

Te Whakarāpopototanga o te Pūrongo ā-Tau 2018/2019

A TE KAUNIHERA O TĀMAKI MAKĀURAU

Auckland Council Summary Annual Report 2018/2019





Mihi

Noho mai rā Tāmaki Makaurau,
 moana waihiata,
 maunga kākārīki.
 Mai i ngā wai kaukau o ngā tūpuna,
 ki ngā puke kawē i ngā reo o te tini,
 i puta ai te kī mōu.
 Tū ana he maunga,
 takoto ana he raorao,
 heke ana he awaawa.
 Ko ō wahapū te ataahua,
 ō tāhuna te mahora,
 te taiao e whītiki nei i a koe he taonga tuku iho.
 Tiakina kia meinga tonu ai koe
 ko 'te tāone taioreore nui o te ao,
 manakohia e te iwi pūmanawa'.
 Tāmaki Mākaurau tirohia te pae tawhiti
 he whakairinga tūmanako
 mō ngā uri whakaheke ō āpōpō,
 te toka herenga mō te hunga ka takahi ake
 mā ō tomokanga,
 te piriti e whakawhiti ai
 tō iwi ki ngā huarahi o te ora.
 Tāmaki Mākaurau e toro whakamua,
 hīkina te mānuka.
 Tērā te rangi me te whenua te tūtaki.
 Maranga me te rā, he mahi māu me tīmata,
 ka nunumi ana ki te pō,
 whakatārewahia ō moemoeā ki ngā whetū.
 Ko te oranga mutunga mōu
 kei tua i te taumata moana.
 Tūwherahia ō ringa, kūmea mai ki tō uma.
 Tāmaki Makaurau
 he tāone ūmanga kurupounamu koe;
 tukua tō rongō kia rere i te ao.

Tāmaki Makaurau
 who bestrides shimmering seas,
 and verdant mountains.
 From the bathing waters of our forebears,
 and hills that echo with voices
 that acclaim.
 Your mountains stand lofty,
 your valleys spread from them
 and your streams run freely.
 Your harbours are majestic,
 your beaches widespread,
 the environment that surrounds you is a legacy.
 Take care of it so that you will always be known
 as 'the world-class city
 where talent wants to be'.
 Tāmaki Makaurau looking to the future,
 repository of our hopes
 for generations to come,
 anchor stone for those who venture
 through your gateway,
 and the bridge that connects
 your citizens to life.
 Tāmaki Makaurau moving on,
 accepting all challenges.
 Where even heaven and earth might meet.
 Rise with the sun as there is work to be done
 and when evening comes,
 allow your dreams to glide among the stars.
 Perpetual health and growth
 is beyond the horizon of cresting waves.
 Open your arms and pull them to your embrace.
 Tāmaki Makaurau, you are a city
 where valued business and enterprise thrives;
 let your good name traverse the world.

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Nau mai ki ngā kōrero mō mātou Welcome to our story

Auckland is a fantastic city – diverse, vibrant, and naturally beautiful. Serving this city is a group of dedicated staff across the Auckland Council Group, meeting your needs and ensuring that as we grow we become a world-class city.

This report tells the story of what we did across the group over the past year to make this city great. It describes some of the multi-billion-dollar projects that will take us forward. It also tells the story of some of the smaller things that help make Auckland unique. This report is another step on our Integrated Reporting <IR> journey, where we tell the story about how we are creating value for Auckland in a more integrated way (see page 22 for more on this).

This report covers the group, which includes the council, council-controlled organisations (CCOs), subsidiaries, associates and joint ventures. It covers the period from 1 July 2018 to 30 June 2019 and reports against the Long-term Plan 2018-2028 (amended 10-year Budget 2018-2028). The report fulfils our obligations under the Local Government Act 2002 to report our past year's highlights, performance results and budget.

The full annual report comprises of:

- VOLUME 1:**
An overview of the group covering financial and non-financial performance of the group.
 - VOLUME 2:**
A collection of individual annual reports for each of the 21 local boards, reporting financial and non-financial performance against the council's Long-term Plan 2018-2028 (amended 10-year Budget 2018-2028) and their Local Board Agreement 2018/2019.
 - VOLUME 3:**
Our financial statements.
- This full annual report is summarised in the Summary Annual Report 2018/2019.

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Nā te Koromatua From the Mayor

Auckland Council Group has continued to make strong progress tackling the challenges of population growth, traffic congestion and housing affordability while working to protect our environment and make Auckland a world-class city.



MAYOR PHIL GOFF AND FRIENDS ENJOY THE MOBILE LIBRARY

Projects funded through the record \$28 billion Auckland Transport Alignment Project (ATAP) agreed by the council and the government are underway and delivering results. Auckland has hit 100 million public transport trips in a year for the first time since the 1950s, and congestion on local roads fell last year by two per cent.

