen within our community.

Our natural taonga are important to us. We will continue to protect our environment by working in partnership with our community to restore our waterways and regenerate our eco-systems. The impact of climate change has also become more apparent, so we will work towards making our community feel resilient and prepared for its effects.

All the initiatives above are key to delivering the goals you have helped us develop in our 2020 Local Board Plan. So, please get involved in helping us decide our funding priorities for 2021/2022. We look forward to hearing your views.

Noho ora mai,

Chris Makoare

Chairperson, Maungakiekie-Tāmaki Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Supporting our local businesses by working with the BIDs to deliver placemaking initiatives in our town centres.
- Supporting social enterprise and innovation projects that have a positive social or environmental impact.
- Supporting initiatives that celebrate our diverse histories, cultures and identities, in particular, those that celebrate Te Ao Māori, such as Te Kete Rukuruku.
- Encouraging well-planned infrastructure that supports our growth, in particular, by investigating a feasibility study for a Pasifika Fale.
- Empowering our communities by continuing to build on our strategic partnerships activity by focusing on increasing collaboration between our community groups.
- Supporting climate change initiatives focused on building our community's resilience and preparedness for climate change.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$13.3 million	$165,000	$1.1 million	$876,000
Capital Spend 2021/2022	$6.0 million	-	-	-

Key advocacy initiatives for 2021-2031

We will advocate to the Governing Body:

- for equity and accessibility to be the overarching principles that guide decision-making for Auckland Council. This will focus our investment on areas that have infrastructure gaps and support the communities that need it most;
- to prioritise the provision of community services in Mt Wellington, to address the service gap identified and meet the needs of a community that is growing faster than expected;
- to continue supporting the Ruapōtaka marae relocation and rebuild;
- to support investment in the implementation of the Waikaraka Park Masterplan, once adopted, including the investigation and design of the motorsport precinct and shared multi–use sport facilities. These local assets have significant regional benefit, with the potential to accommodate a variety of sport codes and facility users year-round;
- to retain and bring forward growth-funding for the Tāmaki Reserves development, to support the significant level of housing development and growth occurring in the Tāmaki area;
- to progress the redevelopment of the civic space and community facility in the Panmure town centre;
- for reinstatement of the Local Board Transport Capital Fund to the pre-Emergency Budget level of $21m per annum regionally and for previously allocated funding of $38m to be fully restored. This fund will allow us to improve safety and allow us to invest in connecting our open spaces, facilities and town centres.

Proposed boundary expansion to Glen Innes Business Association Business Improvement District

The Auckland Council Business Improvement District (BID) Policy 2016 requires the local board to approve any BID Programme boundary expansion and recommend the setting of the BID targeted rate to the Governing Body.

The Glen Innes Business Association (GIBA) is proposing to expand the boundary of the Glen Innes BID programme across two local board boundaries, Maungakiekie-Tāmaki and Ōrākei. The GIBA will hold a postal ballot for the ratepayers who would be added to the BID area and the new businesses in the targeted rate area in early 2021. If the proposal to expand the BID programme boundary is successful, the Glen Innes BID programme would represent both current and expanded areas, increasing the membership to about 190 business ratepayers and owners, and revenue received from the BID targeted rate will increase from $166,000 to $250,000 as of 1 July 2021.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

Do you support the Glen Innes Business Association boundary expansion into our area?

6.12 Ōrākei Local Board

Message from the chair

We recently adopted our Ōrākei Local Board Plan 2020. This is our blueprint developed in consultation with you and guides our work over the next three years. Now, we are preparing our work programmes with particular focus on the 2021/2022 financial year.

Funding has been seriously reduced, due to the impact of COVID-19 on the council's revenue. The local board is rising to the challenge of balancing demands in our area with pragmatism and common sense. More than ever we will devise innovative ways to deliver projects and initiatives with and for our communities.

We continue to progress the rebuild of Meadowbank Community Centre and advocate for the delivery of the north-south links to Section Two of the Glen Innes to Tāmaki Drive Shared Path. Surrounding this is the Pourewa Valley, which has the potential to be a stunning environmental and recreational asset in the heart of our local board area. We will continue to work with Ngāti Whātua Ōrākei, landowners and environmental care groups to develop and deliver the Pourewa Valley Integrated Plan to restore the valley's mauri and advocate to the Governing Body to secure regional funding over the next 10 years.

Hobson Bay needs significant attention. Streams and waterways in Remuera and Newmarket are polluted from the old wastewater and stormwater network. To replace this infrastructure is costly. We are working with the Waitematā Local Board to advocate for this work to be the next priority for council expenditure.

We are seeking reinstatement of the Local Board Transport Capital Fund, cut during the Emergency Budget 2020/2021, so that local transport and safety projects can be completed.

Since the formation of the super city, local boards have advocated for more autonomy. We strongly believe local boards should get a greater share of the rates revenue collected in their community and will be advocating accordingly.

Scott Milne, JP

Chairperson, Ōrākei Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Implement multiple environmental programmes along the coast, in Pourewa Valley and in our community reserves.
- Advance plans to improve community access to coastal reserves, e.g. Hakumau Reserve and The Landing.
- Continue to monitor and implement measures to improve water quality in our waterways and wetlands.
- Work with our community, business and residents' associations to undertake placemaking at our local centres of Ellerslie, Remuera and Ōrākei.
- Support local businesses and town centres in their recovery from COVID-19.
- Improve community safety in the bays through traffic calming, CCTV and CPTED (Crime Prevention Through Environmental Design) implementation.
- Finalise an Ōrākei Arts Plan to guide future enhancement of art, local heritage and culture at our public facilities and places.
- Investigate and plan for continued improvement of our fields at Thomas Bloodworth Park and Shore Road East.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$11.2 million	$343,000	$550,000	$919,000
Capital Spend 2021/2022	$3.5 million	-	-	-

Key advocacy initiatives for 2021-2031

Build the links to the Glen Innes to Tāmaki Drive Shared Path

The north-south links to the Glen Innes to Tāmaki Drive Shared Path will improve road safety and reduce congestion by providing off-road access to schools and commuters, and connect multiple communities across the Pourewa Valley.

Pourewa Valley enhancement

We are seeking regional funding from the 10-year Budget to help restore and enhance the natural environment of Pourewa Valley as detailed in the Pourewa Valley Integrated Plan.

Hobson Bay catchment wastewater/stormwater separation

We are advocating to the Governing Body to accelerate separation works for the Remuera catchment and for this project to begin following the completion of the Ōrākei/Okahu Bay separation and improve water quality at Hobson Bay.

Proposed boundary expansion to Glen Innes Business Association Business Improvement District

The Auckland Council Business Improvement District (BID) Policy 2016 requires the local board to approve any BID Programme boundary expansion and recommend the setting of the BID targeted rate to the Governing Body.

The Glen Innes Business Association (GIBA) is proposing to expand the area to which its BID programme applies. The proposal extends the BID programme across the boundary shared by the Maungakiekie-Tāmaki and Ōrākei Local Boards into the Felton-Mathew Avenue business area. The GIBA will hold a postal ballot for the ratepayers who would be added to the BID area and the new businesses in the targeted rate area, in early 2021.

If the proposal to expand the BID programme boundary is successful, the Glen Innes BID programme would represent both current and expanded areas, increasing the membership to about 190 business ratepayers and owners, and revenue received from the BID targeted rate will increase from $166,000 to $250,000 as of 1 July 2021.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

Do you support the Glen Innes Business Association boundary expansion into our area?

6.13 Ōtara-Papatoetoe Local Board

Message from the chair

I am pleased to present our proposed priorities for the Ōtara-Papatoetoe Local Board Agreement. This agreement outlines what we will deliver and advocate for in the 2021/2022 financial year.

The world has changed due to COVID-19 and we believe the negative effects of COVID-19 on communities will be felt far more sharply in Ōtara-Papatoetoe. However, we know our community is resilient and we have seen our people adapt to a new way of living. Some notable achievements over the past year include:

- Ngāti Ōtara multisport complex due to be finished by mid-2021
- delivery of Neat Streets through different lockdown levels
- community groups adapting their programming to address the immediate needs of the community due to COVID-19.

This year we propose:

- to continue to support local groups leading local COVID-19 recovery initiatives
- continue to support organisations to deliver community-led initiatives that promote safer more inclusive communities
- Māori responsiveness – by exploring co-governance and co-management opportunities
- progressing the Manukau Sports Bowl masterplan, as well as progressing the Papatoetoe facilities gap analysis.

These proposed priorities build on what we heard from your input for our Local Board Plan in 2020.

Through our continuous advocacy we have secured regional funding to upgrade the sportsfields and lighting at the Papatoetoe Recreation Reserve. This year we will advocate for further funding to upgrade sportsfields and lighting at Rongomai and East Tamaki Reserve. We will also advocate to ensure there is adequate funding to deliver local transport projects by reinstating the Local Board Transport Capital Fund to pre-COVID-19 levels.

We would appreciate your views on the priorities we have set out this year. Your feedback is valued and will directly influence what we invest in for our community.

Lotu Fuli

Chairperson, Ōtara-Papatoetoe Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

Community-led COVID-19 recovery initiatives – community resilience the top priority

COVID-19 has forced all of us to adapt to new ways of living and working. We are committed to supporting our community continue to deliver programmes, projects and initiatives in new innovative ways.

Māori responsiveness

We want to continue to work with mana whenua to deliver projects, and explore co-governance and /co-management opportunities, specifically at Puhinui Reserve.

Resilience in our community is our top priority.

Progress the Manukau Sports Bowl masterplan and Papatoetoe facilities gap analysis.

We will progress the Manukau Sport Bowl masterplan. We also want to assess the landscape of facilities in Papatoetoe and understand the services they provide. Our vision is to have a community hub in Papatoetoe and the plans to make this project a reality.

Fees and charges for community places

Local boards have decision making responsibility for fees and charges for both asset based services and locally driven initiatives within any parameters set by the Governing Body.

Ōtara-Papatoetoe Local Board is interested to know your views on council's proposal to budget for a 6 per cent increase to fees and charges of community places of hire. This increase to the standard and off- peak standard hire fees by 6 per cent would reflect inflation adjustment cost of 1 per cent per year for the previous six years, as the rates have not been adjusted for inflation over that period. This increase will go towards the running costs of the community places.

See details for community places in Ōtara-Papatoetoe Local Board in the table below:

			Current Hourly Rate		Hourly rate as of 1 July 2021	
Facility Category	**Facility Name**	**Room**	**Standard**	**Off-Peak standard**	**Standard**	**Off-Peak standard**
Art facility	Otara Music Art Centre (OMAC)*	Green Room	$23.00	$18.40	$24.50	$19.50
		Hall	$43.00	$34.40	$45.50	$36.50
		Recording Studio	$80.00	$64.00	$85.00	$68.00
Venues for hire	East Tamaki Community Hall	Main Hall	$44.00	$35.20	$46.50	$37.50
	Papatoetoe Town Hall	Main Hall	$59.00	$47.20	$62.50	$50.00
Community Centre	Te Puke O Tara Community Centre	Main Hall	$69.00	$55.20	$73.00	$58.50
		Room 1	$34.00	$27.20	$36.00	$29.00
		Room 2	$34.00	$27.20	$36.00	$29.00
		Hub	$24.00	$19.20	$25.50	$20.50

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$19.5 million	$277,000	$1.1 million	$1.1 million
Capital Spend 2021/2022	$4.8 million	-	-	-

Key advocacy initiatives for 2021-2031

Sportsfield and lighting upgrades at Rongomai and East Tamaki Reserve

Our sportsfields are in use for formal and informal recreation all year round. We need better fields to provide quality surfaces for our communities. We will advocate for regional funding for sportsfields and lighting upgrades at Rongomai and East Tamaki Reserve.

Reinstatement of the Local Transport Capital Fund to pre-COVID-19 levels

We will advocate to Governing Body alongside other local boards to reinstate the Local Board Transport Capital Fund to the pre-COVID-19 level of $21 million per annum and, for previously allocated funding of $38 million – lost through the Emergency Budget for 2020/2021 process – to be fully restored. This funding pool is a major contributor to delivering local transport projects.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

Do you support this inflation adjusted increase in fees and charges?

- Yes
- No
- Do not know

Are you a regular user of community places in Ōtara-Papatoetoe Local Board area?

- Yes
- No
- Never used local community venue

6.14 Papakura Local Board

Message from the Chair

It is my pleasure to present our proposed key priorities and advocacy areas to be included in our Papakura Local Board Agreement 2021/2022.

During consultation on our Local Board Plan 2020 we heard there is continued concern about the demand for parking at the Papakura train station. Although some in the community feel a park and ride may add to congestion, others see it as a crucial solution to encouraging public transport use. We intend to continue to advocate for parking solutions at the station and other options to ease parking demand.

We heard your views that shared pathways are important. We intend to continue to advocate for funding for shared pathways, including from the newly created motorway shared pathway to the Papakura town centre and station. The community agree that this motorway connection, ultimately connecting through to Manurewa, is key.

As growth in and around Papakura continues to be significant, we share your interest in seeing the creation of an apartment environment in the town centre that would encourage young professionals to live there and support local businesses.

The local board will continue to progress Papakura's future as a vibrant metropolitan centre, as identified in the Unitary Plan, and the Papakura Local Board Metropolitan Centre Plan.

Thank you for your continued support. We welcome your feedback on our proposed activities and priorities.

Brent Catchpole

Chairperson, Papakura Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

We want to:

- continue to work with the Papakura Commercial Project Group to plan and support continued development of the town centre and immediate surrounds, to develop Papakura's future as a vibrant metropolitan centre.
- invest in community-led arts, events and multi-generational activities, which use and celebrate our parks and open spaces and promote health, movement and discovery for all age groups. We want to bring people together to meet and have fun at no cost.
- work in partnership with Māori to develop an annual Waitangi Day event in Papakura, as well as opportunities for Matariki and Māori Language Week Te Wiki o Te Reo Māori celebrations and activities.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$12.6 million	$65,000	$392,000	$981,000
Capital Spend 2021/2022	$2.9 million	-	-	-

Key advocacy initiatives for 2021-2031

We plan to over the next three years:

- seek Panuku support to progress Papakura as a future vibrant metropolitan centre (as identified in the Auckland Unitary Plan). This will ensure Papakura develops over time into a larger commercial and retail centre on a key transport hub to support residential growth in surrounding areas.
- advocate to Auckland Transport to develop additional park-and-ride capacity, an expanded bus interchange and other actions such as an on-demand bus service, to manage car park demand at the Papakura train station.
- advocate to the Governing Body for additional funding, including the reinstatement of the Local Board Transport Capital Fund, to continue the development of the shared walking and cycling pathways from Elliot Street to Pescara Point and the Hunua Trail.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

What is the most important advocacy issue for Papakura?

6.15 Puketāpapa Local Board

Message from the Chair

The 10-year budget 2021-2031 (long-term plan) decisions are hugely challenging for our community and for Auckland.

COVID-19 has rapidly altered our world, while climate change requires unavoidable short and long-term actions. Funding all of this and increasing community investment to address inequity and population growth, will require new approaches.

We see much opportunity in our local neighbourhoods and facilities, which, with wise investment, could transform our ability to really thrive by living locally. Our decisions for the coming decade will need to make the most of our existing local assets and our community's skills to connect our people, physically, culturally and socially. Laying strong foundations, and building on those already laid, will be the role of our 2021/22 local activities and proposed priorities.

We hope to secure regional support for more funding to improve local spaces and active transport routes, ensure our environmental gems are treasured and enhanced, and give our people real opportunities to shape our future together.

Julie Fairey

Chairperson, Puketāpapa Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Supporting connected communities and social inclusion, which will assist in COVID-19 recovery and responding to rapid housing development.
- Protecting and enhancing our environment e.g. mitigating and adapting to climate change.
- Initiatives that enable our people to speak up and help shape our future.
- Promoting community hauora (holistic wellbeing) through our programmes and partnerships.

	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$8.8 million	$154,000	$6,000	$1.0 million
Capital Spend 2021/2022	$1.1 million	-	-	-

Key advocacy initiatives for 2021-2031

Invest in living locally

With 10,000 new homes being built in our area by central government, and many more through major private developments, our population is likely to grow by more than 50 percent over the next 10-15 years.

Living locally will help us adapt effectively to significant changes like large population growth, COVID-19 recovery and climate change. We are seeking the council's Governing Body support, including funding and decision-making allocation for local placemaking activities, such as:

- building on key moves from the Mt Roskill Integrated Area Plan by investing in support for local town centres, neighbourhood centres and public spaces for people to live more actively and locally.
- valuing natural spaces and heritage, from trees to maunga
- ensuring we have quality urban neighbourhoods with effective infrastructure planning that includes our community's views
- improving local connections to help people easily move around our community
- reflecting our cultural identities throughout our community.

Maintain funding for two local projects from the previous Long-Term Plan:

- Construction of Stage Two of the Waikowhai Boardwalk (Bamfield Reserve to Taylors Bay)
- Investigation into the future of The Whare building (Monte Cecilia Park).

What do you think?

We believe these priorities, alongside the continued delivery of our existing work programme, will give us a good start toward achieving the refreshed goals of our new three-year Puketāpapa Local Board Plan. We look forward to hearing what you think!

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.16 Rodney Local Board

Message from the Chair

We adopted our 2020 Local Board Plan in November. This provides us the framework for our advocacy and work programme for the current and next two years.

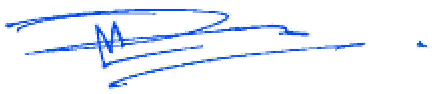
The five high-level outcomes in our Local Board Plan are, to a large extent, a continuation of the work that we have already been doing. This is driven by feedback from our communities, and the need to continue driving progress in these areas.

Rodney has the highest rates of deaths and serious injuries on roads of any local board area. Improving the safety and maintenance of our roads must therefore continue to be a high priority for us. Our public transport options are limited, but we have started to make good headway.

Our expansive geography is unique, and one of our key features, but the quality of our waterways is affected by sediment, our flora and fauna need continued protection from pest plants and animals, and much of our green space is making way for population growth. With many of our towns expanding rapidly, there is heightened demand on infrastructure, community facilities and parks to support this growth. Budget constraints brought about by the COVID-19 pandemic will continue to restrict our work programme. We will need to make some tough decisions and trade-offs.

Our advocacy initiatives for the 2021-2031 Long-term Plan are for continued progress with the Kumeū-Huapai indoor courts facility and for funding for safe, well-maintained roads. Both these items address key issues in our area – a lack of active indoor sport facilities, and the need to improve our roads to keep people safe.

Do you agree? We are keen to hear your thoughts.



Phelan Pirrie

Chairperson, Rodney Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Continuing to progress the Kumeū-Huapai indoor courts facility, Rodney's one local initiative (OLI).
- Continuing to deliver improvements to our village and town centres.
- Continuing our focus to improve water quality in our waterways by restoring freshwater ecosystems through riparian fencing and planting, and through initiatives to reduce sediment.
- Improving our local biodiversity and natural environment by eradicating pests, carrying out restoration work and mitigating kauri dieback.
- Supporting the community, and community resource recovery and recycling centres, to minimise waste, turn waste into resources, and to promote education on waste reduction.
- Progressing the outcomes identified in the Green Road master plan, particularly work to begin opening the site to the public
- Progressing renewals or construction of key community facilities including Wellsford toilets, Kumeū library, Mahurangi community centre.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$14.3 million	$487,000	$315,000	$1.1 million
Capital Spend 2021/2022	$5.4 million	-	-	-

Key advocacy initiatives for 2021-2031

- Advocate for funding to continue progressing the delivery of the Kumeū-Huapai indoor courts facility, Rodney's one local initiative (OLI)
- Advocate for enough funding for Auckland Transport to renew and maintain 12 per cent of Auckland's roading network each year to ensure safe, well-maintained roads
- Advocate for $121 million in funding for Auckland Transport's Unsealed Roads Improvement Programme to improve unsealed roads through strengthening and other methods.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.17 Upper Harbour Local Board

Message from the Chair

It is my pleasure to introduce our proposed priorities for the 2021/2022 financial year. This will be the first year delivering on the priorities we set out in our recently adopted Upper Harbour Local Board Plan 2020.

COVID-19 continues to impact on delivery of our projects and the local board's priority is to complete previously committed projects rather than start new ones.

We will continue to advocate to the Governing Body for funding to ensure the timely delivery of our previously identified key priorities, including the Scott Point Sustainable Sports Park, the Caribbean Drive sportsfield development and installation of toilet facilities, and a sub-regional indoor court facility.

We will focus on investment on initiatives that strengthen your sense of belonging, build local resilience and deliver on environmental outcomes. We value the contribution made by a wide range of community groups and we will continue to support them.

The feedback we received during the consultation for the Local Board Plan 2020 has told us that you supported the investigation of a targeted rate to fund public transport services where none currently exist. We are considering two options to fund a new bus service between Paremoremo and Albany and we welcome your feedback on this.

We will continue to advocate to Auckland Transport for safe connections, including walking and cycling, particularly in the developing areas of Scott Point and Whenuapai.

We will have to make difficult decisions on how to best direct council resources to the greatest benefit of our communities across our diverse board area. We want to know if we are heading in the right direction and welcome your feedback on the priorities we have identified.

Margaret Miles, QSM, JP

Chairperson, Upper Harbour Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your Local Board Area in 2021/2022

Some of our proposed top priorities for 2021/2022 are:

- Caribbean Drive sports field upgrade and toilet facility
- improving provision and access to drinking water (drinking fountains)

We also propose continuing to:

- implement our Greenways Plan as budgets allow
- progress the Upper Harbour Local Board Urban Ngahere (Forest) Strategy
- support initiatives that build local resilience and support community connections.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$11.3 million	$325,000	$727,000	$833,000
Capital Spend 2021/2022	$2.4 million	-	-	-

Key advocacy initiatives for 2021-2031

- Prioritisation of investment for open space development in areas where there is a known need and gap in the network, such as:
  - Scott Point Sustainable Sports Park
  - a sub-regional indoor court facility in the Upper Harbour Local Board area.
- A long term solution for a library
- Acquisition of Bomb Point, Hobsonville
- Adequate levels of renewals funding to ensure assets are well maintained

Upper Harbour Local Board Transport Targeted Rate

During the consultation on the Upper Harbour Local Board Plan 2020, we sought your feedback on providing public transport services in non-serviced areas funded by targeted rates. Fifty-five per cent of respondents supported the Upper Harbour Local Board investigating this further.

We are investigating two options to fund a new bus service between Paremoremo and Albany. Paremoremo residents don’t currently have any public transport choices and the service will operate at peak hours on weekdays providing three round trips in the morning and four in the afternoon. You can find more details on each option in the “Your rates” section of the Consultation document and in section 7.15 of this Supporting Information Document.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.18 Waiheke Local Board

Message from the chair

On behalf of the Waiheke Local Board, I am pleased to present our key proposed priorities for 2021/2022. This is our first local board agreement since the adoption of our Local Board Plan 2020 which was developed in a period of uncertainty with respect to the effects of COVID-19.

Waiheke's rich cultural heritage is paramount, and we plan to develop agreements with mana whenua and mataawaka intended to recognise their role in sharing the planning for our communities, and to recognise their own aspirations.

We will support initiatives that prioritise community, business and food resiliency. Climate change and water quality are community concerns and we will deliver key actions from a Low Carbon Plan. We will continue water quality improvement initiatives and support Electric Island in its goal for Waiheke to become fossil-fuel free by 2030. The introduction of Waiheke's electric buses and waste management trucks in 2020 are significant first steps.

Your responses to the proposed identity of Waiheke as an island sanctuary in the Hauraki Gulf were overwhelmingly supportive, and we will be focused on initiatives that help build that identity.

We will work with Waiheke Island Tourism Incorporated, Auckland Unlimited and Project Forever Waiheke, to finalise and implement a tourism strategy that aims to support and sustain our community, environment and community. We'll also be supporting initiatives which recognise Waiheke as an arts destination.

Ecological restoration and pest management programmes continue to be a priority. We will progress reforestation programmes and protect our night skies by completing and implementing the Dark Skies Management Plan.

Healthy and affordable housing provision are critical challenges, and we intend to implement key actions identified in the local board's Housing Strategy.

We will continue to advocate to Auckland Transport, our Governing Body and government for competitive equitable ferry services.

Progressing the Mātiatia Strategic Plan remains a top priority, but timelines have changed due to the impact of COVID-19 on finances and the long-awaited resolution of Ngāti Paoa mandate issues.

We look forward to hearing whether you think your local board is on the right track.

Cath Handley

Chairperson, Waiheke Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

- Developing a sustainable visitor strategy centred on the concept of Waiheke as an island sanctuary in the Hauraki Gulf
- Coordinating community-led resilience and recovery plans
- Supporting initiatives which protect, restore and enhance the island's natural biodiversity
- Developing and implementing an Island Ngahere (Forest) Strategy to enhance biodiversity, increase canopy cover and improve Waiheke Island's carbon footprint
- Staged delivery of the Tawaipareira Reserve and Little Oneroa Reserve Concept Plans

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance	Total
Operating Spend 2021/2022	$5.6 million	$129,000	-	$719,000	$6.5 million
Capital Spend 2021/2022	$2.3 million	-	-	-	$2.3 million

Key advocacy initiatives for 2021-2031

- Developing catchment management planning and prioritising flood mitigation in areas of repeated flood events, along with developing coastal compartment plans for sea level rise and coastal inundation
- Implementing marine protection strategies for the Hauraki Gulf and continued improvement of water quality of our streams and beaches
- Addressing housing needs, including enabling community housing, tiny houses and worker accommodation
- Providing essential visitor infrastructure, including toilets, and moving Waiheke into Zone C for the Accommodation Providers Targeted Rate (APTR)
- Implementing the Mātiatia Strategic Plan
- Including the Waiheke 10-year Transport Plan within the Regional Land Transport Plan (RLTP)
- Including Waiheke ferries within the Public Transport Operating Model and integrated ticketing
- Harmonising funding for art galleries across the region

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.19 Waitākere Ranges Local Board

Message from the Chair

What an unusual year 2020 was. Following the global pandemic and the council's Emergency Budget, we are now starting to look forward to what we can achieve in 2021 and remain hopeful that it will be a better one for everyone.

We adopted the three-year Local Board Plan 2020 in November, which sets out seven clear priority areas for what we want to achieve:

- The Waitākere Ranges Heritage Area is protected and enhanced, and connections with surrounding communities are strengthened
- We work closely with mataawaka and mana whenua partners
- We work to respect, protect and restore the environment
- Our communities are resilient and strong
- Our communities experience wellbeing, belonging and participation
- People have a range of opportunities to experience arts, culture and heritage
- We have infrastructure and facilities that support and enhance our neighbourhoods and town centres

Manaakitanga – hospitality, kindness, generosity and support, and care for others is important across our whole programme, and this year a renewed focus for us is on enabling our rural and urban communities to be resilient and strong, and identifying areas where we can strengthen our working relationships.

We plan to create a civic square and laneway connecting Glenmall through to the main street. This is a priority project for a rapidly-changing community and securing additional funding for this is a key advocacy point leading up to our next Local Board Agreement.

We have set out our immediate key priorities here — both for things we can implement as a local board and for things we can advocate for on your behalf. Now, we need you to tell us if we've got it right. We look forward to hearing from you.

Greg Presland

Chairperson, Waitākere Ranges Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

The 2021/2022 financial year is where we will begin implementing our new Local Board Plan, with a focus on the things we have heard most strongly from our communities.

Some of our proposed top priorities for 2021/2022 are:

- strengthening our partnership with Hoani Waititi Marae
- supporting projects or actions which will have a positive impact on community resilience
- funding a community-based ecological restoration coordinator to continue resourcing, aligning and connecting community ecological restoration efforts across the Waitākere Ranges.

We will also focus on:

- enhancing a sense of belonging in and around Glen Eden town centre, responding to the needs of new and existing residents
- continuing to provide quality parks and playgrounds, libraries, community and recreation facilities, and events.

In 2021/2022, we plan to invest:

- $1.8 million to renew and develop assets
- $11.3 million to maintain and operate assets as well as providing local programmes and initiatives.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$9.3 million	$1.0 million	$264,000	$735,000
Capital Spend 2021/2022	$1.8 million	-	-	-

Key advocacy initiatives for 2021-2031

Funding for our local priorities:

Glen Eden town centre upgrade

This includes budget from the Governing Body, with commitment to a timeframe for progressing the build.

Local pedestrian and transport projects

Reinstate the Local Board Transport Capital Fund for local boards to levels pre- Emergency Budget; restore the funding formally allocated by local boards prior to the Emergency Budget; and progress the projects already supported by the local board.

Waitangi at Waititi

Significant numbers of Aucklanders across the region attend this event, which should be a recognised part of the Governing Body's regional events programme.

The Waitākere Ranges Heritage Area

A joint local board/Governing Body funding contribution to six gateways will lift the visibility of the Waitākere Ranges Heritage Area.

More linked up ways of getting around in the Waitākere Ranges local board and neighbouring areas

Walking and cycling connections in the local area will need long-term funding from the Governing Body and Auckland Transport, as well as the local board.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.20 Waitematā Local Board

Message from the Chair

Recently, we consulted with you for the development of our local board plan. This plan has now been adopted and will guide our priorities for the next three years.

Our area has seen dramatic changes and immense growth, which brings with it challenges and opportunities. The city centre is undergoing major transformation, and our resident population is growing and becoming increasingly diverse.

We also acknowledge the impact that the COVID-19 pandemic and the consequent lockdowns are having on both our communities and the viability of our businesses.

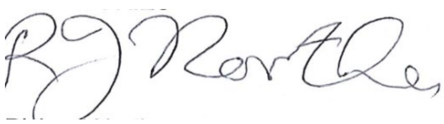
We believe that addressing climate heating issues through all aspects of our activities and lives is vital. This would include working with mana whenua and the community to establish a regenerative urban farm locally as well as expanding our tree canopy and supporting communities to live low carbon lifestyles.

We will continue to work with you to restore our streams and waterways, including Waipapa, Waiparuru, Newmarket Streams and Hobson Bay. We will continue to increase the use of te reo Māori in our signage and partner with mana whenua to provide Māori naming and narrative throughout our local roads, parks and community places.

We will work with Auckland Transport to provide high quality cycling and walking greenways and St Georges Bay Road streetscape revitalisation. We will continue to activate and improve our local parks and to advocate for the restoration of Leys Institute as well as the development of a new civic space at 254 Ponsonby Road.

We would like your input about carrying them out.

Your feedback helps us to ensure that we deliver projects and initiatives in line with your aspirations and needs.



Richard Northey ONZM

Chairperson, Waitematā Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your local board area in 2021/2022

We want to:

- Improve air and water quality and clean up our waterways. Encouraging restoration of local streams, such as Waipapa, Waiparuru and Newmarket streams, and supporting programmes that improve biodiversity in the Hauraki Gulf.
- To grow our urban ngahere (forest), we will prioritise planting at sites identified in the 'Planting Opportunities List' that will help deliver the goal of providing 30 per cent of tree canopy cover within our local board area by 2050.
- We will continue to work with mana whenua, and the community groups and across council to identify appropriate sites for regenerative urban farms which will capture carbon, that increase biodiversity, enrich soils, improve watersheds, and enhance ecosystem services, with the aim that they become self-sustaining and create employment.
- We will continue to provide support to address homelessness and improve dignity and wellbeing. This includes initiatives that provide basic amenities, such as drinking fountains, showers, toilets and lockers.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$21.0 million	$257,000	$8.9 million	$1.0 million
Capital Spend 2021/2022	$11.0 million	-	-	-

Key advocacy initiatives for 2021-2031

Increase funding for water quality improvements

We are advocating to the council's Governing Body to increase funding to accelerate improvements to our stormwater / wastewater systems. This will address growing public concern about pollution in our waterways and bays, including, particularly Hobson Bay, and help achieve cleaner harbours, beaches and streams.

Restore and reopen the Leys Institute and deliver Ponsonby Park

We are advocating for funding to strengthen and reopen the Leys Institute for library and community use. This Auckland Council-owned building is home to a popular community library and gymnasium and was closed to the public in December 2019 due to seismic and structural issues.

We also want the Governing Body to allocate the remaining $5.5 million needed to deliver the much needed park project at 254 Ponsonby Road, for the growing community.

Reinstate Local Board Transport Capital Fund

We are advocating for reinstatement of the regional Local Board Transport Capital Fund to the pre-COVID-19 level of $21 million annually and for previously allocated funding of $38 million – lost through council's Emergency Budget – to be fully restored. This will allow us to improve road safety, and street scaping including the revitalisation of St Georges Bay Road, and support cycle lane programmes that contribute positively to the environment and community wellbeing.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

6.21 Whau Local Board

Message from the Chair

Ngā mihi nui ki a koutou katoa

During 2020 we got a fantastic response from the communities of the Whau as part of our engagement around the new Whau Local Board Plan. Now that plan is adopted, we are at the point where we can begin putting your feedback into action.

Unfortunately, COVID-19 has had a detrimental impact on many of you, and similarly the economic consequences of this pandemic will place further constraints on the council's budget in the 2021/22 financial year. This means we may not be able to achieve everything we hoped to in the coming year. Despite this, we have heard your feedback around open space, tree cover, climate change, supporting local businesses and town centres, showcasing and strengthening our diverse communities, supporting our creative sector and enabling more walking and cycling in the Whau Local Board area.

We have set out what we propose as our key priorities here for 2021/22, both for things we can implement as a local board, and for things we can advocate for on your behalf. Now, we need you to tell us if we've got it right. We look forward to hearing from you.

Ngā manaakitanga

Kay Thomas

Chairperson, Whau Local Board

Introduction

Each year we plan the projects and initiatives we will deliver in your local board area. These are based on our 2020 Local Board Plan, which sets our three-year direction. We are seeking your input on our new proposals for the 2021/2022 financial year and key advocacy initiatives.

What we propose in your Local Board Area in 2021/2022

We will begin implementing our new Local Board Plan in the 2021/2022 financial year, with a focus on the things our communities felt most strongly about. COVID-19 continues to have, a big impact, so we will also be focusing on those who have been hit the hardest during the pandemic.

In 2021/2022, we plan to invest $14.9 million to renew and develop assets and $15.4 million to maintain and operate assets, as well as providing local programmes and initiatives.

Key areas of spend	Community Services	Environmental Services	Planning Services	Governance
Operating Spend 2021/2022	$13.3 million	$178,000	$966,000	$1.0 million
Capital Spend 2021/2022	$14.9 million	-	-	-

Some of our top proposed priorities for 2021/2022 are:

- Progressing planning around accessible open spaces, so we can support the recreational needs of our growing population and take care of the environment
- Progressing the investigation and design of a new urban park for New Lynn
- Increasing funding to the Urban Ngahere (Forest) Strategy to enhance canopy cover
- Expanding the Whau Arts Broker role to build on the success of this programme
- Refreshing the Whau Local Board Community Grants Programme to highlight our renewed commitment to Māori aspirations and wellbeing
- Working with business associations to support those affected by the economic impacts of COVID-19 and develop initiatives to support recovery
- Undertaking placemaking activities, including creative pop-up activations to help bring town and neighbourhood centres alive
- Strengthening our partnership with Hoani Waititi Marae and identify ways to increase access to its services and initiatives to residents of the Whau
- Continuing to partner with the Whau River Catchment Trust and other local community organisations to improve water quality along the Whau River
- Continuing with the implementation of our Pacific Peoples' Plan and Ethnic Peoples' Plan to showcase and strengthen our diverse communities.

Key advocacy initiatives for 2021-2031

- Site identification and delivery of the Whau aquatic and recreation facility
- Increase regional resourcing to support the Urban Ngahere (Forest) Strategy, other ways to increase urban tree cover and advocating to central government to strengthen tree protection rules.
- Support the Unlock Avondale Programme and deliver the Avondale multipurpose community facility.
- Advocate for the reinstatement of funding for the Local Board Transport Capital Fund to the level it was prior to the 2020/2021 financial year
- Develop a new multi-storey park-and-ride facility in New Lynn to realise the recommendations of the New Lynn Urban Plan.
- Funding to complete the remaining parts of Te Whau Pathway.

What do you think?

Tell us your thoughts on our proposed priorities for the local board area in 2021/2022 and our key advocacy initiatives – have we got it right?

7.1 Auckland Council Group draft capital investment list for 10-year Budget 2021-2031

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Auckland Transport	940	995	1,100	3,035	7,950	10,985
City Rail link investment (AC share)	572	476	162	1,210	95	1,305
Transport	**1,512**	**1,471**	**1,262**	**4,245**	**8,045**	**12,290**
Watercare	773	740	800	2,313	7,679	9,991
Stormwater	136	132	142	410	1,092	1,503
Water supply, wastewater and stormwater	**909**	**872**	**942**	**2,723**	**8,771**	**11,494**
Parks and community	**235**	**243**	**261**	**739**	**3,755**	**4,494**
Panuku	90	91	100	281	497	778
Development Programme Office	50	59	42	151	211	362
City Centre and Local Development	**140**	**150**	**142**	**432**	**708**	**1,140**

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Waste Solutions	26	9	8	42	27	69
Environmental Services	12	6	5	23	3	26
Engineering & technical services	15	8	7	30	14	44
Regulatory Services	2	2	2	6	7	13
Environmental Management and Regulation	**55**	**24**	**21**	**100**	**52**	**152**
Economic and Cultural Development	**52**	**51**	**56**	**159**	**180**	**339**
Council corporate support	70	72	64	206	616	822
Ports of Auckland	63	62	75	200	515	715
Council Support	**133**	**134**	**139**	**406**	**1,131**	**1,537**
Total Group	**3,036**	**2,945**	**2,823**	**8,804**	**22,642**	**31,446**

Transport

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Safety Programme	66	66	66	198	462	660
Road Safety	**66**	**66**	**66**	**198**	**462**	**660**
Eastern busway	173	124	213	510	362	872
CRL Day One projects	47	61	188	296	101	397
Connected Communities - Phase 1 (note 1)	43	78	91	212	442	654
Northwest SH16 Interim Bus Improvements	40	45	-	85	-	85
Other	47	77	-	124	972	1,096
Public transport	**350**	**385**	**492**	**1,227**	**1,877**	**3,104**
Marae and Papakainga (Turnouts) safety programme	1	1	1	3	12	15
Unsealed Road Improvements	4	4	4	12	28	40
Network Performance and Intelligent Transport Systems	12	12	12	36	169	205

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Local Board Initiatives	20	20	20	60	140	200
RFT funded improvement projects	17	21	36	74	137	211
Supporting Growth	-	-	-	-	615	615
Other	159	146	153	458	808	1,266
Roads and footpaths	**213**	**204**	**226**	**643**	**1,909**	**2,552**
Urban Cycleways Programme	61	53	24	138	-	138
Walking and Cycling Programme - Enhanced Proposal (note 1)	5	5	5	15	291	306
Minor Cycling and Micromobility Capex (including pop up cycleways)	-	-	-	-	30	30
Active transport	**66**	**58**	**29**	**153**	**321**	**474**
Renewals	**245**	**282**	**287**	**814**	**3,381**	**4,195**
Auckland Transport (note 2)	**940**	**995**	**1,100**	**3,036**	**7,950**	**10,985**
City Rail link investment (AC share)	**572**	**476**	**162**	**1,210**	**95**	**1,305**
Transport	**1,512**	**1,471**	**1,262**	**4,246**	**8,045**	**12,290**

Note 1: approximatey $110m of the Walking and Cycling programme is shown under the Connected Communities programme.
Note 2: the Transport capital programme composition is subject to the finalisation of ATAP (Auckland Transport Alignment Projects and the RLTP (Regional Land Transport Programme).

Water supply, wastewater and stormwater

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Huia WTP Improvements	1	3	30	34	264	298
Water meters	15	15	16	46	114	160
Other water supply projects	63	24	79	166	1,138	1,305
Water supply renewals	117	73	115	306	2,109	2,415
Total water supply	**197**	**115**	**240**	**552**	**3,625**	**4,177**
Central Interceptor	249	293	170	711	138	849
Wastewater - Western Isthmus Programme	24	28	30	81	383	464
Wastewater Transmission Upgrades - Rosedale	41	21	5	67	142	209
Other wastewater treatment projects	43	77	138	259	1,701	1,959
Wastewater renewals	195	185	195	575	1,530	2,105
Total wastewater treatment	**552**	**603**	**538**	**1,693**	**3,894**	**5,587**
Corporate/ Shared services	**24**	**21**	**22**	**67**	**160**	**227**

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Watercare	**773**	**740**	**800**	**2,313**	**7,679**	**9,991**
Renewals	58	42	44	144	248	392
Growth	26	23	26	74	197	271
Level of service	5	13	10	28	52	80
Flooding	13	9	14	36	95	131
Catchment & Asset Planning	11	13	13	37	91	128
Water quality	22	30	30	82	313	395
Additional Water Qualty programmes (note 3)	1	3	5	9	97	106
Stormwater	**136**	**132**	**142**	**410**	**1,093**	**1,503**
Water supply, wastewater and stormwater	**909**	**872**	**942**	**2,723**	**8,771**	**11,494**

Note 3: additional water quality programmes would be funded through the proposed increase to the Water Quality Targeted Rate by 5.0 per cent for 2021/2022 and then at 3.5 per cent per year.

Parks and community

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Local assets	95	106	134	335	1,939	2,275
Land acquisition	25	20	20	65	805	870
Te Whau pathway	14	12	4	30	-	30
Parks	10	7	18	34	254	288
Locally driven initiatives capital projects	4	4	4	11	141	151
Libraries and community hubs	15	21	21	57	174	231
Pools and leisure centre	3	2	4	9	30	39
Co-governance - maunga and parks	13	13	11	37	108	145
Coastal management	14	17	11	41	105	147
Town centres and streetscapes	0	0	1	2	160	161
Other (note 4)	43	41	33	117	39	156
Parks and Community	**235**	**243**	**261**	**739**	**3,755**	**4,494**

Note 4: includes additional funding proposed to be brought forward to the first three years and other renewals

City Centre and Local Development

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Renewals	17	26	11	54	52	106
Transform and unlock locations	29	33	66	128	209	337
Waterfront	29	23	19	71	228	299
Development	15	7	4	26	8	34
Onehunga Wharf	-	1	-	1	-	1
Climate change response		1		1	-	1
Total Panuku	**90**	**91**	**100**	**281**	**497**	**778**
Victoria Street Linear Park	1	18	9	29	-	29
Downtown infrastructure development programme	12			12	-	12
City Centre Targeted Rate funded initiatives	32	23	31	86	211	296
Other including Hurtmere Road Upgrade Takapuna, Westgate Open Spaces	5	18	2	24	-	24
Development Programme Office	**50**	**59**	**42**	**151**	**211**	**362**
City Centre and Local Development	**140**	**150**	**142**	**432**	**708**	**1,140**

Environmental Management and Regulation

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Waste procurement programme	14	1	1	17	6	23
Waste resource recovery	7	4	1	12	2	14
Climate change response (Zero Waste Auckland)	3	3	6	12	18	30
Remedial works and other	1	0	0	1	1	2
Waste Solutions	**26**	**9**	**8**	**42**	**27**	**69**
				-	-	-
Natural environment programme	12	6	5	23	3	26
Environmental Services	**12**	**6**	**5**	**23**	**3**	**26**
Closed landfill and coastal landfill remediation	15	7	6	28	12	40
Waikowhai landfill	5			5		5
Rosedale landfill	1	2	2	5		5
Climate change response	0	1	1	2	2	4
Engineering & technical services	**15**	**8**	**7**	**30**	**14**	**44**
					-	-
Regulatory	**2**	**2**	**2**	**6**	**7**	**13**
Environmental Management and Regulation	**55**	**24**	**21**	**100**	**52**	**152**

Economic and Cultural Development

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Art Gallery Heritage Building Restoration	8	4		12	-	12
Zoo Renewals Programme	17	12	16	45	-	45
Venue Security Transformation Programme	4	4	9	17	-	17
Strategic ICT Investment Programme	4	3	5	12	-	12
RFA+ Venue Renewals	2	2	2	6	-	6
Other Venue Renewals Programmes	7	9	13	29	180	209
Renewals	**42**	**34**	**45**	**121**	**180**	**301**
Other capital projects	5	17	11	33	-	33
Auckland Film Studios Development	5	0	0	5	-	5
Economic and Cultural Development	**52**	**51**	**56**	**159**	**180**	**339**

Council Support

Programme/Project ($m)	2021/22 budget	2022/23 budget	2023/24 budget	3-year total	2024/25 - 2030/31	10-year total
Corporate property	27	22	10	59	96	155
Information and communications technology	23	31	35	89	327	416
Other support areas	20	19	19	58	194	251
Council corporate support	**70**	**72**	**64**	**206**	**616**	**822**
Ports of Auckland	**63**	**62**	**75**	**200**	**515**	**715**
Council Support	**133**	**134**	**139**	**406**	**1,131**	**1,537**

7.2 Climate action investment options

Purpose

Provide options for investment to accelerate Auckland Council's response to climate change.

Context – Rationale for change

Tāmaki Makaurau / Auckland is in a climate emergency. We have less than a decade to make major changes to avoid the worst impacts of climate change. Auckland Council is committed to taking action to combat climate change.

Our region is already experiencing the effects of a changing climate. Over the last decade, Auckland felt the impacts of heavy rain events, storm surges and coastal inundation, extreme heat events, and droughts. These climate impacts are expected to increase in frequency and severity.

In June 2019, Auckland Council unanimously declared a climate emergency, recognising our region's role in limiting global temperature rise to 1.5 degrees Celsius.

In response to this declaration, two core goals were established for our region through Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan to:

- reduce regional greenhouse gas emissions by 50 per cent by 2030 and achieve net zero emissions by 2050
- prepare for climate change impacts by ensuring we consider the implications of our current emissions pathway in our planning.

These goals cannot be achieved by any one individual or organisation. They require bold and ambitious action by individuals, communities, businesses, mana whenua and government. The broad cross-sectoral and region-wide actions required to reach the goals are set out in Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

We are not starting from scratch – but there is still more to do

Auckland Council is already making some contribution to reaching these goals. For example, we have already committed over $10 billion of investment into improving public transport, walking and cycling infrastructure through our Regional Land Transport Plan 2018-2028. This will contribute to reducing emissions from land transport. We have also invested over $300 million in direct climate response actions through Watercare and have considerable ongoing investment into making our water supply and wastewater infrastructure more resilient to extreme weather events.

