

Te whakarāpopoto o te
Tahua Pūtea ā-Tau 2023/2024

Summary of the Annual Budget 2023/2024

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SAY**



Managing ongoing budget pressures

Auckland Council is facing some significant financial challenges, requiring some tough choices. We need to overcome a forecast budget shortfall that has grown to \$295 million for the 2023/2024 financial year.

This shortfall is in part due to an expansion in the range of services and assets provided by council over successive decades. This has required more money to invest in, maintain and operate those assets and services. The situation has been worsened by the rapid jump in interest rates and inflation over the past year.

The devastating storm and cyclone events that hit Tāmaki Makaurau from January 27 makes dealing with the financial situation an even more significant challenge.

We need to balance the budget and have limited options available to us to achieve that in the next financial year.

Our proposed budget package for 2023/2024 includes:

- Reducing our operating costs by an additional \$125 million across Auckland Council and Council Controlled Organisations. This would impact some services we currently deliver.
- A rates package that would see a total rates increase for the average value residential property of around 4.66 per cent or \$154 a year (around \$3 a week)
- Selling our shareholding in Auckland International Airport (currently around 18% of the Airport's shares) to reduce our borrowing
- Borrowing no more than \$75 million of additional debt, so that we can cope with any future financial uncertainty (current policy allows us to further borrow up to \$140 million).

Our budget still allows for a wide range of crucial everyday services to be provided for Aucklanders, as well as \$2.8 billion of capital investment in the likes of transport assets, parks and community facilities, city centre and local developments, urban regeneration and cultural development, and environmental management. We might need to bring forward some asset-renewal spending for storm-damaged assets, and we can do this by reprioritising and delaying some of this new capital investment.

From 2023/2024, we are also proposing to spend around \$20 million more each year to reduce the impact of future storms. This would likely require rates to increase for 2023/2024 by around an additional 1 per cent (on top of the 4.66 per cent increase proposed to address our budget shortfall).

By proposing a mix of options to balance the budget, we believe we have a credible plan that sets us on the path to be a simple, efficient, and serviced-based organisation.

Following public feedback, if this proposed budget package is not supported or if our financial challenge worsens, we would need to make up the shortfall another way. The alternatives are likely to be limited to:

- increasing general rates by up to 13.5 per cent, or a total increase of \$336 annually for the average value residential property (around \$6.50 per week)
- increasing debt further, within the limits of our prudential borrowing policy.

We have some tough choices ahead, so please share your thoughts through this consultation on what you think of the proposals.

Ways to have your say

To have your say on these issues or anything in the budget that is important to you, you can:

- visit [akhaveyoursay.nz/budget](https://www.aucklandcouncil.govt.nz/budget)
- phone 09 301 0101 or
- visit your service centre or library.

Feedback must be received by Tuesday 28 March.

Final decisions will be made in June 2023 and the final budget will be available on [aucklandcouncil.govt.nz](https://www.aucklandcouncil.govt.nz)