Construction of the \$1.4 billion Eastern Busway has started, road safety is being improved and more red-light cameras have been installed. Funding work on the \$60 million upgrade to the Puhinui Rail Station Interchange means construction can begin this year. Completion is scheduled within 18 months.

The Regional Fuel Tax has enabled us to progress some of these and other projects. The Downtown Ferry redevelopment and the Mill Road Corridor are underway. We have started improvements to walking and cycling

facilities and increasing the provision of park-and-rides — this work will be ongoing.

Construction of the City Rail Link is making progress. In May 2019, the council agreed to provide additional funding to future-proof the project for the 54,000 passenger trips it is expected to accommodate every hour during peak times and to provide contingency to meet increases in construction costs. This was accommodated without imposing further costs on ratepayers or breaching our internal prudential lending limit.

Funding work on the \$1.2 billion Central Interceptor will allow construction to start in late 2019 and will have a dramatic impact on wastewater overflows and waterways when complete.

Our water quality and natural environment targeted rates have enabled significant investment in our environment. We've brought forward improvements to the water quality of our beaches by 20 years and we're tackling the threats that kauri dieback disease, climate change and introduced pests pose to our native plant and animal species.

In June we voted to declare a climate emergency, signalling the urgency of the action we need to take to mitigate the effects of global heating and extreme weather events. A Climate Action Framework, when completed later this year, will outline how we will deliver on our emissions reductions targets and increase resilience to climate change.

While housing affordability remains a challenge, we are making good progress. More houses are being built in Auckland than ever before, supported by council issuing dwelling consents in record numbers. The Auckland Unitary Plan is enabling intensification and ensuring Auckland's land is being used efficiently.

Despite operating in a constrained funding environment, we have continued to look after our communities and our people.

Housing First with our support has placed nearly a thousand previously homeless people in permanent accommodation in the past two years, and \$5 million in additional funding in the 2019/2020 Budget for the City mission's HomeGround Project will help provide 80 secure and affordable housing units to further tackle chronic homelessness in Auckland.

Auckland Council decided to fund free public transport for under-16-year olds on weekends. This will help more families use our buses and trains and encourage the next generation of Aucklanders to use public transport.

All staff employed by the council will be paid a living wage from 1 September 2019, reflecting our commitment to making Auckland an inclusive and accessible place to live.

At the same time, we continue to work with local boards and communities to deliver the local services and facilities that you have told us are important.

We have managed our finances responsibly, retaining our stable Aa2 and AA credit ratings from Moody's Investor Service and S&P Global and keeping our debt-to-revenue ratio within prudential limits. At the same time, we've limited average general rates rises to 2.5 per cent for every year of this term of council and for the year ahead – the lowest rates increase of any growth or metropolitan city in New Zealand.

Across the group we have remained committed to identifying efficiencies and keeping costs low. Value for money reviews have realised \$270 million of benefits to date.

As we enter the second year of our 10-year Budget 2018-2028, we are focused on delivering the ambitious \$26 billion investment programme that it sets out. Significant progress is being made in the areas of transport, housing and the environment, with \$2.04 billion capital investment in 2018/2019 increasing to \$2.75 billion in 2019/2020.

Thank you for your support as we work to make Auckland a world-class city.


Hon Phil Goff
Mayor of Auckland



ONE TREE OF A MILLION PLANTED



Nā te Tumu Whakarae From the Chief Executive

2018/2019 was another big year for the Auckland Council Group.

The continued growth in our population has pushed the demand for many of our services to all-time highs. We consented 14,032 new residential dwellings, the highest ever. Over 100 million trips were made on public transport. Our pools, recreation centres and sports fields were at capacity, particularly during the summer months. And we progressed the largest-ever capital programme across Auckland Council – investing \$2.04 billion in Auckland.

Using technology has improved our customer service, made it easier for us to do our jobs and enabled us to better cope with increasing demand. For example, we've made registering dogs easier, with 70 per cent of customers using our online registration and opting in to receive notifications by text and email when registration is due. Our SafeSwim website is helping Aucklanders check the conditions at almost 100



STEPHEN TOWN

beaches and the technology behind it is now being sold offshore. Our building inspectors can now work through their checklists digitally and have detailed guidance at their fingertips. As well as improving the service we are delivering to Aucklanders, technology is also supporting us in reducing our costs.

Auckland is becoming more diverse with over 200 ethnicities and differences in languages, religions, age-groups, genders and sexual orientation. To make sure we're able to serve the people of Tāmaki Makarau, our staff also reflect this diversity.