Despite this significant investment, we know that a "business as usual" approach will not achieve our climate goals. We also know Council's ability to directly reduce regional emissions through our own actions is limited.

For example, in the transport sector Auckland Transport recently calculated the emissions savings all planned and likely transport interventions that do not require new legislation or central government leadership could achieve. This included transitioning to a low-emissions bus fleet, completing scheduled bus, cycle and rail projects, creating low-emissions vehicle zones and education about walking and cycling. These interventions would reduce regional emissions by less than 5 per cent by 2030.

Status quo – Current levels of investment

Under the status quo, Auckland Council is making a relatively limited investment into some key activities that are relevant to achieving our climate goals.

Key outcome areas include:

- Zero emissions bus fleet – Under current budgets Auckland Transport will need to add more diesel buses to their fleet up until 2025. Diesel buses will then slowly be replaced by clean electric and hydrogen buses – making 26 per cent of the fleet zero emissions by 2030 and delivering a fully zero emissions bus fleet by 2040. This has a cost of $16 million up to 2030 (additional to the normal running costs of the bus fleet).
- Coastal change – Over the next eight years we will invest around $200,000 per year into developing coastal management plans, a crucial tool to help us manage the impacts of coastal inundation and storm surges on our 1,800 kms of coastline. Current investment levels will enable us to develop eight of 15 required coastal plans by 2028. While we have a budget to renew existing coastal assets, there will be no new funding to respond to coastal erosion.
- Zero Waste Auckland – We have made a significant investment into developing our network of 12 Community Recycling Centres, but our provision of operational funding to keep these centres running will stop in 2023.
- Community action – Household emissions, (including transport) are growing and make up 71 per cent of New Zealand's consumption emissions. Our programmes to support Aucklanders to reduce their emissions reach only 30,000 or two per cent of Aucklanders per year.
- Growing our ngahere (forests) – Despite a number of established planting programmes in our regional and local parks, including the Mayor's 1.5 Million Trees initiative, we know that canopy cover is only eight or nine per cent in some southern local boards and our forests are shrinking in some parts of Auckland.

There are also activities Auckland Council undertakes that are adding to our organisational and regional greenhouse gas emissions and are leaving us more exposed to the impacts of climate change.

In summary, a "business as usual" approach will not enable Auckland Council to play our part in reducing regional emissions. Our modelling shows that under the business as usual scenario, without additional action to reduce emissions across all sectors, regional emissions will increase by 19 per cent by 2050.

Significantly more investment is also required to support our natural environment, communities and infrastructure to be resilient to the impacts of climate change.

We have considered two main options to accelerate Auckland Council's response to climate change which are outlined below. The preferred option which we are consulting on, is Option One – Moderately accelerate Auckland Council's climate action. The financial impacts and potential climate outcomes from both options are discussed in more detail below.

Option One – Moderately accelerate Auckland Council's climate action

Option One would provide $152 million of additional financial investment to accelerate Council's contribution to our regional climate goals. This would be funded through general rates, as part of the overall increase in investment that we are proposing. It equates to approximately 0.8 per cent of the general rates increase. Key outcomes of programmes included in Option One are summarised in Attachment A.

Reducing emissions

If Option One is funded, this will allow council to moderately accelerate our climate action work programme. Various enabling programmes would be introduced, such as requiring climate compatibility assessment for all new Council developments and infrastructure to promote low carbon development. Council would establish a cross-sectoral leadership group and regional partnerships to implement Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan and partner with businesses and central government to identify solutions to our biggest emissions challenges.

Council would also act to directly reduce emissions in some key areas. For example, by investing $34 million into our bus fleet, we could ensure that no more diesel buses are added to our fleet from 2021. We would also work with central government to provide over 750 clean electric and hydrogen buses by 2030, making 50 per cent of the bus fleet zero emissions. This will save 170,000 tonnes of CO2 equivalent over ten years.

We would invest over $10 million into the operational costs of expanding our resource recovery network. This would ensure that we can unlock $28 million of central government funding which we expect to receive from the waste levy when this is increased. With this funding we could expand our Zero Waste Auckland programme, establishing nine more community recycling centres, two resource recovery parks and a deconstruction hub to divert over 140,000 tonnes of waste a year from landfill by 2030.

Investing $14 million into growing our urban and rural forests would mean we can plant around 11,000 more street-trees. Some trees would be planted in all local boards, with the highest priority given to local boards that currently have the lowest canopy cover. We would also partner with the community to establish a nursery and produce 200,000 more native seedlings a year to support community and marae planting.

A key area of feedback we received on Te Taruke-a-Tawhiri: Auckland's Climate Plan was that Aucklanders want the council to support them to take action to prevent climate change. By investing $12 million into supporting community climate action through this option we could provide 45,000 Aucklanders per year on average with advice and tools that enable them to make changes to the way they live. This would reduce household emissions and build resilience to climate impacts.

Council would also be able to support tactical interventions, delivered in consultation with local businesses and residents, to progress a zero emissions area in the Queen Street valley and some projects to support people friendly streets in other areas.

Finally, if approved, Option One would enable us to invest $10 million into reducing emissions from our council offices, stadiums and art gallery, making them more energy efficient and installing renewables on some buildings. 200 hectares of native forest would also be planted in our regional parks to offset our organisational emissions.

The direct emissions reduction from this option is expected to be around 540,000 to 870,000 tonnes of CO2 equivalent over ten years for the six programmes where we can quantify the emissions reduction. This does not include the emissions reductions from some enabling actions, such as the regional partnerships programme or climate compatibility assessments for new developments. These emissions reductions are expected to be more significant but also have more uncertainty so cannot be quantified.

Adapting to change and increasing resilience to climate impacts

Option One would allow a limited investment into planning for adaptation and supporting community resilience. Under this option we would invest $14 million into working with Māori to enhance their resilience to climate change, engaging 20 marae and their associated kura in a climate resilience programme. We would also establish a rangatahi Māori leadership group and support delivery of Māori-led projects to increase resilience to climate change. These would focus on key areas of significance such as indigenous food sovereignty and restoring te mauri o te wai.

Council would also be able to increase our planning for how to respond to coastal change, delivering 15 coastal management plans for all 1,800 kilometres of our coastline by 2026 and a Coastal Asset Management Plan. Our ability to support Aucklanders to respond to natural hazards that will be worsened by climate change, such as landslides and cliff erosion, would also be enhanced.

This option would allow us to provide some targeted support to communities in need to access affordable, low carbon food and reduce their energy usage through investing $5 million over ten years. This includes some targeted support and engagement with Pasifika communities. Research and engagement to understand how climate change will impact on Aucklanders with disabilities and what support they might need in future would also be delivered.

Option Two – More significantly accelerate Auckland Council's climate action

If funded, Option Two would support all the actions included in Option One and allow council to more significantly accelerate our climate action work programme in some areas. If this alternative larger package were to be funded using additional rates, then it would add 0.9 per cent to the average general rates increase for 2021/2022. Another way to fund the larger package would be through reprioritising $170 million of other planned expenditure and accepting any impact that might have on other council services.

Reducing emissions

By scaling up some of the programmes included in Option One we would significantly increase our ability to directly reduce emissions. For example, we would invest $110 million to replace over 1,500 diesel buses in our fleet with clean electric and hydrogen buses, achieving a 100 per cent zero-emissions bus fleet by 2030.

This would reduce emissions from the bus fleet by 400,000 tonnes of CO2 equivalent, more than twice as much as Option One.

Option Two would also amplify our efforts to encourage community climate action and reduce household consumption emissions. If funded, we could invest $20 million to reach 94,000 Aucklanders on average per year with advice and tools and develop more extensive community networks to respond to climate change.

The number of street trees we can plant would also be significantly increased, we could invest $27 million into growing our rural and urban forests – meaning we can plant 29,000 street trees - 18,000 more than in Option One.

In addition to our investment in Option One into making our offices and stadiums more energy efficient, in Option Two we would invest $19 million into a Sustainable Asset Standard for our community facilities, such as libraries and community centres. This would provide higher quality public venues for Aucklanders to use and ensure that the large new community facilities we build do not add to our carbon footprint. [1]

The direct emissions reduction from Option Two are expected to be around 920,000 to 1,350,000 tonnes of CO2 equivalent over ten years, so roughly twice as much as Option One. As in Option One this does not include the emissions reductions from some enabling actions, such as the climate partnerships programme, which are more significant but also have more uncertainty so cannot be meaningfully quantified.

Adapting to climate change impacts and building resilience

This option would also enable the council to do more to adapt to climate impacts. We would increase our ability to protect our coastal assets, investing $26 million into protecting four of the council's 85 closed coastal landfills from failure due to impacts of climate change such as sea level rise and extreme weather events. This programme is intended to be a pilot that would potentially enable partnerships with central government in future to protect more of our closed landfills in the coastal or marine area.

We would also invest $19 million into responding to coastal erosion, capturing coastal hazard data on property records in the first years of the 10-year budget and then carrying out some physical works to manage coastal erosion hot spots from 2026 once our coastal management plans are complete.

Our ability to increase community resilience would also be amplified through investing $6 million more, enabling us to engage more marae and Māori-immersion educational facilities (kura, kōhanga reo and hāpori) in a climate change resilience programme.

[1] Introducing a Sustainable Asset Standard will also require the Council to adopt a Sustainable Assets Standard Policy. This will be considered by Council's Governing Body if funding for this programme is confirmed through the ten-year budget process.

Comparison of options against climate outcomes

Overall, both options enhance Auckland Council's ability to respond to climate change, but Option Two would double our ability to directly reduce emissions in the short-term.

It would also significantly increase our chances of successfully reducing regional emissions in future, through encouraging more extensive understanding and support across Auckland for future change.

Option Two would also enable us to begin physical works to protect critical coastal assets, such as our closed landfills, and respond to the impacts of coastal erosion on public assets in the coastal area.

However, as outlined above, Option Two would either require further rates increases or reprioritising $170 million of planned expenditure. If we chose to fund this option through increasing rates then the proposed 5 per cent average general rates increase for 2021/2022 would need to be around 5.9 per cent in order to support this alternative option.

Neither option will fully achieve the regional goals of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, as these are beyond the scope of any one organisation to deliver alone and require action and collaboration across all sectors.

Under both options, our ability to directly reduce Auckland's regional emissions remains limited. More work is urgently needed, both by central government and Auckland Council, to reduce transport emissions and support a more compact, low carbon urban form.

Significant investments will also be required to adapt to climate impacts and make infrastructure across Auckland more resilient to climate change. Because the scale of investment required is so large, this will require support from central government through national funding mechanisms.

Auckland's businesses and communities, who are also being impacted by the negative effects of COVID-19, will need significantly more support from the council and central government to become resilient to the impacts of climate change.

Both proposed options for accelerating climate action will allow Auckland Council to carry out pilots and test solutions to our major emissions and adaptation challenges. This will create potential for us to partner with central government and other sectors to deliver larger programmes of work in future years.

We are consulting on Option One – a $150 million investment to moderately accelerate our climate change response. This option allows some moderate acceleration of our climate action and we consider it is affordable within the proposed overall average general rates increase of 5 per cent in 2021/2022 and 3.5 per cent in following years.

Attachment A: Options for investment in climate action

Outcome Areas – Climate Plan	Option One: Moderately accelerate climate action (preferred)	Option Two: More significantly accelerate climate action	Status quo: No further investment
Investment ($ million)	Current + additional $15m/annum	Current + additional $32m/annum	Current only
Effective cost per average residential property	$21 per year	$44 per year	No additional cost
Impact on rates	Approximately 0.8 per cent of general rates – included in the proposed overall 5 per cent increase in general rates in 2021/2022	Approximately 1.7 per cent of general rates – would require either an additional increase in general rates to 5.9 per cent in 2021/2022 or reprioritisation of $170 million of budget from other services.	Does not require any change in general rates.
Impact on debt	No significant impact on Council debt profile	No significant impact on Council debt profile	No impact on Council debt
Climate impact – Outcomes and risks	• Accelerate more significant reductions in emissions in the long-term through regional partnerships and innovation • Directly reduce **540,000 to 870,000 tonnes** of CO2e emissions over 10 years from the six programmes where we can quantify reductions in emissions • Increase ability to proactively plan for change and support communities in need. • Risk – Although our increased investment puts us on a better pathway, the council group will not be able to come close to achieving regional climate goals through our efforts alone. These will require urgent climate action from central government, mana whenua, businesses, households, communities and others. In particular, investment in reducing emissions and protecting coastal assets is lower than option two.	• Accelerate more significant reductions in emissions in the long-term through regional partnerships and innovation • Directly reduce **920,000 to 1,350,000 tonnes** of CO2e emissions over 10 years from the six programmes where we can quantify emissions reductions • Demonstrate leadership by **halving all corporate emissions by 2030** • Increase our ability to proactively plan for change, invest in protecting key coastal assets and increase support for Māori resilience. • Risk - Even with these additional actions, the council group will not be able to come close to achieving regional climate goals through our efforts alone. These will require urgent climate action from central government, mana whenua, businesses, households, communities and others.	• Auckland's climate goals become less achievable. • Opportunities to reduce emissions through innovation and regional partnerships are not realised. • Direct emissions reductions within Council's control do not occur or occur at a much smaller scale. • Risk - While we are making a significant investment in some areas, such as improving public transport infrastructure, these actions will not be enough to put us on the right pathway to achieving our regional climate goals. Our region will be less resilient to the impacts of climate change with increased exposure to risks such as more frequent extreme weather events, change in rainfall patterns, biodiversity loss and infrastructure failure
Key outcomes of options and impacts on levels of service			
Transport	• Invest $35 million to ensure only zero-emissions buses are procured from 2021. Work with central government to provide **750 clean electric or hydrogen buses** and **make 50 per cent of the bus fleet zero-emissions by 2030**, saving an estimated **170,000 tonnes of CO2e over ten years** and improving air quality	• Invest $110 million to provide **1,500 clean electric or hydrogen buses** and achieve a **100 per cent zero-emissions bus fleet by 2030**, saving an estimated **400,000 tonnes of CO2e over ten years** and delivering more air quality improvements	• There is a risk that diesel buses will need to be purchased up until 2025. Only 26 per cent of our fleet will be zero emissions by 2030 and we will not achieve a zero-emissions bus fleet until 2040
	• Demonstrate low-emissions, integrated and people-centric transport solutions through **trials and tactical interventions for a Zero Emissions Queen Street valley** and support other tactical interventions for encouraging **low emissions streets** across the region.		• No funding to advance Zero Emissions Area in Queen Street Valley until 2024/2025 • Limited funding available for tactical interventions for low emissions streets elsewhere
Economy	• Invest over $10 million to support resource efficiency and re-use through an expanded network of **24 resource recovery facilities** (21 community recycling centres, 2 resource recovery parks and a deconstruction hub) diverting **145,000 tonnes of waste** a year and saving an estimated **225,000 tonnes of CO2e over ten years** • Invest $22 million to carry out research, establish a cross-sectoral leadership group and form regional partnerships to tackle our biggest emissions challenges involving businesses, academia and government		• Limited network of **12 community recycling centres** diverts around **5,400 tonnes of waste** from landfill per year • Insufficient resources to accelerate regional climate action or form effective partnerships
Built environment	• Require assessment of climate impacts for all major new Council developments and infrastructure	• Option One plus, build model best practise through constructing new Community Facilities to a Sustainable Asset Standard	• Limited integration of climate impacts and emissions reduction in development activities
Community and coast	• Invest $12 million to ensure more Aucklanders (**45,000 people a year on average**) are actively engaged in reducing emissions, through community action and lifestyles changes, saving an estimated **100,000 tonnes of CO2e over ten years**	• Invest $20 million to ensure significantly more Aucklanders (**94,000 people per year on average**) are actively engaged in reducing emissions, through more extensive community action and lifestyle changes, saving an estimated **300,000 tonnes of CO2e over ten years**	• Few Aucklanders (**30,000 people per year**) engaged by Council in reducing emissions

Outcome Areas – Climate Plan	Option One: Moderately accelerate climate action (preferred)	Option Two: More significantly accelerate climate action	Status quo: No further investment
	• Invest $4 million to accelerate planning for coastal change for the whole region. • Invest $11 million to create increased ability to plan for and respond to natural hazards	Option One plus: • Invest $19 million into coastal erosion, including physical works to protect key coastal hot spots from 2026 • Invest $26 million to protect four critical coastal landfills from failure due to sea level rise and extreme weather events	• Funding available to renew existing coastal assets but; • Limited resources to respond to coastal change and natural hazards made worse by climate change.
	Invest $5 million to increase resilience by supporting communities that will be most impacted, including: • targeted engagement with Pasifika to identify priorities and reduce inequitable outcomes. Research and support for disabled communities to respond to climate impacts as appropriate • opening **four more community food hubs** in South and West Auckland • reduced energy hardship for **500 low-income households/year**		• No targeted support for communities in need to respond to climate change
Energy	• Invest $10 million to ensure Council emissions from **our office building and stadiums are halved by 2030, saving an estimated 26,000 tonnes of CO2e over ten years.** Footprint continues to grow from new community facilities	• Invest $29 million and demonstrate leadership by **halving Council parent emissions by 2030, saving an estimated 36,000 tonnes of CO2e over ten years** • Introduce a Sustainable Asset Standard to ensure large new community facilities achieve a sustainability certification and do not increase our carbon footprint	• **30 per cent reduction** in Council emissions by 2030 through funded activities such as replacing gas boilers in our aquatic centres with clean heat pumps
Te Puawaitanga o te Tātai	• Invest $8 million to increase Māori resilience and leadership by engaging **20 marae and their associated kura** and providing **seed funding for Māori-led climate initiatives**	• Invest $14 million to strongly increase Māori resilience and leadership by engaging **24 marae and 80 kura and kohanga reo** and provide **seed funding for Māori-led initiatives**	• Māori poorly supported to engage in climate action with no Māori-led climate projects
	• Invest $6 million in establishing a **Rangatahi Māori leadership group** to drive action and work with Māori to deliver practical projects to restore te mauri o te wai, promote indigenous food sovereignty and restore our whenua		
Natural environment	• Invest $14 million to plant **11,000 street trees**, focusing on areas with lowest canopy cover. • Establish nursery growing **200,000 seedlings per year**	• Invest $27 million to plant **29,000 street trees**, focusing on areas with lowest canopy cover. • Establish nursery growing **200,000 seedlings per year** and increase capacity of marae and community nurseries.	• Our urban and rural (ngahere) forest is as low as **eight or nine per cent** in some local boards and is shrinking in some places.
	• Plant **200 hectares of native forest** in regional parks to offset emissions		

7.3 Housing and Growth Infrastructure

Purpose

Provide options of proposed changes to the council's approach to investment in housing and growth infrastructure.

Summary

Auckland is growing rapidly and while the Unitary Plan provides for a significant amount of additional housing capacity, challenges remain around the provision of infrastructure to support new development.

We currently fund growth infrastructure through borrowing and then recovers the cost of this investment over time from Development Contributions and Infrastructure Growth Charges. Limitations on our borrowing capacity mean we cannot deliver the infrastructure required to service all our projected growth needs through this mechanism.

There are three options around how we could address this challenge over the 10-year Budget 2021-2031. These are:

- Status quo – limited funding capacity and scattered and uncoordinated investment
- Focused strategy – no increase to funding levels and targeted investment
- Increased funding – increase to funding and investment levels (pulling funding levers) and targeted investment (bigger response to growth pressures)

Background and challenges

Our growth

Auckland is growing at a rapid pace, particularly over the last 10 years. Growth between 2021 and 2031 is expected to be 260,000 people. The updated Auckland growth projections to reflect new Statistics New Zealand data and anticipate COVID-19 impacts show a lower estimated starting point, and slower growth in the early years but it is anticipated that growth will increase once borders reopen. These projections include a high level of uncertainty at this stage.

Unitary Plan and Development Strategy

The Unitary Plan provides zoning for a significant amount of development. This includes one million additional homes enabled in existing residential zones, further capacity in mixed use and business zones, and 137,000 new homes through managed expansion into rural areas.

The Development Strategy within our Auckland Plan 2050 sets out how, where and when Auckland is expected to change and grow over the next 30 years. It also provides clarity as to where and when investment in infrastructure will be needed.

Infrastructure requirement

We are committed to high levels of growth investment, most notably through major projects such as the CRL, the Central Interceptor, and the Eastern Busway.

We have also committed to working with the Crown to unlocking areas within the Auckland Housing Programme (AHP) and the Auckland Council and Crown Joint Work Programme on Auckland Housing and Urban Growth (JWP). For many of these areas detailed assessments have been undertaken which indicate significant additional infrastructure investment. These assessments have provided an insight into the scale of the challenges we may face in other areas.

There are also ongoing pressures from private plan changes, with 78 private plan changes notified, lodged, or requested since the moratorium on private plan changes ceased 2 years ago. While these plan changes, if approved, could deliver a substantial amount of new housing they will also require significant infrastructure investment.

Current funding approach

Our current financial strategy is to primarily finance this kind of housing-related growth infrastructure through borrowings which are repaid over time from development contributions or Watercare's infrastructure growth charges which are paid by developers as and when they develop their land.

Development contributions are only payable on development. If no development occurs, then no payment is required. Developers can adjust the timing of development and their liability for development contributions to match the market and their cash position. However, this means that we sometimes have to make major investments in infrastructure with no certainty of when costs will be recovered.

Council's constrained financing capacity

Even before the disruption from COVID-19 we were facing borrowing constraints. Maintaining prudent levels of borrowing is a core tenant of our financial strategy. We define this prudence in terms of the ratio of debt to revenue.

Investment decisions like the City Rail Link and the Central Interceptor will address existing congestion and water quality issues while providing bulk infrastructure for Auckland's growth. Investments such as these, however, mean we expect to be at our debt-to-revenue limits over the short and medium term. Exceeding these limits would not only increase our borrowing costs in the short term but also put an additional cost on future ratepayers in terms of servicing and repayment. Increases to revenue through higher increases to rates or fees and charges need to consider affordability across the community.

Given these constraints we cannot prudently borrow the additional funds required to support all the infrastructure investment under the current model.

Options

To address the challenges and opportunities in relation to housing and growth infrastructure above, three options are proposed for the 10-year Budget 2021-2031.

Option 1 – Status Quo

Existing housing and growth infrastructure spend is scattered across different development areas. Often it is responsive to private plan change pressures from developers and the Crown. This leads to uncoordinated infrastructure provision.

Status Quo would allow for this approach to continue to the degree to which our limited funding envelope will allow. It does not allow for us to target growth funding towards joint work programmes with the Crown (AHP, Auckland Transport Alignment Project and the JWP).

The lack of focus also restricts our ability to use new funding tools those enabled through the Infrastructure Funding and Financing Act 2020.

Option 2 – Focused Strategy

A focused strategy would involve us making deliberate choices around the areas to be supported with infrastructure investment in the 10-year Budget 2021-2031. This would enable us to clearly communicate where we will support growth infrastructure and by omission where we will not.

Within this option finances are still constrained so it will require a prioritisation of project areas and prioritisation within those areas. Criteria can be used to enable this prioritisation in line with the lenses that have been applied to this 10-year Budget 2021-2031of Recovery/Auckland Plan outcomes, Climate Change, Māori Outcomes and timing in line with the Development Strategy.

A Focused Strategy also provides the opportunity for a more efficient infrastructure investment and better coordination across asset types and with the Crown. It enables a focus on joint programmes with the Crown (the AHP and JWP), supporting areas such as Mangere, Mount Roskill, Northcote, Tāmaki, Oranga, Drury and Redhills. Many of these areas have received funding from the Crown through Housing Infrastructure Fund, Shovel Ready fund and the New Zealand Upgrade programme. It also provides an opportunity to support development around jointly funded and regionally significant projects like the CRL and align with future investment decisions in ATAP.

By focusing our limited capacity growth investment on some select areas it means that some areas will need to slow down or stop. As such greater scrutiny will be put on areas that are out of sequence and/or are not supported by existing growth infrastructure commitments.

Option 3 – Increased Funding

An Increased Funding option requires the pulling of funding levers to target investment. This will enable a stronger response to growth pressure, but funding levers will not be able to be pulled hard enough to cover the significant cost of the infrastructure across all areas and prioritisation will still be required.

Additional funding will put us in a better position when negotiating Infrastructure Funding and Financing Agreements or investigating IFF schemes. It will also enable more benefit by being able to better leverage off Crown investment.

Attachments

No.	Title
A	Options analysis table

Attachment A: Options table

	Rationale	Implications / Financial	Consequences of proceeding	Risk and opportunities
Option One: **Status Quo**	Proceeding with the status quo supports continuation of a responsive, scattered and uncoordinated investment in growth infrastructure. This investment will be limited by reduced funding capacity.	• COVID-19 has severely reduced the capacity for investment for the next three to five years • Rates and debt settings in line with proposed budget	• Responding to demands from consent provisions etc leads to uncoordinated infrastructure provision	• Existing planned investment is scattered across different development areas • Doesn't allow us to deliver on joint work programmes with Crown • The lack of focus restricts the ability to use new funding tools • Limited opportunity to reassess investment to respond to climate commitments, Māori outcomes, and less support for economic recovery and jobs.
Option Two: **Focused Strategy**	A Focused Strategy does not provide for any increase in funding levels but does create an opportunity to target any future investment.	• Council funding and financing limited, plus impacts of COVID-19 • Focus investment on key, prioritised areas – leverage government investment and joint priorities • Rates and debt settings in line with proposed budget	• Focused approach supports new funding options but limited by capacity for us to contribute	• Declared focused approach supports our position with respect to Development Strategy approach • Opportunity to assess areas against climate change, recovery and Māori outcomes • Risk that the focus areas, while delivering best value for money, may be counter to Development Strategy timing.
Option Three: **Increased Funding**	Increased Funding requires pulling funding levers and enables a bigger response to growth pressures through targeted investment.	• Additional council funding provides a better position when negotiating Infrastructure Funding Agreements or investigating IFF schemes • Much higher increases in rates and debt than proposed would be needed.	• Will still face funding gap – need to focus on priority areas • Challenges around enabling additional funding with respect to prudent borrowing levels and cost acceptability.	• Declared focused approach supports our position with respect to proposed changes to Development Strategy timing • Deliver more benefit by leveraging crown investment • Will provide for a focus on climate goals, support economic recovery and provide opportunities to work with and for Māori.

7.4 Community Investments

Purpose

Provide options for sustainable investment in a community portfolio that responds to diverse and changing customer needs.

Summary of the council's proposal(s) / issue(s)

Community services help ensure our diverse communities are socially connected so they are more resilient to social, economic, cultural and environmental change. This becomes more important in a recovery environment where some communities may be more impacted than others.

Investment in the community asset portfolio is predominantly council-owned meaning we incur both the initial cost and ongoing costs to maintain those assets over their lifecycle.

At current funding levels we are not able to sustain the extensive community asset portfolio. Prioritisation ensures we invest in critical renewals to maintain compliance and satisfy health and safety requirements but at current funding levels the portfolio will continue to degrade over time.

There are three options to consider how to invest in the community portfolio:

- Status quo – our current operating conditions continue
- Additional investment – increased funding to retain existing portfolio and provide for anticipated growth based on current provision guidelines
- Focussed investment (preferred) – tailor our services and reframe our portfolio to ensure it is effective and affordable.

Background

Regional community services provide opportunities to connect Aucklanders at a regional scale through regional parks, programmes and services, cemeteries and crematoria, parks co-governance services, regional grants and events.

Local community services provide opportunities to connect local communities through events, programmes and activities, across library information and literacy services, arts and culture, parks, sport and recreation and events facilitation. Community-led action and volunteering is supported through provision of local grants programmes, community leases, advice and activities.

Community services help ensure our diverse communities are socially connected so they are more resilient to social, economic, cultural and environmental change. This becomes more important in a recovery environment where some communities may be more impacted than others.

The local communities in Auckland are changing and are increasingly diverse. Community services also need to adapt and respond to different community requirements and preferences.

There are several adopted policies, strategies and plans that guide our investment in both service and asset delivery for Parks and Community. They set expectations with the stakeholders and the community about the services we will provide and the scale of investment in assets required to support them.

Investment in the community asset portfolio is predominantly council-owned meaning council incurs both the initial cost and ongoing costs to maintain those assets over their lifecycle.

The investment required to provide regional and local community services is significant and continues to increase as our community asset portfolio ages and grows in size as we respond to growth in Auckland and adapt to and mitigate climate change impacts.

As our portfolio has increased in size the investment requirement to support those assets over the long term also increases. At current funding levels we are not able to sustain the extensive community asset portfolio. Prioritisation ensures we invest in critical renewals to maintain compliance and satisfy health and safety requirements but at current funding levels the portfolio will continue to degrade over time. The gap between capacity and renewals requirement is approximately $800 million over 10 years.

Because some of our assets are old and in poor condition it is prudent to consider how well they can meet our current and future service requirements before we continue to invest significantly in them. In some instances, alternate options may offer greater value and benefit to our customers.

Auckland is growing and will continue to do so. This means that we also need capacity to support new communities with infrastructure and allow for the ongoing investment required to sustain it.

Options have been developed to consider how we can ensure the portfolio is effective and affordable.

Attachment A: Options table

		Option 1 Status Quo	Options 2 Additional investment	Option 3 Focused investment
Principal options for addressing the issues		Our current operating conditions continue	Increased funding to retain existing portfolio and provide for anticipated growth based on current provision guidelines	We tailor our services and reframe our portfolio to ensure it is effective and affordable
Implications	Budget impacts[1]	Same budget • Insufficient renewal budget to retain extensive existing asset portfolio in good operating condition • Insufficient development budget to meet expectations for new assets • Limited ability to differentiate and tailor service provisions	Significant budget increase • Significant increase in renewal budget to enable total existing asset portfolio to be retained in good operating condition • Significant increase in development budget to enable addition to asset portfolio to meet mandated expectations for new assets	Moderate budget increase • Moderate increase in operating budget to support activity by others and alternate service approaches • Insufficient renewal budget to retain existing asset portfolio in good operating condition, requiring identification of assets that are not well-positioned to meet current and future requirements • Moderate increase in development budget to meet expectation for new assets
		3 year CAPEX (Renewal) $330m [Gap $270m] CAPEX (New assets) $170m [Gap $760m] OPEX (Asset delivery) $1 billion OPEX (Service delivery) $500m		
		10 year CAPEX (Renewal) $2 billion [Gap $800m] CAPEX (New assets) $1.4 billion [Gap $1.1billion] OPEX (Asset delivery) $3.8 billion OPEX (Service delivery) $2 billion	10 year CAPEX (Renewal) $2.8 billion CAPEX (New assets) $2.5 billion OPEX (Asset delivery) $3.9 billion OPEX (Service delivery) $2.6 billion	10 year CAPEX (Renewal) $1.8 billion [Gap $1 billion] CAPEX (New assets) $1.6 billion [Gap $900m] OPEX (Asset delivery) $3.8 billion OPEX (Service delivery) $2.7 billion

[1] The budget included here is focused on Community Facilities and is a sub-set of our overall expenditure on Parks and Community.

		Option 1 Status Quo	Options 2 Additional investment	Option 3 Focused investment
	Assets impacts	Constrained funding will mean increasing asset deterioration and risk of failure Reduced asset portfolio	Similar asset portfolio	Focus on strategy to reduce asset portfolio in response to constrained funding
	Service impacts	Reduced services due to asset impacts	Similar services	Tailored and alternative service delivery
Likely consequence of proceeding with this option	Rates	No impacts	Increase rates to fund additional OPEX	No impacts
	Debts	No impacts	Increase borrowing to fund additional CAPEX	No impacts
	Levels of services	Reduce levels of service	Maintain levels of service	Maintain levels of service (some services will be delivered differently, and some new performance measures may need to be developed as a consequence)
Potential risks and opportunities		Opportunities • Budget requirements within existing funding envelop • Forced adaption – constraints can incentivise innovation Risks • Renewals budget gap likely to mean increasing asset deterioration and failure • Required rationalisation (reduction) of asset portfolio likely to be difficult and unpopular • Limited development in short to medium term likely to be unpopular • Limited opex budget capacity to change service delivery approaches to meet changing demand	Opportunities • Reduced renewals budget gap (medium to long-term) enables asset portfolio to be retained in good condition • Increased development budget in medium to long term Risks • Budget requirements significantly higher than existing funding envelop • Scale of capex budget required unlikely to be affordable • Scale of consequential opex required to manage increasing asset portfolio unlikely to be affordable • Limited opex budget capacity or incentive to change service delivery approaches to meet changing demand	Opportunities • Additional opex budget provides capacity to test and validate alternate service delivery approaches to meet changing demand • Alternative service delivery approaches will help mitigate impact of rationalised asset portfolio • Financial capacity to support key partnerships such as with mana whenua and community providers • Prioritises recovery and investment to support key shifts Risks • Budget requirements moderately higher than existing funding envelop • Additional budget requirement may be challenging in constrained financial environment

		Option 1 Status Quo	Options 2 Additional investment	Option 3 Focused investment
			• Continue to retain assets that offer limited benefit	• Renewals budget gap likely to mean increasing asset deterioration and failure • Required rationalisation (reduction) of asset portfolio likely to be difficult and unpopular • Limited development in short to medium term likely to be unpopular
Alignment to key shifts in addressing the key challenges	We tailor services to different commu nities focusing on growing participation in areas of greatest needs	Negative • Limited opportunity to tailor services in forced asset/service reduction environment	Positive • Financial capacity and flexibility to tailor services to different communities	Positive • Specific financial allocation for delivering services in a new (non-asset based) way should enable focused effort for target communities • May be counter balanced by financial constraint driven change to current service provision
	We invest in a range of delivery approaches so we can adapt and are responsive	Negative • Limited financial capacity to invest in a range of delivery approaches	Positive • Financial capacity to invest in new channels to increase adaptive and responsive provision	Positive • Specific financial allocation to invest in new approaches to increase adaptive and responsive provision • May be counter balanced by financial constraint driven change to current service provision
	We contribute to Te Tāruke-ā-Tāwhiri: Auckland Climate Plan through a sustainable and resilient service network	Negative • Selective decommissioning of poorest performing assets • Limited financial capacity to deliver significant change to retained assets/services that are currently performing poorly in relation to climate impacts	Positive • Financial capacity to invest in existing assets to improve network performance • Financial capacity to ensure new assets minimise carbon footprint (Sustainable Building Standard)	Positive • Create opportunity for selective decommissioning of poorest performing assets (i.e. climate impact key criteria) • Specific financial allocation to deliver significant change to retained assets/services that are currently performing poorly in relation to climate impacts (e.g. boiler replacement)

	Option 1 Status Quo	Options 2 Additional investment	Option 3 Focused investment
We operate a fit-for-service and cost-effective service network	Negative • Constrained funding likely to result in increasing degradation of current asset portfolio • Operating a fit for service network becomes increasing difficult • Corresponding increase in cost of reactive repair	Negative • Continued investment in assets will continue to exacerbate long term public cost burden • Create opportunity to modify investment approach to mitigate and/or reduce future costs	Neutral • Planned change in asset portfolio allows focused investment on high priority assets/services and decommissioning of other parts of portfolio • Potential risks in not able to reduce the asset portfolio means: o increasing degradation and costs o operating fit for service network becomes difficult

7.5 Natural Environment Targeted Rate Extension Proposal

Purpose

To provide options for increased investment to support protection of the natural environment by extending the Natural Environment Targeted Rate for an additional three years.

Summary of proposal

We propose to extend the Natural Environment Targeted Rate (NETR) for an additional three years, through to 2030/2031, adding a further $106.6 million. This will ensure that sunk costs from investment made up to 2027/2028 are not lost and ensure on-going protection for indigenous biodiversity within the region, through biosecurity activities and biodiversity protection.

Background

Indigenous biodiversity in the region is under substantial stress due to a range of factors, particularly habitat loss and invasive species (pests). The NETR has provided a 189 per cent increase in investment in Auckland's natural environment.

Under the current settings for the NETR, we will be able to double the number of threatened species we're actively managing to 86 species by 2028, up from 43 species in 2018. Although this is a substantial step forward, it still leaves three quarters of threatened species in the region without active management.

The targeted rate has also enabled active management of pest pressures across 72 per cent of prioritised ecosystems within the region. However, this represents only a portion of the total ecosystem in the region, so the majority of indigenous ecosystems remain without coordinated management. The NETR is currently set to expire in 2028, which would see a return to historic levels of pest management.

Climate change will also cause a range of new pressures to indigenous biodiversity including:

- increased frequency of catastrophic weather events (i.e. storm damage)
- increased temperatures and drought, which mean current locations may no longer be suitable for some species. Species will need to be able to migrate to new homes
- sea level rise will mean current locations may no longer be suitable for some species and habitats. Species will need to be able to migrate to new homes and there will need to be increased consideration of managed retreat options for coastal habitats
- new pest species from tropical/sub-tropical parts of the world will make Auckland home, over and above the 4 new species of exotic plants that already establish on average every year
- some pests that are already here will breed faster under warmer conditions and will be stronger competitors against stressed indigenous species.

Of these additional climate induced stresses, only some are directly manageable. The key action that can be taken is to effectively manage pests so that indigenous species and ecosystems can be as resilient as possible to unmanageable climate stressors. The proposed additional investment in the natural environment to mitigate the impact of climate change supports the investment enabled by the proposed Climate Change Targeted Rate which aims to reduce Auckland's contribution to climate change.

Proposal for increased investment to support protection of the natural environment in response to climate change

We propose to extend the rate to 2031 (to align with the 10-Year Budget 2021-2031). This will provide additional revenue as set out in the table below.

NETR	2028/2029	2029/2030	2030/2031	3 year total
Extra revenue based on current rate	$34.9m	$35.5m	$36.2m	$106.6m

Stopping the rate in 2027/2028 as currently planned would significantly reduce the amount we are able to invest in protecting and enhancing Auckland's natural environment. Future investment would need to compete with all the other activities we undertake for a share of general rates funding.

If the NETR ends in 2027/2028, it is likely that:

- Auckland will see a rapid reversal of biodiversity gains made from the targeted rate investment. This is because decreased levels of pest management will result in the return of invasive species in areas where pest control has ceased
- we will no longer be able to provide the same level of support to community conservation activity. Working with community groups allows us to achieve far greater environmental outcomes than would be achievable if we were to undertake all the work directly
- we will face increased natural environment management costs long-term, as early intervention in pest management is 40 times more cost effective long-term than delayed action
- we will not be able to respond to climate change risks to the natural environment.

The outcomes that would be funded by the NETR in the additional years 2029-2031 are as follows:

- Maintaining 50 per cent of rural Auckland under sustained possum control
- Maintaining 66 per cent of priority ecologically significant parkland under sustained pest plant control
- Progressive containment of feral goats and deer
- Regional pest plant projects including eradications and biocontrol
- Integrated management of pest plant and animal pressures on and around parkland
- Implementation of Regional Pest Management Plan and Controlled Area Notices including land-owner obligations and trade regulation
- Continuing support for major new IT platforms developed through the targeted rate (eg Ruru bioinformation database, NESE Customer Relationship Management System, Tiaki Tāmaki conservation portal)
- Beginning of 10-yearly asset renewals programme for kauri dieback tracks that were upgraded at the beginning of the targeted rate
- On-going delivery of other kauri dieback and myrtle rust projects such as outreach ambassadors, compliance, phosphite treatment
- Continued delivery of island biosecurity including outreach ambassadors, compliance, Pest Free Warrants, dog handler inspections
- Continued delivery of marine biosecurity including hull surveillance, outreach ambassadors and compliance
- Development of an Inter-regional Marine Pest Pathway Management plan with other Top of the North councils under the Biosecurity Act
- Support to community-led eradication of rats from Waiheke Island (Te Korowai o Waiheke)
- Pest plant eradications from Aotea
- Integrated management of pest plants and animals at priority sites on Waiheke and other inner gulf islands

- Increased practical support (tools, resources, advice, training and funding) to grow community-led conservation and the ability for communities to effectively respond to increasing climate change impacts on local ecosystems and species

Under this proposal, the average residential ratepayer will pay an additional $140 over the three years from 2028/2029 to 2030/2031, while the average business ratepayer will pay an additional $650.

Attachments

No.	Title
A	Options assessment

Attachment A: Options assessment

	Rationale	Impact on Rates	Impact on Debt	Impact on level of service
Status Quo:	Status quo – Natural Environment targeted rate and programme ends 2027/2028.	None	None	None
Option One: Extend the Natural Environment Targeted Rate to 2031	Enables the current Natural Environment programme to continue for three additional years to 2030/2031, ensuring that the gains of pest management funded by the rate are not lost. This will ensure that sunk costs from investment prior to that are not lost and ensure on-going protection for indigenous biodiversity within the region, through biosecurity activities and biodiversity protection.	$106.6m in additional rates. The average residential ratepayer will continue to pay $46.80 over the three years from 2028/2029 to 2030/2031, while the average business ratepayer will continue to $217.	This proposal will have no impact on our debt as any additional revenue is offset by additional expenditure	Maintains existing service levels for the protection of the natural environment for an additional three years until 30 June 2031. Likely to see increasing declines in natural heritage due to effects of climate change.

7.6 Water Quality Targeted Rate proposal

The WQTR was introduced in the 10-year Budget 2018-2028 to fund a Water Quality Improvements Programme of work that increased investment to clean up the water quality at our beaches. This was a response to strong public concern at the state of Auckland's beaches and harbours, which are being impacted by a very large number of wet weather sewage overflows.

What we are proposing

We are proposing to increase investment to accelerate our water quality improvement programmes, to accelerate improvements to harbour water quality. The two major programmes we are looking to accelerate are:

- Southern Catchments Alignment Programme: to improve water quality in the Manukau Harbour by aligning the timing of stormwater improvements with other scheduled major infrastructure projects
- Eastern Isthmus Programme: sewer separation and stormwater treatment to improve coastal water quality from Hobson's Bay to St Heliers

In addition to the two new programmes of work, the increased investment will also enable the continuation of the current regional water quality programs of contaminant removal, stream rehabilitation, septic tank monitoring and safe networks.

We have developed two options for funding this additional investment through the Water Quality Targeted Rate (WQTR) set out in the table below:

Option	Additional Investment Raised	Projects to be funded and outcomes
Option 1: Extend the duration of current Water Quality Targeted Rate for an additional three years, through to 30 June 2031	$149.7 million from, 2028/29 to 2030/31	Enables us to start the Eastern Isthmus Water Quality Improvements programme in 2029. Enables us to undertake stormwater improvements alongside major infrastructure projects occurring in Manukau from 2028/2029 to 2030/2031 (Southern Catchments Alignment Program). Compared to Option 2, we would miss the opportunity to undertake stormwater improvement projects alongside the Mill Road and Te Irirangi Drive/Botany Station-Eastern busway roading upgrades. Enables the continuation until 2030/2031 of the current regional water quality work programmes (contaminant removal, stream rehabilitation, septic tank monitoring and safe networks). Outcomes: Improvements to water quality in Manukau Harbour, Tāmaki Estuary and along coast between Hobson's Bay to St Heliers from 2029 onwards, continues regional water quality improvements Under this proposal the average residential ratepayer will continue to pay $65.80 each year over the three-year period 2028/2029 to 2030/2031. The average business property will pay continue to $304 each year over the same period.
Option 2: Extend WQTR to 2031 and increase at the proposed rate of	$255.9 million, from 2021/22 to 2030/31	Enables us to start the Eastern Isthmus Water Quality Improvements programme in 2021/2022 with delivery from 2022/2023.

increase in the general rate of 5 per cent for 2021/2022, and 3.5 per cent each subsequent year	Enables us to undertake stormwater improvements alongside major infrastructure projects occurring in Manukau from 2021/2022 to 2030/2031 (Southern Catchments Alignment Program). Projects will begin to be delivered from 2022/2023. The current regional work programmes (contaminant removal, stream rehabilitation, onsite wastewater and safe networks) will also be increased from 2021 and continue through to 2031. Outcomes: Improvements to water quality in Manukau Harbour, Tāmaki Estuary and along the coast between Hobson's Bay to St Heliers from 2024 onwards Under this proposal, the WQTR will increase in 2021/2022 by $3.30 (0.12 per cent on total rates) to $69 for the average residential property, rising to $94 in 2030/2031. The WQTR will increase in 2021/2022 by $15.30 (0.09 per cent on total rates) to $321 for the average business property, rising to $435 in 2030/2031.

If neither of the proposed options proceed, then we will not be able to start either the Eastern Isthmus or Southern Catchments Alignment programmes until after 2031. The timing of these projects will depend on future 10-year budget decisions. The Western Isthmus Program will be completed by 2028 at which point the regional water quality programmes will cease.

Background

The dedicated funding of the WQTR has led to significant progress in water quality projects, including:

- stormwater upgrades and wastewater/stormwater separation in the Western Isthmus
- infrastructure for stormwater contaminant removal across the region
- rehabilitation of urban and rural streams
- introduction of a proactive regional septic tank monitoring programme
- safe networks investigations to track down illegal cross connections.

Good progress has been made since 2018 in implementing major projects under the WQTR including the St Marys Bay outfall, Daldy Street outfall and Picton Street separation. Pollution loads flowing into our harbours are decreasing as a result of the WQTR and will continue to do so. Permanent no swimming signage has been removed from five beaches through the safe swim and safe networks investigations and significant point source pollution issues have been located and rectified at Langholm, Browns Bay, Milford and Takapuna.

The Western Isthmus is the most concentrated site of significant water quality breaches. This is predominantly, but not exclusively, a consequence of old combined sewer networks installed decades ago. As a result, 80 per cent of current WQTR investment has been allocated to this area, with projects contributing to the effectiveness of the Central Interceptor expected to reduce the number of overflow events from 200 per year to between two and six per year (a 95% swimmability result). While addressing the water quality problems in the Western Isthmus was the priority for the initial investment, there is still a need for further investment in our other harbours and waterways.

There is now an opportunity to extend the success of the WQTR to other necessary water quality improvements, and to achieve efficiencies by integrating projects into the works schedules of other major transport projects, such as the South Western Gateway Transport Programme.

Options

Two options have been identified for increasing investment to improve water quality:

- Option 1: extending the WQTR to 2031 (to align with the 10-Year Budget 2021-2031)

- Option 2: increasing the WQTR at the proposed rate of increase in the general rate of 5 per cent for 2021/2022, and 3.5 per cent each subsequent year (to align with the 10-Year Budget 2021-2031)

The additional revenue from each option is set out in the table following.

	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2029/ 2031	Total
Option 1 Extra revenue								$49.0m	$49.9m	$50.8m	$149.7m
Option 2 Extra revenue	$1.8m	$3.4m	$5.0m	$6.8m	$8.6m	$10.7m	$13.0m	$65.3m	$68.9m	$81.5m	$255.9m

Option 2 will raise $106.2 million more than Option 1.

Timeline for investment

The overall Water Quality Targeted Rate investment for each option and approximate programme timelines are shown in the following table.

Financial year ending	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 10yrs
Status Quo: ($m)	**29.55**	**36.45**	**38.61**	**58.55**	**52.84**	**48.93**	**54.71**	**0.00**	**0.00**	**0.00**	**320**
Western Isthmus	*Delivery (aligned with Watercare), completed 2028*										
Eastern Isthmus								*Planning and design for major projects*			
					Enabling works – critical renewals that support stormwater separation and capacity improvements						
Southern Catchments Alignment									*Planning and design for major projects*		
Regional Water Quality Programmes	*Delivery of existing regional programmes – such as contaminant removal for the Manukau Harbour, Kaipara Harbour, Mahurangi Harbour and North Eastern Beaches*										
Option 1: ($m)	**29.55**	**36.45**	**38.61**	**58.55**	**52.84**	**48.93**	**54.71**	**49.00**	**49.90**	**50.80**	**469**
Western Isthmus	*Delivery (aligned with Watercare), completed 2028*										
Eastern Isthmus				*Planning and design for major projects*				*Delivery of major projects*			
	Enabling works – critical renewals that support stormwater separation and capacity improvements										
Southern Catchments Alignment						*Planning and design for major projects*		*Delivery of major projects*			
Regional Water Quality Programmes	*Delivery of existing regional programmes – such as contaminant removal for the Manukau Harbour, Kaipara Harbour, Mahurangi Harbour and North Eastern Beaches*							*Delivery extended enabling additional projects from 2028*			
Option 2: ($m)	**30.73**	**39.21**	**43.06**	**64.85**	**61.12**	**59.31**	**67.32**	**64.50**	**68.00**	**71.70**	**570**
Western Isthmus	*Delivery (aligned with Watercare), completed 2028*										
Eastern Isthmus	*Plan and design*	*Delivery of major projects and enabling works combined*									
Southern Catchments Alignment	*Plan and design*	*Delivery of major projects*									
Regional Water Quality Programmes	*Delivery increased and extended enabling additional projects from 2022*										

The timing of the proposed new programmes needs to coincide with the timing of Watercare (for the Eastern Isthmus) and Auckland Transport or Waka Kotahi (for the Southern Catchments). All options include the completion of the Western Isthmus programme. In order to deliver the major projects some planning and design must begin prior to years when budget is available for construction. The early planning and design can be prioritised within the Healthy Waters regional planning budgets if the budgets available for construction are certain.

Southern Catchments Alignment Programme

Numerous opportunities exist to improve water quality in the Manukau Harbour and Tāmaki River, reducing stormwater pollutants and enhancing the habitat and biodiversity of the waterways. Increased investment in both urban and rural catchments could reduce the annual loads of key contaminants such as heavy metals, sediment, nutrients and pathogens.

There has been significant public advocacy to improve water quality in the Manukau Harbour for many years. There is a persistent view that the Manukau has not been a priority catchment and is a poor cousin to the Waitematā.

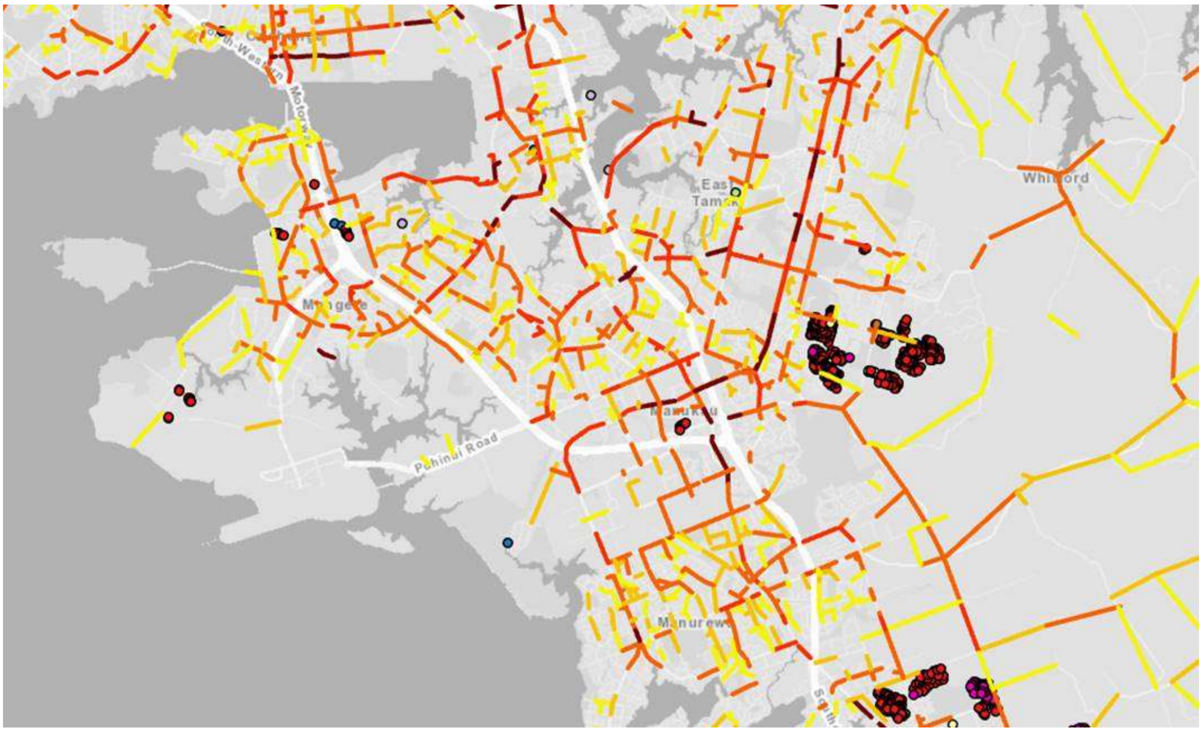
Roads and urban development are key contributors to water quality issues in the Manukau Harbour, and can be part of the solution too. This alignment project proposes to implement water quality improvements alongside other scheduled infrastructure improvements, to minimise disruptions, maximise efficiencies and achieve better water quality outcomes than might otherwise be possible.

A number of major transportation projects are planned in the next decade though southern and eastern Auckland including the Mill Rd connection and the South Western Gateway Transport Programme that includes Airport to Botany, upgrades to State Highway 20B and Te Irirangi Drive. These projects have water quality mitigation components to them and there is an opportunity to align additional investment with these transport projects to get extra water quality benefits for the wider catchment more cost effectively while also reducing the number of disruptions for road users.

If funded through an extension to the WQTR, this programme could enable water quality investment to expand and enhance stormwater quality and stream improvements the transport projects are required to undertake, providing wider catchment benefits rather than just mitigating the effects of the road. It will also enable stormwater treatment to be implemented for some existing high use roads that would not otherwise be treated.

Figure 1 below shows the Auckland Transport high use roads in south Auckland that the programme could help to improve and augment water quality outcomes alongside the road upgrades. The colour coding goes from yellow to orange to red and dark red to indicate the most use. The dots show where there are stormwater treatment systems in place.

1. Figure 1: High Use Roads South Auckland



Panuku's Transform Manukau programme has developed a strong vision for the Puhinui Stream and there are some good opportunities to align water quality investment with the urban growth planned in the catchment. Similar to the transport projects, there is an opportunity to improve water quality for larger areas of existing catchment rather than just mitigating the effects of development areas. This can be achieved in an efficient and cost-effective way if funding is available to top up the developer investment.

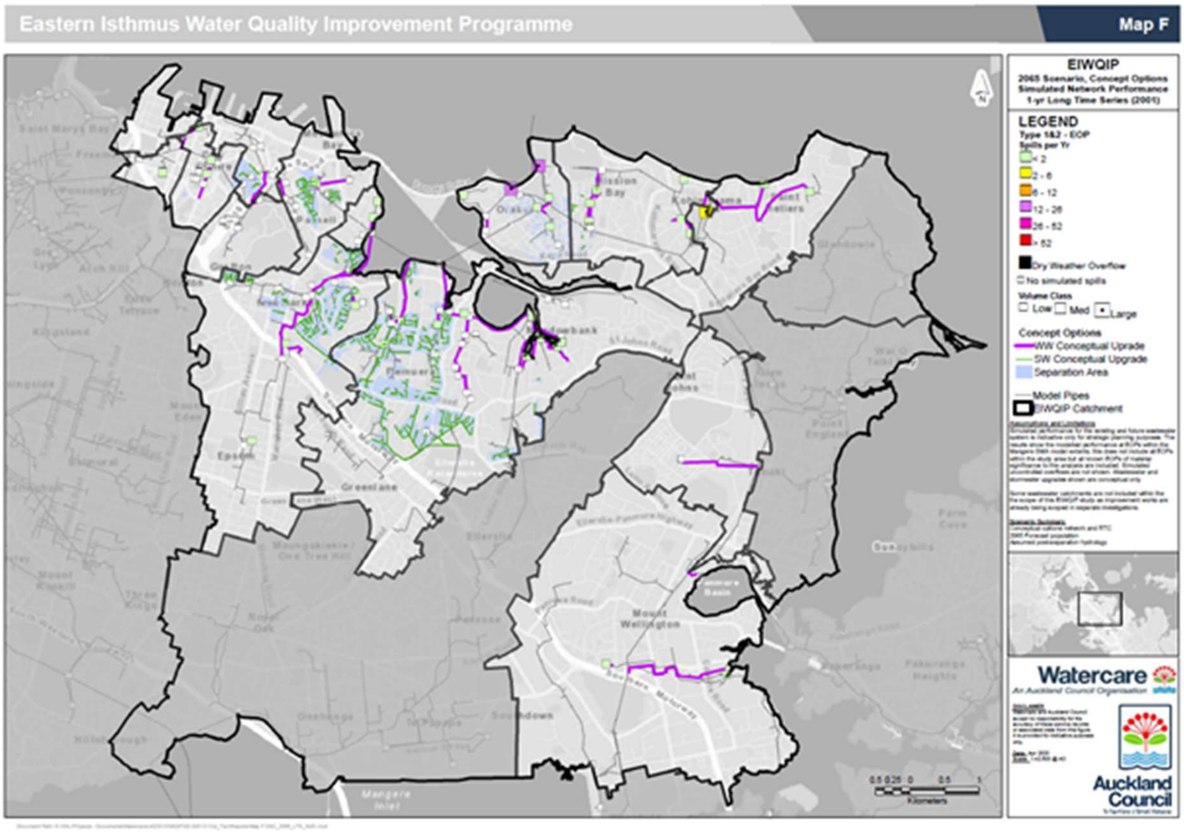
Aligning water quality improvements with other projects is time-sensitive and needs to allow for design and development work in conjunction with Watercare, Waka Kotahi, Auckland Transport and Panuku's schedules. This has ramifications for when funding is needed. Option one would enable alignment with projects after 2028. Option two would allow for alignment with key transport projects scheduled from 2022 to 2028, such as Mill Rd. Under the status quo, alignment opportunities could only be enabled after 2031, subject to future long-term plan decisions.

The Eastern Isthmus Programme

The Eastern Isthmus area has significant water quality issues affecting costal environments from Hobson Bay to St Heliers. Similar to the Western Isthmus programme, investment in stormwater infrastructure is necessary to complement Watercare's investment in the wastewater network to reduce overflows and pollution loads. This involves building stormwater infrastructure to enable sewer separation and stormwater treatment.

Figure 2 below shows the potential extent of the network upgrades envisaged for the programme. Purple lines indicate potential wastewater upgrades, the green lines show stormwater opportunities and the blue are draft separation areas.

Figure 2: System upgrade for the Eastern Isthmus



The Eastern Isthmus programme would be delivered in a similar way to the Western Isthmus programme. As Watercare deliver new wastewater infrastructure projects such as the Newmarket Gully Tunnel, Healthy Waters would undertake stormwater upgrades and stormwater separation with Watercare to optimise the investment. The Central Interceptor is also a key enabling projects for the Eastern Isthmus, as capacity is freed up in the Orakei main sewer, capacity upgrades to the local network can be made to reduce overflows.

There are parts of the stormwater network that will require renewal in advance of Eastern Isthmus project, these renewals will be planned so their timing enables future separation and capacity upgrades that will be built for the Eastern Isthmus. It will take many years to work through the catchments that make up the Eastern Isthmus and the programme will extend beyond 2031 under both options one and two.

Current settings of the WQTR

The WQTR is currently set on capital value reflecting that rates are generally more affordable for higher value properties. The rate is set differentially to raise 25.8 per cent of the revenue requirements from businesses. Business are better able to afford rates than residential properties in part because of their tax advantages. The business differential is set at the target proportion of general rates revenue in line with the Long-term differential strategy.[1]

Unlike the general rate, the WQTR does not apply a differential for urban or rural properties. The is because the distribution of benefits funded by the WQTR are shared between urban and rural areas. This differs from general rates funding where rural properties are charged a lower rates differential to reflect the lower investment in council services in rural areas compared to urban areas.

We are not proposing to change any of the current settings.

[1] The LTDS progressively lowers the share of general rates revenue to be raised from businesses from 32.4 per cent in 2018/2019 to 25.8 per cent by 2037/2038.

Attachments

No.	Title
A	Options analysis table

Attachment A: Options table

	Rationale	Impact on Rates	Impact on Debt	Impact on level of service
Status Quo:	*Status quo – maintain rates at same level*	None	None	None
Option One: *Extend the Water Quality Targeted Rate to 2031*	*Allows the Eastern Isthmus and Southern Catchments Alignment programmes to be brough forward to 2028/2029. Benefits of improved water quality in the Hobson Bay to St Heliers, Manukau Harbour and Tāmaki Estuary catchments three years earlier.* *Allows current regional water quality work programmes to continue beyond 2028*	$149.7m in additional rates. The average residential ratepayer will continue to pay $65.80 each year over the three-year period 2028/2029 to 2030/2031. The average business property will pay continue to $304 each year over the same period.	This proposal will have no impact on our debt as any additional revenue is offset by additional expenditure	The Eastern Isthmus Programme Southern Catchment Alignment Programme enabled from 2028 Extend the current regional water quality work programmes (contaminant removal, stream rehabilitation, septic tank monitoring and safe networks). Improved water quality in the following catchments: • Hobson Bay to St Heliers • Manukau Harbour • Tāmaki Estuary
Option Two: *Extend WQTR to 2031 and increase at the proposed rate of increase in the general rate of 5 per cent for 2021/2022, and 3.5 per cent each year after*	*Allows the Eastern Isthmus and Southern Catchments Alignment programmes to be brough forward to 2020/2021. Benefits of improved water quality in the Manukau Harbour and Tāmaki Estuary catchments achieved earlier.* *Allows current regional water quality work programmes to be increased and extended from 2021*	$255.8m in additional rates. The WQTR will increase in 2021/2022 by $3.30 (0.12 per cent on total rates) to $69 for the average residential property. The WQTR paid by the average residential property will rise to $94 in 2030/2031. The WQTR will increase in 2021/2022 by $15.30 (0.09 per cent on total rates) to $321 for the average business property. The WQTR paid by the average business property will rise to $435 in 2030/2031.	This proposal will have no impact on our debt as any additional revenue is offset by additional expenditure	The Eastern Isthmus Programme Southern Catchment Alignment Programme from 2021; Including Mill Road, Botany Station Te Irirangi Drive Improved water quality in the following catchments: • Hobson Bay to St Heliers • Manukau Harbour • Tāmaki Estuary Increases and extends the current regional water quality work programmes (contaminant removal, stream rehabilitation, septic tank monitoring and safe networks).

7.7 Extension of Urban Rating Area proposal

What we are proposing

We are proposing to align the Urban Rating Area with the planning rules set in the Auckland Unitary Plan.

The Urban Rating Area identifies which properties pay the urban rates differential. Residential and business properties outside the Urban Rating Area are charged the rural general rates differential, which is 90 per cent of the rate charged to urban properties. This reflects the lower availability of our services in rural areas compared to urban areas.

The current Urban Rating Area is based on the planning rules that existed before the Unitary Plan became operative in 2016. Under the Unitary Plan rules, urban development is now occurring outside the current Urban Rating Area. These new properties are charged rural rates even though they receive similar levels of our services to other urban areas.

To address this, we propose to extend the Urban Rating Area to capture areas where urban development is occurring or can occur. We will do this by aligning the Urban Rating Area with the Rural Urban Boundary (RUB) established by the Auckland Unitary Plan (see Map on following page). The RUB identifies where Auckland's future growth will happen. It includes:

- land in the current Urban Rating Area
- growth areas outside the Urban Rating Area including Pine Valley, Hobsonville, Karaka and Drury
- existing towns: Warkworth, Kumeū/Huapai, Riverhead, Herald Island and Whenuapai
- greenfield land which is zoned for urban development to occur now
- land that the we expect will develop over the next 30 years, but which can't be developed yet (land within the Future Urban zone). This land will remain rural in nature until it is rezoned for development
- two new urban developments (Ockelston Landing and Halls Farm) located within the Future Urban zone (see maps Attachment C).

Attachment D provides a list of all suburbs where properties affected by the proposal are located.

Under the proposal, all land in the RUB will be included in the Urban Rating Area, apart from the Future Urban zoned land, and land in Warkworth. We also propose to include the Ockelston Landing and Halls Farm urban developments that are in the Future Urban Zone. We think this proposal is fair because developing areas and towns near the current Urban Rating Area have similar levels of access to services to nearby areas that pay urban rates and higher levels of access to our services than rural areas.

We propose to exclude Future Urban zoned land, apart from the two urban developments above. This land generally cannot be developed under its current zoning. This is because we have not begun the planning process to provide infrastructure to enable development. This land will continue to be charged rural rates. We expect that any further development in the Future Urban zone will be preceded by a plan change to rezone the land for urban development. Under the proposal, this land will automatically be charged urban rates following the change to urban zoning.

We also propose to exclude land in Warkworth. Service levels in Warkworth are lower than other towns we are proposing to include, and its distance means it receives less benefit from services in the existing urban area.

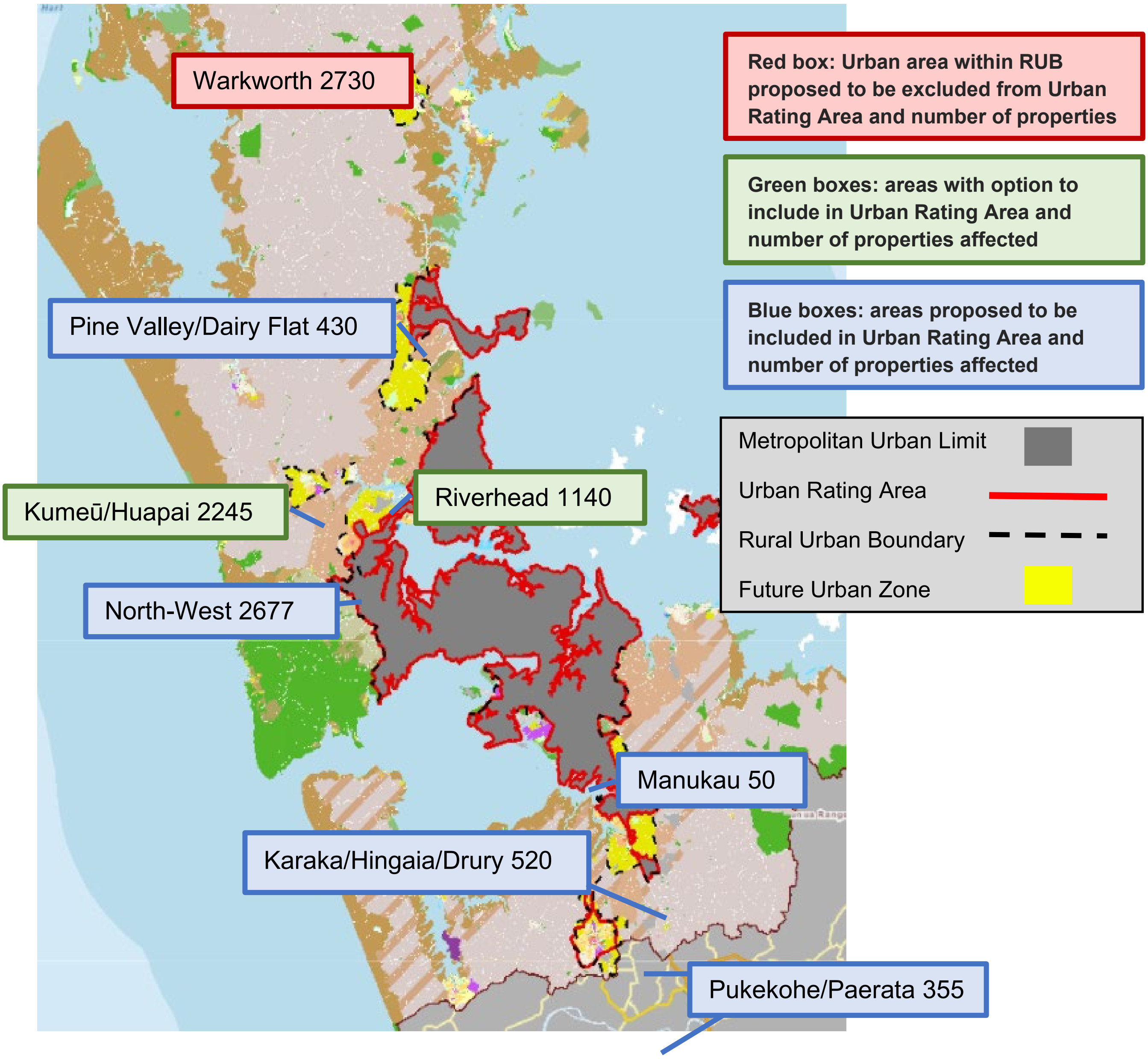
We are also considering the option of excluding Kumeū, Huapai and Riverhead townships from the Urban Rating Area. These towns have a greater level of services than Warkworth, but lower services than other areas to be included. These towns are also further from the existing urban area.

Under the proposal, 7,500 properties (or 4,150 if Kumeū/Huapai and Riverhead are excluded) will change from being rated Rural Residential to Urban Residential or Rural Business to Urban Business. Properties moving from the rural to the urban rates differential will have an increase in rates of 11 per cent of the value-based general rate. Alongside this change, 140 properties currently in the Urban Rating Area will move from urban rated to rural rated. This is because they are now outside the RUB or zoned Future Urban. The value-based general rate for these properties will fall by 10 per cent.

Protecting Productive Rural Land

Protecting Auckland's prime food producing lands and its rural landscapes was an important consideration in the development of the Unitary Plan and the Rural Urban Boundary. Such land has been zoned for Rural use in the Unitary Plan. This land is located outside the RUB and is not affected by the proposed extension of the Urban Rating Area. Only land already earmarked for urban development is covered by this proposed change, so there is no additional risk to protected rural land from the proposal.

Map of Proposal Area



Background

Urban Growth in Auckland

The current Urban Rating Area is based on the Metropolitan Urban Limit which until 2016 defined the limit for urban development in Auckland. Development in the rural area required the Metropolitan Urban Limit boundary to be extended. This meant that new urban development areas were automatically charged the urban rates differential.

In 2016 the Unitary Plan became operative in part. The Unitary Plan removed the Metropolitan Urban Limit as a planning mechanism and introduced the Rural Urban Boundary (RUB). Objective B2.2.1(4) of the Regional Policy Statement in the Unitary Plan provides that “Urbanisation is contained within the Rural Urban Boundary, towns, and rural and coastal towns and villages”. The land within the RUB includes land that is

- zoned for urban development
- Future Urban zoned land that we expect to develop over the next thirty years as the land is rezoned to an urban zoning. At present this land is predominately used for rural and lifestyle activities.

In 2019/2020 the we agreed to a one-off extension the Urban Rating Area to capture some developments that had occurred immediately adjacent to the Urban Rating Area boundary. This review did not consider the wider issue of urban growth in the RUB. It also did not provide a process for the Urban Rating Area to automatically expand as urban development occurs or is enabled.

Development within the Future Urban Zone

Most land in the Future Urban Zone cannot be currently developed for urban use due to a lack of the bulk infrastructure (arterial roads, stormwater, water and wastewater connections). We will progressively rezone this land for urban development after completing planning for land use and the delivery of the required infrastructure. Our Future Urban Land Supply Strategy and the Auckland Plan – Development Strategy set out the indicative timings for Future Urban zoned land being rezoned.

A couple of urban developments (Halls Farm at Upper Orewa, and Ockleston Landing at Hobsonville) have occurred within the Future Urban zone. These developments were approved under earlier planning rules, or as a result of a resource consent application to undertake more intensive development than allowed under the Future Urban zone. We expect that this land will be rezoned as urban in the future, but the time frame is not yet known. In the meantime, we are proposing to include these developments in the Urban Rating Area.

It may be possible for other developers to gain consent for urban development in the Future Urban zone, if the bulk infrastructure is available, or the developer will provide for the necessary upgrades/new bulk infrastructure. We expect that any future applications will be preceded by a plan change to rezone the land to urban use. This is because rezoning provides developers with greater certainty as to the allowable level of development, and because Future Urban zoning can place limitations on the subsequent purchasers of sections or houses in a development.

Analysis of Options

Principles for Assessing Options

The Revenue and Financing Policy sets out our funding principles. The key principles for assessing options for maintaining the Urban Rating Area are:

- Paying for benefits received or costs imposed: Similar properties receiving similar benefit from our services should be charged similar rates
- Strategic Alignment: Alignment with our plans and strategies

- Community outcomes in the Auckland Plan: Homes and Places Direction Two: Accelerate the construction of homes
- Efficiency and effectiveness: minimise the resources required to maintain the Urban Rating Area
- Affordability
- Transparency and Certainty: Landowners should be able to easily identify the triggers for their properties changing from rural to urban rating.

There are two options to provide for ongoing adjustment to the Urban Rating Area as the city grows:

- Alignment with the Unitary Plan: A property's location in the Rural Urban Boundary and its zoning determines whether it is rated as urban or rural. Land located in the Rural Urban Boundary that is rezoned for urban development automatically becomes part of the Urban Rating Area and is rated urban from the start of rating year following the plan change becoming operative.
- Manual boundary adjustments: We periodically review the Urban Rating Area and consults on extensions to include new development that has occurred.

Table 1 table below shows that aligning the Urban Rating Area with the Unitary Plan has the strongest link to the principles.

Principle	Alignment with Unitary Plan	Manual Boundary Adjustments
Paying for benefits received or costs imposed:	**Yes**. Properties with the same zoning and similar location in relation to the Rural Urban Boundary will be charged the same rates differentials	**No**. The process of extending the Urban Rating Area will lag development. Some urban developments will continue to pay rural rates until the Urban Rating Area is extended, once manually reviewed and consulted on by our officers. Undeveloped land outside the Urban Rating Area will pay lower rates than similar land within the Urban Rating Area
Strategic Alignment	**Yes.** Aligns areas charged urban rates with the urban areas identified in the Unitary Plan.	**No**. Not aligned to the Unitary Plan
Community outcomes in the Auckland Plan	**Yes**. Provides a small incentive to develop land zoned for urban development. The level of incentive to develop is small compared to the holding costs of land.	**No**. Urban zoned land will only be included in the urban rating area after development occurs.
Affordability	Increases total rates by 10 per cent or an average of $289 per annum. This will be on top of the general rates increase. The average change is small relative to the value of the properties. Business properties will be able claim back the GST on the rates and to expense the increase against the profits from their business activity. Residential properties are able to access our rates postponement scheme. This will allow the additional rates to be postponed until the property is sold. The impact of the proposal could be further reduced by the council implementing a transition for the rates change. For example, if the council decided to transition the change over three years so properties pay the full urban rates in 2023/2024) average rates increase for affected properties in 2020/2021 would be $96 on top of the average rates increase. This would reduce the additional	No change in rates

	revenue raised by the proposal in 2020/2021 from $1.2 million to $0.4 million.	
Efficiency and effectiveness	**Yes**. Land zoned future urban will automatically be urban rated when it is live zoned with an urban zoning.	**No**. We will need to repeat the review and consultation process every time the boundary is adjusted.
Transparency and Certainty	**Yes**. Land zoned future urban will automatically be urban rated when it is live zoned with an urban zoning.	**No**. Each review of the boundary will be a separate process. There will be uncertainty regarding the timing of the reviews and their outcomes.

Analysis of Service Levels

The following section provides an overview of the analysis of service levels for the key areas proposed to be included in the Urban Rating Area. A more detailed analysis, providing service level and rates change information at a suburb level is set out in Attachment B to this document.

General rates funded services

We collect around $1.8 billion in general rates each year. This is made up of $0.3 billion from the fixed uniform charge paid by every property, and $1.5 billion from the general rates charged based on the value of the property.

General rates are a tax rather than a payment for services. General rates are assessed on the value of the property and not the services provided. A property with sea views will pay more than a similar neighbouring property without views, even though they receive the same benefit from our services.

However, we charge a higher general rates differential to urban properties because on average properties in urban areas have higher access to our services than properties in rural areas. All properties in the urban area pay urban rates, even if some properties do not utilise all of the services available. Similarly, while some land in the areas proposed to be included in the Urban Rating Area is yet to be developed, it is still appropriate to charge urban rates if on average the service levels available in the area are similar to other urban areas.

General rates are used to fund a range of our services that are considered to provide a benefit to the general public. Some services funded by general rates such as environmental protection and our democracy and planning functions can be considered to benefit all ratepayers. Other services, particularly those related to facilities, provide greater benefit to the areas where they are located.

The levels and types of services that may differ between rural and urban provision include roading and footpaths, public transport, community facilities, parks and stormwater services. Note that water and wastewater services are user pays, and not funded through general rates.

Roads, footpaths and stormwater services: 21 per cent of general rates

Compared to urban areas, rural areas are less likely to have footpaths and stormwater infrastructure. Rural roads, other than major arterial routes, are usually of a lower standard than urban roads. The majority of Auckland's unsealed roads are located in rural areas.

Converting greenfield land to urban development requires the installation and upgrading of roads, footpaths and stormwater infrastructure. It can be assumed that ratepayers in newly developed areas are receiving a similar level of service as similar properties already in the Urban Rating Area.

Community Services and grants: 33 per cent of general rates

Community services covers a broad range of our activities including community facilities, libraries, community development / empowerment, local and regional events, arts and culture and parks. We spend around 17 per cent of general rates funding on local community services (including local parks and facilities such as community centres) and a further 16 per cent on regional community services (including regional parks and the library service.) A further four per cent supports the delivery of community services by non-council providers and grants to community organisations. The following section looks at provision of facility-based community services.

Parks

The provision of park land is a requirement of new residential development. Land for sports fields tends to be acquired at the start of a new area being enabled for development as it requires a large area of flat land. Neighbourhood parks are provided as development occurs.

It can be assumed that ratepayers in newly developed areas are receiving a similar level of service as properties in the Urban Rating Area. In many cases, new developments have a higher level of park provision than older urban suburbs established under earlier planning rules.

Community facilities

Community facilities include community centres, leisure and recreation centres, pools, libraries, art and culture venues (museums, galleries and theatres), and bookable venues such as community halls.

We are moving away from the provision of single purpose facilities. Instead our focus for the future is providing multi-use facilities and co-locating multiple facilities in hubs accessible by public transport. The timing of our investment in new community facilities will be determined by the Community Facilities Investment Plan, which is being considered as part of the development of our 10-year budget. Proposals for investment in the next ten years include new community facilities in Warkworth, Pine Valley, the North-West, Karaka/Drury and Pukekohe.

The provision of our community facilities varies significantly between rural and urban areas. The table below shows the percentage of properties within a 15-minute drive of each type of our facilities:

	% Rating Units within a 15 minute drive of					
Potential change area	**Community Centre**	**Regional Library**	**Pool**	**Leisure centre**	**Arts/Culture Venue**	**Bookable venues**
Urban: Current Urban Rating Area	93%	98%	93%	96%	97%	98%
Rural: Outside RUB and Warkworth	17%	34%	5%	5%	14%	81%
Proposed Change Area including Kumeū, Huapai, Riverhead	88%	97%	12%	62%	87%	100%
Proposed Change Area excluding Kumeū, Huapai, Riverhead	77%	95%	22%	85%	82%	100%

The provision of community facilities in areas proposed to be included in the Urban Rating Area is much closer to that for urban areas than rural areas. The following tables show the proportion of properties within catchments for facilities for each of the main change areas, compared to nearby urban rated areas. (Warkworth is included to show its lower relative service levels.)

Potential change area	% Rating Units within a 15 minute drive of Community Centre	Regional Library	Pool	Leisure centre	Arts/Culture Venue	Bookable venues
Warkworth (no proposed change)	0%	100%	0%	0%	0%	100%
Pine Valley/Dairy Flat	100%	100%	0%	0%	100%	100%
Kumeū/Huapai	100%	100%	0%	1%	100%	100%
Riverhead	100%	100%	0%	100%	100%	100%
North-West	100%	100%	4%	100%	89%	100%
Manukau	100%	100%	100%	100%	100%	100%
Hingaia/Drury	0%	68%	100%	100%	100%	100%
Pukekohe	0%	100%	100%	100%	100%	100%

Provision of services in the proposed change areas is similar to nearby growth areas already within the Urban Rating Area as follows:

- **Pine Valley/Dairy Flat:** Only 18% of properties in urban rated Silverdale are within 15 minutes' drive of a pool or leisure centre
- **Riverhead, North-West:** 0% of properties in urban rated Hobsonville are within 15 minutes of a pool
- **Hingaia/Drury**: the urban rated part of Hingaia is also outside the community centre catchment
- **Pukekohe**: the rural rated part of Pukekohe has the same access to services as the urban rated part.

Public transport and travel demand management: 18 per cent of general rates

There are limited council funded public transport services in Warkworth, Pine Valley/Dairy Flat, Kumeū/Huapai and Riverhead. Properties in these areas also pay a $150 local targeted rate to fund additional public transport in their area.

Pine Valley and Dairy Flat are both about a five-minute drive from the Hibiscus Coast Park and Ride and the Northern Expressway. The North-West, Manukau, Hingaia/Drury and Pukekohe have a higher level of services, similar to surrounding urban rated areas. The table below summarises public transport services in each of the potential change areas.

Location	Service
Warkworth	Limited bus service partially funded by the Rodney Local Board Transport Targeted Rate
Pine Valley, Dairy Flat	Within 5km of Hibiscus Coast Park and Ride and the Northern Expressway. Limited direct bus service to Dairy Flat
Kumeū, Huapai	Two hourly service to Westgate
Riverhead	Hourly bus service funded by Rodney Local Board Transport Targeted Rate
North-West	Half hourly or hourly bus services, some peak express services. Ferry from Hobsonville Point, Train from Swanson.
Manukau	Regular train and bus services
Hingaia/Drury	Train at Papakura. Half hourly bus service to Karaka starting Jan 2021. Hourly bus Drury to Papakura
Pukekohe	Pukekohe Train Station and local bus services

Undeveloped greenfield land zoned for urban development

The urban zoned land proposed to be included in the Urban Rating Area is a mix of developed land, land currently being developed, and undeveloped greenfield land. Greenfield land has lower service levels than developed land. Local council infrastructure that serves this land such as roads, stormwater infrastructure and neighbourhood parks will only be supplied once development begins. However, in many areas we have already provided the bulk infrastructure that enables urban development, such as arterial roads and central stormwater pipes.

Infrastructure that enables development is funded through development contributions, infrastructure targeted rates/levies or is provided directly by the developer. This infrastructure often provides benefits to existing residents as well new development, for example sealing a metal road. In this case, a share of the infrastructure costs, in proportion to the benefit existing residents receive, is funded through general rates. The ongoing operational costs for new infrastructure are funded from general rates. Owners of undeveloped greenfield land benefit from this investment even if they do not develop their land.

We think it is fair to include urban zoned greenfield land within the Rural Urban Boundary in the Urban Rating Area, to recognise the benefit this land is already receiving from our investment in infrastructure to serve these growth areas. Our analysis of service levels also shows that most of the properties proposed for inclusion in the Urban Rating Area have similar access to community facilities as nearby properties that already pay urban rates. While undeveloped land does not place as much demand on these services, most of our costs for these services are fixed. It is fair to share these costs across all ratepayers who can receive the benefit of the service. Charging this land urban rates will also provide a small incentive to landowners to develop their land[1].

In a few cases, such as Red Hills/Taupaki, we have not yet provided all the bulk infrastructure necessary for development to begin. We commit significant resources to plan for the delivery and funding of infrastructure to these areas. As this planning work is funded from general rates, we think it is appropriate to include this land in the Urban Rating Area. It is also the case that land values reflect the availability of our infrastructure. Rates for unserviced land will be lower than for similar land that has access to our services.

Conclusions

The analysis of service levels supports the alignment of the Urban Rating Area to the Rural Urban Boundary (RUB). Apart from Warkworth, developed areas within the RUB have a much closer level of service to the urban area than the rural area.

An argument can be made for continuing to exclude Kumeū, Huapai and Riverhead from the Urban Rating Area. These towns have lower levels of services than other urban areas, particularly for public transport and recreational facilities. They have much higher levels of our services than rural areas and Warkworth, however. These towns are further from the existing Urban Rating Area than other areas proposed for inclusion. Still, they are only a 10 to 20 minute drive from Westgate, where we have invested in new community facilities such as the Te Manawa community hub.

Implementation

This proposal requires amendments to the Revenue and Financing Policy to factors used to include zoning in the factors used to determine rates differentials. Changes to the Revenue and Financing Policy will be consulted on alongside consultation on the 10-Year Budget.

Attachments

No.	Title
A	Options analysis table
B	Analysis of Service Levels by Area
C	Maps of Hall’s Farm and Ockleston Landing Urban Developments
D	List of suburbs affected by proposal

Attachment A: Options Table

	Rationale	Impact on rates	Impact on debt	Impact on level of service
Option One: The Urban rating Area includes all land within the Rural Urban Boundary as identified in the Unitary Plan, excluding any land that is: • **zoned Future Urban (with the exception of the land in the Hall's Farm and Ockleston Landing Urban Rating Area maps)** • **within Warkworth.**	Increases equity. Land in areas proposed for inclusion in the Urban Rating Area benefit from similar levels of general rates funded services as nearby properties that pay urban rates. These properties should pay the same rates as similar properties currently within the Urban Rating Area. Aligns the Urban Rating Area with the Unitary Plan. Exclusion of Warkworth recognises lower service levels and distance from current Urban Rating Area. Urban Rating Area automatically captures new growth areas (outside of Warkworth) as they are re-zoned for urban development.	$1.9m in additional rates Increase in value based general rate of 11 per cent on top of the average rates change for 7,460 ratepayers	Reduces our debt requirement by $1.9m Increased ability to borrow by around $5.1m in 2021/22	Additional investment available to increase levels of service or invest in growth related infrastructure.
Option Two: The Urban rating Area includes all land within the Rural Urban Boundary as identified in the Unitary Plan, excluding any land that is: • **zoned Future Urban (with the exception of the land in the Hall's Farm and Ockleston**	Increases equity. Land in areas proposed for inclusion in the Urban Rating Area benefit from receive similar levels of general rates funded services as nearby properties that pay urban rates. These properties should pay the same rates as similar properties	$1.2m in additional rates Increase in value based general rate of 11 per cent on top of the average rates change for 4,070 ratepayers	Reduces our debt requirement by $1.2m Increased ability to borrow by around $3.24m in 2021/22	Additional investment available to increase levels of service or invest in growth related infrastructure.

Landing Urban Rating Area maps) • **within Warkworth,** Huapai, Kumeū and Riverhead and land that is Future Urban Zoned	currently within the Urban Rating Area. Aligns the Urban Rating Area with the Unitary Plan. Exclusion of Warkworth, Huapai/Kumeu and Riverhead townships recognises lower service levels and distance from current Urban Rating Area. Urban Rating Area automatically captures new growth areas (outside of Warkworth, Huapai/Kumeu and Riverhead) as they are re-zoned for urban development.			
Option Three: Status Quo: Retain the existing Urban Rating Area and review the boundary in future	No change for ratepayers. Urban Rating Area will not align with new urban development until a future review and consultation is undertaken.	No impact	No impact	No impact on service levels

Attachment B: Detailed Analysis of Service Levels

Overview

The document provides a detailed look at general rates services in each of the areas considered for inclusion in the Urban Rating Area. It provides:

- maps of change areas
- analysis of properties impacted by proposal and potential total rates change
- analysis of catchments for community facilities at suburb level.

Areas covered in the analysis are:

Area	Local Boards	Page in this document
Pine Valley/Dairy Flat	Rodney/Hibiscus and Bays	459
Kumeū	Rodney	463
Riverhead	Rodney	465
Northwest	Rodney, Henderson-Massey, Upper Harbour, Waitākere	467
Manukau	Māngere-Ōtāhuhu, Ōtara-Papatoetoe	477
Karaka/Hingaia/Drury	Franklin/Papakura	479
Pukekohe	Franklin	483
Warkworth	Rodney	486
Other	Howick/Upper Harbour	488

Also included is a summary of properties proposed to move from the Urban Rating Area to the Rural Rating Area. This can be found as Attachment D of this section in this document.

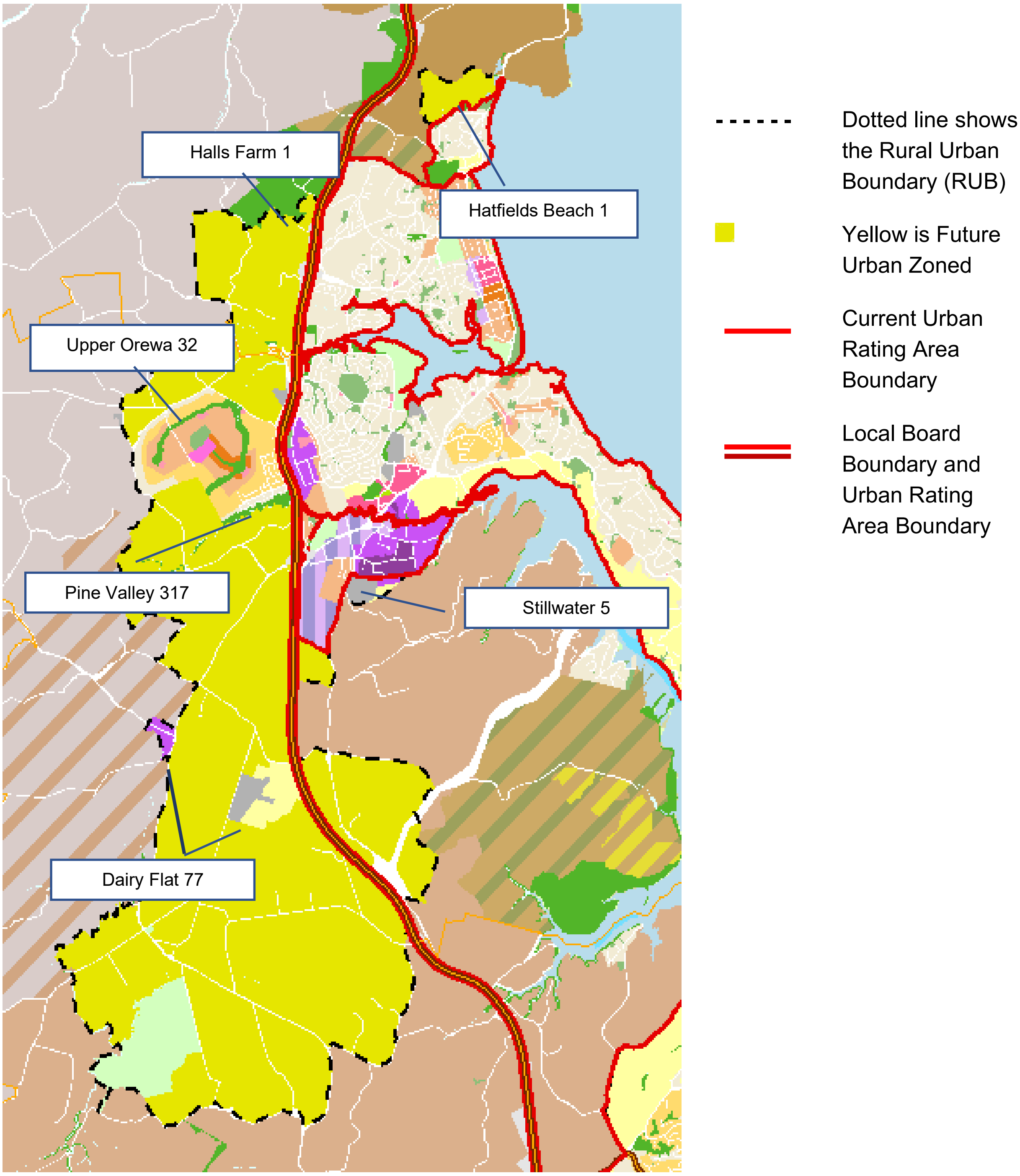
Pine Valley to Dairy Flat

This area is split between the Rodney and Hibiscus and Bays Local Boards.

Extending Urban Rating Area

There are 432 urban zoned properties that would be affected if Silverdale to Dairy Flat was included in the Urban Rating Area. Of these, six are in Hibiscus and Bays, and 426 in Rodney.

The following map shows the location of live zoned properties proposed for inclusion in the Urban Rating Area.