This year we continued promoting gender equality, with our Women in Leadership programme helping to develop and progress some of our high-performing wāhine so that we have a group of capable senior and executive leaders ready to step into senior roles. We also encouraged the development of staff networks across the group to both

celebrate and support our diversity.

The value of strong staff networks came to the fore following the tragic mosque attacks in Christchurch. We were able to support our Muslim staff by working through our Muslim staff network. The group provided guidance on how we could support Auckland through this time.

We're placing a bigger focus on our customers to meet the ambitious customer experience targets set by the Governing Body, so in April 2019 I combined three areas to create a new division – Customer and Community Services. Our goal is to bring us even closer to our customers.

Looking ahead, we're working closely with the government on housing, and in April 2019 we agreed a joint work programme to tackle housing supply and affordability. Our work with the government to address climate change will help us reduce our emissions and mitigate the impacts of the climate emergency that the council announced in June

2019. Together with the government, we're progressing the \$28 billion programme of work to develop our transport infrastructure and deliver a network that will get Aucklanders moving faster and more safely around the region.

Together we are working hard to deliver for Auckland – providing the day-to-day services that keep the city running and building for the future to make Auckland a world-class city.

Poipoia te kakano kia puāwai
Nuture the seed and it will blossom.

Stephen Town
Chief Executive





He karere mai i te rangatira o te roopu moni From the Group Chief Financial Officer

“A Year of Solid Financial Performance”

The Auckland Council Group produced a solid underlying financial result for the year with an operating surplus before gains and losses of \$791 million.

Underpinning this result was continued revenue growth to a record \$4.9 billion. Rates revenue of \$1.79 billion included the introduction of new targeted rates for water quality and the natural environment.

The introduction of the Regional Fuel Tax contributed \$156 million of revenue to help fund a substantial programme of transportation initiatives. Overall fees and user charges increased which reflects the growth in Auckland leading to increased demand for council services. Both public transport patronage and consenting volumes are at record levels.

The increased demand for council services and the substantial infrastructure requirements has also put pressure on costs. However, in general costs were well contained at \$4.1 billion – increasing less than the increase in revenue. The increase in operating costs was driven by higher staff costs, maintenance costs and weathertightness claims. Our larger asset base resulted in depreciation costs of \$922 million. Interest costs remained stable at \$454 million. During the year the group delivered on our largest ever capital programme. Expenditure on capital investment increased to \$2 billion and is part of a 10-year \$26 billion capital programme adopted in June 2018 as part of our 10-year budget. The majority of the capital investment is in key water and transportation infrastructure to enable the region to meet the needs of a growing population.



MATTHEW WALKER

Significant investment over the last 12 months has included:

- over \$700 million on transport infrastructure including \$79 million on the Eastern Busway, \$176 million on local road renewals, and \$65 million towards the City Rail Link project.
- \$550 million on water infrastructure, including \$151 million on the water supply network, \$277 million on the wastewater network, and \$122 million on the stormwater network.

The ongoing strong cash flows from operations have allowed the group to limit the reliance on borrowings to fund the capital programme. Net borrowings funded 22% of the capital investment programme, increasing by \$445 million during the year to \$8.7 billion. At the same time total assets grew by \$1.4 billion to \$53 billion.

As a result of the significant fall in interest rates during the year, a \$654 million negative adjustment to the fair value of the group's interest rate hedging contracts was recorded in net other gains/losses. These contracts are required to be revalued at each reporting date.

The group's solid underlying financial results and prudent financial strategy are recognised by the credit rating agencies. Our credit ratings with S&P Global Ratings and Moody's remain AA and Aa2 respectively, both with a “stable” outlook.

Matthew Walker
Group Chief Financial Officer

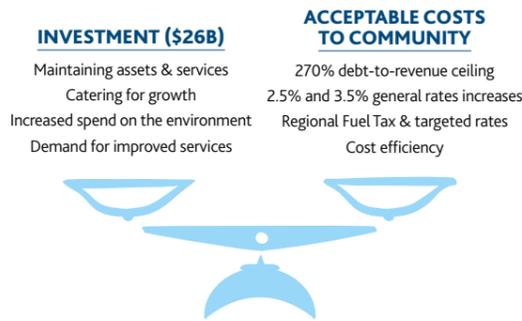
Tirohanga mō te pāinga ā moni

Financial performance overview

Our financial strategy is about balance

Our financial strategy's purpose is to balance the investment in assets and services that the city requires with an acceptable level of costs to support those investments.