Hibiscus and Bays Local Board

Extending Urban Rating Area

Extending the URA will only affect a small number of properties right on the boundary of the current urban area.

Suburb	Current Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Hatfields Beach	Rural Residential	1	$1,200,000	$1,200,000	$3,000
Stillwater	Rural Business	3	$746,000	$660,000	$4,000
Stillwater	Rural Residential	2	$7,620,000	$7,485,000	$15,000

The table below shows the rates impact of extending the Urban Rating Area.

Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Rural Business	Urban Business	3	$404	9%
Rural Residential	Urban Residential	3	$1,071	10%

Services in Stillwater and Hatfields Beach

Properties within the proposed change area are immediately adjacent to the current urban rating area. These properties have the same access to services as properties inside the current urban rating area.

Rodney Local Board

Extending Urban Rating Area

Urban zoned properties inside the RUB are located in Dairy Flat, Pine Valley and Upper Orewa.

Pine Valley and Upper Orewa are located across the motorway from Silverdale which is already in the urban rating area. Pine Valley encompasses the Milldale development. Properties in this development pay an additional CIP Milldale Infrastructure Charge of $1,025 per annum to fund the provision of infrastructure to support the development. Residential subdivision/development has not yet started in Upper Orewa.

The Dairy Flat properties are located midway between Pine Valley and Albany. They consist of a business estate (shaded in purple on the map), and the separate Aeropark residential development alongside the North Shore Airfield. These properties were developed under prior planning rules. They are surrounded by Future Urban zoned land so further development in this area is unlikely to occur for some time.

Suburb	Current Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Dairy Flat	Rural Business	15	$2,336,000	$1,261,000	$13,000
Dairy Flat	Rural Residential	58	$1,270,000	$936,000	$3,000
Halls Farm[2]	Rural Residential	1	$60m	$60m	$112,375

[2] Halls Farm has consent for a development of more than 500 lots

Suburb	Current Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Pine Valley	Rural Business	1	$850,000	$850,000	$5,000
Pine Valley	Rural Residential	316	$798,000	$675,000	$3,000
Upper Orewa	Rural Residential	5	$2,496,000	$2,406,000	$5,000

The table below shows the rates impact of extending the Urban Rating Area.

Suburb	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Dairy Flat	Rural Business	Urban Business	15	$1,263	10%
Dairy Flat	Rural Residential	Urban Residential	58	$248	8%
Halls Farm	Rural Residential	Urban Residential	1	$11,728	10%
Pine Valley	Rural Business	Urban Business	1	$460	9%
Pine Valley	Rural Residential	Urban Residential	316	$156	5%
Upper Orewa	Rural Residential	Urban Residential	5	$488	9%

Service centres at Browns Bay and Orewa are approximately a drive of 15 minutes.

Service Levels Pine Valley, Upper Orewa and Dairy Flat

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

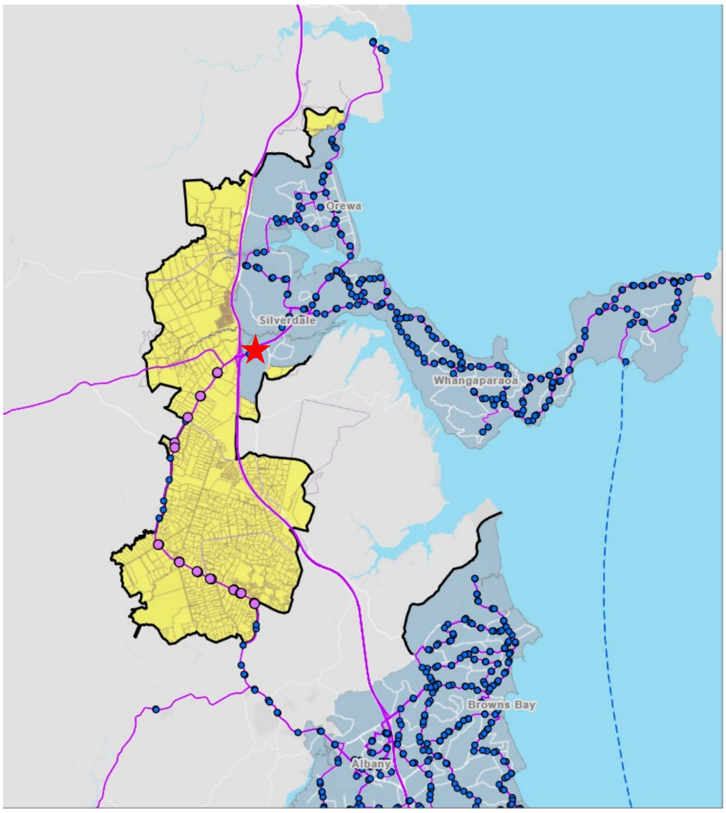
Suburb	Park within 15min Walk	Sports Field within 15min Drive
Dairy Flat (industrial)	0%	100%
Halls Farm	100%	100%
Pine Valley	99%	99%
Upper Orewa	80%	80%

Suburb	Community Centre	Library	Pool	Leisure centre	Arts/ Culture Venue	Bookable Venue
Dairy Flat	100%	100%	0%	0%	100%	100%
Halls Farm	100%	100%	0%	0%	100%	100%

Suburb	Community Centre	Library	Pool	Leisure centre	Arts/ Culture Venue	Bookable Venue
Pine Valley	100%	100%	0%	0%	100%	100%
Upper Orewa	100%	100%	0%	0%	100%	100%

The nearest leisure centre and pool is the Stanmore Bay Leisure Centre and Pool, which is approximately 17 minutes' drive from Dairy Flat, 18 minutes from Halls Farm, and 20 minutes from Pine Valley.

Public Transport Pine Valley, Upper Orewa and Dairy Flat



Properties in Dairy Flat, Pine Valley and Upper Orewa currently pay the $150 Rodney Local Board Transport Targeted Rate to improve public transport services in Rodney.

Both areas are within 5km of the Hibiscus Coast Bus Station for the Northern Express. On week days, the business park in Dairy Flat is serviced by a 2 hourly bus between Hibiscus Coast Bus Station and Albany Station. There are currently no direct services to Pine Valley.

Future improvements to public transport services are planned in the area, subject to funding approval.

The map left shows the bus routes in pink and stops as follows:

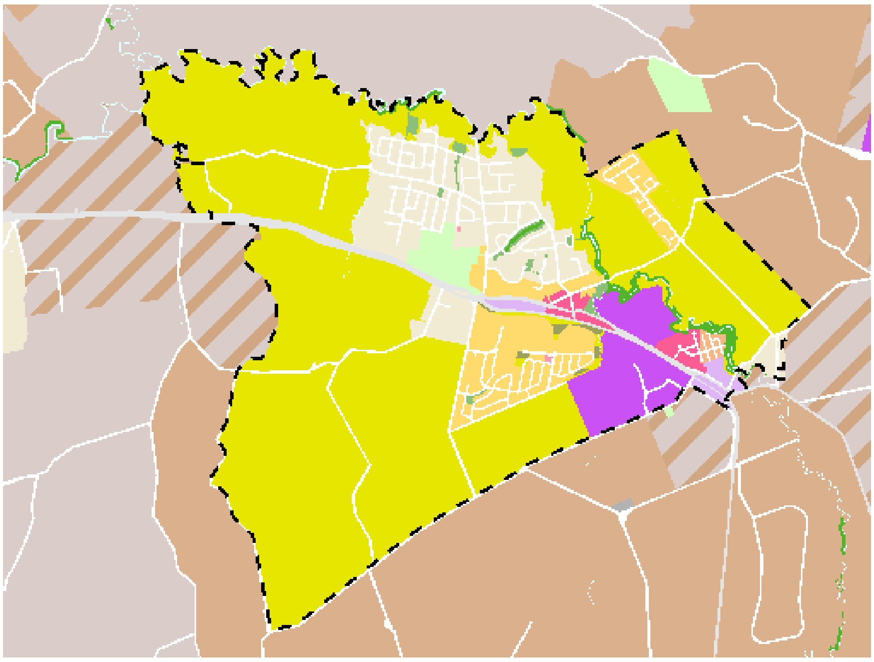
★ Hibiscus Coast Bus Station

● Stations outside the change area

● Stations inside the change area

Huapai/Kumeū

Local Board: Rodney



Dotted line shows the Rural Urban Boundary (RUB)

Yellow is Future Urban Zoned

Extending Urban Rating Area

The existing townships of Huapai and Kumeū are located within the RUB. Urban zoned properties within these townships total 2,244.

Suburb	Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Huapai	Rural Business	55	$1,680,000	$1,091,000	$11,068
Huapai	Rural Residential	1913	$664,000	$374,000	$2,556
Kumeū	Rural Business	174	$1,379,000	$907,000	$9,206
Kumeū	Rural Residential	102	$618,000	$378,000	$2,365

The table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB.

Suburb	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Huapai	Rural Business	Urban Business	55	$970	9%
Huapai	Rural Residential	Urban Residential	1913	$189	7%
Kumeū	Rural Business	Urban Business	174	$822	9%
Kumeū	Rural Residential	Urban Residential	102	$172	7%

Service Levels

The table below shows the proportion of urban zoned properties In the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

70 per cent of Kumeū properties are business zoned. Of the residential zoned land in Kumeū, 85 per cent is within a 15-minute walk of a park. The remaining residential land is part of a new development (Kumeū Central) that will include new local park land.

Suburb	Park within 15min Walk	Sports Field within 15min Drive
Huapai	92%	98%
Kumeū	75%	100%

Suburb	Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
Huapai	100%	100%	0%	0%	100%	100%
Kumeū	100%	100%	0%	10%	100%	100%

The nearest pool is at Albany, a drive of approximately 30 minutes. The nearest leisure centre is Massey, a drive of approximately 20 minutes. The nearest arts facility is the Kumeū Arts Centre.

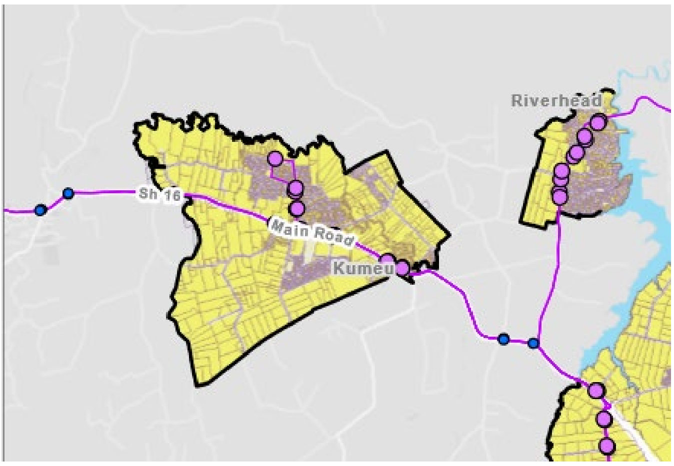
A council service centres is located in Huapai.

Public Transport Huapai and Kumeū

Properties in Huapai and Kumeū pay the $150 Rodney Local Board Transport Targeted Rate to improve public transport in Rodney.

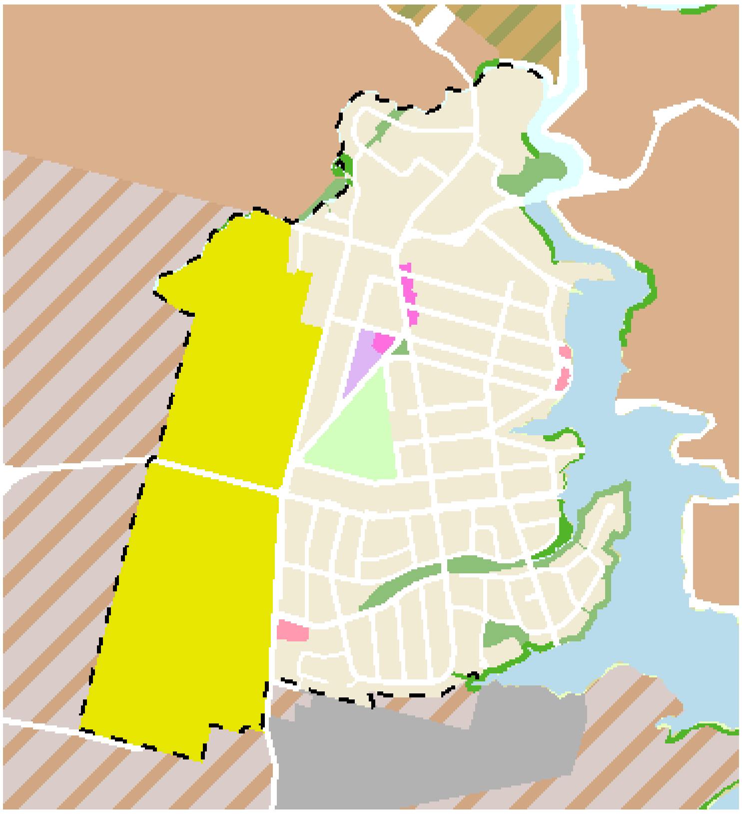
There are two bus routes (122 and 125) from Huapai and Kumeū to Westgate. Both routes run every two hours until 5.00pm or 7.30 pm. A half hourly service runs at peak times.

Future improvements to public transport services are planned in the area, subject to funding approval. The map below shows the bus route and stops in pink. Bus stops outside the change area are shown as blue circles.



Riverhead

Local Board: Rodney



Dotted line shows the Rural Urban Boundary (RUB)

Yellow is Future Urban Zoned

Extending Urban Rating Area Riverhead

There are 1,140 urban zoned rural properties that would be affected if Riverhead was included in the Urban Rating Area.

Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Rural Business	11	$1,122,000	$750,000	$9,361
Rural Medium Occupancy	1	$425,000	$235,000	$1,852
Rural Residential	1128	$979,000	$552,000	$2,792

The table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB in Riverhead.

Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Rural Business	Urban Business	11	$865	9%
Rural Medium Occupancy	Urban Medium Occupancy	1	$120	6%

Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Rural Residential	Urban Residential	1128	$214	8%

Service Levels Riverhead

The tables below show the proportion of live zoned properties In the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

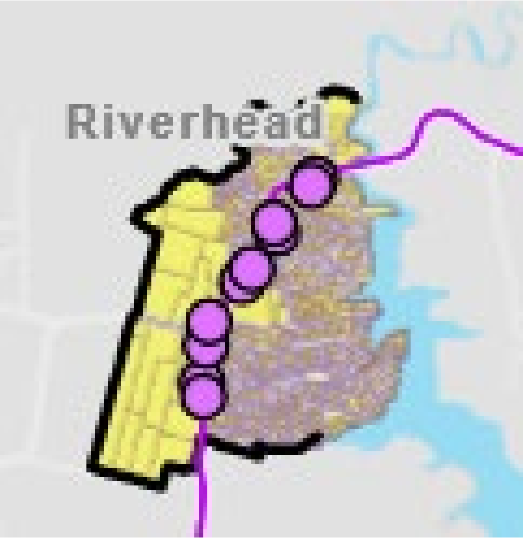
Park within 15min Walk	Sports Field within 15min Drive
99%	99%

Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
100%	100%	0%	100%	100%	100%

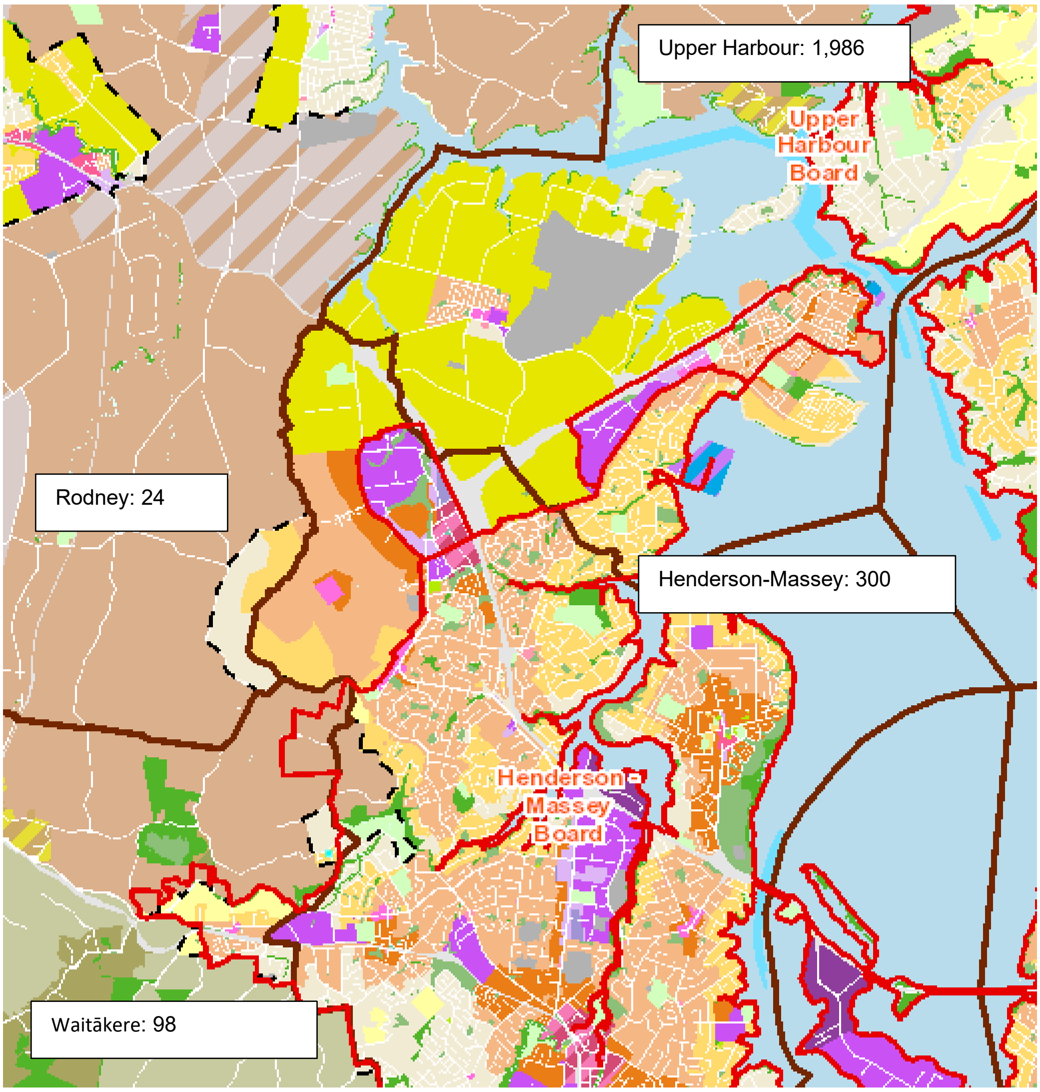
The nearest pool is Albany Stadium Pool or West Wave Pool and Leisure Centre in Henderson both of which are approximately a 20 minute drive. The nearest council service centre is in Huapai, around a 10 minute drive.

Public Transport Riverhead

Properties in Riverhead pay the $150 Rodney Local Board Transport Targeted Rate to improve public transport in Rodney. The hourly bus service between Westgate and Albany via Riverhead is funded through the Rodney Local Board Transport Targeted Rate. The map below shows the bus route and stops in pink.



North-west



- - - - - - Dotted line shows the Rural Urban Boundary (RUB)

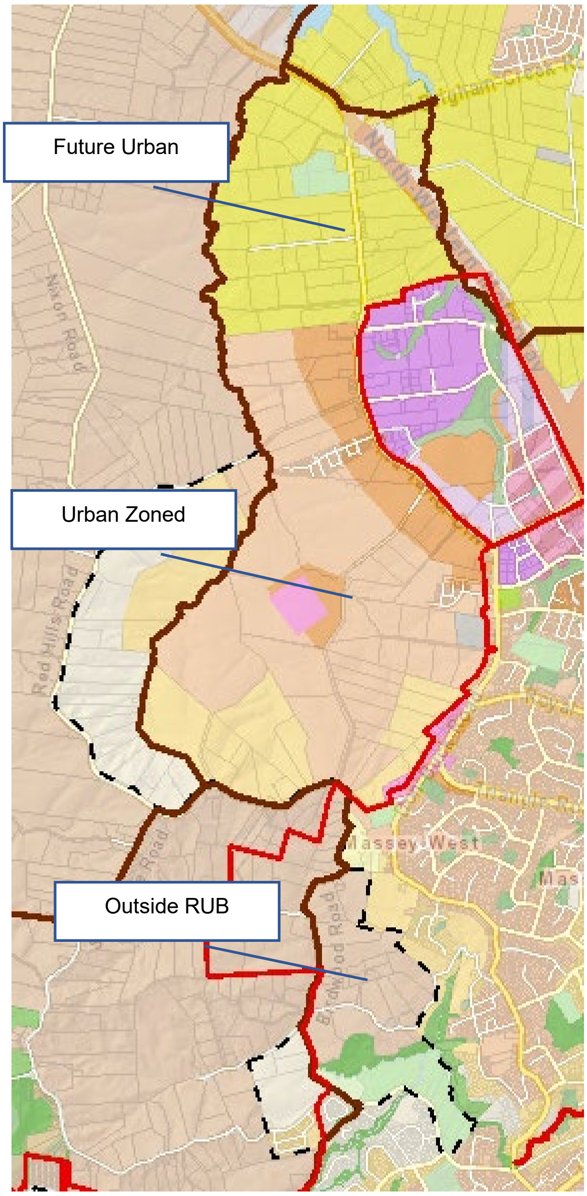
Yellow is Future Urban Zoned

Current Urban Rating Area Boundary

Local Board Boundary and Urban Rating Area Boundary

The North-West covers four board areas: Henderson-Massey, Rodney, Upper Harbour and Waitākere Ranges.

Henderson-Massey Local Board: Westgate/Red Hills/Massey



There are 300 live zoned properties in the Westgate/Red Hills/Massey area currently outside the Urban Rating Area so are rated rural. Under the proposal these properties would be urban rated.

There are two developments underway in this area, the Redhills Green Subdivision and the West Hills Subdivision. There are currently infrastructure constraints that limit development of the live zoned land outside of that which has already been consented. We are working through options for infrastructure funding for this area.

14 properties around Birdwood Road are currently rated as urban but are outside the RUB. Under the proposal these properties would be rural rated.

Extending Urban Rating Area Westgate/Red Hills/Massey

There are 300 urban zoned rural properties that would be affected if this area was included in the Urban Rating Area

Current rates differentials	Proposed rates differentials	Number properties	Average CV	Average LV	Average total rates
Rural Business	Urban Business	12	$482,000	$404,000	$2,969
Rural Residential	Urban Residential	288	$1,750,000	$1,651,000	$3,791

Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Rural Business	Urban Business	12	$267	9%
Rural Residential	Urban Residential	288	$341	9%

Service Levels Westgate/Red Hills/Massey

The new developments in Redhills both include plans for new neighbourhood parks.

The majority of the area is just outside the catchments for pools (the nearest the West Wave Pool and Leisure Centre at Henderson) and arts venues (Corban Estate Art Centre in Henderson) are a 16 min drive.

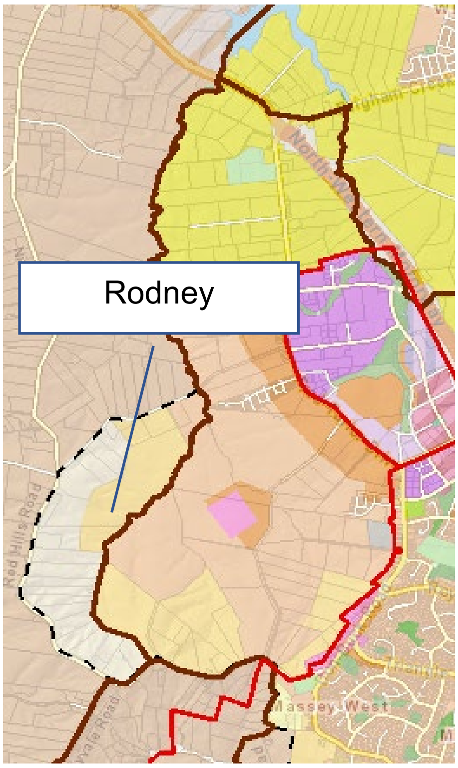
The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

Suburb	Park within 15min Walk	Sports Field within 15min Drive
Westgate/Massey	4%	100%

Suburb	Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
Westgate/Massey	100%	100%	7%	100%	7%	100%

A council service centre is located at Westgate, a drive of less than 10 minutes.

Rodney Local Board



There are 23 urban zoned rural rated properties in Rodney in the Taupaki/Red Hills area. These properties would be urban rated under the proposal.

There are currently infrastructure constraints that limit development in this area. We are working through options for infrastructure funding for this area.

Extending Urban Rating Area Taupaki/Red Hills

There are 23 urban zoned rural properties that would be affected if this area was included in the Urban Rating Area

Current Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Rural Business	1	$170,000	$160,000	$2,174
Rural Medium Occupancy	1	$1,014,000	$813,000	$2,739
Rural Residential	21	$482,000	$404,000	$2,969

The table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB.

Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Rural Business	Urban Business	1	$24	3%
Rural Medium Occupancy	Urban Medium Occupancy	1	$1,071	10%
Rural Residential	Urban Residential	21	$1,302	10%

Service Levels Taupaki/Red Hills

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

Park within 15min Walk	Sports Field within 15min Drive
0%	100%

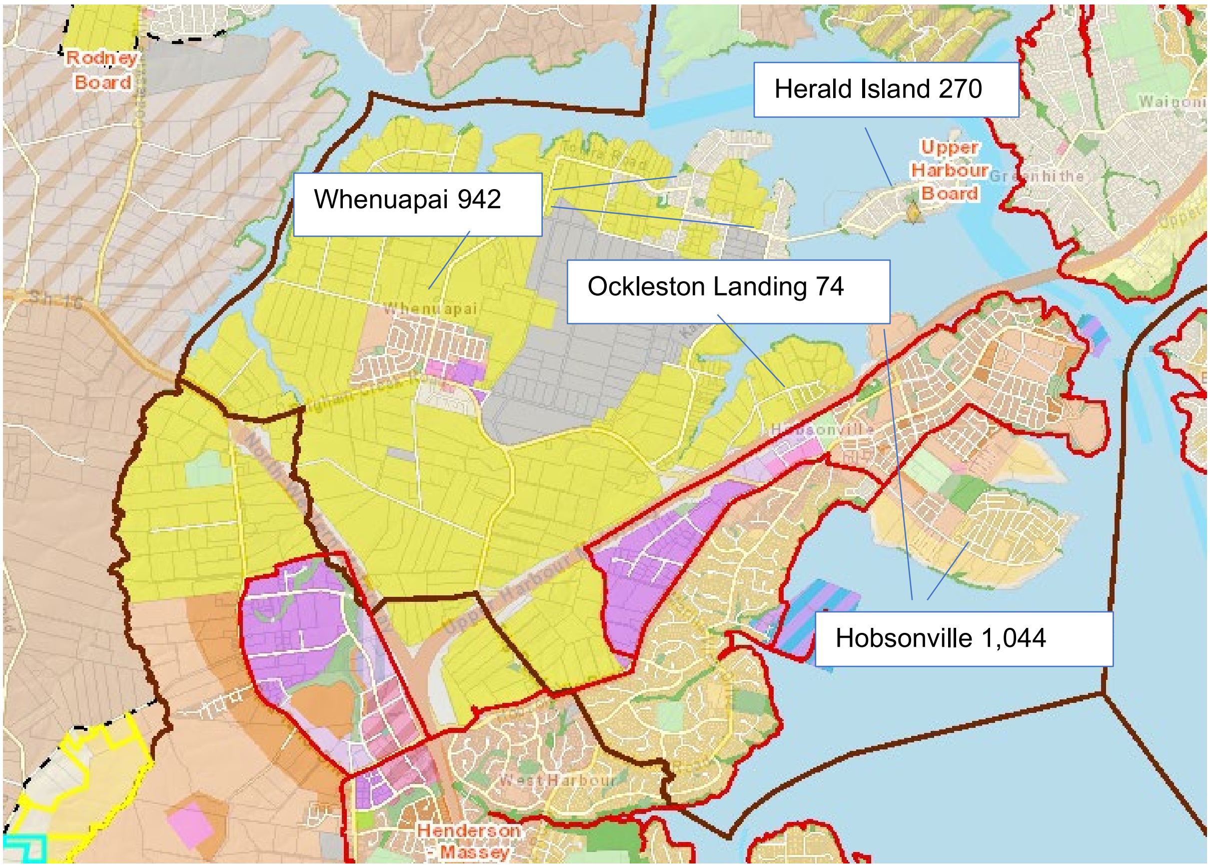
Henry James and Kumeū Reserves are a drive of approximately five minutes.

Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
100%	100%	0%	100%	4%	100%

These properties are an average 17 minute drive from West Wave Pool and Leisure Centre and the Corban Estate Art Centre.

Council service centres are located at Helensville, Westgate and Henderson which are approximately 25 minutes' drive away.

Upper Harbour Local Board



Extending Urban Rating Area Herald Island, Hobsonville, Whenuapai

There are 2,256 urban zoned rural properties that would be affected if Herald Island, Hobsonville Point and Whenuapai were included in the Urban Rating Area.

Suburb	Current Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Herald Island	Rural Business	4	$310,000	$279,000	$2,147
Herald Island	Rural Residential	265	$1,235,000	$896,000	$2,925
Hobsonville	Rural Business	2	$35,000	$35,000	$616
Hobsonville	Rural Residential	1042	$1,358,000	$951,000	$3,196
Ockleston Landing	Rural Residential	74	$846,892	$576,081	$2,095
Whenuapai	Rural Business	14	$3,258,000	$2,911,000	$18,969
Whenuapai	Rural Residential	928	$1,035,000	$667,000	$2,627

The table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB.

Suburb	Current Rates differential	Proposed Rates differential	Number properties	Average Rates Change ($)	Average Total Rates Change (%)
Herald Island	Rural Business	Urban Business	4	$168	8%
Herald Island	Rural Residential	Urban Residential	265	$241	8%
Hobsonville	Rural Business	Urban Business	2	$19	3%
Hobsonville	Rural Residential	Urban Residential	1,042	$265	8%
Ockleston Landing	Rural Residential	Urban Residential	74	$166	8%
Whenuapai	Rural Business	Urban Business	14	$1,897	10%
Whenuapai	Rural Residential	Urban Residential	928	$201	8%

Service Levels Herald Island, Hobsonville, Whenuapai

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

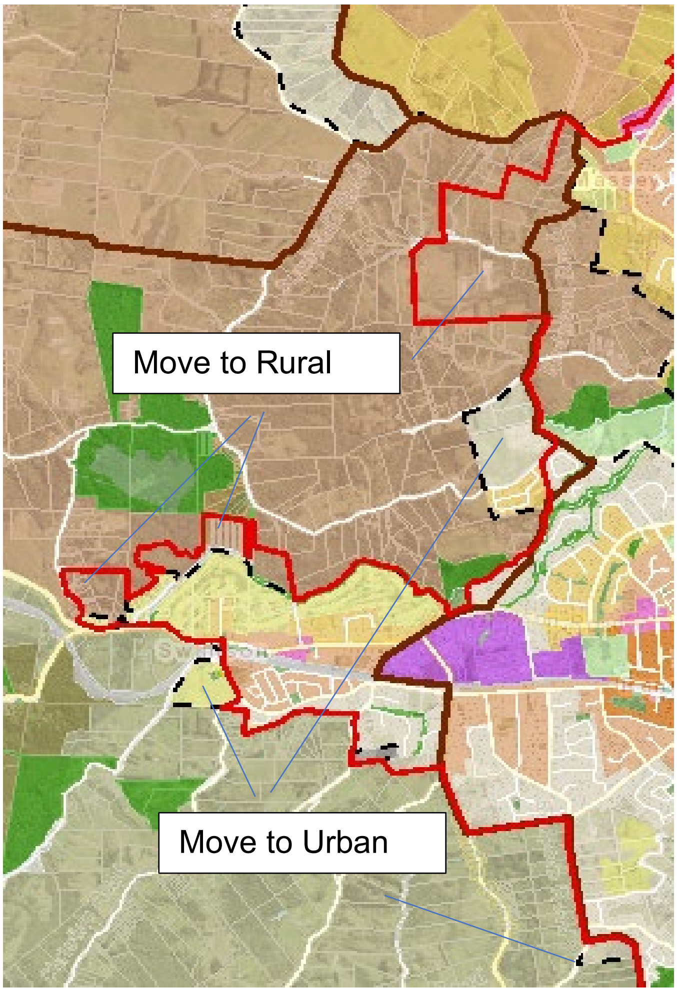
Suburb	Park within 15min walk	Sports Field within 15min drive
Herald Island	99%	100%
Hobsonville	97%	100%
Ockleston Landing	100%	100%
Whenuapai	98%	100%

Suburb	Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
Herald Island	100%	100%	0%	100%	100%	100%
Hobsonville	100%	100%	0%	100%	100%	100%
Ockleston Landing	100%	100%	0%	100%	100%	100%
Whenuapai	100%	100%	0%	100%	100%	100%

The nearest Arts and Culture venue is the Old Post Office Museum on Herald Island. These properties are also approximately 20 minutes away from the closest pools in Glenfield and Henderson.

A council service centre is located at Westgate, which is a drive of approximately 10 minutes.

Waitākere Local Board



Dotted line shows the Rural Urban Boundary (RUB)

Yellow is Future Urban Zoned

Current Urban Rating Area Boundary

Local Board Boundary and Urban Rating Area Boundary

Extending Urban Rating Area Glen Eden, Henderson and Swanson

In this proposal, the boundaries in the Waitākere Ranges Local Board area are realigned to reflect the changes in the former Metropolitan Urban Limit and the RUB. Ninety-eight rural properties would become urban, and 20 urban properties would become rural. The properties proposed to become rural were within the Metropolitan Urban Limit but are now outside the Rural Urban Boundary. See Attachment D of this section for more details of properties proposed to become rural.

Suburb	Current Rates Differential	Proposed Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Glen Eden	Rural Residential	Urban Residential	1	$990,000	$920,000	$2,283
Henderson	Rural Residential	Urban Residential	4	$730,000	$425,000	$2,031

Suburb	Current Rates Differential	Proposed Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Swanson	Rural Residential	Urban Residential	93	$819,000	$647,000	$2,021

The table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB.

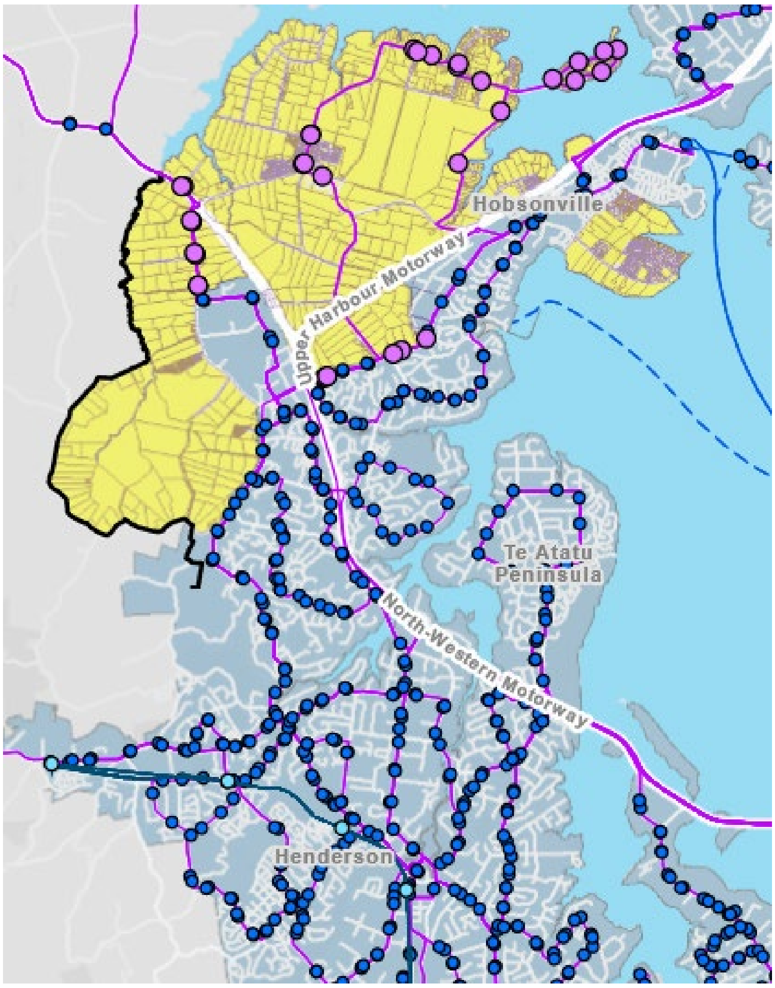
Suburb	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Glen Eden	Rural Residential	Urban Residential	1	$194	8%
Henderson	Rural Residential	Urban Residential	4	$143	7%
Swanson	Rural Residential	Urban Residential	93	$160	8%

Service Levels Glen Eden, Henderson and Swanson

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
100%	100%	96%	100%	98%	100%

Public Transport across the North-West area



The map to the left shows the bus route and stops in pink. Bus stops outside the proposed change area are shown as blue circles. Train lines are in dark blue, with light blue circles for train stations. Ferry routes are in blue.

Properties in Rodney Local Board (Taupaki and Red Hills) pay the $150 Rodney Local Board Transport Targeted Rate to improve public transport services in Rodney.

Whenuapai bus services to Westgate are hourly whereas services from Hobsonville and Red Hills to Westgate are half hourly.

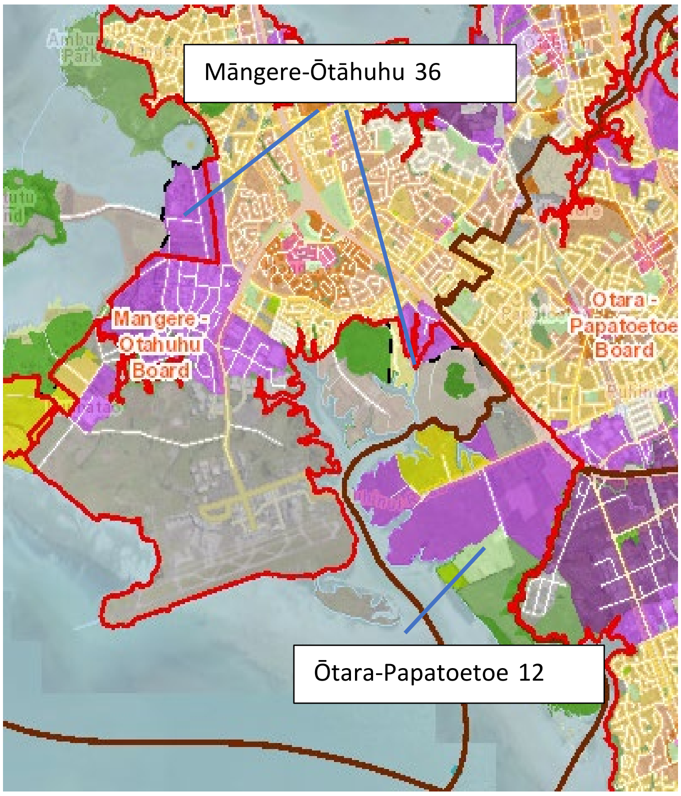
Local bus services and services to Huapai in the west and the city centre are available at Westgate.

A half hourly service from Hobsonville to Henderson and Albany is also available. The Red Hills area has an express service to the city at peak times.

There is no direct bus service to Taupaki, however services are available from Waitākere Township, a 6 minute drive away.

Future improvements to public transport services are planned in the area, subject to funding approval.

Manukau



Dotted line shows the Rural Urban Boundary (RUB)

Yellow is Future Urban Zoned

Current Urban Rating Area Boundary

Local Board Boundary and Urban Rating Area Boundary

Extending Urban Rating Area

There are 51 urban zoned rural properties that would be affected if Manukau was included in the Urban Rating Area

Local Board Area	Current Rates Differential	Proposed Rates Differential	Number Properties	Average CV	Average LV	Average Total Rates
Māngere-Ōtāhuhu	Rural Business	Urban Business	17	$903,000	$551,000	$2,426
Māngere-Ōtāhuhu	Rural Residential	Urban Residential	19	$990,000	$920,000	$2,283
Ōtara-Papatoetoe	Rural Business	Urban Business	8	$730,000	$425,000	$2,031
Ōtara-Papatoetoe	Rural Residential	Urban Residential	4	$819,000	$647,000	$2,021

The table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB.

Local Board Area	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Māngere-Ōtāhuhu	Rural Business	Urban Business	17	$4,543	11%
Māngere-Ōtāhuhu	Rural Residential	Urban Residential	19	$230	8%

Local Board Area	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Ōtara-Papatoetoe	Rural Business	Urban Business	8	$8,616	11%
Ōtara-Papatoetoe	Rural Residential	Urban Residential	4	$833	9%

Service Levels

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

Suburb	Park within 15min Walk	Sports Field within 15min Drive
Māngere-Ōtāhuhu	100%	100%
Ōtara-Papatoetoe	100%	100%

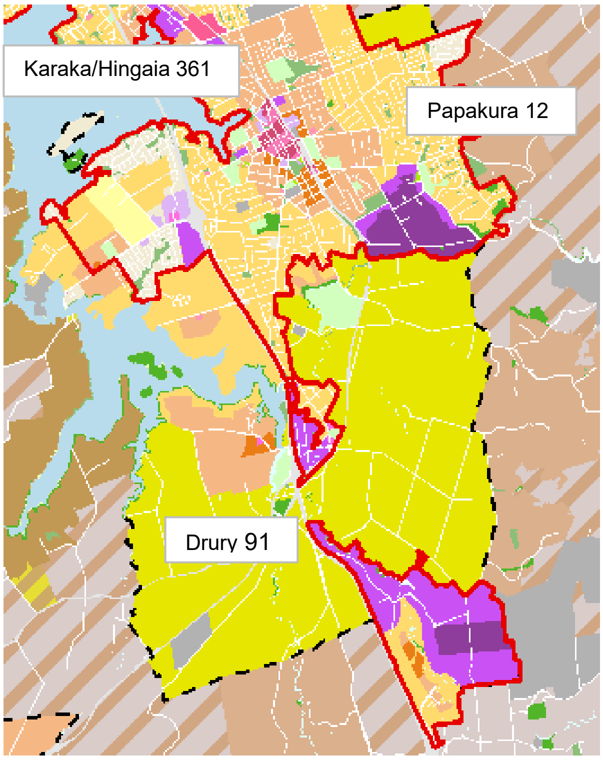
Suburb	Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire
Māngere-Ōtāhuhu	100%	100%	100%	100%	100%	100%
Ōtara-Papatoetoe	100%	100%	100%	100%	100%	100%

A council service centre is located in Manukau. The Arts/Culture facility is the Mangere Arts Centre.

Public transport

. Train stations are at Bader Drive, Māngere-, Station Rd, Papatoetoe or Puhinui. A bus service runs between the airport and Puhinui station.

Karaka/Hingaia/Drury



The image shows the unitary plan map for Hingaia/Drury

Dotted line shows the Rural Urban Boundary (RUB)

Yellow is Future Urban Zoned

Current Urban Rating Area Boundary

Local Board Boundary and Urban Rating Area Boundary

Extending Urban Rating Area

There are 519 urban zoned rural properties that would be affected if Hingaia/Drury was included in the Urban Rating Area

417 of these urban zoned properties are in the Papakura Local Board area. To the south and east, 102 properties fall within the Franklin Local Board area. The Hingaia area includes a private school (ACG Strathallan School) on 14.5 hectares.

Local Board	Suburb	Current Rates Differential	Number Properties	Average CV ($)	Average LV ($)	Average Total Rates ($)
Franklin	Drury	Rural Business	6	$2,623,000	$2,559,000	$13,829
Franklin	Drury	Rural Residential	79	$2,332,000	$2,179,000	$4,983
Franklin	Hingaia	Rural Residential	17	$935,000	$571,000	$2,317
Papakura	Drury	Rural Business	2	$500,000	$500,000	$2,964
Papakura	Drury	Rural Residential	4	$4,955,000	$4,918,000	$9,671
Papakura	Hingaia	Rural Business	3	$22,593,000	$11,792,000	$115,035
Papakura	Hingaia	Rural Medium Occupancy	1	$10,070,000	$9,420,000	$27,282
Papakura	Hingaia	Rural Residential	340	$2,084,000	$1,854,000	$4,451

Local Board	Suburb	Current Rates Differential	Number Properties	Average CV ($)	Average LV ($)	Average Total Rates ($)
Papakura	Karaka	Rural Residential	63	$560,000	$494,000	$1,512
Papakura	Papakura	Rural Residential	4	$8,170,000	$8,170,000	$15,661

The following table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB in Hingaia/Drury

Local Board	Area	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Franklin	Drury	Rural Business	Urban Business	6	$1,418	10%
Franklin	Drury	Rural Residential	Urban Residential	79	$457	9%
Franklin	Hingaia	Rural Residential	Urban Residential	17	$183	8%
Papakura	Drury	Rural Business	Urban Business	2	$270	9%
Papakura	Drury	Rural Residential	Urban Residential	4	$969	10%
Papakura	Hingaia	Rural Business	Urban Business	3	$12,262	11%
Papakura	Hingaia	Rural Medium Occupancy	Urban Medium Occupancy	1	$2,838	10%
Papakura	Hingaia	Rural Residential	Urban Residential	340	$407	9%
Papakura	Karaka	Rural Residential	Urban Residential	63	$109	7%
Papakura	Papakura	Rural Residential	Urban Residential	4	$1,597	10%

Services levels

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

Suburb	Park within 15min walk	Sports fields within 15min drive
Hingaia	70%	91%
Drury	14%	100%
Karaka	84%	92%
Papakura	25%	100%

Suburb	Community Centre	Regional Library	Pool	Leisure Centre	Arts/Culture Venue	Venue for hire - drive
Hingaia	0%	85%	100%	100%	100%	100%
Karaka	0%	43%	100%	100%	100%	100%
Papakura	0%	100%	100%	100%	100%	100%

There is a rural library in Drury. Rural libraries are run by volunteers and have their own membership and borrowing and returning systems which are separate to Auckland Libraries membership. We support rural libraries through grants, bulk loans, professional advice to volunteers, and book buying. Some of our community libraries help them out with regular events for young children.

A council service centre is located in Papakura town centre. There are five Arts and Culture Venues located in Papakura: Hawkins Theatre, Papakura Art Gallery, Papakura Museum, the Old Jail House and the Central Park Stage.

Public transport: Hingaia

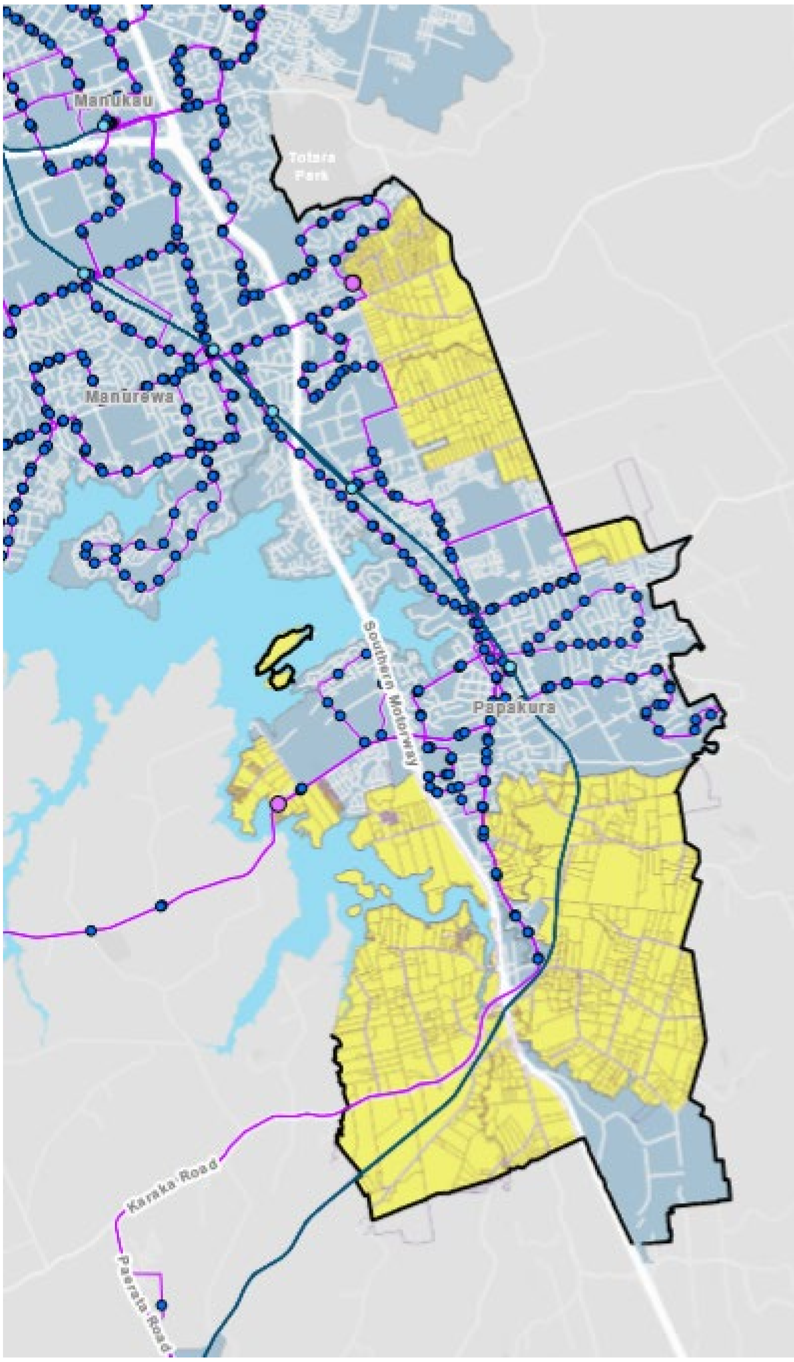
Bus routes from Papakura to Takanini, Manurewa and Manukau are available from the town centre. Eastern Hingaia and Karaka Lakes are serviced by a bus route to the Papakura town centre.

A train service runs from Papakura to Britomart and Pukekohe. Park and ride facilities are available at the Papakura train station.

Future improvements to public transport services are being considered in the area, subject to funding approval.

Public transport: Drury

Drury has an hourly bus service to Papakura, where bus and train services are available. Services increase to half hourly at peak hours.



The map to the left shows the bus route and stops in pink and blue. Train lines are in dark blue, with light blue circles for train stations.

Pukekohe

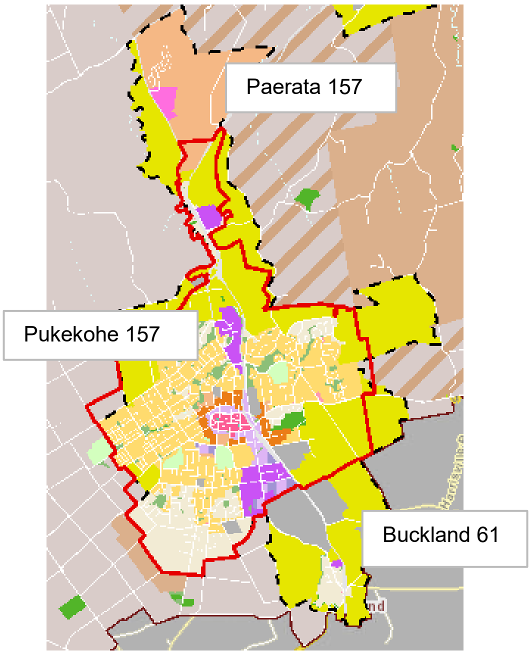
Franklin Local Board

The image shows the unitary plan map for Pukekohe

- - - - - - Dotted line shows the Rural Urban Boundary (RUB)

Current Urban Rating Area Boundary

Yellow is Future Urban Zoned



Extending Urban Rating Area

There are 383 urban zoned rural properties that would be affected if Pukekohe was included in the Urban Rating Area

Suburb	Rates Differential	Number Properties	Average CV	Average LV	Average Total rates
Buckland	Rural Business	4			$16,081
Buckland	Rural Residential	57			$1,921
Paerata	Rural Business	4			$27,502
Paerata	Rural Residential	153			$1,640
Papakura	Rural Business	1			$8,231
Papakura	Rural Residential	7			$2,789
Pukekohe	Rural Business	3			$10,428
Pukekohe	Rural Residential	154			$2,158

Table below shows the effect of extending the current Urban Rating Area to include all urban zoned land in the RUB in Pukekohe.

Area	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Buckland	Rural Business	Urban Business	4	$1,648	10%
Buckland	Rural Residential	Urban Residential	57	$141	7%
Paerata	Rural Business	Urban Business	4	$2,840	10%

Area	Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Paerata	Rural Residential	Urban Residential	153	$112	7%
Papakura	Rural Business	Urban Business	1	$757	9%
Papakura	Rural Residential	Urban Residential	7	$229	8%
Pukekohe	Rural Business	Urban Business	3	$892	9%
Pukekohe	Rural Residential	Urban Residential	154	$164	8%

Services levels

The tables below show the proportion of urban zoned properties in the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

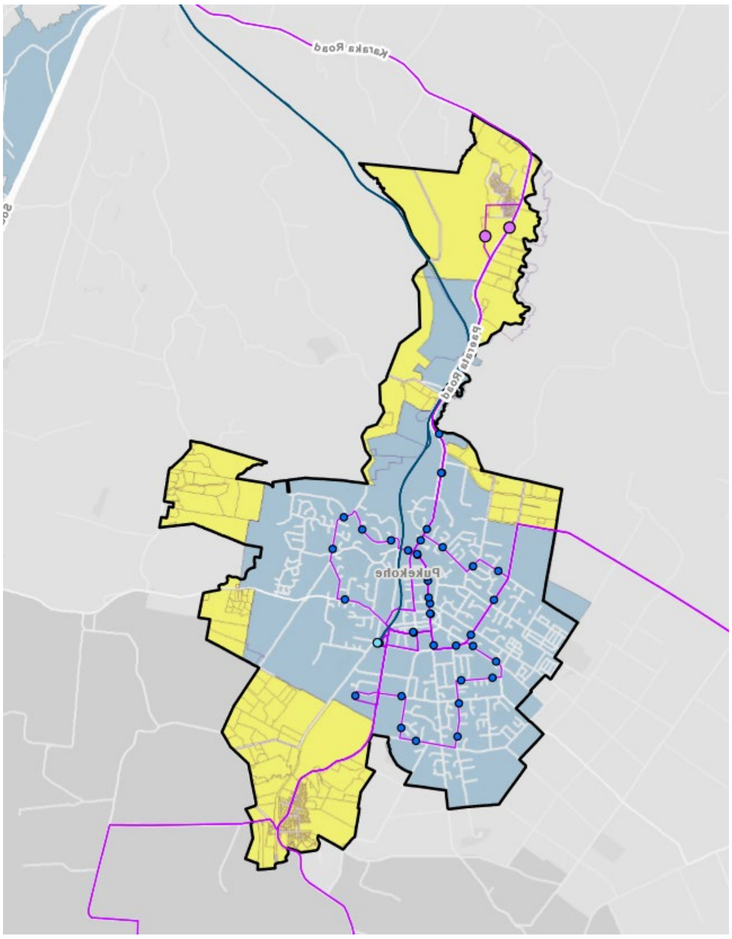
Suburb	Park within 15min walk	Sports fields within 15min drive
Buckland	97%	100%
Pukekohe	82%	100%
Paerata	0%	100%
Papakura	0%	100%

Suburb	Community Centre	Regional library	Pool	Leisure Centre	Arts/Culture Venue	Venues for hire
Buckland		100%	100%	100%	100%	100%
Pukekohe	0%	100%	100%	100%	99%	100%
Paerata	0%	100%	100%	100%	96%	100%
Papakura	0%	100%	100%	100%	100%	100%

A council service centre is located in Pukekohe town centre. The Arts and Culture Venue is the Franklin Arts Centre.

Public transport

The map below shows the bus routes and stops in pink. Train lines are in dark blue, a light blue circle marks the train station.

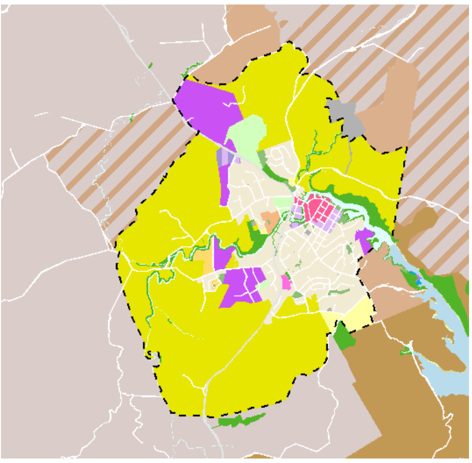


The Pukekohe town centre is serviced by both trains to the City Centre, park and ride facilities and local bus routes, however, the Buckland areas does not have access to direct bus or train services. A service from Pukekohe town centre to Wesley College via Paerata runs hourly on weekdays and every 2 hours on weekends.

Warkworth

Rodney Local Board

The image shows the unitary plan map for Warkworth



- - - - - - Dotted line shows the Rural Urban Boundary (RUB)

Yellow is Future Urban Zoned

Extending Urban Rating Area

Warkworth is not proposed to be included in the Urban Rating Area at this stage. Information is provided for comparison to areas proposed to be included. There are 2,397 urban zoned rural business and rural residential properties in Warkworth.

Rates Differential	Number Properties	Average CV	Average LV	Average Total rates
Rural Business	285	1,512,000	716,000	$9,333
Rural Moderate Occupancy	1	190,000	70,000	$1,379
Rural Residential	2109	767,000	382,000	$2,284

The table below shows the impact on rates if Warkworth was included in the Urban Rating Area.

Current Rates Differential	Proposed Rates Differential	Number Properties	Average Rates Change ($)	Average Total Rates Change (%)
Rural Business	Urban Business	285	$815	8.8%
Rural Moderate Occupancy	Urban Moderate Occupancy	1	$70	5.1%
Rural Residential	Urban Residential	2,109	$150	6.6%

Services levels

The tables below show the proportion of urban zoned properties In the RUB that are within the catchment of a council facility. Catchments are based on a 15 minute drive, apart from parks where catchments are within a 15 minute walk.

The tables below show the proportion of properties with access to facilities in the specified catchment.

Area	Park within 15min Walk	Sports Field within 15min Drive
Warkworth	97%	99%

Area	Community Centre	Library	Pool	Leisure centre	Indoor courts	Arts/Culture Venue	Bookable venues
Warkworth	0%	100%	0%	0%	70%	0%*	100%

*The Warkworth Showgrounds is classed by us as a Arts/Culture venue. 99 per cent of Warkworth properties are located within a 15 minute drive of this venue.

A council service centre is located in the Warkworth town centre

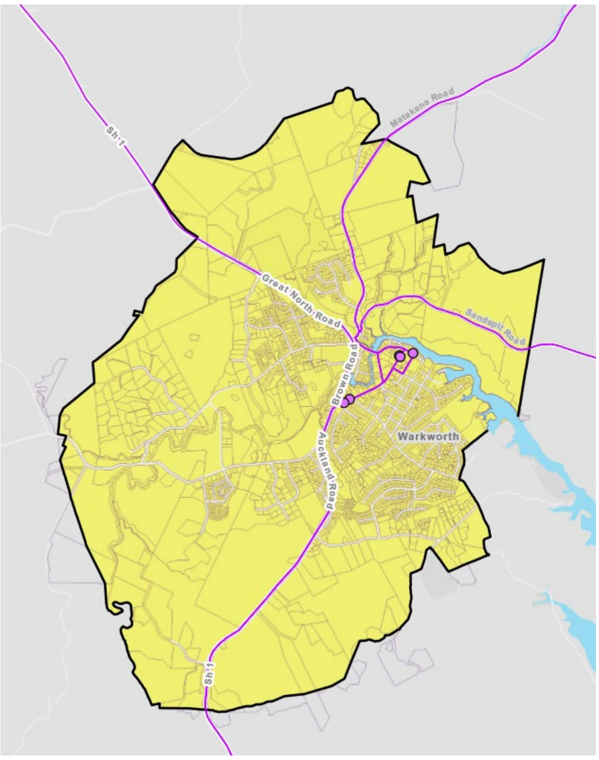
Public Transport

Properties in Warkworth pay the $150 Rodney Local Board Transport Targeted Rate to improve public transport in Rodney. There are bus services to:

- Hibiscus Coast station (Northern Express Way) every 1/2 hour peak, and hourly off peak.
- Algies Bay and Omaha running every two hours
- Wellsford running hourly. This service is funded by the Rodney Local Board Transport Targeted Rate.

In addition to the public bus service there is a private express commuter service that travels direct to the city. This service does not receive council funding.

Future improvements to public transport services are planned in the Warkworth area, subject to funding approval.



The map left shows the bus routes and stops in pink.

Other Areas

There are a further 11 rural properties on the edge of the current urban rating area that will be charged urban rates under the proposal. These properties have the same level of services as their neighbours that are currently within the Urban Rating Area. The table below shows where these properties are located, and the level of rates change they will have under the proposal.

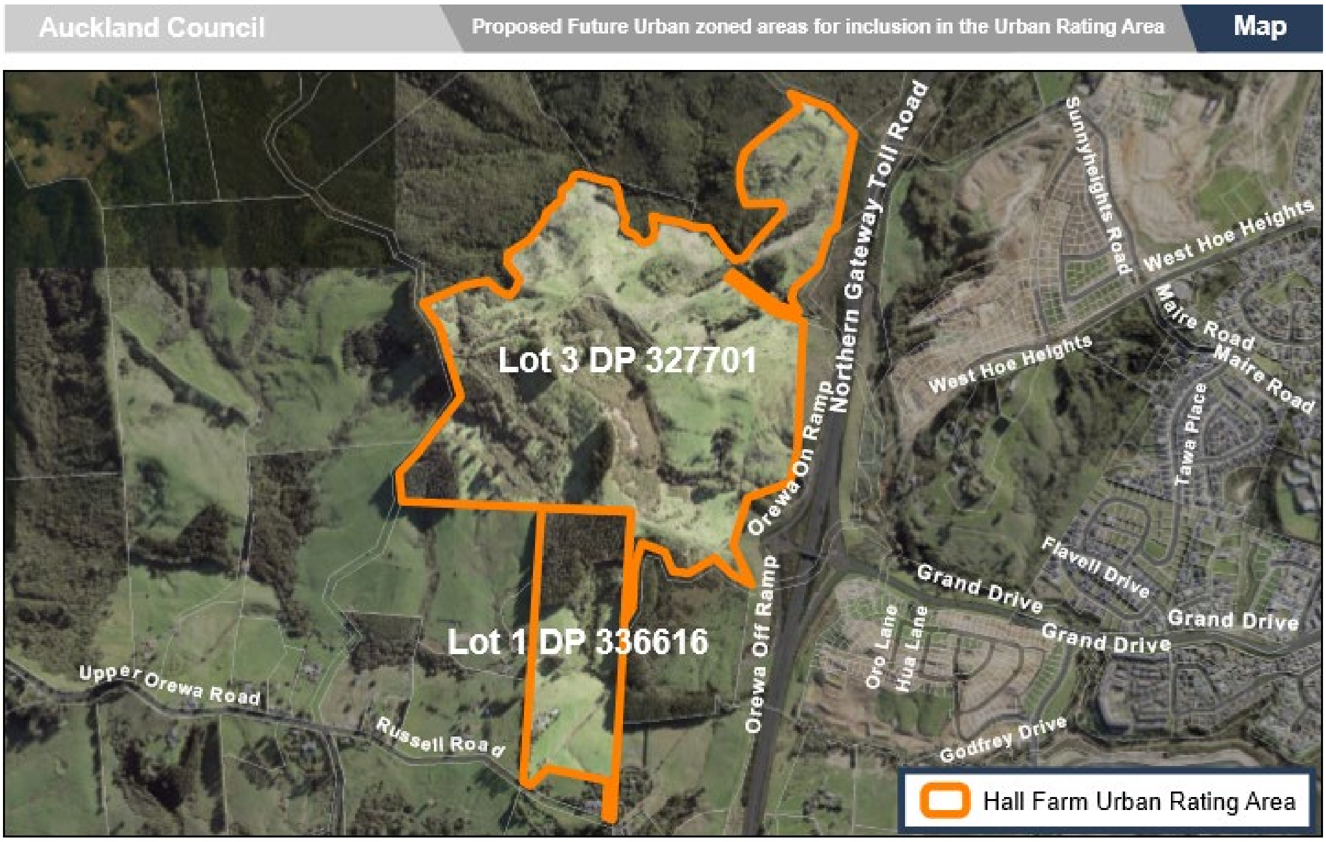
Local Board	Suburb	Number Rating Units	Average Rates Change ($)	Average Total Rates Change (%)
Howick	East Tāmaki Heights	7	$162	7%
Howick	Flat Bush	1	$1,505	10%
Upper Harbour	Albany Heights	3	$226	8%

Properties to become Rural

Under the proposal 140 properties will change from urban to rural rated. These properties are currently inside the Urban Rating Area but are either zoned Future Urban or are now located outside the Rural Urban Boundary (RUB). The following table shows the properties that will become rural by local board.

Local Board	Number Rating Units	Average Rates Change ($)	Average Total Rates Change (%)	Reason for Change
Franklin	1	-$811	-8%	Future Urban Zoned
Papakura	1	-$1,710	-9%	Outside RUB
Māngere-Ōtāhuhu	2	-$490	-8%	Outside RUB
Māngere-Ōtāhuhu	1	-$9,520	-10%	Future Urban Zoned
Henderson-Massey	14	-$196	-7%	Outside RUB
Upper Harbour	3	-$3,705	-9%	Future Urban Zoned
Waitākere Ranges	20	-$180	-7%	Outside RUB
Franklin	4	-$860	-9%	Outside RUB
Howick	52	-$267	-8%	Outside RUB
Upper Harbour	1	-$264	-8%	Outside RUB
Upper Harbour	3	-$195	-7%	Future Urban Zoned
Waitākere Ranges	6	-$245	-8%	Outside RUB
Franklin	4	-$115	-7%	Outside RUB
Franklin	26	-$745	-9%	Future Urban Zoned

Attachment C: Maps of Hall's Farm and Ockleston Landing Urban Developments



Attachment D: List of suburbs affected by proposal

List of areas where properties are proposed to change from rural rates to urban rates.

Suburb	Number Rating Units affected
Albany Heights	3
Buckland	61
Dairy Flat	73
Dome Valley	1
Drury	91
East Tāmaki Heights	7
Flat Bush	1
Glen Eden	1
Hatfields Beach	1
Henderson	4
Herald Island	270
HINGAIA	361
Hobsonville	1118
Huapai	1968
Karaka	63
Kumeu	277
Māngere	22
Māngere Bridge	14
Manukau Central	3
Massey	47
Papakura	4
Papatoetoe	9
Pine Valley	317
Pukekohe	322
Riverhead	1140
Silverdale	31
Stillwater	5
Swanson	93
Taupaki	23
Upper Orewa	6
Warkworth	2394
Westgate	253
Whenuapai	942

List of areas where properties are proposed to change from urban rates to rural rates.

Suburb	Number Rating Units affected
Albany Heights	3
Ardmore	4
Drury	1
East Tāmaki Heights	1
Flat Bush	43
Glen Eden	9
Hobsonville	3
Howick	7
Lucas Heights	1
Māngere	3
Manukau Central	1
Massey	13
Oratia	2
Papakura	1
Pukekohe	30
Swanson	12
Titirangi	4

7.8 Farm and Lifestyle differential in the Urban Rating Area proposal

Under Auckland Council's rating policy, properties with a land use of Rural Industry (farming, market gardens or forestry, but excluding mineral extraction) or Lifestyle are charged the farm and lifestyle general rates differential. These properties pay 80 per cent of the value based general rates paid by a same value urban residential property. We set a lower rates differential for farm and lifestyle use properties because on average these properties have historically had less access to our services than other categories of land. This is because farm and lifestyle properties are predominately located in the rural parts of Auckland.

What we are proposing

We are proposing to remove the farm and lifestyle differential from the Urban Rating Area. Currently, properties across Auckland that have a land use of lifestyle or rural industry that includes farming, market gardens or forestry activities, are charged the farm lifestyle rates differential. This means these properties pay 80 per cent of the general rate charged to urban residential properties.

Under this proposal, properties in the Urban Rating Area currently charged the farm and lifestyle differential will instead be rated as urban residential. These properties will have a one-off increase in their general rates of around 25 per cent, on top of our average general rates increase.

We think this proposal is fair because these properties:

- have the same access to our services as their urban rated neighbours
- have access to much higher levels of our services than farm and lifestyle properties in rural areas

Most of these properties have a residential use, and place similar demands on our services to other residential properties. This proposal does not affect Auckland's rural production lands. The protection of our prime food production land, our rural landscapes and lifestyles was a major consideration in the development of our Unitary Plan. This land has been zoned for rural use under the Unitary Plan and is outside Rural Urban Boundary, and therefore outside the Urban Rating Area.

This proposal impacts 500 properties currently rated farm and lifestyle in the Urban Rating Area. The average rates increase for these properties as a result of this change is $1,085.

We are also considering a proposal to align the Urban Rating Area to the Rural Urban Boundary in the Unitary Plan. If this proposal goes ahead, the Urban Rating Area will capture all land zoned for urban development (with a few exceptions). This will mean that a further 116 properties will be affected by the proposal to remove the farm and lifestyle differential. These properties would have an average total rates increase of $2,200 as a result of moving to the urban rating differential. The larger rates change is because these properties have higher average property values than properties within the current Urban Rating Area. This is mainly due to these properties being larger than properties closer to the city centre.

Background

We define our rates differential categories using location and the use to which the land is put. Land with a vacant land use is rated based on its zoning, so vacant land zoned for commercial or industrial use is rated as business use.

The Unitary Plan has zoned land in accordance with our view of the optimal use of the land in the context of the Auckland Development Strategy to enable Auckland's growth over the next thirty years. Land that we have identified as being best used for rural production and countryside living is zoned for rural use and is located outside the Rural Urban Boundary. This land is not affected by the proposal.

Some land within the Rural Urban Boundary is zoned Future Urban. This land cannot be developed until we complete planning for infrastructure and it is re-zoned for urban development. Under the Auckland Development Strategy, this land will be progressively re-zoned over the next thirty years. Until this happens this land will remain rural in nature. Land that is zoned Future Urban is not affected by the proposal.

Options

The Revenue and Financing Policy sets out our funding principles. The key principles for assessing options for removing the farm lifestyle differential are:

- Paying for benefits received or costs imposed: Similar properties receiving similar benefit from our services should be charged similar rates
- Community outcomes in the Auckland Plan: Homes and Places Direction Two: Accelerate the construction of homes
- Strategic Alignment with other council plans and strategies
- Efficiency and effectiveness
- Affordability

Table 1 comparison of the proposed options to the principles.

Principle	Rating all rural industry and lifestyle use properties in the Urban Rating Area as urban residential	Status quo: Continuing to rate rural industry and lifestyle use properties in the Urban Rating Area as farm and lifestyle.
Paying for benefits received or costs imposed	Yes. Properties with the same zoning in the Urban Rating Area will be charged the same rates differentials. Rural industry and lifestyle use properties in the Urban Rating Area have the same access to our services even though they may make less use of them. Because the cost of providing access to our services is primarily fixed, the cost of making this access available is the same irrespective of how much us a landowner makes of the service e.g. a road. These properties will still pay lower rates than similar developed properties due to lower property values.	No. Rural industry and lifestyle use properties in the Urban Rating Area benefit from having access to the same level of services as neighbouring properties but will be charged a lower rate.
Community outcomes in the Auckland Plan	Yes. Aligns with Homes and Places Direction Two: Accelerate the construction of homes by incentivising development Land that is able to be developed under the unitary plan will be charged urban rates differentials. The increase in rates will provide a small incentive to develop the land. The level of incentive is small comparted to the holding costs of land, however.	No. Land will only become urban rated following development or becoming vacant land. Under our current rating policy, vacant land is rated based on zoning. Vacant residential zoned land will be rated urban residential, while vacant business zoned land is rated as urban business.
Strategic Alignment	Aligns with Auckland Plan as above	No.
Efficiency and effectiveness	There is no significant administrative difference between the two options.	

Principle	Rating all rural industry and lifestyle use properties in the Urban Rating Area as urban residential	Status quo: Continuing to rate rural industry and lifestyle use properties in the Urban Rating Area as farm and lifestyle.
Affordability	Properties affected by the proposal will have an 25% increase in the value based general rate, on top of our average rates increase. The average change is small relative to the value of the properties. Farm properties have a business element which will allow them to claim back the GST on the rates and to expense the increase against the profits from their business activity. A majority of properties proposed to change have a residential use. These properties are able to access our rates postponement scheme. This will allow the additional rates to be postponed until the property is sold. The impact of the proposal could be further reduced by the council implementing a transition for the rates change. For example, if the council decided to transition the change over three years (so properties pay the full urban rates in 2023/2024). The average rates increase for affected properties in 2020/2021 would be • $362 for properties in the current Urban Rating Area • $733 for properties in the proposed extended Urban Rating Area. This would reduce the additional revenue raised by the proposal in 2020/2021 from $0.7 million to $0.23 million.	No change for ratepayers

The proposal to remove the farm and lifestyle differential in the Urban Rating Area has the strongest alignment with the principles.

Rates impact of proposal

The following table shows the impact for properties within the current Urban Rating Area:

Local Board	Number Rating Units	Average Capital Value ($)	Average Rates Change ($)	Average Change Total Rates (%)
Franklin	12	$4,008,750	$1,567	21%
Henderson-Massey	10	$5,617,000	$2,196	22%
Hibiscus and Bays	89	$2,772,809	$1,079	20%
Howick	95	$3,021,368	$1,181	20%
Māngere-Ōtāhuhu	25	$4,581,000	$1,747	21%
Maungakiekie-Tāmaki	1	$1,255,100	$491	17%
Papakura	54	$4,635,920	$1,812	21%
Upper Harbour	130	$2,195,385	$861	20%
Waitākere Ranges	76	$1,013,132	$396	17%
Whau	2	$2,752,500	$1,076	20%

The following table shows the impact for properties within the area proposed to be included in the Urban Rating Area:

Local Board	Number Rating Units	Average Capital Value	Average Rates Change ($)	Average Change Total Rates (%)
Franklin	35	$4,652,000	$1,819	21%
Henderson-Massey	7	$8,133,571	$3,179	22%
Hibiscus and Bays	2	$3,368,000	$1,317	21%
Māngere-Ōtāhuhu	1	$8,150,000	$3,186	22%
Ōtara-Papatoetoe	10	$12,571,000	$4,914	23%
Papakura	4	$15,340,000	$5,997	22%
Rodney	50	$4,269,541	$1,669	20%
Upper Harbour	5	$12,347,500	$4,827	22%
Waitākere Ranges	2	$1,362,500	$533	17%

Attachment A: Options Table

	Rationale	Impact on rates	Impact on debt	Impact on level of service
Option One: Classify all properties located in the Urban Rating Area that have a land use of Rural industry or Lifestyle as Urban Residential rates differential.	*Ensures these properties pay a fair contribution towards meeting the cost of access to the urban level of our services relative to their developed neighbours.* *Provides a small incentive to develop land zoned for urban development*	$0.4m in additional rates, if this proposal is adopted on its own. 500 ratepayers will have increase in value based general rate of 25 per cent on top of the average rates increase $0.7m in additional rates (inclusive of the $0.4m above), if the Urban Rating Area proposal is also adopted. 610 ratepayers will have increase in value based general rate of 25 per cent on the top of the average rates increase	Could reduce our debt requirement by $0.4 to $0.7m Increased ability to borrow by around $1.1m to $1.9m in 2021/22	Additional investment available to increase levels of service or invest in growth related infrastructure.
Option Two: Status Quo: Continue to charge properties located in the Urban Rating Area that have a land use of Rural industry or Lifestyle the farm lifestyle differential	*No change for ratepayers.*	No impact	No impact	No impact on service levels

7.9 Electricity network resilience targeted rate proposal

We own a significant number of trees along the network of overhead power lines (around 80 per cent in urban areas and around 30 per cent in rural areas). The remainder are mostly in private ownership.

The electricity network in the Auckland region is largely owned and maintained by Vector. Vector supplies electricity to most of the population within the Auckland region. Approximately 24,000 households in the south of the region have electricity supplied by Counties Power.

What we are proposing

We are proposing to introduce a targeted rate of $10.5 million per annum[1] on Vector's utility assets to fund our tree management programme around the Vector overhead electricity supply network. This will increase the tree maintenance budget by $5 million to allow for an enhanced, risk-based service to more effectively manage risk to Vectors powerlines from trees we own.

As part of the proposal, $500,000 will be ringfenced for new tree planting activity. The additional tree planting will be integrated with the enhanced management of council trees near power lines to manage the impact on the tree canopy as per the Auckland Urban Ngahere (Forest) Strategy.

This proposal will also free up around $1.5 million of our current spending on tree management near power lines. We are proposing to spend this on:

- $500,000 additional investment in tree planting activity. In combination with new and existing budgets this will triple tree planting budget to $1.5 million and result in around 3,000 trees being planted annually
- $1 million to increase service levels by reducing pruning rotation from eight years to five years.

We will also improve public safety around power lines, reduce power outages and improve the resilience of public trees.

To do this, we will require additional resources to ensure consenting is carried out as efficiently as possible. This will be funded from the targeted rate budget.

Funding the enhanced tree management programme from general rates is not appropriate as the service primarily benefits Vector.

Background

Around $5.5 million is currently spent annually on trees we own near power lines, this includes:

- $4 million from Vector's operational budgets
- $1.5 million from our budgets (funded by general rates) provided by full facilities suppliers.

During the 10 April 2018 storm event, gale force winds and heavy downpours brought down over one thousand trees across the Auckland region. This resulted in power outages of a significant scale. At its height on 11 April 2018 up to 183,000 homes and business were without power (or around 30% of the region). The storm caused the worst power network damage in two decades.

The risk to the electricity system from trees is governed by the Electricity (Hazards from Trees) Regulations 2003. These regulations were designed to protect the security of supply of electricity, and ensure the safety of the public from hazards caused by trees. Trimming trees to the distances under the regulations is not sufficient

[1] Under the proposal the targeted rate will be increased by our internal rate of inflation each year.

to ensure adequate power network resilience. However, the costs of trimming trees to the distances under these regulations is forecast to increase over coming years.

Enhanced risk-based tree maintenance

As part of this proposal we will be taking an enhanced risk-based approach to management of our trees under, or near, Vector's power lines. This will be undertaken in accordance with best arboriculture practice and in compliance with the Auckland Unitary Plan. Some tree maintenance may require additional applications for resource consent.

The immediate focus (first few years) will be on reduction of the safety and resilience risk posed by trees to the overhead network. The goal is to reduce the risk to an 'as low as reasonably practicable' level. This will be achieved through enhanced pruning and shaping of trees to minimise the risk of trees, or their parts, coming into contact with the power network.

Tree management options will always strive to deliver solutions that enhance public safety and the electricity network. This may include some of the following options:

- open sky pruning (removal of branches directly above the network)
- widening the distance between the tree canopy and the network
- canopy height reduction to minimise the possibility of the failure of long, vertical limbs
- tree removal in certain cases where we determine this as the most reasonably practicable solution. Consideration includes, but not limited to, threats to public safety concerns, weed species under power lines, and palm trees under the power lines.

The enhanced risk-based approach to tree management will not initially be provided in areas covered by Counties Power. In these areas we will continue our existing practice funded from general rates.

Formalisation

As part of this proposal we will enter into an agreement with Vector that includes:

- governance mechanisms
- resource consenting process
- public relations responsibilities
- new tree planting
- third party appointments to deliver the tree trimming work.

A long-term termination clause will also be included so that both parties can provide for unwinding of the arrangement in the case of future changes in the regulatory framework.

Physical works delivery resource availability

There are currently only two providers of sufficient scale and with the required Health and Safety competencies to carry out utility arborist services in Auckland. These are Treescape and Asplundh.

AIM Services is currently in the process of being authorised for arborist services near powerlines, which will provide the option of a third provider.

Impact on tree amenity value and Auckland Urban Ngahere (Forest) Strategy impact

The Auckland Urban Ngahere (Forest) Strategy provides a framework, and a list of actions, required to deliver the goal of increasing the canopy cover across the region from 18% to 30%.

The enhanced risk-based approach to tree management will be heavily focused and underpinned by risk management. This means that while more pruning will be done (and some canopy lost during the process) this will also result in more resilient and stable trees.

Only trees that are at risk of coming in contact with the network, and where there are reasonably practicable ways to reduce that risk (through tree management options), would be pruned. Enhanced pruning is ultimately a preventative measure to protect public trees and the power network.

The enhanced tree management program includes additional tree planting to mitigate the impact of pruning on the city canopy cover. In recognition of the need to integrate the enhanced tree pruning programme and the Urban Ngahere (Forest) Strategy, approximately 3,000 trees would be planted on annual basis. The enhanced tree management program will most likely result in a net increase of the canopy cover over time.

Impact on electricity users

Vector is regulated as an Electricity Distribution Business and can ‘pass through’ rates, including targeted rates, to electricity customers. This is done largely based on their use of electricity. The cost of the proposed tree trimming programme will therefore be ‘passed through’ and paid by the people directly benefiting from the service. Electricity customers in those areas where power lines are underground will also benefit from the programme because overhead network outages also typically affect ‘downstream’ underground areas.

The $10.5 million targeted rate equates to the average residential electricity bill increasing by approximately $1 per month.

Estimates suggest that the improvement in the reliability of the network (i.e. avoided outages) due to this enhanced risk-based tree management programme could result in $3.90 million to $20.3 million of economic benefits to Auckland. However, not all of this benefit would accrue immediately as it would take a number of years before the level of tree maintenance required to eliminate council owned tree outages is achieved. Priority will be given to the most at-risk trees which will result in more of the benefits accruing earlier rather than later.

In addition to the economic benefits discussed above the proposal will also lead to

- improved public safety around power lines, as lines in close contact or brought down by trees currently pose serious safety issues for the public and repair crews
- increased tree planting, and increased canopy cover, in alignment with the Auckland Urban Ngahere (Forest) Strategy
- increased tree maintenance service levels by reducing pruning rotation from eight years to five years in parks and town centres.

Undergrounding electricity network

Undergrounding the Vector network has been suggested as an alternative means to increase the electricity networks resilience from the hazards presented by trees. Undergrounding the entire Vector electricity network would cost more than $6.4 billion and result in an increase of around $1,609 per annum for all Vector electricity users.

Vector currently spend $10.5 million a year on undergrounding the electricity network. This is in addition to new underground circuits to meet the growing demand for new homes and businesses across the city. Vector is currently undertaking undergrounding work in Mt Albert area.

Undergrounding may also occur where the additional costs are justifiable for Health and Safety reasons e.g. frequent car vs. pole incidents in some cases could be avoided by relocating the poles and/or undergrounding. Undergrounding will also occur where, customers and/or other infrastructure asset owners pay for it.

Once undergrounded, the number of faults is reduced (less impact from trees, etc.) but the network is exposed to accidental dig-ins and faults take longer to find and repair than overhead. Undergrounding also comes with additional issues such as:

- investment in new streetlights where these are mounted on Vector power poles
- investment in other underground networks eg: telecommunications which also use Vector power poles

- disruption caused while undergrounding
- berms already congested with other utility networks eg: gas, water services, etc.
- finding suitable land area for ground mounted transformers and switches
- a less flexible electricity network.

Attachment A: Options Table

	Rationale	Impacts on rates	Impact on debt	Impact on level of service
Option One: introduce $10.5 million targeted rate on Vector	*Maintenance of trees near Vector power lines reduce the risk of outages on Vector's electricity network which provides benefits to Vectors customers.*	• Additional rates revenue of $10.5m	• No impact on the council's debt requirement as additional revenue is offset by additional expenditure	• Reduced electricity network outages caused by council owned trees • More frequent pruning (with the current rotation reduced from eight years to five years in parks and town centres) • Improved public safety around power lines, as lines brought down by trees pose serious safety issues for the public and repair crews • Increased tree planting activity resulting in a net increase of the canopy cover over time.
Option Two: status quo – no new targeted rate	*Maintain status quo*	• No impact on rates	• No impact on ability to borrow	• No impact on level of service

7.10 Options for setting the Accommodation Provider Targeted Rate in 2021/22

The Accommodation Provider Targeted Rate (APTR) seeks to recover from accommodation providers a fair proportion of visitor attraction, major events, and destination marketing activity spending by Auckland Unlimited.

What we are proposing

We are consulting on three options for the timing of the reinstatement of the APTR. Consulting on a broad range of options provides scope for us to respond a wide range of future scenarios as we gather information in the coming months before a final decision needs to be made. The options are:

- Option 1(Status quo): resume the APTR as currently planned from 1 April 2021 raising around $14.52 million in 2021/2022
- Option 2: reinstate the APTR from 1 January 2022 and remit the APTR for the fourth quarter of 2020/2021 reducing the APTR revenue to around $7.2 million in 2021/2022 and lower spending on visitor attraction, major events, and destination marketing activity to around $21.8 million in 2021/2022
- Option 3: reinstate the APTR from 1 July 2022 and remit the APTR for the fourth quarter of 2020/2021 and lower spending on visitor attraction, major events, and destination marketing activity to around $14.5 million in 2021/2022.

How long disruption to Auckland's visitor economy caused by COVID-19 will last remains uncertain. Restrictions on travel and mass gatherings due to COVID-19 may continue for some time. This may impact on the focus and amount that we want to spend on the visitor attraction, major events, and destination marketing activity.

Additionally, if disruption continues, then the nature and timing of benefits accommodation providers receive may change. Nonetheless, the accommodation sector will likely continue to benefit now and in the future from activities to:

- promote Auckland locally and attract tourists from the domestic market
- promote Auckland internationally to maintain our profile overseas for when borders reopen
- support pending events and secure future major and business events to attract both local and overseas visitors.

Background

Restrictions on international travel due to COVID-19 may continue for some time. Additionally, intermittent restrictions on mass gatherings and domestic travel may also be in place. These restrictions may impact on the amount that we want to spend on visitor attraction (including destination management), major events, and destination marketing activity. The restrictions have also affected accommodation providers in Auckland whose businesses rely on international and domestic visitors to Auckland. Consequently, when these restrictions are in place then the immediate benefits that accommodation providers receive from Auckland Unlimited's visitor attraction, major events, and destination marketing activity may be limited.

There is currently uncertainty around how long disruption to Auckland visitor economy caused by COVID-19 will last. The 10-year Budget has been prepared using 3 different forecasting assumptions with respect to COVID-19. These are:

- Optimistic[1]: no further lockdowns post September 2020, borders closed to December 2021

[1] The optimistic assumption is similar to Treasury's main scenario outlined in the pre-election economic and financial update (PREFU).

- Balanced: no further lockdowns post September 2020, borders closed to December 2022
- More pessimistic: two further lockdowns post September 2020, borders closed to December 2023.

As a result of the restrictions caused by COVID-19 to date, we decided (through the Emergency Budget 2020/2021) to suspend the APTR from 1 April 2020 to 30 March 2021. The suspension resulted in around $14 million reduced operating revenue. Reduced rates revenue was offset by Auckland Unlimited (previously ATEED) reducing spending on visitor attraction, major events, and destination marketing activity.

As a result, some planned activity (such as the Piha Pro World Surf League event) was suspended or cancelled as it is not practical. Investment that had been intended in events has been re-purposed into recovery activity consistent with Auckland Unlimited's Destination AKL Recovery Plan which includes projects like the development of Auckland's night-time economy in order to help stimulate business in the city centre and other metro locations.

Decision making

The economic situation resulting from COVID-19 is continuing to rapidly change. There continues to be uncertainty of what is going to happen over the next six months, particularly in relation to international borders and domestic lock downs.

As this is a developing situation, we will need to be able to respond as circumstances change. To provide the most flexibility to decision making we are consulting on a wide range of options. We will undertake a fuller consideration of the options in May 2021 when we have the most recent information to support decision making. When making final decisions, and after considering all the relevant factors, consultation on a broad range of options provides us with the flexibility to respond to changing circumstances. As part of this we may adopt a variation or combination of the options listed in this proposal, including for example earlier reinstatement at a reduced level of spending and therefore a lower targeted rate for a period of time.

Due to COVID-19 we have a constrained financial position. We are therefore unable to fund any shortfall in revenue from a further suspension of the APTR from general rates. This means that any reduction in the APTR would need to be balanced by a reduction in visitor attraction, major events, and destination marketing activity.

Options

As the duration of the disruption caused by COVID-19 is highly uncertain we are proposing three different options for the APTR in 2021/2022, these are:

- Option one (Status quo): Resume the APTR as planned from 1 April 2021 to fund around $14.52 million or 50 per cent of visitor attraction, major events, and destination marketing activity in 2021/2022
- Option two: Reinstate the APTR from 1 January 2022 and adjust the focus and level of the activity it funds. We would need to reduce funding for visitor attraction, major events, and destination marketing activity to around $21.8 million in 2021/2022 to manage the impact on our finances.
- Option three: Reinstate the APTR from 1 July 2022 and adjust the focus and level of the activity it funds. We would need to reduce funding for visitor attraction, major events, and destination marketing activity to around $14.5 million in 2021/2022 to manage the impact on our finances.

Statutory decision-making criteria

We are required to consider and consult on any changes to funding for services involving targeted rates. Potential changes to the APTR must be considered against the statutory criteria in section 101(3) of the Local Government Act 2002. The key elements of this assessment are set out in the analysis below, which is based on the information currently available to us.

The circumstances caused by COVID-19 are unprecedented. However, even in these circumstances the link between undertaking visitor attraction, major events, and destination marketing activity and the benefits to accommodation providers remains fundamentally the same. Borders will eventually reopen and investment in visitor attraction will be needed to get the visitor economy up and running.

Events are one of the primary drivers of visitation to Auckland. Auckland Unlimited's planned spending on event attraction works alongside the government's funding ear-marked for Auckland via the Regional Events Fund. A reduction in this activity may impact on the Regional Event Fund allocation to Auckland and result in reduced visitation over time. Investment in visitor attraction (including destination management), major events, and destination marketing activity can span long time horizons. For example, Auckland Unlimited are currently working on bids for events that will take place between 2026 to 2028. Reduction in expenditure in visitor attraction, major events, and destination marketing activity for 2021/2022 will have implications that extend into future years as the preliminary work required to attract these events may be compromised.

The borders remaining closed until end of year does not diminish the value of continuing to attract events in 2022 and beyond. It would, however, serve to delay any international marketing beyond 'keeping the lights on', and also potentially reduce investment in areas such as international students and in annual events. This would directly impact suppliers, contractors and deliverers of events across the city.

In each option we will continue to spend on visitor attraction (including destination management), major events, and destination marketing and collect the APTR prior to the reopening of borders. This expenditure will deliver immediate benefits from attracting domestic visitors and promote Auckland as a destination for when borders open delivering benefits at that time and into the future.

Monthly Regional Tourism Estimates provided by the Ministry of Business, Innovation and Employment (MBIE) support the notion that the visitor economy continues to function in Auckland, although at a reduced level and particularly for the domestic market. Intuitively this seems correct. However, MBIE advise caution with relying on this information given the method they use to calculate the estimates and the unique situation that COVID-19 presents.

The affordability of the APTR may have changed since we undertook the section 101(3) considerations and introduced the APTR. The original assessment included statistics and future forecasts that showed strong growth in visitor numbers, occupancy rates and revenue. For the near future this will not occur and it is uncertain when it might return. International visitors to Auckland have almost entirely ceased due to the border closures. Domestic visitors to Auckland have been curtailed through successive lock downs. This has resulted in significantly reduced revenue for commercial accommodation providers from visitors to Auckland.