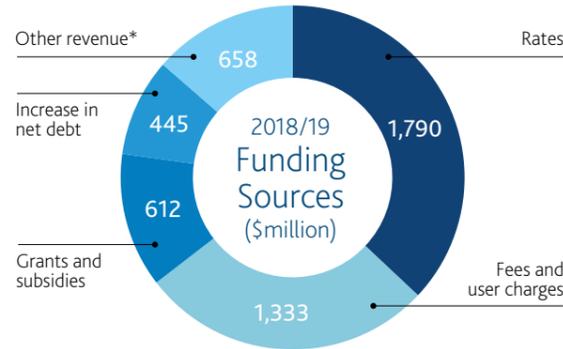
We want Auckland to be a world-class city, with infrastructure that works, good quality community services and a healthy natural environment. Population growth, our changing demographics, and climate change, along with historical underinvestment in some infrastructure pose challenges to us.



The Auckland Council Group's 10-year Budget 2018-2028 is our plan for achieving the investment-cost balance. Alongside the \$47.9 billion required for the day-to-day running of the city over 10 years, the budget includes an unprecedented \$26 billion of capital investment. This includes new transport, water and community infrastructure, as well as projects to protect our natural environment and improve the region's water quality. Our capital investment is balanced by ensuring that average general rates increases are capped at 3.5 per cent, user charges remain at reasonable levels, and borrowings are kept at a prudent level.

There are a number of projects that require accelerated investment for which we have introduced the natural environment and water quality targeted rates, and a regional fuel tax. See the case studies on page 15 that highlight the projects we have invested in.

* Other revenue is made up of development and financial contributions, finance revenue and other revenue.



Our financial performance for 2018/2019 was solid

2018/2019 was the first year of our 10-year Budget, with expected growth in capital investment, revenue and operational costs.



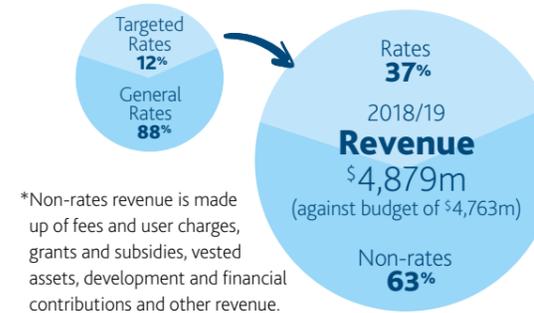
Revenue was above budget

Our total revenue for the year was \$4,879 million, \$116 million higher than budget. The higher revenue is a result of development-related activities such as vested assets (\$202m), higher infrastructure growth charges for water and wastewater (\$14m), and higher volumes and increased complexity of building consents (\$8m). Transport infringements revenue was also higher than budget (\$10m) as a result of targeted safety measures.

Areas where revenue targets were below budget included lower capital grants received from NZTA (\$95m) due to New Zealand Transport Agency funding constraints and underspend on various projects, along with Ports of Auckland experiencing space constraints due to their straddle carrier automation project as well as the withdrawal of some services (\$15m), and the lower entrance fees and venue hire for the Auckland Zoo, our stadia and concert venues (\$11m).

Rates revenue of \$1,790 million was in line with the

budget of \$1,797 million. 2018/2019 was the first year we collected \$70 million of revenue from the two new targeted rates; the natural environment targeted rate, and the water quality targeted rate revenue. These rates replaced the interim transport levy which was \$62 million in the prior year.



*Non-rates revenue is made up of fees and user charges, grants and subsidies, vested assets, development and financial contributions and other revenue.

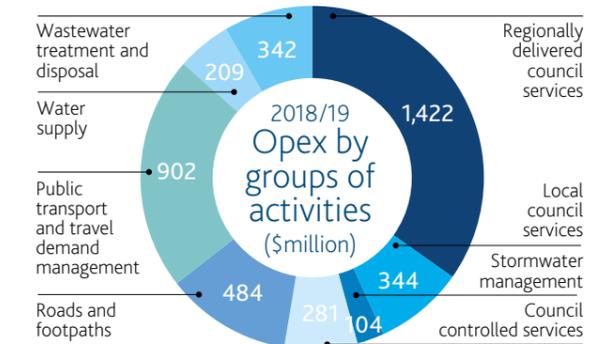
Operating expenditure reflects the use of increased funding

Operating expenditure is what we spend on the many activities to keep the city running – for example providing libraries, maintaining our parks, keeping the water flowing through the pipes, providing public transport, and supporting local democracy. It also includes all the back-office support such as finance, people and capability, and planning.