Many commercial accommodation providers are now receiving significant additional revenue from central government to run as Managed Isolation and Quarantine facilities. Additionally, as these commercial accommodation providers are no longer providing visitor accommodation then competition in provision of commercial accommodation services for the existing market has reduced which provides additional revenue for other commercial accommodation providers. Other section 101(3) considerations that we undertook at the time of introducing the APTR have remained the same.

However, due to the uncertain nature of the situation and limited information regarding current visitor activity we will look to review its analysis of these factors once more information becomes available and before final decisions are made.

Managed Isolation and Quarantine facilities

In Auckland many commercial accommodation providers are operating as Managed Isolation and Quarantine (MIQ) facilities under contract to central government. We anticipate that within a very short timeframe of the borders opening that demand for MIQ facilities will reduce and they will revert to providing short stay accommodation to international and domestic visitors to Auckland. While operating as MIQ facilities we continue to view these as commercial accommodation providers as they are undertaking accommodation services with intention to provide a profit.

Other considerations

We are consulting on three different options to retain flexibility when decisions on the 10-year Budget are made in May 2021.

If we decide to extend the suspension of the APTR either to 30 December 2021, or 30 June 2022, then we would also look to remove APTR charges (around $3.3 million) in the 4th quarter rates invoice for 2020/2021. This will reduce funding to Auckland Unlimited by an equivalent amount. We currently plan for the APTR to resume from 1 April 2021 following the end of the current suspension.

Attachment A: Options Table

	Rationale	Impact on rates	Impact on debt	Impact on level of service
Option One (Status quo): Continue to charge the APTR as planned from 1 July 2021	Reinstatement of APTR as planned allows for an earlier scaling up of investment in visitor attraction, major events, and destination marketing	• No impact on rates as compared to what is planned in the current LTP 2018-2028. APTR set to collect $14.52m in 2021/2022	No impact on the ability to borrow as compared to what is planned in the current LTP 2018-2028	Around $29m spent on destination activity in 2021/2022 No impact on visitor attraction activity and major events
Option Two: Extend the suspension of the APTR to 30 December 2021	Delays scaling up of investment in visitor attraction, major events, and destination marketing to provide more time for the industry to recover	• The proportion of funding for destination related spending to be met by the APTR reduced by $7.26m, with the APTR set to collect $7.26m in 2021/2022 • We would look to remove around $3.3m in APTR charges in the 4th quarter rates invoice for 2020/2021	The reduction of $7.26m in the APTR would result in a reduced ability to borrow by around $19m in 2021/2022	Will result in $3.3m reduced spending on destination related activity for 2020/2021 $7.26m reduced spending on destination related activity in 2021/2022 • May impact funding secured for Strategic Tourism Asset Protection Programme and Regional Events Fund • Increases delivery risk for Destination AKL 2025 Strategy
Option Three: Extend the suspension of the APTR to 30 June 2022 (APTR not set for 2021/2022)	Delays scaling up of investment until there is greater certainty about the future form and scale of international travel and provides more time for the sector to recover	• No funding for destination related spending to be met by the APTR in 2021/2022 • We would look to remove around $3.3m in APTR charges in the 4th quarter rates invoice for 2020/2021	The reduction of $14.5m in the APTR would result in a reduced ability to borrow by around $39m in 2021/2022	Will result in $3.3m reduced spending on destination related activity for 2020/2021 $14.5m reduced spending on destination related activity in 2021/2022 • May impact funding secured for Strategic Tourism Asset Protection Programme and Regional Events Fund

		• Increases delivery risk for Destination AKL 2025 Strategy

7.11 – Extend the duration of the City Centre Targeted Rate proposal

The City Centre Targeted Rate helps to fund the development and revitalisation programme in the city centre. The rate applies to residential and business properties in the city centre area.

The Auckland City Centre Advisory Board (ACCAB) which represents city centre residents, businesses and other city centre interest groups, advises us on the priorities for the city centre targeted investment portfolio as well as commenting on any proposed changes to the City Centre Targeted Rate policy. The City Centre Targeted Rate is due to expire 30 June 2025.

What we are proposing

We are proposing to extend the City Centre Targeted Rate from 2024/2025 until 2030/2031 to align with the 10-year Budget 2021/2031.

The ACCAB has expressed their support for a continuation of the rate and we will continue to work with the board on priorities for city centre investment over the next ten years.

Background

The City Centre Targeted Rate has provided significant investment in the city centre to improve the visitor experience and attractiveness by funding street and public space improvements such as Freyberg Square, Albert Street, Karangahape Road enhancements, Quay Street and Lower Queen Street; as well as contributing to the vibrancy of the city centre through activation, events and marketing activities.

Further development

We will need to fund further development in the city centre beyond 2025 as the city continues to grow. The targeted rate currently finishes in 2024/2025 and we are proposing to extend it to 2030/2031 to fund further development. We expect to generate an additional $157.7 million over the six years.

The additional revenue is set out below.

CCTR	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	6-year total
Extra revenue based on current rate	$25.0m	$25.5m	$26.0m	$26.5m	$27.1m	$27.6m	$157.7

Additional funding from the targeted rate beyond 2025 will focus on the following priorities from the City Centre Masterplan:

- Waihorotiu Queen Street Valley and Rapid Transport Oriented Development (e.g. development around the Aotea and Karangahape City Rail Link stations) – This will allow for growth around the City Rail Link stations and create pedestrian-priority streets, improve public spaces and provide safe access and around the stations. This will reinforce Queen Street Valley as Auckland's cultural, commercial and retail heart.
- Green Links – investing in ways to connect our green open spaces and respond to climate change. We will increase planting and canopy cover in the city centre and support sustainable development.
- City to the Villages - better connections between the city centre and city fringe to:

- provide safe, accessible and enjoyable journeys and to from the city centre
- support planning for the development of under-developed areas on the immediate fringes of the city centre.

The City Centre targeted rate will also continue to be invested in activation, and destination marketing programmes across the city centre. By providing a lively, healthy and inviting environment for people that reflects our city's culture and identity will encourage people into the city centre.

If we don't extend the targeted rate, the amount we are able to invest in the city centre, particularly around the new City Rail Link developments would be significantly reduced. Future investment would need to compete with the other services and activities we provide.

The current programme of work until 2024/2025 is largely committed and has been focused on supporting the growth and development of downtown Auckland. The current available funding cannot be used to support development in midtown and Karangahape as the funding in insufficient and the timing is not right as work around the City Rail Link stations (beyond the immediate portals) will need to take place after the stations are complete.

The future proposed programme focusses on areas of the city that haven't had recent investment including the Waihorotiu / Queen Street Valley/midtown area and Karangahape Road area. The City Centre Masterplan sets a new vision for these parts of the city but without investment, these outcomes are unlikely to be achieved or would be achieved over a much longer period of time, reducing the impact of the investment in the City Rail Link.

Some of the impacts of not extending the targeted rate include:

- A reduction in level of service and safety as investment will not be able to keep up with growth in pedestrians and residents
- Reduced opportunities for green infrastructure and planting as well as cultural expression in our city centre
- Longer timeframe for realisation of the city centre masterplan outcomes which has been widely supported and consulted on

All other programme works would have to compete with general rates for funding

Attachments

No.	Title
A	Options analysis table

Attachment A: Options table

	Rationale	Impacts on rates	Impact on debt	Impact on level of service
Option One: Extend the City Centre Targeted Rate from 2024/2025 until 2030/2031 to align with the 10-year Budget 2021/2031	From 2025, the targeted rate will help fund the regeneration of midtown as our civic and cultural hub supporting the use of the new city rail link stations and the economic growth that is anticipated from this investment. It will also support the growing residential and commercial neighbourhoods in the city through enhancing the streetscapes and activating public spaces.	• Additional rates revenue of $157.7 million over the 2025/2026 to 2030/2031 period.	• No impact on debt	• Improved and safer access around the new City Rail Link stations • Improved pedestrian and cycling access for our residential communities • Visible cultural identity and use of te reo on our streets • Providing greener urban environments • Regenerating the midtown area to support commercial and residential development • Activation and temporary works that support Aucklanders through change and create a vibrant and thriving city centre
Option Two: status quo – no extension of the targeted rate	Maintain status quo	• No impact on rates	• No impact on debt	• Potential reduction in level of service in some part of the city as investment will not be able to keep up with growth in pedestrians and residents • Reduced opportunities for green infrastructure and planting as well as cultural expression in our city centre • All other programmed works would have to compete with general rates for funding

7.12a – Proposed changes to Waitākere Ranges Local Board's pump-out service and to fees and charges

Proposed changes to Waitākere Ranges Local Board's pump-out service

Background

We currently provide a septic pump out service to around 3,200 properties in the Waitākere Ranges Local Board area and around 660 properties in the Henderson-Massey and Upper Harbour local board areas. These property owners currently pay a targeted rate of $201 per year (adjusted annually by the council rate of inflation) but this does not cover the full cost of the service. The shortfall is funded by general rates.

As part of the Emergency Budget 2020/2021 the council resolved to stop providing the septic tank pump-out service to 656 ratepayers in the Henderson-Massey and Upper Harbour local board areas, and to continue to provide the septic tank pump-out service to the 3,210 ratepayers in the Waitākere Ranges Local Board area, funded from an increased targeted rate (likely to be between $260 and $320 per year) to fully recover costs effective from 1 July 2021.

More information on the Governing Body decision can be found in the agenda of the meeting https://infocouncil.aucklandcouncil.govt.nz[1]

Procurement is now underway for the ongoing provision of the service in the Waitākere Ranges Local Board area and accordingly the end of the service in the other board areas. To fully recover the costs of the service in the Waitākere Ranges Local Board area the rate is planned to be set at $290 for 2021/2022, subject to final contract negotiations. The rate will be amended by the council rate of cost inflation annually to fully recover the costs of the service in the Waitākere Ranges Local Board area.

The changes will apply from 1 July 2021.

Proposed changes to fees and charges

Background

The council standardised the fees inherited from the legacy councils in the period from 2012 to 2015. Since that time reviews have been conducted of some fee areas and ongoing adjustments made to reflect changes in costs. Officers are developing a fee review schedule that will ensure all fee areas are reviewed at least once every three years. This will ensure that the fees are meeting the objectives set when they were put in place and that they continue to fairly recover the costs of the services they fund.

Some minor technical adjustments are proposed to regulatory fees. An increase to venue hire fees to accommodate inflation over a period of 6 years is also proposed. During 2021/2022 officers will investigate the fees for filming in parks, cemeteries, bach rental and will investigate the benefits of establishing coastal occupation charges.

As provided for in the Revenue and Financing Policy other fees are increasing in line with council cost inflation, one per cent per year, where necessary to maintain cost recovery.

[1] Paragraphs 9-11. 20 – 26, 40-46

Venue hire fees

Venue hire fees have not been adjusted for inflation since 2014 when the Hire Fee Framework was developed and adopted by all local boards. An increase of six per cent is recommended to adjust for cumulative inflation increases since that time. Local boards may wish to consider a variation to the proposed increases by offsetting the estimated revenue using LDI.

The range of impact on regular hirers is between $56 (Young at Heart Franklin) to $1980 (Church North West of Henderson-Massey)

The below shows the impact of the proposed fee increase.

Number of Unique Customers	Total Attendees	Total Booking Hours	Total Venue Hire Revenue	Proposed revenue increase *
Approximately 6,000	2,658,702	266,366	$3,091,431	$185,486
*increase through 6% inflation on standard hire				

Summary of proposal

We are proposing a six per cent increase in revenue budgets relating to venue hire fees as they have not been adjusted for inflation since 2014.

Regulatory fees

Multiple dog licence fees

In urban zoned properties, a licence is required if residents want to keep more than two dogs. Each licence requires at least one inspection to ensure the property meets the conditions in the Policy on Dogs. Additional site visits may be required. Dog owners are required to apply for a new licence if they move to a different property, requiring an inspection of the new property.

The average charge for multiple dog licences nationwide is $63, the highest charge is $225 and the lowest is $25. The council currently charges $45 for this licence which does not cover the costs of inspection.

Summary of proposal

We are proposing an increase in the multiple dog license fee from $45 to $79 for the first application, and a fee of $50 for an additional property inspection if a dog owner changes address.

Stock management

Stock animals include horses, sheep, goats, cattle, deer, llamas, alpacas, donkeys, mules and pigs. There is currently no charge set for attending to livestock nuisance complaints involving matters such as odour, noise and vermin. Charges for stock management issues may encourage compliance.

Animal management officers may be required to attend to issues after 9pm and before 6am. The council does not currently charge a fee for this service. The average nationwide charge is $112 with the highest set at $185 and the lowest at $29.

Summary of proposal

We are proposing a new fee of $70 for our Animal Management Officers to attend to livestock nuisance complaints such as roaming stock. We are also proposing an additional fee of $120 for subsequent call outs and $75 for after hour call outs.

Minor engineering approval

A deposit for an application for minor engineering approval is currently set at $600 and covers approval of works such as public stormwater and wastewater connections to the network and raising or lowering a public manhole lid. The deposit is too low in relation to the final cost of the majority of applications. An increase in the deposit to $1200 would give customers a better estimate of the final costs.

Summary of proposal

We are proposing an increase in the deposit for an application for minor engineering approval to $1200.

Pre-application meetings

The council currently has two fees for pre-application meetings, a standard fee and a complex fee. The standard pre-application meeting is set at $311, whereas the complex pre-application meeting requires a deposit of $311. The standard fee no longer applies as all applications are of a complex nature. Replacing both fees for a single pre-application meeting fee set at a $311 base fee would provide more transparency and clarity for customers.

Summary of proposal

We are proposing to replace the current standard and complex pre-application fees for building consents with a new fee for pre-application meetings set at $311 base fee.

Hardcopy lodgement of building and resource consent applications

Hardcopy lodgement of building and resource consent applications requires additional administrative resource to process these applications in comparison to applications lodged through digital channels. A higher charge of $90 for hard copy lodgement would ensure the full costs are recovered and encourage digital lodgement.

Summary of proposal

We are proposing a new fee of $90 for hard copy applications for building and resource consents.

Producer statement author fees

The introduction of a high risk producer statement author fee of $200 will better reflect the complexity and cost involved. This would be a one-off fee which only applies to existing producer statement authors who would like to issue high risk producer statements. A producer statement author is a council-approved professional that issues a producer statement and confirms the building work complies with the Building Code.

Summary of proposal

We are proposing a new fee of $200 for high risk Producer Statement Author fees.

Removing library late return fines

Auckland Libraries charges late return fines on library books and other items. Annual revenue from fines net of administration costs is around $1.2 million. Administrative costs to recover the fines include staff time in correspondence and conversation, updating customer records and postage costs where members have no email.

However, fines are a barrier to library use, particularly among low income groups. Each year 35,000 library members stop using our services because they owe us more than $10.

Revenue from fines has been diminishing for many years, partly because E-issues as a percentage of issues is steadily increasing (22 per cent in November 2020). An auto renewal service introduced during lockdown assists customers in managing their loans and will decrease the volume of fines. Recovery rates are low and every year periodic write-offs of older debt are undertaken.

Auckland Libraries charge the highest late return fines in the world. When they were raised in 2016 in a bid to increase revenue, the following years instead saw decreases in revenue and drops in borrowing. This pattern is reflected in overseas studies including the City of Sydney which show higher return rates where there are no fines.

Summary of proposal

We are consulting on whether to continue charging late return fines on library books and other items.

7.12b Amending the Clevedon wastewater and water connection scheme proposal

Watercare Services Limited (Watercare) have been installing reticulated wastewater and water supply infrastructure through the Clevedon Village to support the planned growth in the village and immediate surrounds. As a result, around 140 existing properties in Clevedon with private onsite water supply and wastewater systems have the opportunity to connect to the reticulated networks. The first connections are planned to take place after 1 July 2021.

What we are proposing

We are proposing to set a targeted rate on existing properties in Clevedon that apply to participate in our Clevedon wastewater and water connection targeted rate scheme.

We will facilitate access to Watercare's reticulated systems for property owners who might not otherwise be able to access them. Property owners will have to cover any onsite costs themselves.

Early connection to the scheme will bring forward the environmental benefits to the community and property owners a reticulated wastewater system offers. It will also bring improvements in water quality and supply security from a reticulated water system. An early commitment to connection will allow Watercare to achieve economies of scale in the contracting for the delivery of connection. The more customers who connect to the scheme will also allow for both operating efficiencies and earlier ongoing service payments to cover the ongoing operating costs.

To encourage early connection, the council and Watercare is offering a discount for property owners applying to join the scheme before 31 March 2021.

Property owners joining the scheme will pay the rate set for the year in which they join. This fixed rate will be payable over 15 years from when the rate is first applied. Property owners joining the scheme in subsequent years may pay a different rate if costs change. The scheme will be open for three years.

Table 1: Fixed targeted rates for 2021/2022

Type of connection	Fixed rate per connection for 2021/2022 (including GST)	
	Application on or before 31 March 2021	Application after 31 March 2021
Wastewater only	$1,614	$2,303
Wastewater and water supply ("town to tank" water[1])	$1,837	$2,525
Wastewater and water supply (standard water)	$2,411	$3,100

If the targeted rate proposal does not proceed, ratepayers applying to the scheme will be able to either withdraw their application or contract directly with Watercare for the connection (using private finance if required). Property owners applying before 31 March 2021 will maintain their eligibility for the discounted price.

[1] "Town to tank" water connections enable residential homeowners that rely on rain tanks to top up their tanks using the town water supply on an 'as required' basis.

Property owners who wish to connect but do not want to participate in the targeted rate scheme can arrange and pay for connection directly with Watercare.

Background

Connection costs include bulk infrastructure costs, the provision of point of connection by Watercare and installation of private plumbing and drainage on property by privately arranged contractors. The costs for connection infrastructure plus private works are estimated to be between $21,000 and $44,000 per property. The costs vary depending on whether the property connects to wastewater only or both services and the level of private works required. Onsite (private infrastructure) costs will also vary depending on site specific factors and the costs of decommissioning existing onsite systems. To encourage connection, a discount is being offered to properties that apply for connection before 31 March 2021.

The council and Watercare recognise that some property owners might not be able to meet the upfront connection costs. To support these property owners to connect to Watercare's new reticulated systems, we adopted, as part of the Emergency Budget 2020/2021, a scheme (to be implemented from 1 July 2021) under which we would provide financial assistance to property owners to connect and recover those costs through a targeted rate over 15 years.

Since we adopted the scheme, we've considered the implications of the scheme and we're recommending changing its structure so that instead of providing financial assistance to property owners, we provide the service of connecting the properties to Watercare's infrastructure. A targeted rate would be set to recover the cost of providing that service.

Options

The Revenue and Financing Policy sets out our funding principles. The key principles for assessing options for amending the Clevedon wastewater and water connection scheme are as follows:

- Community outcomes in the Auckland Plan:
  - Homes and Places: Aucklanders live in secure, healthy, and affordable homes
  - Environment and Cultural Heritage – Direction 1: Ensure Auckland's natural environment and cultural heritage is valued and cared for
- Efficiency and effectiveness
- Affordability

Table 2: Comparison of the proposed options to the principles.

Principle	Option 1: We provide an upfront consumer finance product to property owners to fund connection and recover principal and interest of the amount loaned and administration cost through a targeted rate (status quo)	Option 2: We provide (through Watercare) the connection to the property up to the water meter and wastewater tank, and recover the costs of that service through a targeted rate	Option 3: We do not get involved
Community outcomes in the Auckland Plan	Encouraging property owners to connect to reticulated wastewater networks will help reduce the risk of pollution into the local environment. Connecting to the water supply network also ensures safe and reliable drinking water for residents	Encouraging property owners to connect to reticulated wastewater networks will help reduce the risk of pollution into the local environment. Connecting to the water supply network also ensures safe and reliable drinking water for residents	Outcome may be compromised as some property owners may find it hard to pay the large upfront costs for the connection and choose not to connect. This means we will not get the full environment and public health benefits of the new

Principle	Option 1: We provide an upfront consumer finance product to property owners to fund connection and recover principal and interest of the amount loaned and administration cost through a targeted rate (status quo)	Option 2: We provide (through Watercare) the connection to the property up to the water meter and wastewater tank, and recover the costs of that service through a targeted rate	Option 3: We do not get involved
			wastewater and water supply networks.
Efficiency and effectiveness	Will be subject to the Credit Contracts & Consumer Finance Act 2003 (CCCFA), the Fair Trading Act 1986 (FTA) and other consumer protection legislation Highly complex to administer with high set up and compliance costs Reputational, financial and prosecution risk if compliance requirements not met	No compliance costs in relation to CCCFA, FTA or FMCA Easy to administer	No compliance costs or issue with implementation
Affordability	Best affordability in that all connection costs can be covered by the scheme and spread over time, although the whole of life costs for ratepayers are likely to be higher than Option 2 due to the higher compliance costs.	Improved affordability but less affordable than Option 1 in terms of the ability to spread the upfront costs: scheme cannot cover costs for infrastructure on property beyond the water meter or wastewater tank (e.g. decommissioning of existing tanks etc) as it is not possible to set a targeted rate to recover the highly variable private infrastructure costs without establishing a consumer financing arrangement that would be subject to the CCCFA, the FTA and other consumer protection legislation. Whole of life costs for ratepayers are likely to be lower than Option 2 due to the higher compliance costs of the latter	Connection remains highly unaffordable for some property owners.

Attachment A: Options Table

	Rationale	Impact on rates	Impact on debt	Impact on level of service
Option One: We provide upfront consumer finance product to property owners to fund connection and recovers principal and interest of the amount loaned and administration cost through a targeted rate (status quo)	Encourage wastewater and water connection to the reticulated systems by offering property owners the option to spread the large upfront costs over a period of 15 years.	Additional rates between $2,000 and $4,300 per annum covering all upfront connection costs	With estimated expenditure peaking in 2021/2022 at $750,000, the impact on council debt is minimal	Easier access for some of the 138 properties to the reticulated wastewater and water network
Option Two: We provide (through Watercare) the connection to the property up to the water meter and wastewater tank, and recovers the costs of that service through a targeted rate	Encourage wastewater and water connection to the reticulated systems by offering property owners the option to spread the large upfront costs over a period of 15 years.	Additional rates between $1,600 and $3,100 per annum covering public infrastructure costs only	With estimated expenditure peaking in 2021/2022 at $750,000, the impact on council debt is minimal	Easier access for some of the 138 properties to the reticulated wastewater and water network
Option Three: We do not get involved	No change to ratepayers	No impact on rates	No impact on debt	No improvement in service level

7.13 - Rodney drainage districts targeted rate proposal

Following amalgamation, the council retained responsibility for three drainage districts in the former Rodney District Council (RDC) area: Glorit, Te Arai and Okahukura. Decision making was allocated to the Rodney Local Board. These remain the only areas of rural Auckland where we provide stormwater management services. The services in these areas had historically been funded by a targeted rate levied on properties within the drainage districts since their establishment in the 1950s. This was converted to general rates funding by the RDC in the 1990s. The funding inherited is no longer sufficient to maintain the assets and we recently made a one-off investment of $260,000 to remediate the state of the assets. At a meeting in September 2020, the Rodney Local Board resolved to request the transfer of decision-making responsibility to the Governing Body, noting insufficient funding to carry out its responsibility.

What we are proposing

We are proposing:

- to manage the drainage assets in the Te Arai and Okahukura drainage districts in association with the relevant communities, with costs funded by a targeted rate
- that local landowners in the Glorit drainage district manage and self-fund the drainage assets, under an agreement with us.

We think this approach will provide for more sustainable and cost-effective delivery of stormwater services in the three drainage districts.

Background

The Te Arai, Okahukura and Glorit drainage districts were created by the former Rodney County Council in accordance with the Counties Act 1920, the Reserves and Other Lands Disposal Act 1953 and the Local Government Act 1974.

Targeted rates were charged to local landowners within the districts to fund the drainage assets for Te Arai and Okahukura until the 1990s when the former Rodney District Council replaced them with general rate funding.

These drainage districts continued to exist following the council amalgamation process in 2010. The decision-making responsibility for the districts was transferred to Auckland Council and allocated to the Rodney Local Board.

Since amalgamation the drainage districts have been funded by the Rodney Local Board from an asset-based services budget of $26,500 per annum, paid for by the general rate (allocated to the local board). This level of funding has been insufficient to meet the maintenance requirements and has resulted in deteriorating asset conditions and dissatisfaction among residents.

Issues with current management and funding

We are legally responsible for the management of the drainage districts. Legislation does not specify a standard level of service we need to provide for the drainage assets. However, it is clear that the current level of investment ($26,500 per annum for all three drainage districts) is not sufficient to maintain the assets to a satisfactory standard. Failure to ensure that the assets are appropriately maintained could lead to public health and safety risks due to flooding.

Since 2018/2019, we have undertaken substantial remediation work to improve the condition of the drainage assets. The cost of this one-off work was approximately $260,000 and was funded through reprioritisation of existing work programmes.

To ensure maintenance of the drainage assets to a satisfactory standard over the long run, more sustainable arrangements need to be put in place in relation to:

- management of the drainage assets
- funding.

Management of drainage assets

The options for the management of the drainage assets in each of the drainage districts have been assessed against the following criteria:

- ensuring appropriate maintenance of the assets
- cost efficient delivery of maintenance
- effective long-term decision making
- preference of the affected community.

We have investigated the work required to provide adequate maintenance and renewal for the drainage assets. Initial assessment has indicated an annual spending of up to $280,000 is needed, depending on management options chosen. Three options were identified for managing the drainage assets with the enhanced service level:

- Option one - private management: landowners manage drainage assets on their own properties, at their own cost. This would be achieved through an agreement with the landowners and registration of an instrument on the property title to ensure purchasers are aware.
- Option two - council management: We pay our contractors to maintain and repair the drainage assets, with a management plan to define the work. This is estimated to cost $280,000 per annum ($90,000 for Te Arai, $70,000 for Glorit, $120,000 for Okahukura)
- Option three - community-council joint management: The community maintains assets (including spraying, mechanical weed and sediment removal) through an incorporated society for each drainage district with annual grants from us. We undertake asset repairs and renewals. We will provide technical advice and overall management of the drainage work through a management plan. This option is estimated to cost $80,000 per annum ($30,000 for Te Arai, $20,000 for Glorit, $30,000 for Okahukura)

Regardless of the option chosen, a management plan will be developed, establishing levels of service for the districts and ensuring best practice environmental guidelines are adhered to in maintenance and renewals works.

Option three is expected to deliver the required outcome at substantially lower cost than option two. Option three was supported by the majority of residents who attended community workshops held in February 2020 on the management options for Te Arai and Okahukura.

Option one (private management) is not recommended for Te Arai or Okahukura, despite the cost advantage. There are around 200 properties in the Te Arai district and around 100 in Okahukura. The effectiveness of the entire drainage system is, therefore, dependent on the individual landowners properly maintaining the assets on their land. The absence of our involvement means it will be difficult to ensure all landowners participate or pay into the scheme, potentially exposing the drainage assets to the same risk as before.

For the Glorit drainage district our involvement adds little value with the small number of properties in this district. Agreements with landowners will allow us to specify the obligations of both parties and enable us to seek recourse should landowners fail to meet their obligations. Option one was supported by residents who attended the community workshop held in February 2020 on the management options for the Glorit Drainage District.

Option two is not recommended for any of the funding areas because of the substantially lower cost achievable under options one and three.

Funding source

Ongoing funding in addition to the existing budget is required for the upkeep of the drainage assets.

Under the private management model recommended for the Glorit drainage district, landowners will manage the assets at their own cost. There will be no extra funding required from us.

Under the community-council joint management model recommended for Te Arai and Okahukura drainage districts, it is estimated an annual cost of $30,000 is required for each district. This could be funded from the general rate, or a targeted rate levied on the local landowners.

Section 101(3) of the Local Government Act 2002 requires that the local authority consider, among other things, the distribution of benefits and the causation of the need to invest before determining the funding source for an activity.

On this basis, a land classification model has been developed and is proposed. Under this model the land in the drainage districts is categorised into three different classes based on where the land is situated and according to the land topography (see Attachment B for a detailed explanation of each land class):

- Class A: Land within the drainage catchment and in a flood plain
- Class B: Land within the drainage catchment but not in a flood plain
- Class C: Land outside the drainage catchment

Historically, residents in the Rodney Drainage Districts paid a targeted rate towards maintenance of the drainage assets based on a land classification model similar to the above.

Under the proposal a targeted rate be charged to Class A and Class B land within the Te Arai and Okahukura drainage districts. This aligns the funding requirement with the beneficiaries and/or causers of costs. Class C land will be zero rated as it does not directly benefit from the work nor does it contribute to the need for work.

General rate funding is not appropriate as it would result in ratepayers across the Auckland region contributing towards funding this activity, while the costs are incurred for a specific and identifiable group.

In all other rural areas of Auckland, private landowners are responsible for maintaining and renewing the drainage assets located on their land. General rate funded council involvement only occurs when emergency remedial work is required.

A more detailed assessment of the funding sources and targeted rate options against statutory criteria are included in Attachment C.

Targeted rate options

There are different ways of allocating the targeted rate liability across properties located in Class A and Class B land within the Te Arai and Okahukura drainage districts. We have considered the following options for assessing the targeted rate:

- By land area or land value of the property
- By land area or land value of the property with differentials based on location (land class)
- By Number of SUIPs (separately used or inhabited part of a rating unit) in the property

Rating on land area or land value with no differential is simple to administer. Data is readily available in our Rating Information Database (except for a few properties that sit partially within the drainage district, which would require some initial work to identify apportionments). In a broad sense, land area or land value bears some relation with benefits received from the drainage assets or the need to invest in them, to the extent that land of larger size or greater value generally benefits more from flood protection and contributes more to the flooding risk. The relationship however is not considered a strong one due to the many other factors that drive the benefit received or the need to invest, the main one being the location of the land (whether it is in a floodplain or not).

Applying differential charges to land area or land value based on location would create a much stronger link between rates liability and benefits. Land in a floodplain benefits more from the drainage assets as it is more vulnerable to flooding risks. To administer the differential charges, some effort will be required to accurately establish the area or value of each property that relates to floodplain. The apportioning of land value of a property that spans across more than one class of land in particular, would require considerable effort.

A targeted rate based on number of SUIPs is the easiest to implement. It assumes that every household, business or farm receives the same amount of benefit from the drainage assets and contributes the same towards flooding risk. This approach ignores the size or location of the land which are the key drivers of benefit and/or causation of costs.

Under the proposal the targeted rate will be set on land area of the property with differentials based on location (land class). This approach strikes the best balance between meeting the requirements of Section 101(3) of the Local Government Act (LGA) 2002; beneficiaries, drivers of cost, administrative efficiency and affordability. The following table shows indicative rate for each lass of land in each drainage district area. A differential of 2.0 is applied to Class A land (in a flood plain) to reflect the greater extent of benefit it receives relative to Class B land (not in a flood plain).

Drainage district	Rate for each square metre of Class A land for 2021/2022 *(including GST) ($)*	Rate for each square metre of Class B land for 2021/2022 *(including GST) ($)*	Rate for each square metre of Class C land for 2021/2022 *(including GST) ($)*
Te Arai	0.00184463	0.00092231	0.00000000
Okahukura	0.00266984	0.00133492	0.00000000

A more detailed analysis of estimated impact of the proposed targeted rate can be found in Attachment B.

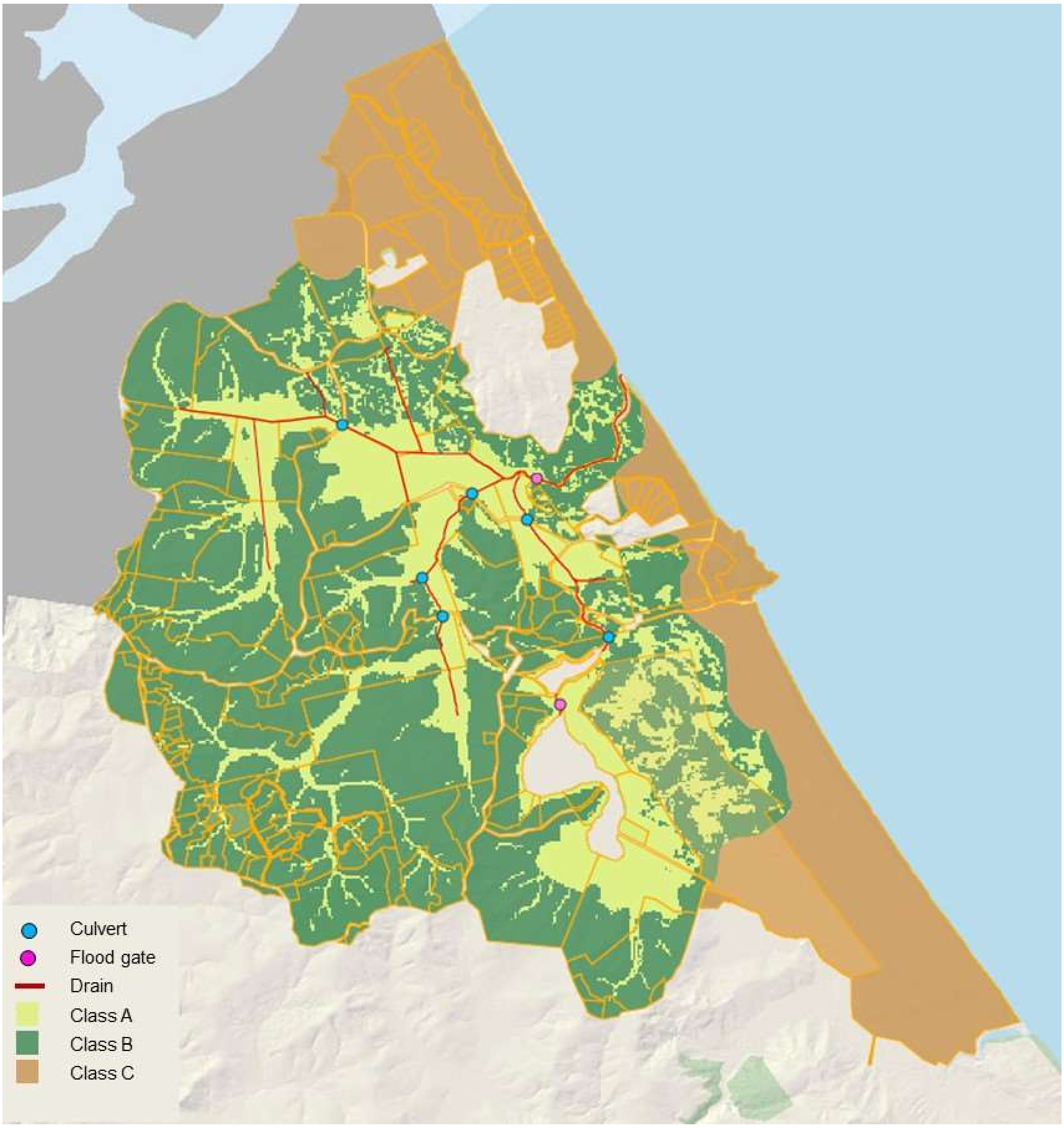
Attachments

No.	Title
A	Maps of the Te Arai and Okahukura drainage districts land classification
B	Map of Glorit Drainage District
C	Assessment against statutory criteria

Attachment A: Maps of Te Arai and Okahukura drainage districts land classification

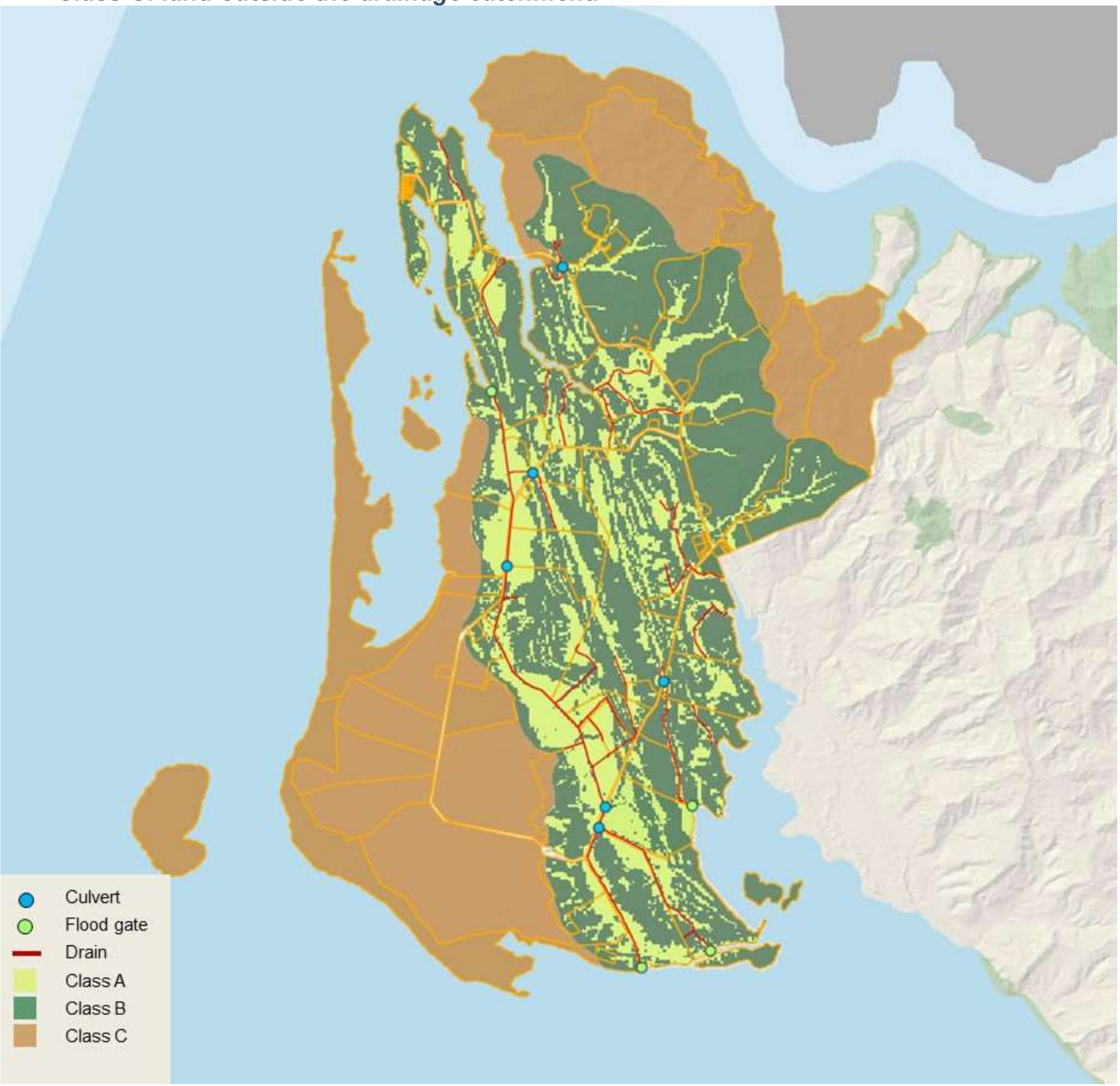
Map of Te Arai land classification

Class A: land within the drainage catchment and in a flood plain.
Class B: land within the drainage catchment but not in a flood plain.
Class C: land outside the drainage catchment.

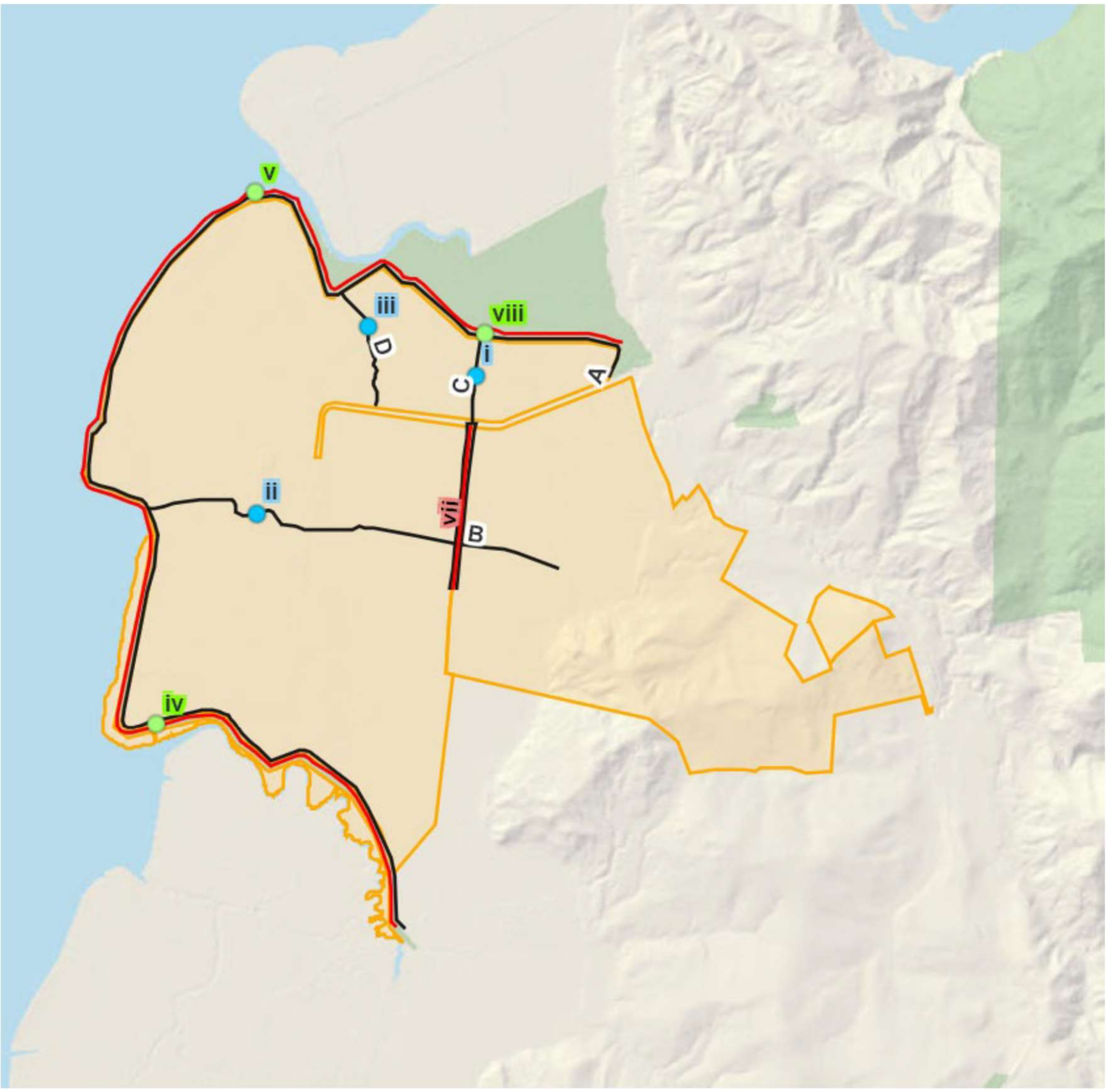


Map of Okahukura land classification –

Class A: land within the drainage catchment and in a flood plain.
Class B: land within the drainage catchment but not in a flood plain.
Class C: land outside the drainage catchment.



Attachment B: Maps of Glorit Drainage District



Attachment C: Assessment against statutory criteria

When deciding from what sources to meet its funding needs, we must consider the matters set out in section 101(3) of the Local Government Act 2002, see below. This involves elected members exercising their political judgement and considering the proposal in the context of our funding decisions as a whole.

101(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—

(a) in relation to each activity to be funded,—

(i) *the community outcomes to which the activity primarily contributes; and*

(ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*

(iii) *the period in or over which those benefits are expected to occur; and*

(iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*

(v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*

(b) the overall impact of any allocation of liability for revenue needs on the community.

The following section considers the funding for the proposed management model for Rodney drainage districts against the criteria in section 101(3) of the Local Government Act 2002.

The community outcomes to which the activity primarily contributes

The proposed investment supports the following community outcomes which form part of the Auckland Plan outcomes the Stormwater Management activity contributes to as set out in the LTP 2018-2028:

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

While the proposed investment contributes to wider outcomes for the region its impact is minor in a broader sense. In all other rural areas of Auckland, private landowners are responsible for maintaining and renewing the drainage assets located on their land. General rate funded council involvement only occurs when emergency remedial work is required. Given this, a targeted rate charged to the affected properties is the most appropriate source of funding.

The distribution of benefits between the community as a whole; any identifiable part of the community; and individuals

The benefits expected from the proposed investment, as listed below, exclusively accrue to properties located within each drainage district.

- Reduced risk of flooding in the catchment area
- Effective management of the drainage assets over the long run

A land classification model has been developed to categorise land based on situation and topography, to further understand the distribution of benefit within each drainage district:

Class A: Land within the drainage catchment and in a flood plain

This class benefits most from maintaining the drains as it reduces the risk of flooding. The land within a flood plain also contributes to the need of work by the runoff from the land flowing to the drains. This class is identified using the flood plain maps. It should be noted that, like the rest of the region including urban areas, floods may still occur due to the variable rainfall intensity, duration, and soil condition.

Class B: Land within the drainage catchment but not in a flood plain

This category does not directly benefit from the drainage works but contributes to the need of work by the surface water flowing to the drains through overland flow paths.

Class C: Land outside the drainage catchment

This category includes the land that does not drain to the drainage network, i.e. not within the drainage network's catchment.

The benefits of the activity primarily accrue to land that is located in the flood plain (Class A land) as it is most vulnerable to flooding. The benefit also increases, in general, as the size of the land increases. There will be other factors that also drive the extent of benefits, such as productivity of the land. The impact of these however will be difficult to capture through a targeted rate that needs to be set within the parameters of the rating legislation. Land that is located within the drainage district but outside of the flood plain (Class B and C land) receives little or no direct benefit from the investment.

The period in or over which the benefits are expected to occur

The assets to be built will deliver benefits over their lifetime. It would therefore be more appropriate to spread the lump sum capital costs over the life of the assets and fund the annual amount from the targeted rate. The benefit of ongoing maintenance is expected to be distributed evenly across all years.

The extent to which the actions or inactions of particular individuals or as a group contribute to the need to undertake the activity

Land within the drainage catchment but not located in a flood plain (Class B land) does not directly benefit from the drainage works but contributes to the need of the works as the surface water runs off the land and flows to the drains through overland flow paths. The need for investment increases, in general, as the size of the land increases.

There will be other factors that also drive the need, such as impervious area, vegetation cover and slope. In rural areas such as Te Arai and Okahukura, the amount of impervious area on each property is not expected to have a material impact on stormwater runoff. The impact of other factors will be difficult to capture through a targeted rate that needs to be set within the parameters of the rating legislation.

Land that is located within the drainage district but outside of the catchment area (Class C land) does not contribute to the need for the investment.

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

Funding this project from a targeted rate will improve the transparency of decision making on additional funding. Ratepayers will be able to clearly see exactly how any additional funding they provide will be used. This will make it easier for them to express a preference on increased funding. A rate based on land area and location is easy to communicate to the community as it provides a clear the link between the charge and the benefit received or cost caused.

The use of a targeted rate will also improve accountability for expenditure. If a decision is made to raise additional funding by use of a targeted rate, then ratepayers can be confident it will be used for that purpose. Targeted rates can only be spent on the activity for which they are raised.

It is administratively straight forward to implement a targeted rate in the manner proposed.

Consideration of overall impact

Having considered the above criteria, we need to consider the proposal in terms of the overall impact on the community. This involves elected members exercising their judgement and considering the proposal in the context of our funding decisions as a whole, not just in relation to this activity.

Of the 316 properties located within the drainage districts of Te Arai and Okahukura, 72 will not be charged the targeted rate as they are either non-rateable or located on Class C land. The estimated targeted rate will represent a minor increase in rates for the majority of the balance of the properties in the drainage districts. For some properties the increase could be significant. The tables below show the estimated impact of the proposed targeted rate under the recommended option (rate assessed on land area and land class).

Estimated number properties in Te Arai facing dollar and per centage change as a result of the targeted rate (excluding properties with zero drainage targeted rate)

	0% - 3%	3% - 5%	5% - 10%	10% - 50%	50% - 100%	>100%	Subtotal
$0 - $50	78	1	0	0	0	0	79
$50 - $100	15	10	4	0	0	0	29
$100 - $300	2	5	9	3	0	0	19
$300 - $600	0	0	1	9	0	0	10
$600 - $1000	0	0	0	7	0	0	7
$1000 - $3000	0	0	0	8	1	0	9
>$3000	0	0	0	0	1	0	1
Subtotal	95	16	14	27	2	0	154

Estimated number properties in Okahukura facing dollar and per centage change as a result of the targeted rate (excluding properties with zero drainage targeted rate)

	0% - 3%	3% - 5%	5% - 10%	10% - 50%	50% - 100%	>100%	Subtotal
$0 - $50	54	0	0	0	0	0	54
$50 - $100	0	0	1	0	0	0	1
$100 - $300	1	1	1	4	0	0	7
$300 - $600	0	1	0	5	0	0	6
$600 - $1000	0	0	0	9	0	0	9
$1000 - $3000	0	0	0	10	2	0	12
>$3000	0	0	0	1	0	0	1
Subtotal	55	2	2	29	2	0	90

Ratepayers unable to afford the rates increase could choose to postpone some or all their rates until they sell.

For those residential ratepayers for whom affordability may be an issue we also administer the rates rebate scheme on behalf of the Department of Internal Affairs.

7.14 - Potential changes to Business Improvement District Targeted Rates

Business Improvement Districts (BID) are areas within Auckland where local businesses have agreed to work together, with support from the council, to improve their business environment and attract new businesses and customers. The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted on and agreed to pay to fund BID projects and activities.

What we are proposing

The extension to the Manurewa BID, Glen Innes BID, and Dominion Rd BID targeted rate boundaries are proposed at the request of the respective BID Associations. Attachment A contains maps showing the proposed extension to each BID.

Background

Our BID Policy requires a ballot be held of all businesses (ratepayers and occupiers) in the BID targeted rate area. In order to proceed, these ballots require a 25 per cent return rate and, of those, over 51 per cent must be in support of the proposal. All the ballots are scheduled to take place in March 2021.

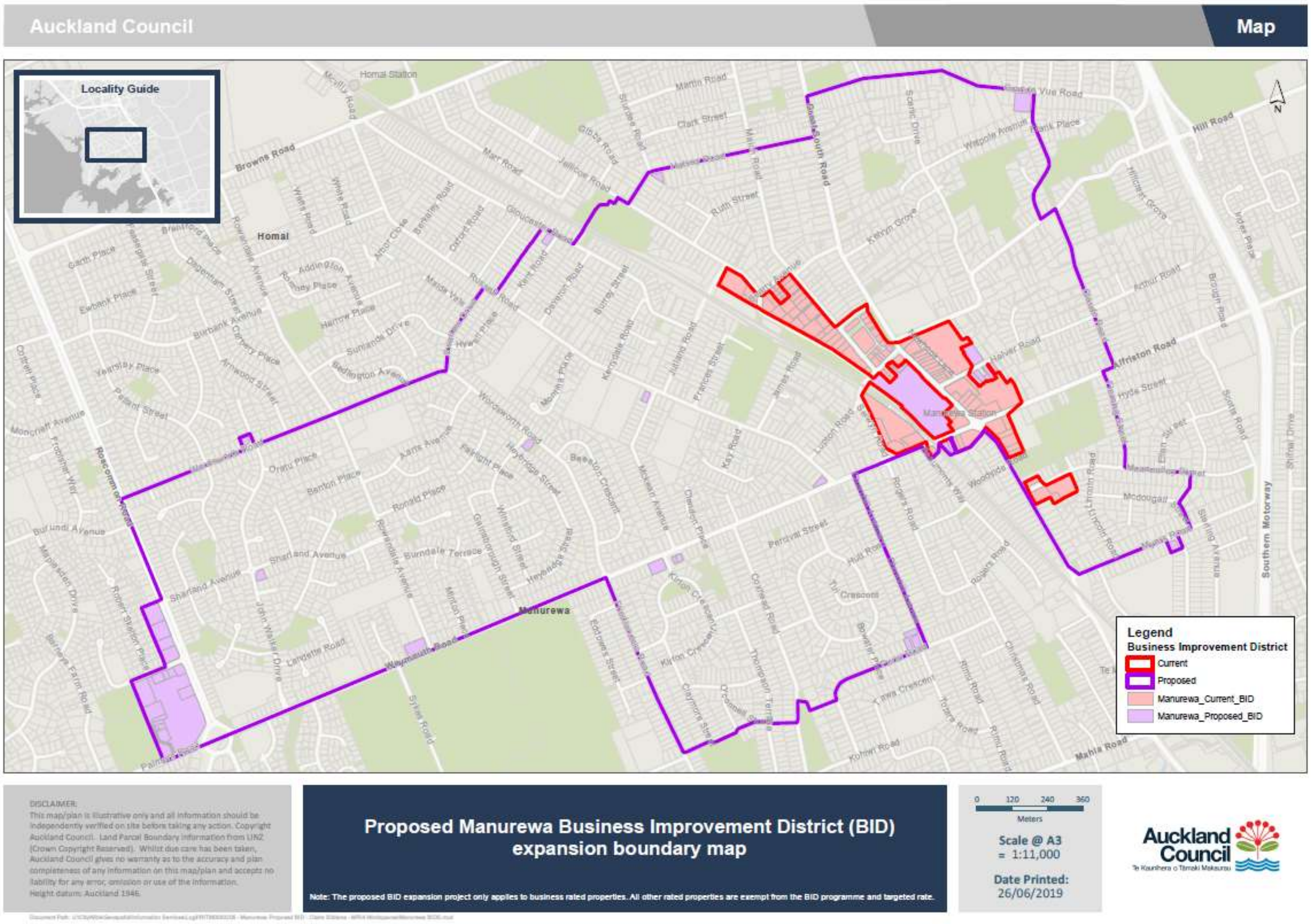
The results of the ballots will be reported to the respective local board. The local board passes their views to the Governing Body who, after considering the local board views and the results of the ballot and feedback received during consultation, determines whether or not the BID rate is set. The estimated rates for the proposed BID extensions are set out in Table 1.

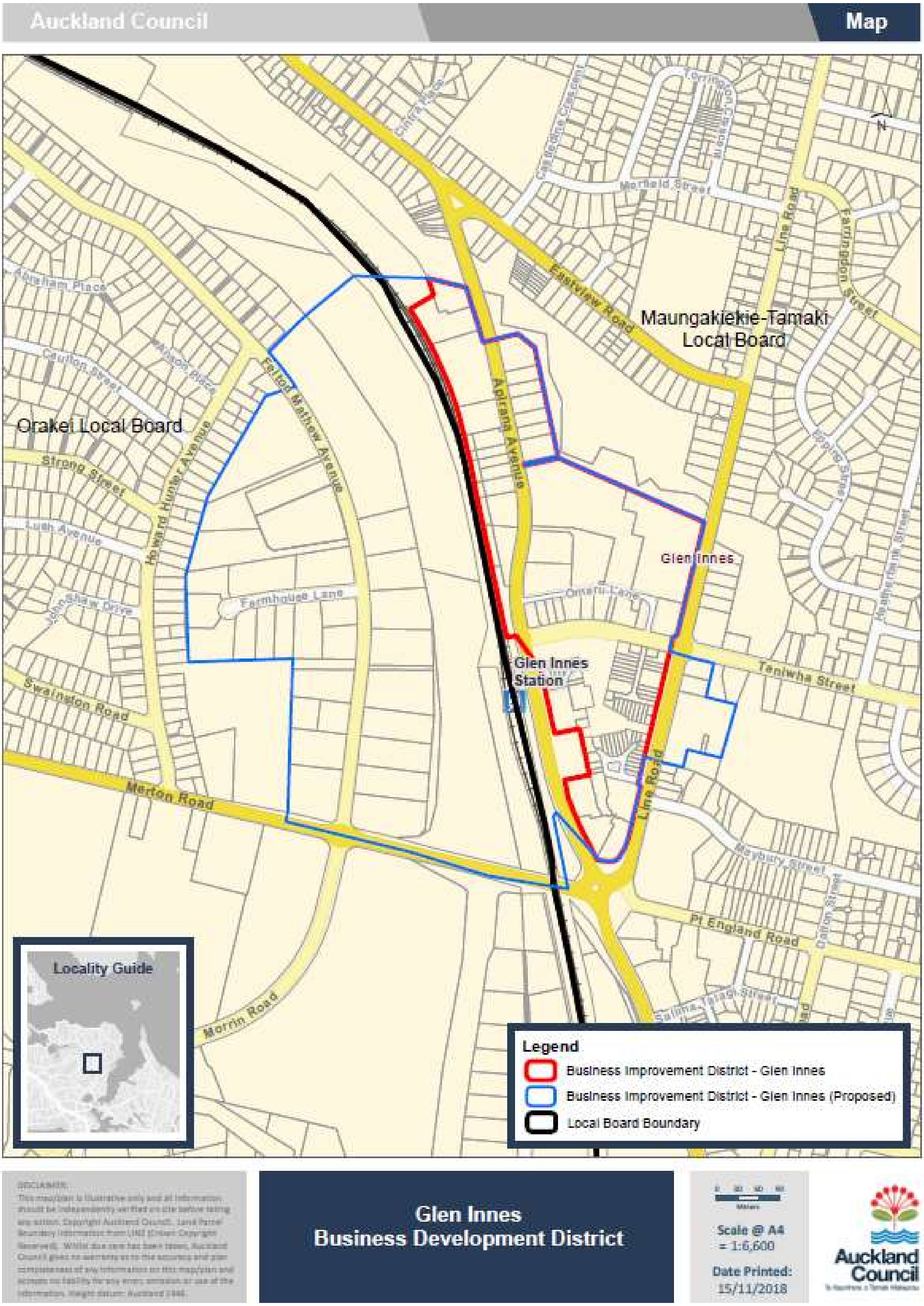
Table 1

BID area	Proposed targeted rate budget for 2021/22 *excluding GST* ($)	Amount to be funded by fixed charge for 2021/22 *excluding GST* ($)	Fixed rate per property for 2021/22 *including GST* ($)	Amount to be funded by property value rate based on the capital value of the property for 2021/22 *excluding GST* ($)	Estimated rate in the dollar for 2021/22 to be multiplied by the capital value of the property *including GST* ($)
Dominion Rd	280,837	0	0	280,837	0.00058503
Glen Innes	252,728	0	0	252,728	0.00080013
Manurewa	315,000	0	0	315,000	0.00099371

The BID programme forms part of our Local Economic Development activity. BID associations are the sole beneficiary of a council operating grant that represents the amount of rates raised from each BID area. Our administrative costs for running the BID programme are funded from general rates. The BID programme is an established part of our activities which provides transparency in funding of BID associations. There are no additional costs associated with this proposal.

Attachment A: Maps of proposed extensions to Manurewa, Glenn Innes and Dominion Rd BIDS




Auckland Council
Map
Orakei Local Board
Maungakiekie-Tamaki Local Board
Glen Innes
Glen Innes Station
Merton Road
Apirana Avenue
Line Road
Eastview Road
Taniwha Street
Pt England Road
Felton Mathew Avenue
Howard Hunter Avenue
Strong Street
Lush Avenue
Swainston Road
Farmhouse Lane
Morrin Road
Caulton Street
Abinham Place
Omaru Lane
Maybury Street
Farringdon Street
Morfield Street
Torrington Crescent
Locality Guide
Legend
Business Improvement District - Glen Innes
Business Improvement District - Glen Innes (Proposed)
Local Board Boundary
Glen Innes
Business Development District
Scale @ A4 = 1:6,600
Date Printed: 15/11/2018
Auckland Council


Auckland Council
BID
Map
Morningside Station
Walters Road
Eden Park
Dominion Road
Valley Road
Sandringham Road
Burnley Terrace
Gribblehirst Park
Pelco Avenue
Prospect Terrace
Grange Road
Milton Road
Aroha Avenue
Warren Freer Park
Taylors Park
Henley Road
Woodside Road
Balmoral Road
Potters Park
Sandringham Road
Arabi Street
Pine Street
Balmoral
Balmoral Road
Waiatu Road
Halesowen Avenue
Calgary Street
Mount Eden Road
Marsden Avenue
Peary Road
Lambeth Road
Shackleton Road
Pollard Park
Current
Proposed
Proposed Dominion Rd/Balmoral Business Improvement District (BID) Expansion map
Scale @ A4 = 1:11,723
Date Printed: 3/21/2020
Auckland Council

7.15 Paremoremo Public Transport Targeted Rate proposal

A key objective of the Upper Harbour Local Board Plan 2020 is an affordable, frequent and reliable public transport network that encourages higher use uptake. Consultation on the Upper Harbour Local Board Plan 2020 sought feedback on providing additional public transport services in non-serviced areas funded by targeted rates. Fifty-five per cent of respondents supported the Upper Harbour Local Board investigating this further.

What we are proposing

We are proposing to introduce a bus service between Paremoremo and Albany. Paremoremo residents don't currently have any public transport choices. The service will operate at peak hours on weekdays providing three round trips in the morning and four in the afternoon. We are considering two options to fund this service:

- Option 1: A targeted rate of $238 per Separately Used or Inhabited Part (SUIP) of a property for properties located within 500m walking distance of a proposed bus stop[1]. The narrow service area assumes the distance someone would walk to catch a bus service in an urban area.
- Option 2 : A targeted rate of $153 per Separately Used or Inhabited Part of a property for properties located in the wider Paremoremo and Lucas Heights area of the Upper Harbour Local Board. The wider service area assumes that, in rural areas, residents will travel much longer distances to catch a bus service.

As well as covering the costs of providing the service, the targeted rate includes repayment of the capital costs over 10 years as well as the interest that we incur until the borrowings are repaid. If the level of the capital expenditure changes then this will affect the level of the targeted rate, however this is not expected to be material.

Background

Upper Harbour 2020 Local Board Plan

A key objective of the Upper Harbour Local Board Plan 2020 is an affordable, frequent and reliable public transport network that encourages higher use uptake. Consultation on the 2020 Local Board Plan asked residents about targeted rates to fund additional public transport in areas where none was present. Fifty-five per cent of respondents supported further investigation and twenty-two per cent did not.

Key themes in support were:

- a desire for improvements to the public transport network within the local board area
- acknowledgment of the reductions of carbon emissions if less people drove cars and more people had access to public transport options
- a number of specific requests for public transport services within individual areas with a large number requesting a bus service from Paremoremo in particular.

Key themes from submissions opposed were:

- submitters felt that public transport services should be provided by Auckland Transport and should be a user pays service, not an additional cost to ratepayers
- concerns regarding the additional cost to ratepayers
- non-public transport users that would not benefit from the service did not support the proposal.

[1] See Attachment B: Option 1 - Paremoremo bus service area for proposed bus stop locations

Paremoremo is an area that meets the key criteria of the local board plan where no public transport services are currently provided.

Passenger transport costs

Operating costs for a peak-only bus service (3 round trips am, 4 round trips pm, weekdays only) in the Paremoremo area are estimated to cost around $160,000 per annum. Providing a bus service in this area will also require an estimated capital investment of $60,000 for bus stops.

A peak-only service has been identified as providing a balance between service levels and the impact on ratepayers in the service area. Service levels can be increased in the future should there be sufficient demand to extend the offering.

Fare levels for the public transport network are set on a regional basis and at a level to optimise public transport outcomes while maximising revenue. If fares are set too high, then this may discourage the use of public transport services. The new service is not expected to attract significant patronage and revenue from fares is not expected to be material. Targeted rates revenue is therefore expected to be required to make up most of the cost of running the service.

Consideration was also given to providing peak-only bus and on-demand rideshare services in both the Paremoremo and Albany Heights areas. On-demand rideshare services were discarded as the service does not provide enough capacity to meet potential high demand. The service would be provided by a single van which may at times result in long wait times for users.

Options for providing bus services in the Albany Heights are being further investigated and may be proposed for future implementation. Providing a bus service to Albany Heights is more expensive than Paremoremo alone as it requires an additional bus to maintain service levels. Better outcomes are achieved by running separate services to each area as the services are more direct.

Benefits of service options

The bus service has been designed to provide public transport services to the Paremoremo area only. This service will provide feeder services to the wider public transport network. Benefits to the wider Auckland area are expected to be very low or non-existent.

Users of the services will directly benefit from using these services. Users will partially fund the service through fares.

Landowners will be the other primary beneficiaries through the availability of the service. The service will provide alternative transport options to Albany and from there, to the rest of the city via the wider public transport network. They will also benefit from a marginal localised decongestion effect, although this benefit is unlikely to be noticeable.

The benefits from bus services to landowners is generally limited by proximity to bus stops. The service area for Option 1 is based on properties within 500m walking distance of a proposed bus stop. Access to public transport in the Regional Public Transport Plan (RPTP) is measured on being within 500 metres walking distance of a public transport stop with a service. Under this option properties are within 500 meters walking distance.

The Upper Harbour Local Board consider the wider Paremoremo and Lucas Heights area of benefit (Option 2) is more appropriate based on their local knowledge and previous engagement with the community. The board considers that, in this area, residents will travel much longer distances to catch a bus service. Under this option some properties are located more than 3km walking/driving distance from a proposed bus stop. While we currently do not have evidence to support catchments greater than 500 meters walking distance, we will be seeking to undertake further research into bus catchments for rural areas. This additional information alongside the public feedback will support decision making on the proposal in May 2021.

Service areas for Options 1 and 2 are set in Attachment B: Option 1 - Paremoremo bus service area and Attachment C: Option 2 - Paremoremo bus service area.

Paremoremo ratepayers

A high-level analysis of the ratepayers in each of the service areas are set out in the following tables.

Option 1: Paremoremo bus service area (500m walking distance)

		Residential	Business	Farm/lifestyle
Properties	Total	498	14	139
	Proportion	*76%*	*2%*	*21%*
Separately used or inhabited parts (SUIPs)	Total	627	14	173
	Proportion	*77%*	*2%*	*21%*
Capital value	Total	$490.9m	$252.3m	$244m
	Proportion	*50%*	*26%*	*25%*

Land in this service area is primarily a mixture of residential and farm/lifestyle properties with very few businesses. This reflects that the service area is more directed at the rural residential area of Paremoremo. A targeted rate set on a per Separately Used or Inhabited Part (SUIP) basis would result in 77 per cent of the revenue coming from residential land, 2 per cent from business land and 21 per cent from farm/lifestyle land.

Option 2: Paremoremo bus service area (wider service area)

Category		Residential	Business	Farm/lifestyle
Properties	Count	697	14	335
	Proportion	67%	1%	32%
Separately used or inhabited parts (SUIPs)	Count	847	14	408
	Proportion	67%	1%	32%
Capital value	Value	$747.8m	$249.2	$591.6m
	Proportion	47%	16%	37%

Land in the wider service area is also a mixture of residential and farm/lifestyle properties with very few businesses. Including the wider Paremoremo and Lucas Heights areas results in proportionately more farm and lifestyle properties being within the service area. The targeted rate for Option 2 set on a per SUIP basis results in 67 per cent of the rates revenue requirement coming from residential land, 32 per cent from farm/lifestyle land, and only around 1 per cent from business land.

Rates funding options

We are proposing that the targeted rate be set as a fixed rate per SUIP. The proposed new bus service will uniformly benefit landowners in the service area by providing improved personal transport choices and outcomes (public transport services and bus stops). Properties located closer to the bus stops will have greater accessibility due to the proximity of the bus stop.

Given the nature of the benefits:

- business owners and farms will benefit at a similar level to residential properties rather than in proportion to their scale of activity or capital value
- residential properties of differing capital value will benefit similarly.

As the direct transport benefit to all properties is relatively similar, a rate set as a fixed charge per SUIP of a rating unit is the most appropriate basis of distribution of benefits.

As there is a strong relationship between capital value and income, a rate applied on capital value would place more charge on those potentially better able to afford it. A rate applied on capital value would also increase the share paid by business and farm/lifestyle properties as they tend to have higher property values. Business and farm properties can claim back GST and expense rates for tax purposes.

Rates impact

The table below sets out the level of the targeted rate required to fund the new service along with the average impact of the targeted rate on residential, business and farm/lifestyle properties in the service areas for each option. This will be in addition to the increase in general and other rates.

Option	Targeted rate per SUIP	Average rates impact (%)		
	$ (GST incl)	Residential	Business	Farm/lifestyle
Option 1: Bus service in Paremoremo (500m benefit area)	$238	11.1%	0.3%	8.1%
Option 2: Bus service in Paremoremo wider area	$153	6.6%	0.2%	5.1%

Ratepayers with affordability issues can access the council's rates postponement scheme or apply for the rates rebate which the council administers on behalf of the Department of Internal Affairs. Business properties and farm/lifestyle properties can expense rates and claim back GST which means the net cost to them will be lower.

Capital investment required

Around $60,000 of additional capital investment is required for bus stops. The new bus service will be provided using temporary stops along the route. At around $5,000 per stop, temporary bus stops are considerably less expensive than standard bus stops more commonly used in urban areas. Temporary bus stops are very basic and consist of a pole with signage concreted in place. The cost also includes a traffic management plan while the bus stop is built. The total capital cost includes provision of 10 temporary bus stops (five pairs) and a contingency of $10,000. Site visits are still required to confirm suitable bus stop locations. If the costs of the capital expenditure change then this will affect the level of the targeted rate. This is not expected to be material.

Capital investments are funded from borrowing. The capital costs of bus stops have been included in the rates revenue requirement calculations. The costs include the repayment of initial capital investment over 10 years as well as the interest that the council will incur until the borrowings are repaid.

Capital investments also incur ongoing consequential operational costs such as maintenance and depreciation. We will be funding the ongoing consequential operating costs out of the general rate. These will not be recovered from the targeted rate.

The Upper Harbour Local Board may consider using the Local Board Transport Capital Fund for some, or all, of the capital investment. The budget for the Local Board Transport Capital Fund was reduced in the Emergency

Budget 2020/2021. If the budget is reinstated as part of the 10-year Budget 2021-31, then this will be an option that the local board may consider using. This would reduce the impact on ratepayers subject to the targeted rate by around $7 under either option.

Waka Kotahi funding

The proposed bus service in Paremoremo area is unlikely to qualify for a Waka Kotahi subsidy given its priority in the Regional Land Transport Plan (RLTP). A comprehensive business case is required to support applications for Waka Kotahi funding. Fifty-one per cent of a qualifying project may be funded by Waka Kotahi. If a Waka Kotahi subsidy becomes available, additional services may be funded in the area or rates reduced for affected ratepayers.

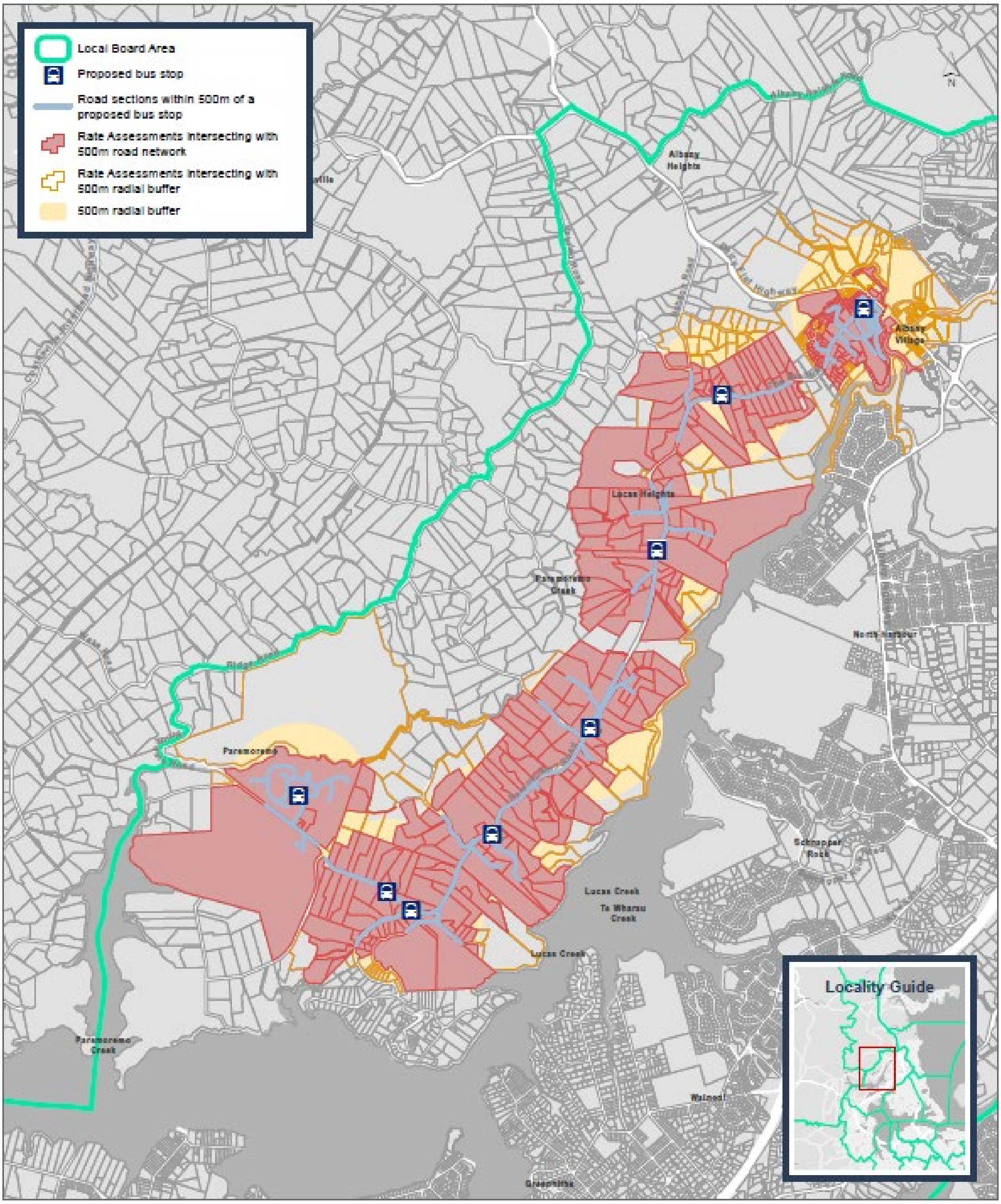
Future funding of the services

Public transport services in the Paremoremo area are not a priority for funding in the RLTP. The forecast level of patronage does not meet the threshold for funding public transport in Auckland from general rates. Should the level of patronage meet this level, then we will consider funding these services from general rates. If this was to occur, then the targeted rate would cease.

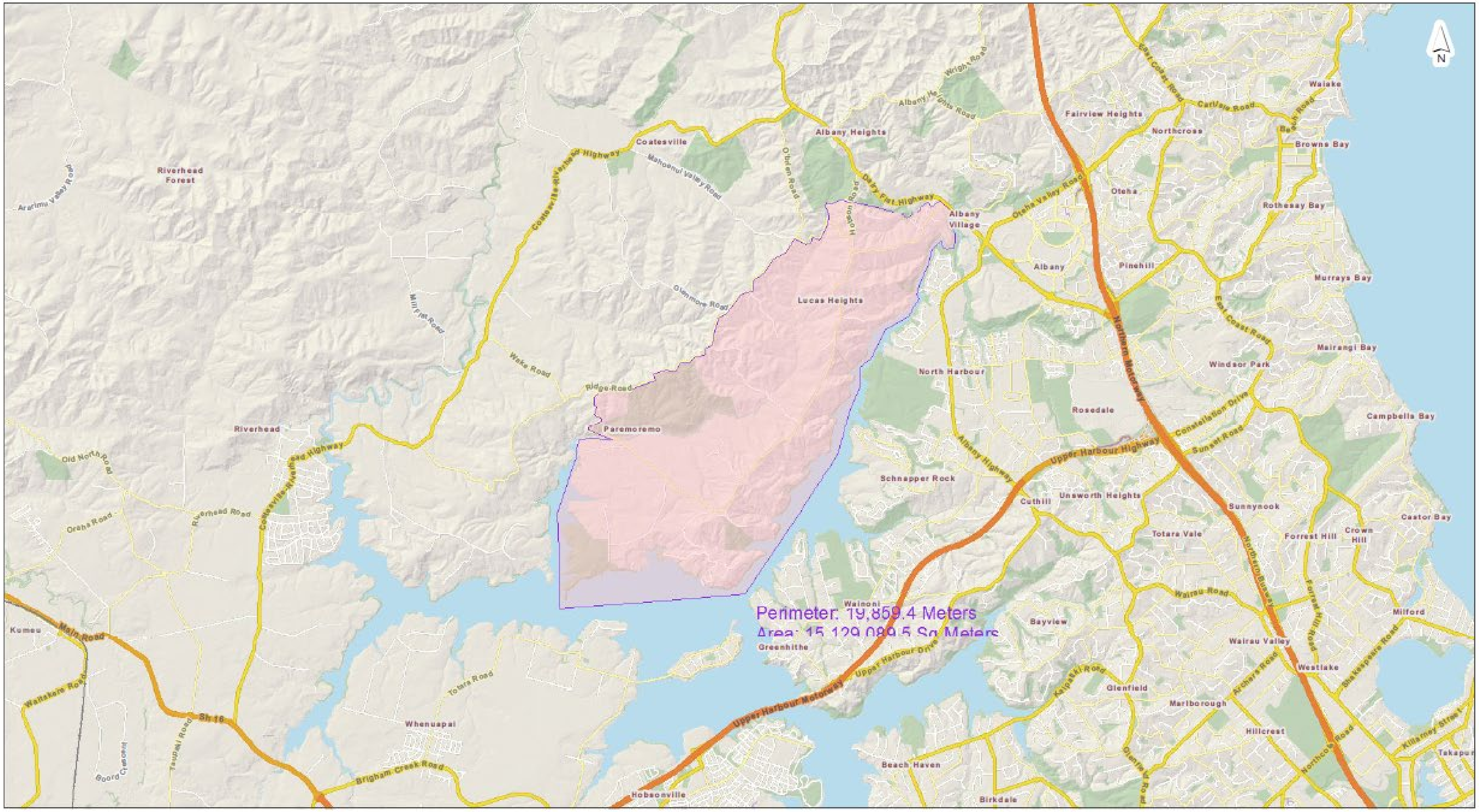
Attachment A: Options Table

	Rationale	Impact on rates	Impact on debt	Impact on level of service
Option One: A targeted rate of $238 per SUIP for properties located within 500m walking distance of a bus stop in Paremoremo.	*The narrow service area assumes the distance someone would walk to catch a bus service in an urban area.*	• No material impact on rates at a regional level – $170,000 per annum. • Rates increase for affected ratepayers (0.3% for business, 8.1% for farm/lifestyle, and 11.1% for residential)	• No material impact on the ability to borrow. • Requires around $60,000 of capital expenditure in 2021/2022 to be fully repaid by 2030/2031	• New peak only bus services (3 round trips am, 4 round trips pm, weekdays only) in the Paremoremo area
Option Two (preferred): A targeted rate of $153 per SUIP for properties located in the wider Paremoremo and Lucas Heights area of the Upper Harbour Local Board.	*The wider service area assumes that, in rural areas, residents will travel much longer distances to catch a bus service.*	• No material impact on rates at a regional level – $170,000 per annum. • Rates increase for affected ratepayers (0.2% for business, 5.1% for farm/lifestyle, and 6.6% for residential)	• No material impact on the ability to borrow. • Requires around $60,000 of capital expenditure in 2021/2022 to be fully repaid by 2030/2031	• New peak only bus services (3 round trips am, 4 round trips pm, weekdays only) in the Paremoremo area

Attachment B: Option 1 - Paremoremo bus service area



Attachment C: Option 2 - Paremoremo bus service area



7.16: Analysis of asset recycling opportunities

Purpose

The purpose of this document is to provide an outline of asset recycling opportunities which may be available to help recovery from the financial impacts of the COVID-19 situation on the Auckland Council group.

Introduction

Asset recycling is an important lever for the council allowing capital to be invested in the most strategically important activities.

Asset recycling has been underway since amalgamation. At amalgamation Auckland Council received a number of assets (property, investments, business operations) from legacy councils and over time there has been some rationalisation activity. In 2015 the council received advice from Ernst & Young and Cameron Partners (reports on Alternative Sources of Finance), with some further rationalisation then occurring.

The proposed 2021-2031 10-year budget has financial targets for asset recycling (excluding asset sales linked directly to specific projects and programmes such as the transform and transform programme). These targets are as follows:

Proceeds ($m)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Previous Budget	20	20	20	20	20	20	20			
Proposed Budget	70	70	70	20	20	20	20	0	0	0

A key consideration for asset recycling is the opportunity cost of holding an asset which is not providing a service or generating an appropriate financial return against the opportunity of investing in new assets which deliver council services.

Decisions will also need to take into consideration projected future revenue streams generated by assets or any potential for capital gains.

Opportunities for asset recycling

The council has three potential asset recycling opportunities

- Property rationalisation – the sale of surplus properties
- Consider ongoing investment in non-core commercial assets
- Consider sale of non-core business unit operations

Each recycling option differs in their liquidity – how quickly the asset can be converted to cash. The timing of when proceeds may be realised is a key consideration to meet the budget parameters.

Some of the opportunities have a long lead time and this is a key consideration when assessing the ability to meet the budget parameters.

Property rationalisation

The most common asset recycling opportunity is the property rationalisation managed by Panuku. Panuku operate across the Group identifying property (land and buildings) which do not have a current or future service use and could be candidates for rationalisation. There are a number of properties that have been approved for sale that are yet to be sold by Panuku on behalf of the Council. In addition, new opportunities will be identified and investigated as rationalisation opportunities.

The rationalisation and sales process are labour intensive, and the current portfolio includes smaller properties (rather than few large properties).

Consider ongoing investment in non-core commercial assets

The council owns certain assets to facilitate the delivery of core business services and outcomes rather than financial returns.

Many of these non-core assets are a result of amalgamation rather than being strategic decision making of the council.

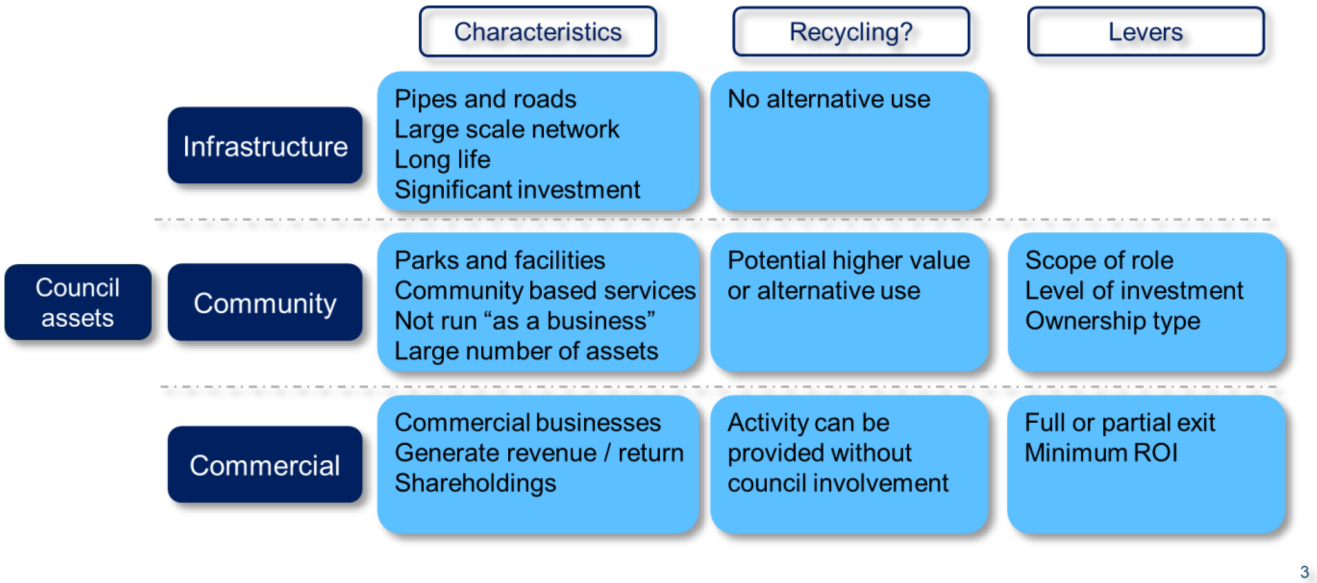
Sale of non-core business units

The council has a several business units where significant parts operate as commercial entities which are either not core to the council meeting its objectives, can be provided by the free market or council can achieve its objectives through mechanisms other than operating (e.g. grants or subsidies).

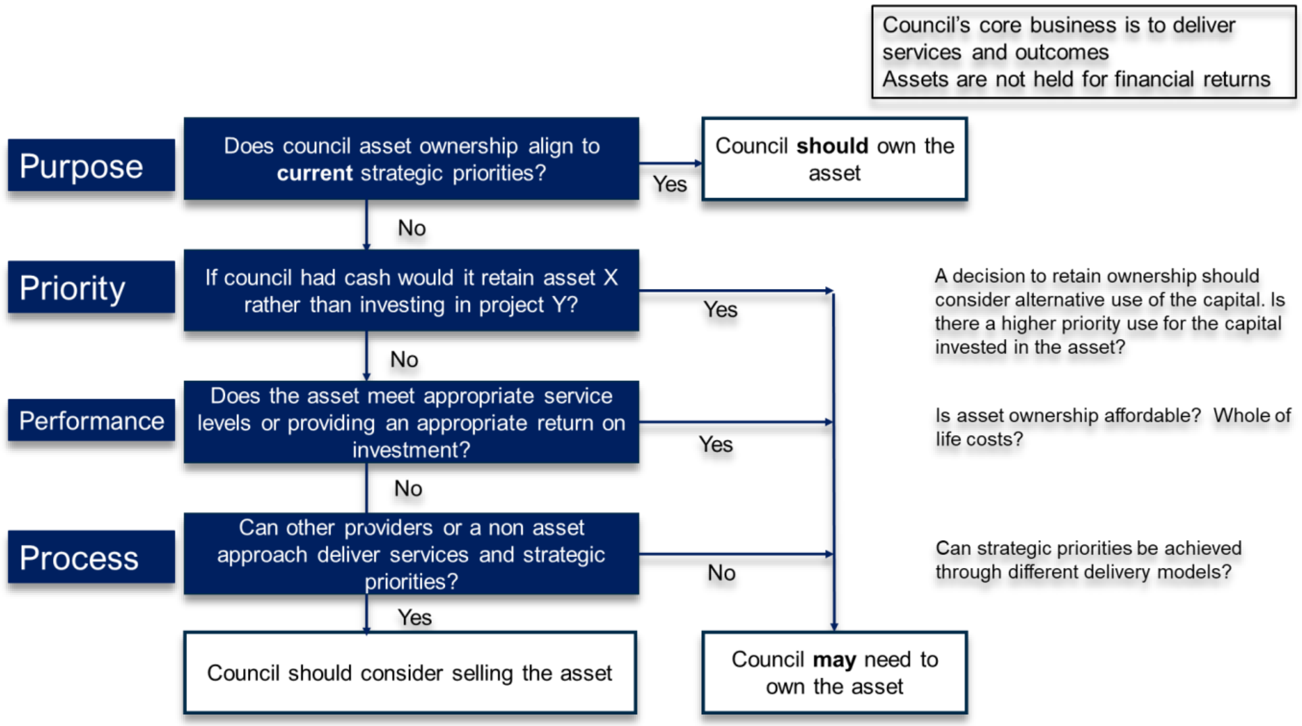
The sale of non-core business operations will also potentially free senior management to focus core business and reduce the overall risk profile of the council.

Asset recycling approach and pipeline (as at Dec 2020)

High Level classification



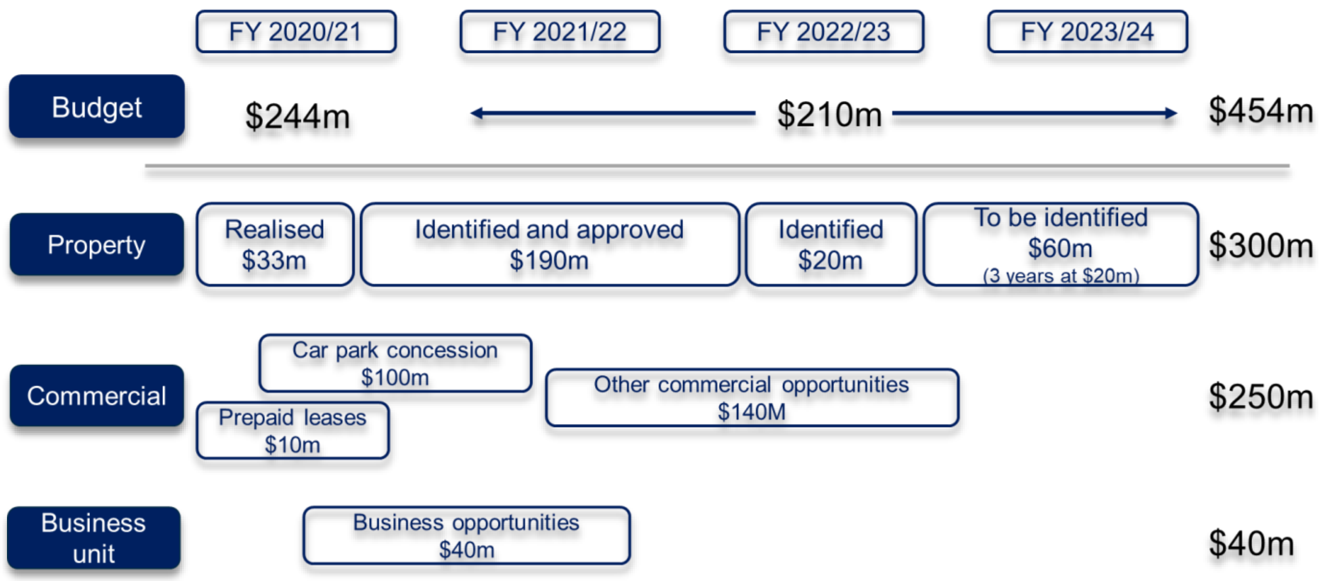
Proposed decision process



Note: In addition to the above high-level process, the existing asset sale process which includes consultation with key stakeholders and compliance with statutory obligations is not changed.

Pipeline over next 3 years

Note the below graphic includes FY2020/21 the current year, emergency budget figure



The properties listed below relate to the 'Identified and approved $190m' in the graphic above. The properties have been declared surplus by Auckland Council however the properties have individual consultation and statutory obligations that must be met before they can be sold.