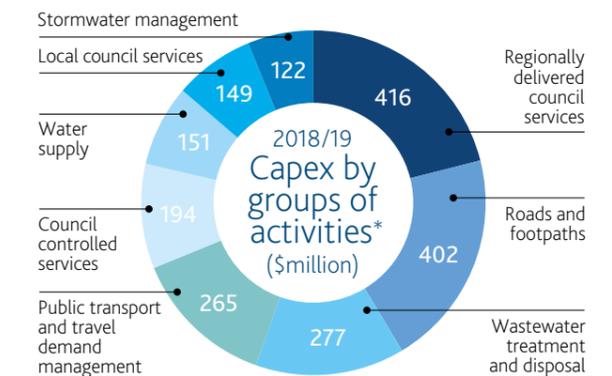
Our total expenditure for the year was \$4,088 million, \$74 million higher than budget. Auckland's growth is driving expenditure. We have dealt with record consenting volumes and the flow-on effect has been higher costs for contracted services to help meet consenting service demand. Cost pressures related to repairs and maintenance of water networks and wastewater treatment plants, spend on sports field renovations, and maintenance of unplanned assets that were transferred from developers has seen our repairs and maintenance costs exceed budget by \$15 million. We focussed on improving food and inorganic waste collection, tackling illegal dumping in the region and ensuring recycling continued despite China no longer accepting our recyclables. This meant that our waste treatment costs exceeded budget by \$8 million. In line with the growth of the city, the group's employee numbers have increased by 547. Most of the increase

is within Auckland Council where staff were employed to deliver the natural environment and water quality programmes as well as fill specialist vacancies within the consenting area.



The council has a number of non-controllable costs such as the provision for remediation of weathertightness claims and the remediation of contaminated land and closed landfills. These costs are not budgeted for. This year these costs amounted to \$49 million and \$20 million respectively. Weathertightness remediation costs reflect the high costs associated with multi-unit claims. The contaminated land and closed landfill cost relates to cost escalations particularly in relation to the landslip at Rawene Reserve, Birkenhead, which unearthed a closed landfill.

Capital investment was the highest level ever, but below budget



Capital expenditure is what we spend on upgrading, renewing or building new assets.

This year was the first year of the group's 10-year Budget 2018-2028 which will see the group deliver \$26 billion of investment into Auckland's infrastructure. The group delivered \$1,975 million of capital expenditure and invested \$65 million in the City Rail Link, a record investment for the group. Capital expenditure was \$203 million behind budget, but \$305 million more than the prior year.

*This excludes \$65m for CRLL funding

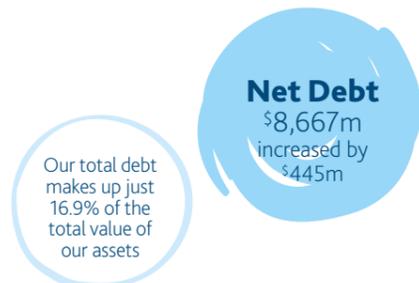
The size of the work programme, supply constraints in the construction sector, and the time frames required to get large multi-year capital programmes underway are some of the challenges we are tackling.

Our prudent approach to debt

We spread the costs of new assets across current and future generations of Aucklanders who will benefit from those assets. We do this by funding those assets with debt.

The group's net debt as at 30 June 2019 was \$8.7 billion, an increase of \$445 million over last year. This seems like a big number, however it needs to be seen in the context of our \$53 billion asset base.

Our prudent management of debt means that we have one of the highest credit ratings in New Zealand. Our rating from S&P Global Ratings is AA, and our Moody's rating is Aa2, with both on a stable outlook. Our strong credit rating makes us attractive to investors and means that we can borrow at lower interest rates than others.



Our credit rating is based on our ability to stay within prudent financial ratio limits. The most cited one is the net debt as a percentage of total revenue, with a limit of 270 per cent. As at 30 June 2019, our net debt to total revenue percentage was 247 per cent.

As a result of the significant fall in interest rates during the year, a \$654 million negative adjustment to the fair value of the group's interest rate hedging contracts was recorded in net other gains/losses. These contracts are required to be revalued at each reporting date.

Partnering with government to deliver the infrastructure Auckland needs for the benefit of all New Zealand

The challenge Auckland faces means that the group alone can't fund the level of investment required. Auckland is the economic powerhouse for New Zealand, and so the strength of the New Zealand economy relies on a strong Auckland.

This group is partnering 50:50 with the government to construct the City Rail Link, a rail project that connects the Britomart Transport Centre with the Western Line at Mt Eden Railway Station. During the year the group provided \$65 million of funding to City Rail Link and the government and the group committed to increase the funding for CRL to \$4.4 billion.

The government is also funding the provision of stormwater, water and roading infrastructure to support housing developments. In September 2018 the government allocated us \$339 million funding from the Housing Infrastructure Fund for infrastructure that will eventually support approximately 7,800 new homes in Whenuapai and Redhills, north-west Auckland. And in October 2018, we partnered with Crown Infrastructure Partners and Fulton Hogan to fund \$91 million of infrastructure investment in Wainui, North Auckland. The group will contribute \$24 million towards infrastructure.

We are also partnering with the government to build the infrastructure to host the America's Cup 36 (AC36) in 2021. The government has committed to fund \$56 million of the remaining \$193 million required to get the waterfront ready for the event. We received \$35 million towards the project from the government during the year.

Delivering value for Auckland

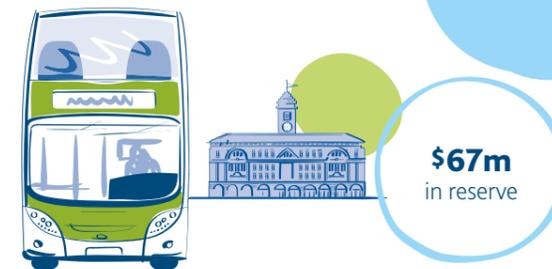
During 2018/19 we continued with our Value for Money programme, identifying potential ways of delivering services more effectively and efficiently in information communication and technology, customer services and finance. The ongoing programme has been in place since 2016, with \$270 million of benefits already realised out of total potential benefits of \$538 million.

We have a continuous focus on spending money wisely, and we keep a close eye on controllable costs such as recruitment, travel, and professional services. The Mayor and councillors set performance targets for our chief executive in these areas and monitor our performance closely during the year to ensure we stay within the targets.

CASE STUDY

Regional Fuel Tax

Made possible by the Auckland Regional Fuel Tax (RFT)



RFT applied to some key projects (completed and in progress)

- Eastern Busway \$24 million
- Road safety \$20 million
- Network capacity and performance improvement \$7 million
- Downtown ferry terminal and redevelopment \$11 million

CASE STUDY

Water Quality Targeted Rate

Made possible by the Water Quality Targeted Rate (WQTR)



Some key projects (completed and in progress)

- Ōkahu Bay stormwater and wastewater separation project \$600K
- St Marys Bay/Masefield Beach Upgrade \$6.8 million
- Daldy Street outfall extension project \$4.9 million

CASE STUDY

Natural Environment Targeted Rate

Made possible by the Natural Environment Targeted Rate (NETR)



Some key projects (completed and in progress)

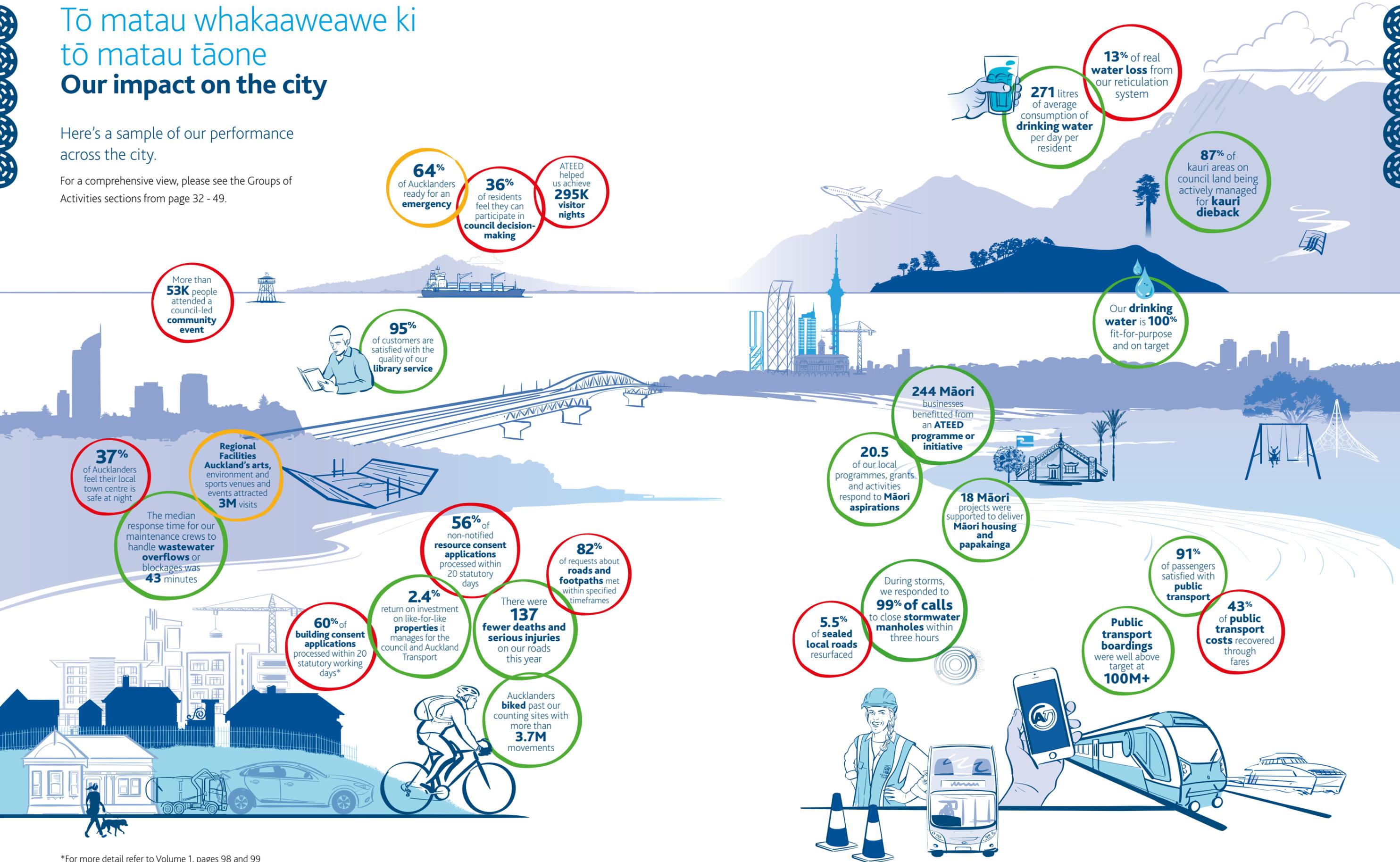
- Protecting kauri on Kitekite track over \$400K
- Possum control over \$1 million
- \$1.4 million provided to support 110 community initiatives