Properties approved for sale by the Finance and Performance Committee

Street No	Street Name	Local Board
30R	Birmingham Road, Otara	Otara-Papatoetoe
156	Blockhouse Bay Road, Avondale	Whau
adj 155	Bombay Road	Franklin
130	Cornwallis Road	Waitakere Ranges
198-222	Dominion Road & 113-115 Valley Rd, Mt Eden	Eden-Albert
adj.1/18	Edwin Freeman Place, Ranui	Henderson-Massey
315a	Glengarry Road, Glen Eden	Waitakere Ranges
3	Harrison Street, Wellsford	Rodney
	Lincoln Road	Henderson-Massey
78	Merton Road, St Johns	Orakei
84-100	Morrin Road, St Johns	Orakei
84A	Morrin Road, St Johns	Orakei
1/16	Sarona Avenue, Glen Eden	Waitakere Ranges
	Sites C & D Totara Avenue, New Lynn	Whau
55b	Stamford Park Road, Mt Roskill	Puketapapa
-	Unlock Hobsonville Stage 3 Megalot 5&6	Upper Harbour
18	Weza Lane, Kumeu	Rodney
19	Weza Lane, Kumeu	Rodney
2	Wiremu Street, Balmoral	Albert-Eden
4	Blomfield Spa, Takapuna	Devonport-Takapuna
2	Forrest Hill Road, Forrest Hill	Devonport-Takapuna
24R	Linwood Avenue, Forrest Hill (part only)	Devonport-Takapuna
2	The Strand, Takapuna	Devonport-Takapuna
3	Victoria Road, Devonport	Devonport-Takapuna
72R	Karaka Road, Beachlands	Franklin
Rear 18-22	Keven Road, Clarks Beach	Franklin
8	Magnolia Drive, Waiuku	Franklin
24	Saleyard Road, Whitford	Franklin
54	Whitford Park Road, Whitford	Franklin
751	Whitford-Maraetai Road, Whitford	Franklin
4/222	Edmonton Road, Te Atatu South	Henderson-Massey
36-38	Waipareira Avenue, Henderson	Henderson-Massey
472	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
474	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
476	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
478	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
480	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
482	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
484	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays

Street No	Street Name	Local Board
486	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
488	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
1/490	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
2/490	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
492	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
494	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
496	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
498	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
498B	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
500	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
502	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
599	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
616A	Whangaparaoa Road, Stanmore Bay	Hibiscus and Bays
750A	Whangaparaoa Road, Manly	Hibiscus and Bays
4	Brightside Road, Stanmore Bay	Hibiscus and Bays
6	Brightside Road, Stanmore Bay	Hibiscus and Bays
16	Fencible Drive, Howick	Howick
34	Moore Street, Howick	Howick
65	Haddington Drive, Flatbush	Howick
111R	Golfland Drive, Howick	Howick
9R	Fortyfoot Lane, Sunnyhills	Howick
31 & 17R	Aspiring Avenue & Hilltop Road, Clover Park	Howick
76R	Aberfeldy Avenue, Highland Park	Howick
20 (part)	Uxbridge Road, Howick	Howick
2R	Ti Rakau Drive, Pakuranga	Howick
2R (part)	Bucklands Beach Road, Bucklands Beach	Howick
116R	Reeves Road, Pakuranga Heights	Howick
80	Vincent Street, Howick	Howick
28R	Simon Owen Place, Howick	Howick
R 105	Stott Avenue, Beach Haven	Kaipatiki
1-5	Lippiatt Road, Otahuhu	Mangere-Otahuhu
3R	Taylor Road, Mangere Bridge	Mangere-Otahuhu
5R	Ferguson Street, Mangere	Mangere-Otahuhu
26	Princes Street, Otahuhu	Mangere-Otahuhu
31R	Killington Crescent, Mangere	Mangere-Otahuhu
2/97	Mahia Road, Manurewa	Manurewa
12R	Rockfield Road, Ellerslie	Maungakiekie-Tamaki
37	Olive Road, Penrose	Maungakiekie-Tamaki
23	Waipuna Road, Mt Wellington	Maungakiekie-Tamaki
11R	Birmingham Road, Otara	Otara-Papatoetoe
2	Popes Road, Takanini	Papakura
84	Cosgrave Road, Ardmore	Papakura
72	Wood Street, Papakura	Papakura
145	Keri Vista Rise, Papakura	Papakura

Street No	Street Name	Local Board
2R	Keeney Court, Papakura	Papakura
143	Keri Vista Rise, Papakura	Papakura
119A	May Road, Mt Roskill	Puketapapa
Lot 1 DP 36821	State Highway 16, Reweti	Rodney
12 (part)	Waimauku Station Road, Waimauku	Rodney
Sec 1 SO 427897 and Sec 2 SO 427897	Albatross Road, Red Beach	Rodney
R 33A	Tauhinu Road, Greenhithe	Upper Harbour
7	Waitai Road, Waiheke	Waiheke
300 (part)	West Coast Road, Glen Eden	Waitakere Ranges
Adj. 45	Brandon Road, Glen Eden	Waitakere Ranges
67A	Glengarry Road, Glen Eden	Waitakere Ranges
3	Ponsonby Road, Freemans Bay	Waitemata
36	Cooper Street, Grey Lynn	Waitemata
45	Georgina Street, Freemans Bay	Waitemata
20	Hopetoun Street, Freemans Bay	Waitemata
30	Willerton Avenue, New Lynn	Whau
Lot 6 DP 119411	Trojan Crescent, New Lynn	Whau
13	Davern Lane, New Lynn	Whau

Corporate Property Strategy Update
&
Post-Covid Optimisation Opportunity

Finance and Performance Committee
22 January 2021

Auckland Council
Te Kaunihera o Tāmaki Makaurau

1/ Programme Background / Principles

Our Corporate Property Strategy approved by Governing Body May 2018 is ***optimising*** council's corporate properties

Core principles of our programme

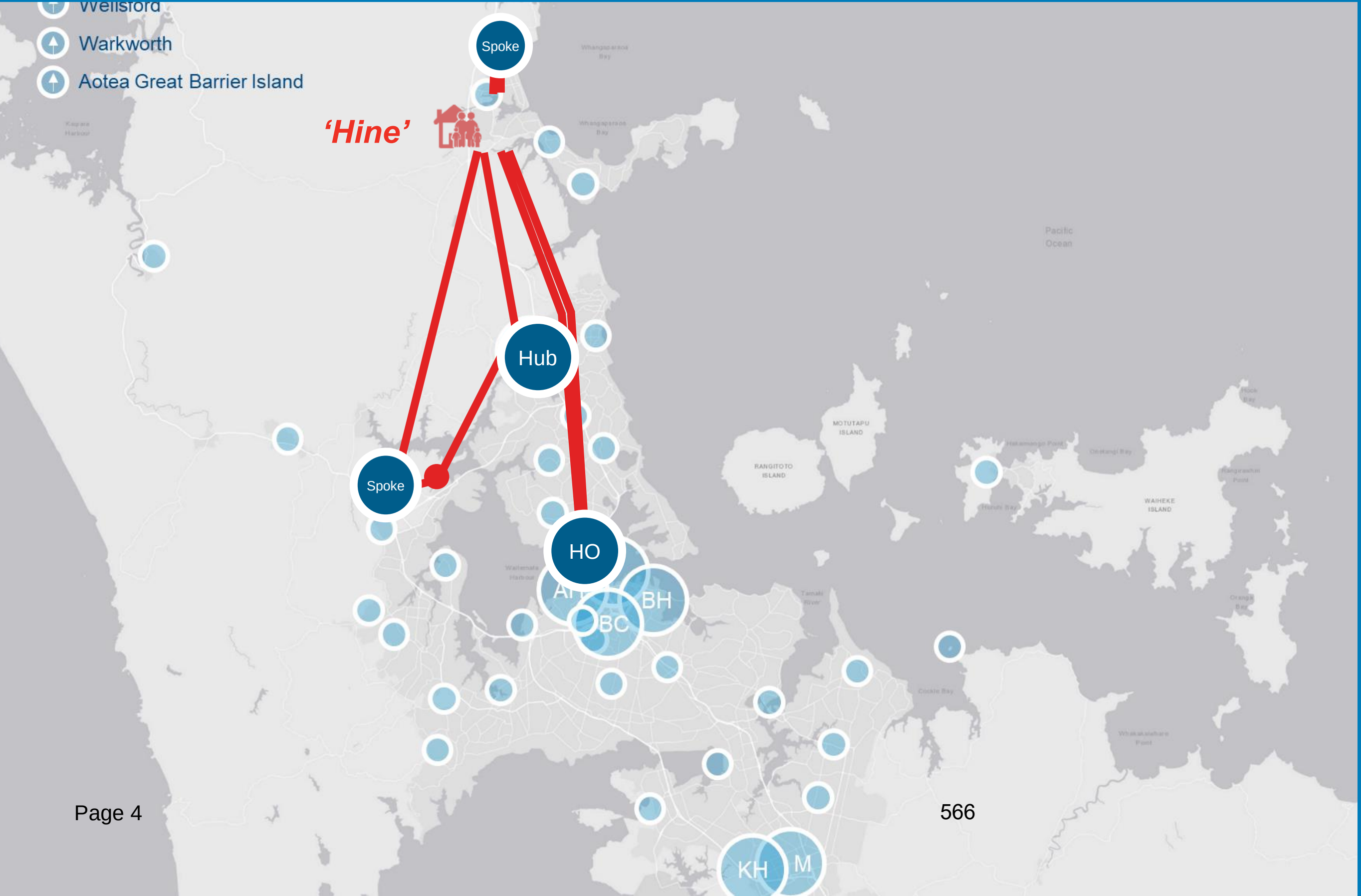
- Right locations (Hub + Spoke)
- Modern buildings
- Flexible adaptable workplace strategy
- Improved portfolio efficiency, lower cost
- Closer to customers: Making it easy for staff to provide great customer service

Original portfolio configuration

Optimised solution

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Aligned with portfolio optimisation, The Corporate Property Strategy is also supporting a more *effective* organisation:



Benefits for *'Hine'*:

Work-life balance. Working closer to home, Inclusion / Choice.

Customers. Staff can connect across the region with customers

Employee experience. Consistent fitout and ICT. Simple and easy to use.

Supporting a shift to **Digital Working**

More Resilience to disruption. Proven through City Centre Convention Centre fire and COVID-19 experiences

Our strategy is delivering savings and sustainability benefits

Cost efficiencies

$117M

maintenance costs avoided

$141M

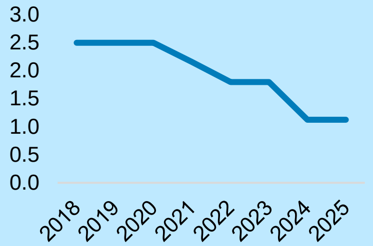
planned cash release

$1B

Disposals underpin up to $1B development outcomes across Tāmaki Makaurau

Carbon reductions

(mil kg)

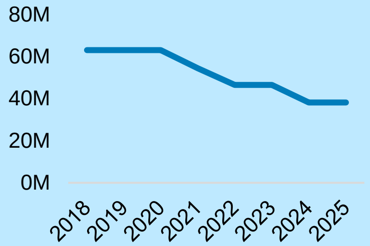


45%

planned reduction in energy usage and consequential carbon emissions at end state

Water savings

(mil lts)



35%

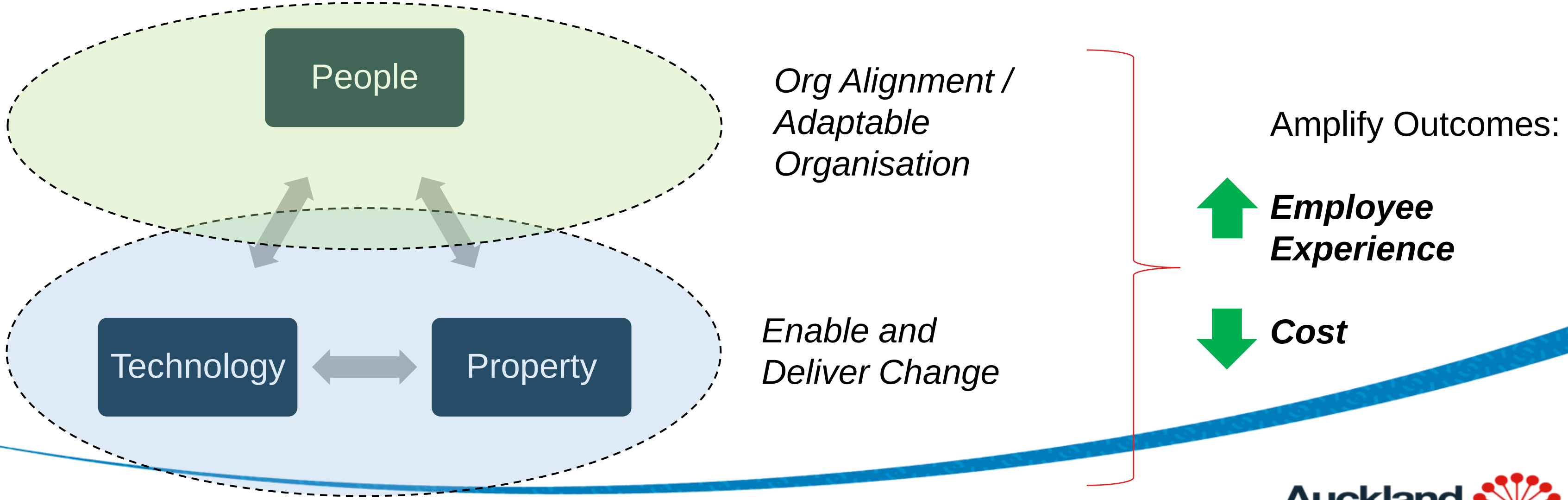
planned reduction in water usage at end state

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Were organising ourselves to amplify outcomes under our Group Services Directorate

People / Technology / Property working closely together driving broader post-Covid outcomes.

- Greater organisational alignment, supporting a more adaptable and efficient organization
- Opportunities to optimise CCO portfolios are now being explored



Auckland Council
Te Kaunihera o Tāmaki Makaurau

2/ Programme headlines update

- Central region
- Northern and Western region
- Southern region

Central region moves

35 Graham Street

Bledisloe Car Park

Central Hub Consolidation

Other related projects:

- 14 x Back office refreshes
- 6 x LB refreshes
- 3 x CSC refreshes
- 8 x Spokes

Graham St moves

Direct dependencies

Building Complete

Flox / AAG Storage
Resolving significant risk

Under way

Central Hub
Staff Consolidation

Bledisloe CSC including Regulatory Service

Key project: Project Flox / Art Store

- New facility: fit for purpose & provides expansion space
- Base build complete, fitout underway
- The project is a collaboration between council and Auckland Unlimited

Bledisloe Car Park moves

Direct dependencies

Integration with Aotea station works

Developer funded Aotea OSD *now under conditional agreement*

Public realm: Bledisloe House ground level and laneways integration

Key project: Proposed Aotea Overstation Development

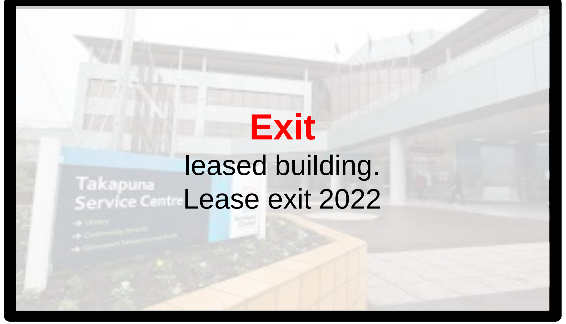
- Up to 45,000m2 mixed use development
- Integrated into Aotea station and providing the link between Aotea Station and Aotea Square
- Collaboration between council, CRLL & Panuku

Northern and Western region moves

Henderson Admin

Orewa Service Centre

Takapuna



Albany Hub

Other related projects:

- 29 x Back Office refreshes
- 6 x LB refreshes
- 9 x CSC refreshes
- 12 x Spokes

Henderson moves

Sold
unconditional agreement settles December 2020

Direct dependencies

Aligned with Unlock Henderson

Albany Hub *Staff consolidation*

Henderson Civic *re-furb LB, CSC, and Spoke*

Key project: Unlock Henderson

- New education institute will occupy & develop the whole site.
- Mixed used. Housing, retail, education.
- Collaboration between council, Panuku, AT & CRLL

Orewa moves

Direct dependencies

Rodney LB in LB Area *(as required by LG Commission)*

Albany Hub *Staff Consolidate*

Orewa CSC *New Facility remains in Orewa*

Key project: Orewa site development

- Re-development that retains existing buildings with potential to supplements with new buildings
- Mixed-use development including a strong commercial presence as a community regional centre, pre-school, gym, café, meeting spaces & residential
- Centre Stage access and parking to be maintained

Takapuna moves

Direct dependencies

Devonport-Takapuna Local Board & Spoke	Albany Hub *Staff Consolidation*	Takapuna CSC
Complete	Construction under way	Complete

Key project: Orewa site development

- New development with council as anchor tenant
- 5-star Green star building that achieves 77% carbon reduction for council in the NW
- Collocated Upper Harbour LB and CSC

Southern region moves

Papakura Service Centre

Pukekohe Service Centre

Kotuku House

Manukau Hub

Other related projects:
- 35 x Back Office refreshes
- 5 x LB refreshes
- 1 x CSC refreshes
- 11 x Spokes

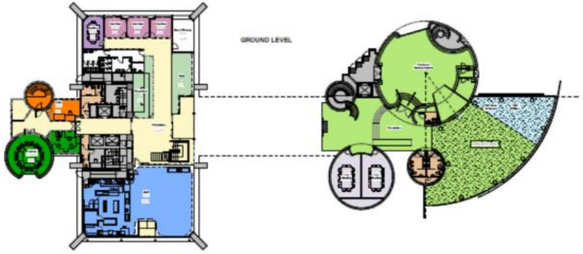
Kotuku House moves

Direct dependencies

Transform Manukau *Aligned outcomes*	Manukau Hub *Staff consolidation*	Customer Focused *Re-purposed West Annex facility*

Key project: Manukau Hub

- West Annex re-furbishment creates dedicated customer focused FOH space for LB, LBS & CSC
- Restack Manukau Civic
- Collaboration between council & Panuku



Pukekohe moves

Sold
Unconditional 2020

Direct dependencies

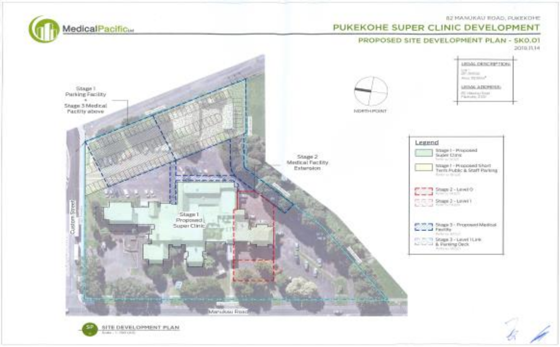
Aligned with Unlock Pukekohe

Manukau Hub *Staff consolidation*

Franklin Community Hub (LB, CSC, Spoke)

Key project: Unlock Pukekohe

- 82 Manukau Rd sale underpins Unlock Pukekohe
- Medical centre development planned aligned to local board outcomes
- The LB office and CSC to be first fully functioning co-located community hub with library
- Collaboration between council & Panuku



Papakura moves

Direct dependencies

Papakura LB

Manukau Hub
Staff consolidation

Papakura CSC

Key project: Papakura site development

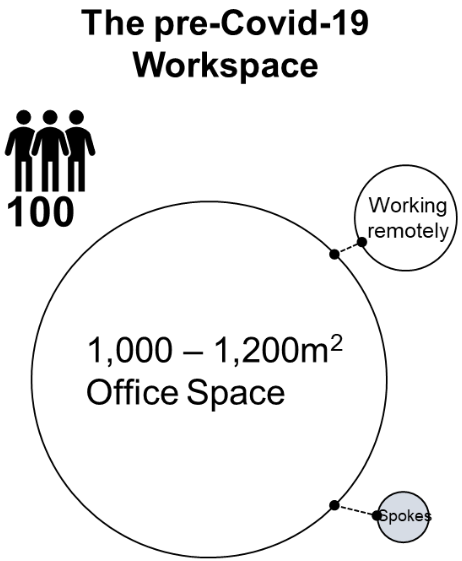
- FY22: Working with Panuku and the LB - potential development to align with Papakura *"Framework for Action"*
- The LB office and CSC will be relocated within Papakura

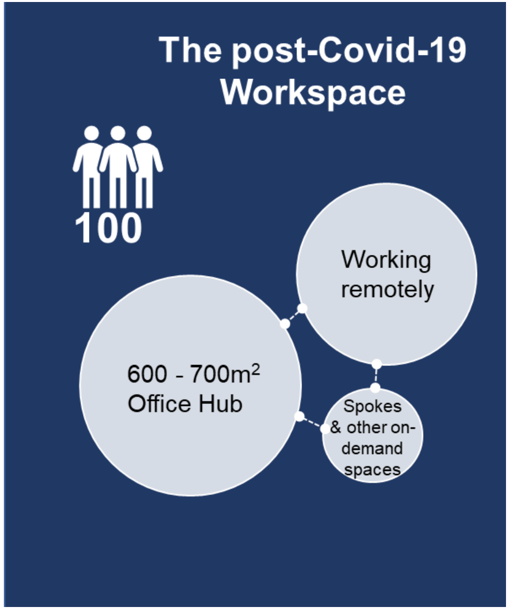
3/ Post Covid Opportunity

Post-Covid property response – Council requires less office space

- The post-Covid shift to increased remote working is consistent with many large organisations throughout Australia and New Zealand.

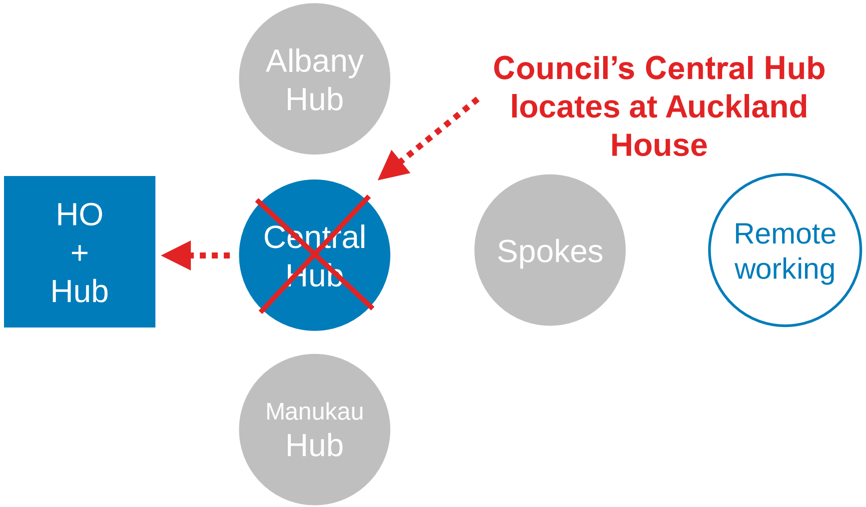
- Many organisations are now planning for less office space





Given the shift to increased remote working:

In the City Centre we will no longer require office accommodation for staff at Bledisloe House from July 2021



Phase	Corporate building office floor area
Original corporate office footprint	103,734
WorkSmart@AC optimisation	↓ 62,930
Further optimisation post-COVID-19 (estimate)	↓ 49,921

4/ Bledisloe House Status

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Built in the late 1950's

Bledisloe House is a Heritage B listed Building
Based on historic context and overall physical design attributes

Bledisloe House has four main issues for council to resolve

Bledisloe House is not required for our staff office accommodation and is now surplus to requirements.

Lack of ground floor activation with the Aotea OSD will compromise public realm outcomes.

Requires significant maintenance expenditure in the outer years due to its age.

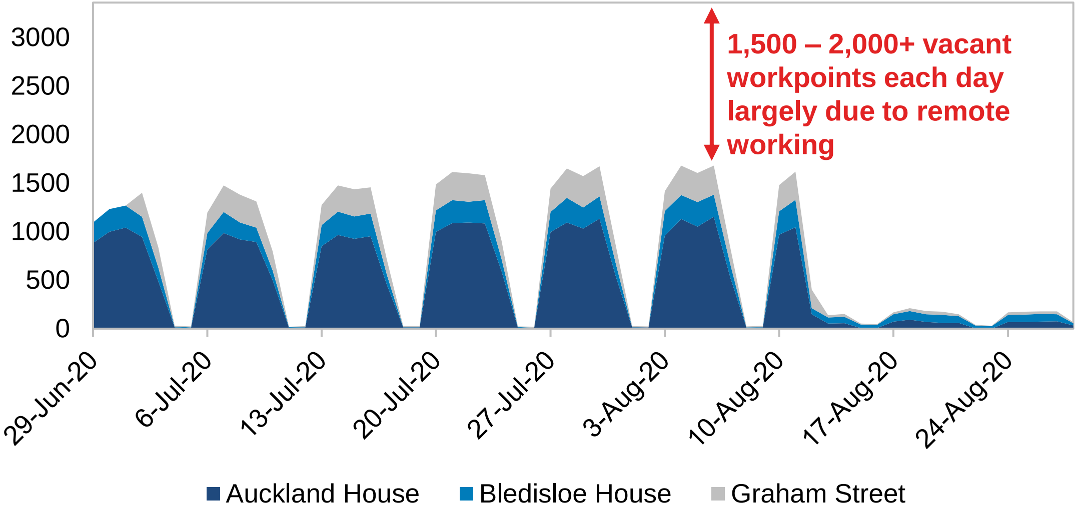
Delaying building renewals will mean extended disruption in the precinct.

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Remote working has reduced our need for office space

Under Alert Level 1 during July 2020 and again in October 2020, office occupancy has peaked at no more than 50% in the City Centre, and often much lower.

Indicative daily utilisation of workpoints in Auckland City Centre buildings (3,361 workpoints)*(excludes CCO offices)*



Delaying refurbishment will extend disruption

If the renewals (such as façade works) take place in 10 years then the area will face extended disruption:

2020

CRL and Aotea Station works complete 2024

2024

Aotea OSD works complete late 2026

2026

2029

Bledisloe House building renewals from 2029 to 2031, (next LTP)

2031

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Aotea Overstation Development (OSD) is next door

- RFP and Heads of Agreement is achieved with a preferred party.
- Development agreement is now being finalised.

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Bledisloe House ground floor would ideally be integrated with Aotea OSD

The rear of Bledisloe House currently provides a poor laneway environment because it lacks ground level activated spaces, has loading docks and other open services.

Lack of ground floor activation will compromise public realm outcomes.

Auckland Council
Te Kaunihera o Tāmaki Makaurau

5/ Bledisloe House Options

Auckland Council
Te Kaunihera o Tāmaki Makaurau

We looked at four options

Option 1 – Do minimum
Retain building, do not integrate laneway and continue BAU asset management

Council becomes 'Landlord'
Third party tenants back-fill vacant space.

Option 2 - Optimise
Retain building, integrate the laneway and bring forward building renewals

Council becomes 'Landlord'
Third party tenants lease space from council.

Option 3 - Optimise for CCOs
Retain building, integrate the laneway, bring forward building renewals, and CCOs occupy building

As per Option 2, but one or more CCOs become tenants.

Option 4 – Long term lease agreement with a developer (125 years)

Investor / developer becomes responsible for laneway integration, protecting building heritage and renewals, along with finding a use or tenants for the building.

Auckland Council
Te Kaunihera o Tāmaki Makaurau

OPT 4: Long-term lease agreement with a developer is councils preferred option

Lowest cost / long term positive NPV outcome

Avoid significant maintenance expenditure

Enable flexibility for the building to converted to alternative use (eg hotel)

Opportunities to integrate with wider precinct and protect / enhance heritage

Council staff and AEM shift to fit-for-purpose workspace, more efficient and effective

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Exiting Bledisloe House will increase savings and sustainability benefits

Cost efficiencies

$117M + $TBC

maintenance costs avoided

$141M + $TBC

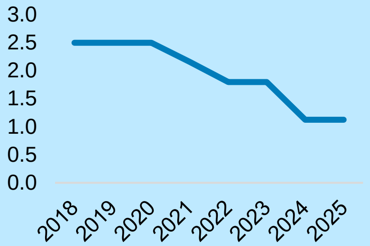
planned cash release

$1B

Disposals underpin up to $1B development outcomes across Tāmaki Makaurau

Carbon reductions

(mil kg)

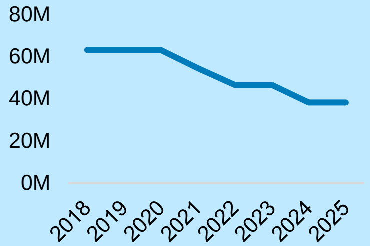


45% + 10%

planned reduction in energy usage and consequential carbon emissions at end state

Water savings

(mil lts)



35% + 10%

planned reduction in water usage at end state

Auckland Council
Te Kaunihera o Tāmaki Makaurau

OPT 4: LTP lens considerations

Climate

- Carbon consumption avoidance.
- Water consumption avoidance.
- Vacating Bledisloe House reduces councils large office carbon footprint by 11%, in-line with our Auckland Plan targets

Recovery

- Building renewals and maintenance costs are avoided
- Sale proceeds received.
- Council relocates office staff, our service centre and AEM to fit-for-purpose spaces. More resilient, increased efficiency and more effective.

Maori Outcomes

- Mana whenua engagement principles incorporated into any potential Bledisloe House development agreement will ensure integrated Te Aranga design outcomes are considered with the:
  - CRL station
  - OSD development
  - Aligned laneways
  - Aotea Precinct

Development Strategy

- Integrated development outcomes, Bledisloe House, Laneways, OSD and Aotea Precinct.
- Protect and enhance heritage aspects of Bledisloe House
- Stimulates private sector investment next to the CRL and Wellesley Street bus interchange
- Avoids extended disruption

Auckland Council
Te Kaunihera o Tāmaki Makaurau

6/ How do we deliver this

Auckland Council
Te Kaunihera o Tāmaki Makaurau

We have, and will continue to engage within Council and with our CCO stakeholders to understand their views and ensure our plans are understood and integrated

Waitematā Local Board: feedback received and addressed

AT / CRLL: Wellesley Street bus interchange and CRL Station box

RFA: Aotea Precinct interface

Heritage team: Retention and enhancement of Heritage B status

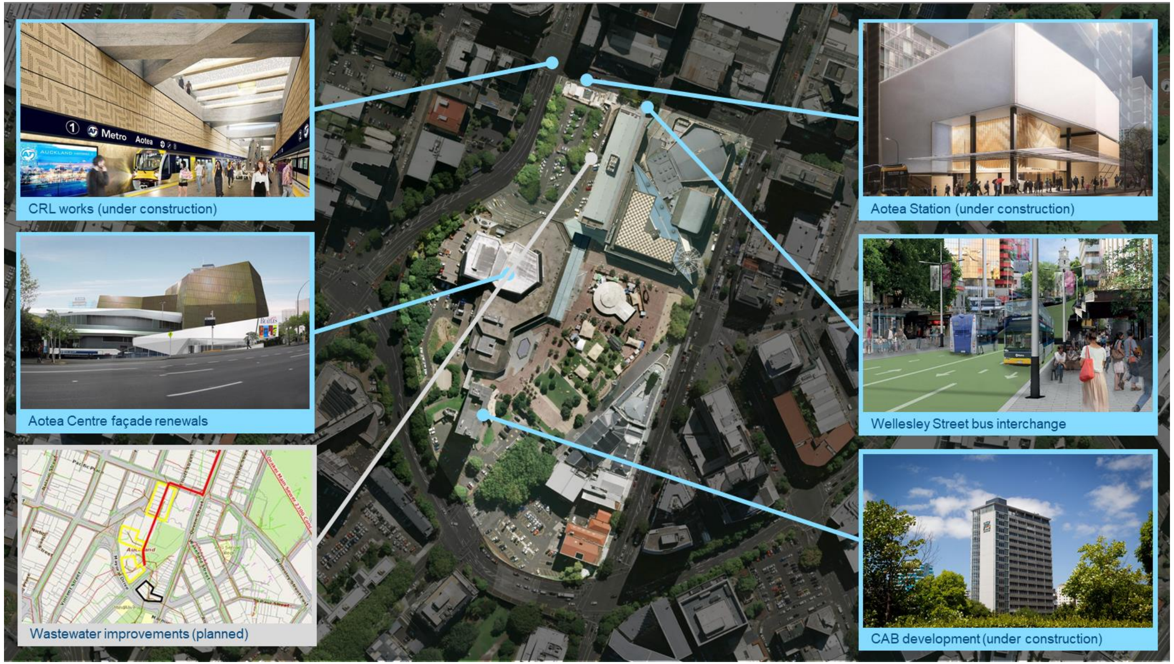
Auckland Design Office / Development Programme Office

Watercare Wastewater improvements integration

Auckland Emergency Management: Fit-for-purpose emergency management centre

Council Customer Services team: Fit-for-purpose service centre

We have, and will continue to engage on a range of projects planned near Bledisloe House to ensure integrated outcomes are delivered



We have been working with a number of parties to ensure integrated outcomes:

- OSD developer
- CRLL: CRL
- AT: CRL Station development
- AT: Wellesley St bus interchange
- RFA : Aotea Precinct
- Watercare: Wastewater improvements

Auckland Council
Te Kaunihera o Tāmaki Makaurau

This is how it will work over time

Approvals and pre-requisites (Q1-Q2 2021)

- ELT endorsement for Option 4 (ELT Workshop 7 October 2020)
- F&P approval to proceed to public consultation (Significance & Engagement Policy).

Subject to consultation

Sale preparations (Q2-Q3 2021)

- Pre-sale due diligence.
- Updated valuation in-line with due diligence.
- Return to ELT and F&P with outcomes from consultation and recommendation

Sale process (Q3-Q4 2021)

- Procure agents and prepare marketing.
- Advertised sale process.
- Conditional period.

Settlement and vacate (from Q2 2022)

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Recommendation:

Approval to proceed with consultation on the transfer of ownership and a change in use for Bledisloe House through entering into a development agreement for a long-term ground lease of 125 year

Questions

Auckland Council
Te Kaunihera o Tāmaki Makaurau

7.18 Proposals related to strategic assets

Heritage buildings in Takapuna and Devonport

Overview

Auckland Council continually reviews its assets to ensure they are fit for purpose and delivering best value to Aucklanders. This includes reviewing surplus, non-service properties.

As part of this process two properties in Takapuna and Devonport were approved in principle for sale in July 2020, subject to the completion of statutory processes (including any statutory consultation requirements) as they are no longer required by Auckland Council.

Consultation requirements

Under section 97 of the Local Government Act 2002 (LGA 2002), a decision to transfer ownership or control of a strategic asset to or from a local authority must not be made unless the local authority has explicitly provided for the decision in its 10-year Budget and consulted on the proposal through a consultation document in accordance with section 93E.

Strategic assets are defined in both the LGA 2002 and Auckland Council's Significance and Engagement policy. The policy defines strategic assets as iconic assets with strategic significance and those assets that are vital for delivering services to Auckland on a network basis. Included in the list of strategic assets in the Significance and Engagement policy are "cemeteries, heritage scheduled buildings and structures".

Categories of historic listed properties are:

Historic heritage category	Category definition
Category A	have exceptional overall heritage significance to the Auckland region or a greater geographic area.
Category B	have considerable overall heritage significance to the locality or greater geographic area.

As both of these properties are heritage scheduled buildings, and so may be viewed as strategic assets under the council's Significance and Engagement Policy, we are consulting on the proposed sale of these buildings through this 10-year Budget.

Service assessment

Both properties have gone through a property rationalisation process led by Panuku. This process is used to determine if there are any service delivery uses for these properties, either now or in the future, that can realistically be funded by the council. For both properties no fundable service delivery use was identified.

Takapuna

2 The Strand, Takapuna is a category B Heritage building that was donated to the former Borough of Takapuna by Auckland City Buildings Limited to be used as a library in 1940. As the building was donated for a specific purpose it is classified as an endowment property.

Following the opening of the new Takapuna library in 1989 the property found a new use as staff offices but is no longer needed for this purpose.

Panuku has managed this property since 2018 and commenced their property rationalisation process that same year.

Advice given from council staff is that there is no alternate public work requirement or planned and funded future strategic need to retain the property. Several service uses were investigated, but not approved, including:

- Arts exhibition space (2017)
- Local board office
- Art and historic library collection storage

Legal requirements around sale of 2 The Strand, Takapuna

When the property was donated to the former Mayor Councillors and Burgesses of the Borough of Takapuna, the transfer instrument did not contain any prohibition of sale or exchange. Accordingly, the property can be sold under section 140(4)(b) of the LGA 2002 in accordance with section 141 of the LGA 2002. The proceeds of the sale must be used in a way that is consistent with the purpose of the endowment.

Options considered

1. Dispose of the property – our preferred option

As this property is no longer required for service delivery purposes, disposing of the property is our preferred option. The sale of this property was approved in principle by the council in July 2020 subject to the completion of all statutory processes, including 10-year Budget consultation.

Financial implications of the sale include the following:

- Any seismic upgrade would be the responsibility of the purchaser not the council
- Sale proceeds would support the council's capital investment plans in a way that is consistent with the endowment.
- The impacts of this option on the council rates and debt is built into our proposed budget.

Other implications include the following:

- Heritage protection will remain as Auckland Council plans that contain heritage schedules all have provisions in place to protect the properties and ensure that their significance is retained regardless of who owns the property.
- Property would be able to be used for an alternative purpose
- No change to service levels as this property is no longer required for operational purposes.

2. No Sale

Financial implications of not selling the property include the following:

- The council would need to undertake the necessary seismic work which would need to be funded by higher rates or debt (or occur instead of other necessary investment)
- The council would try to identify a commercial tenant for the building
- Other surplus assets would need to be identified and sold to achieve the same capital investment outcomes. If these assets cannot be identified the council would need to either raise debt and rates or reduce the size of its capital programme.

Other implications include the following:

- Heritage protection will remain as Auckland Council plans that contain heritage schedules all have provisions in place to protect the properties and ensure that their significance is retained regardless of who owns the property
- No change to service levels as this property is no longer required for operational purposes.

Devonport

3 Victoria Road, Devonport is a category A Heritage building that was acquired by the Devonport Borough Council from the Crown in 1941 for public offices.

This building was previously used by the council as staff offices, but because it is highly vulnerable to earthquake damage its occupancy levels have been impacted. It has been vacant since July 2018.

Panuku has managed this property since 2017 and commenced their property rationalisation process that same year.

Advice given from council staff is that there is no alternate public work requirement or planned and funded future strategic need to retain the property. During the investigation we looked into four alternatives to selling the property, but none were pursued:

1. refurbishment of the building and we retain it
2. adaptive reuse of the property where the upper level and rear of the building would be sold for apartment development and the ground floor would be retained and leased commercially
3. mixed commercial and community use where we retain the ground floor
4. mixed commercial and community use where we sell the rear of the property.

Options considered

1. Dispose of property – our preferred option

As this property is no longer required for service delivery purposes, disposing of the property is our preferred option. The sale of this property was approved in principle by the council in July 2020 subject to the completion of all statutory processes, including 10-year Budget consultation.

Financial implications of the sale include the following:

- Any seismic upgrade would be the responsibility of the purchaser not the council
- Sale proceeds would be returned to the council to support meeting asset recycling targets which, in turn, support the council's capital investment plans including the provision of new, upgraded, and renewed community facilities.
- The impacts of this option on the council rates and debt is built into our proposed budget.

Other implications include the following:

- Heritage protection will remain as Auckland Council plans that contain heritage schedules all have provisions in place to protect the properties and ensure that their significance is retained regardless of who owns the property.
- Property would be able to be used for an alternative purpose
- No change to service levels as this property is no longer required for operational purposes.

2. No sale

Financial implications of not selling the property include the following:

- The council would need to undertake the necessary seismic work which would need to be funded by higher rates or debt (or occur instead of other necessary investment)
- The council would try to identify a commercial tenant for the building
- Other surplus assets would need to be identified and sold to achieve asset sales targets. If these assets cannot be identified the council would need to either raise debt and rates or reduce the size of its capital programme.

Other implications include the following:

- Heritage protection will remain as Auckland Council plans that contain heritage schedules all have provisions in place to protect the properties and ensure that their significance is retained regardless of who owns the property
- No change to service levels as this property is no longer required for operational purposes.

Waterfront properties

Overview

Panuku has a programme of work that looks to negotiate and agree commercial long-term leases for various waterfront properties in the Wynyard Quarter Precinct.

To date, the regeneration of Wynyard Quarter has been extremely successful with commercial, residential, and marine development delivered by development partners. Private development complements the delivery of public realm projects by Panuku and combined, they have transformed Wynyard Quarter into a vibrant and livable community.

Several committed commercial and public projects are nearing completion in Wynyard Quarter. Consequently, work has started on planning for the next stage of future regeneration.

Work is underway on a refresh of the Waterfront Plan which will look at the next stage of regeneration in Wynyard Quarter and Wynyard Point.

As part of this planning process, we are proposing to provide in this 10-year Budget for long-term leases on seven additional council-owned development sites in the city centre waterfront precinct: North Wharf (site 14), Jellicoe Street (site 19), Silo 6 (site12), Wynyard Point Blocks A and B, 44-56 Hamer Street and 101 Pakenham Street West.

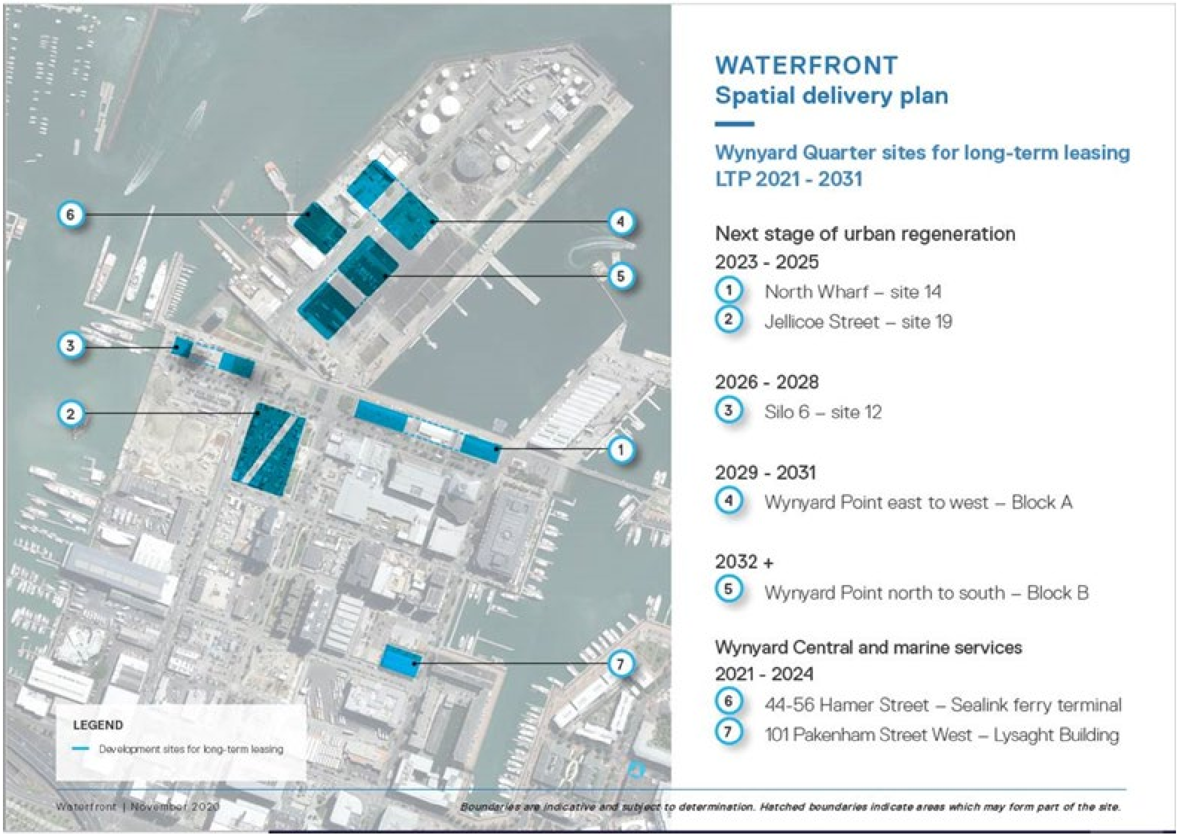
Consultation requirements

Under section 97 of the Local Government Act 2002 (LGA 2002), a decision to transfer ownership or control of a strategic asset to or from a local authority must not be made unless the local authority has explicitly provided for the decision in its 10-year Budget and consulted on the proposal through a consultation document in accordance with section 93E.

Strategic assets are defined in both the LGA 2002 and Auckland Council's Significance and Engagement policy. The policy defines strategic assets as iconic assets with strategic significance and those assets that are vital for delivering services to Auckland on a network basis.

Included in the list of strategic assets in the Significance and Engagement policy are “freehold interest in waterfront land held by Ports of Auckland Limited and the Auckland Waterfront Development Agency”. Following the transfer of ownership of Panuku Development Auckland’s waterfront properties to Auckland Council at the beginning of May 2019, the policy is now understood to include freehold interests in waterfront land held directly by the council.

Development Sites for long-term leasing



1. North Wharf – site 14
2. Jellicoe Street – site 19
3. Silo 6 – site 12
4. Wynyard Point east to west – Block A
5. Wynyard Point north to south – Block B
6. 44-56 Hamer Street – SeaLink ferry terminal
7. 101 Pakenham Street West – Lysaght Building

Information on the long-term leases

It is intended that these leases would help to give effect to the outcomes of the Waterfront Plan.

Long-term leases of between 70 and 125 years will be entered into with either developers or the existing licensee depending on the property being considered. Leases would provide for exclusive use, on full commercial terms, adjusted where necessary to negotiate public good outcomes.

Intended lessees of the properties are either:

- Going to be selected through a competitive open market process
- The existing licensee
- The adjoining licensee (if required for integration purposes).

Early consultation with mana whenua will take place prior to any open market process and any next steps will be consistent with Panuku's commitment to Māori outcomes.

Options considered

1. Enter into long-term leases – our preferred option

Entering into these long-term leases will enable Panuku to continue progressing its existing plans to partner with private developers to transform the waterfront area into a vibrant and liveable community.

Financial implications of entering into long-term leases include the following:

- No material change to previous 10-year Budget projections as this proposal simply allows Panuku to implement its existing plans
- Prepaid rental income can be used to fund other investment in the city
- Where applicable, the costs of relocating infrastructure can be recovered
- This proposal would not require additional rates income or borrowing to fund the planned Panuku investment in regeneration.

Other implications include:

- The long-term nature of the leasehold tenure provides developers with certainty and the mandate to fund and deliver on the shared aspirations for the Waterfront Precinct
- Development agreement and leasing mechanisms enable the public to maintain ownership over the waterfront land as a strategic and integral asset.
- The use of long-term leases enables ongoing monitoring and accountability around the properties.

2. Do nothing

Financial implications of doing nothing include the following:

- No prepaid lease revenue would be received for these properties
- Continued investment in regeneration would require increases to rates and debt. Alternatively, the council could choose to reduce the level of regeneration activity.

Other implications include:

- The risk that the intended development outcomes are not achieved
- Public will maintain ownership over the waterfront land as a strategic and integral asset.

3. Sell properties

Financial implications of selling the properties include the following:

- Revenue from the sale of the properties would be used to fund regeneration investment by Panuku.

Other implications include:

- The risk that the intended development outcomes are not achieved
- Public will no longer maintain ownership over the waterfront land as a strategic and integral asset.