Tō matau whakaaweawe ki tō matau tāone

Our impact on the city

Here's a sample of our performance across the city.

For a comprehensive view, please see the Groups of Activities sections from page 32 - 49.



More than **53K** people attended a council-led community event

64% of Aucklanders ready for an emergency

36% of residents feel they can participate in council decision-making

ATEED helped us achieve **295K** visitor nights

95% of customers are satisfied with the quality of our library service

13% of real water loss from our reticulation system

271 litres of average consumption of drinking water per day per resident

87% of kauri areas on council land being actively managed for kauri dieback

Our drinking water is **100%** fit-for-purpose and on target

37% of Aucklanders feel their local town centre is safe at night

Regional Facilities Auckland's arts, environment and sports venues and events attracted **3M** visits

The median response time for our maintenance crews to handle wastewater overflows or blockages was **43** minutes

56% of non-notified resource consent applications processed within 20 statutory days

82% of requests about roads and footpaths met within specified timeframes

244 Māori businesses benefitted from an ATEED programme or initiative

20.5 of our local programmes, grants and activities respond to Māori aspirations

18 Māori projects were supported to deliver Māori housing and papakainga

91% of passengers satisfied with public transport

60% of building consent applications processed within 20 statutory working days*

2.4% return on investment on like-for-like properties it manages for the council and Auckland Transport

There were **137** fewer deaths and serious injuries on our roads this year

During storms, we responded to **99%** of calls to close stormwater manholes within three hours

5.5% of sealed local roads resurfaced

Public transport boardings were well above target at **100M+**

43% of public transport costs recovered through fares

Aucklanders biked past our counting sites with more than **3.7M** movements

*For more detail refer to Volume 1, pages 98 and 99

Summary statement of comprehensive revenue and expenditure

For the year ended 30 June 2019

\$MILLION	GROUP		AUCKLAND COUNCIL			
	ACTUAL 2019	BUDGET 2019	ACTUAL 2018	ACTUAL 2019	BUDGET ¹ 2019	ACTUAL 2018
Revenue						
Rates	1,790	1,797	1,707	1,802	1,806	1,718
Fees and user charges	1,333	1,348	1,261	287	277	268
Grants and subsidies	612	699	497	60	70	22
Development and financial contributions	178	204	182	178	205	182
Other revenue	464	418	287	565	514	180
Vested assets	486	284	572	119	84	226
Finance revenue measured using effective interest method effective interest method	15	-	37	38	-	107
Other finance revenue	1	13	-	85	133	-
Total revenue excluding other gains	4,879	4,763	4,543	3,134	3,089	2,703
Expenditure						
Employee benefits	911	905	866	532	536	500
Depreciation and amortisation	922	954	865	268	276	261
Grants, contributions and sponsorship	144	141	133	1,035	1,046	1,030
Other operating expenses	1,633	1,540	1,548	631	530	613
Finance costs	478	474	472	453	456	408
Total expenditure excluding other losses	4,088	4,014	3,884	2,919	2,844	2,812
Operating surplus/(deficit) before gains and losses	791	749	659	215	245	(109)
Net other gains/(losses)	(651)	-	(112)	(585)	-	(117)
Share of surplus in associates and joint ventures	93	67	147	90	65	2
Surplus/(deficit) before income tax	233	816	694	(280)	310	(224)
Income tax expense	58	34	34	-	-	-
Surplus/(deficit) after income tax	175	782	660	(280)	310	(224)
Other comprehensive revenue/(expenditure)						
Net gain on revaluation of property, plant and equipment	41	-	2,362	-	-	936
Tax on revaluation of property, plant and equipment	(11)	-	(276)	-	-	-
Movement in cash flow hedge reserve	(4)	-	5	-	-	-
Share of associates and joint ventures reserves	7	-	264	7	-	-
Gains/(losses) from investments in equity instruments	-	-	7	-	-	-
Deferred tax written back to revaluation reserve on asset transfer	27	-	-	-	-	-
Total other comprehensive revenue	60	-	2,362	7	-	936
Total comprehensive revenue/(expenditure)	235	782	3,022	(273)	310	712

1. The Auckland Council budget represents the 10-year Budget 2018-2028 that was amended in June 2019. Refer to the basis of reporting in the notes to the financial statements for further information.

The accompanying basis of reporting forms part of, and is to be read in conjunction with, these financial statements.

Summary statement of financial position

As at 30 June 2019

\$MILLION	GROUP		AUCKLAND COUNCIL			
	ACTUAL 2019	BUDGET 2019	ACTUAL 2018	ACTUAL 2019	BUDGET ¹ 2019	ACTUAL 2018
Current assets						
Non-current assets held-for-sale	59	104	35	3	104	33
Other current assets	876	703	1196	606	654	988
Total current assets	935	807	1,231	609	758	1,021
Non-current assets						
Property, plant and equipment	48,196	47,283	46,730	15,717	15,663	14,908
Investment in subsidiaries	-	-	-	19,731	20,787	20,630
Investment in associates and joint ventures	1,850	1,639	1,751	1,849	552	322
Other non-current assets	1,892	1,604	1,750	3,568	3,104	2,751
Total non-current assets	51,938	50,526	50,231	40,865	40,106	38,611
Total assets	52,873	51,333	51,462	41,474	40,864	39,632
Current liabilities						
Current borrowings	1,172	1,252	905	1,172	1,109	764
Other current liabilities	1,158	1,063	928	912	787	800
Total current liabilities	2,330	2,315	1,833	2,084	1,896	1,564
Non-current liabilities						
Non-current borrowings	7,786	7,988	7,927	7,291	7,656	7,549
Other non-current liabilities	3,715	2,555	2,900	2,219	1,227	1,188
Total non-current liabilities	11,501	10,543	10,827	9,510	8,883	8,737
Total liabilities	13,831	12,858	12,660	11,594	10,779	10,301
Net assets	39,042	38,475	38,802	29,880	30,085	29,331
Equity						
Total equity	39,042	38,475	38,802	29,880	30,085	29,331

1. The Auckland Council budget represents the 10-year Budget 2018-2028 that was amended in June 2019. Refer to the basis of reporting in the notes to the financial statements for further information.

The accompanying basis of reporting forms part of, and is to be read in conjunction with, these financial statements.

Summary statement of changes in equity

For the year ended 30 June 2019

\$MILLION	GROUP			AUCKLAND COUNCIL		
	ACTUAL 2019	BUDGET 2019	ACTUAL 2018	ACTUAL 2019	BUDGET ¹ 2019	ACTUAL 2018
Opening equity as at 1 July	38,802	37,693	35,776	29,331	29,775	28,597
Adjustment on adoption of PBE IFRS 9	5	-	-	5	-	-
Total comprehensive revenue/(expenditure)	235	782	3,026	(273)	310	734
Return of equity	-	-	-	817	-	-
Closing equity as at 30 June	39,042	38,475	38,802	29,880	30,085	29,331
Components of equity						
Contributed equity	26,732	26,729	26,732	26,569	26,569	26,569
Accumulated funds	1,788	2,264	1,667	(1,263)	(203)	(997)
Reserves	10,522	9,482	10,403	4,574	3,719	3,759
Total equity	39,042	38,475	38,802	29,880	30,085	29,331

1. The Auckland Council budget represents the 10-year Budget 2018-2028 that was amended in June 2019. Refer to the basis of reporting in the notes to the financial statements for further information.

Summary statement of cash flows

For the year ended 30 June 2019

\$MILLION	GROUP			AUCKLAND COUNCIL		
	ACTUAL 2019	BUDGET 2019	ACTUAL 2018	ACTUAL 2019	BUDGET 2019	ACTUAL 2018
Net cash inflow/(outflow) from operating activities	1,248	1,473	1,101	8	205	26
Net cash outflow from investing activities	(1,683)	(2,238)	(1,134)	(556)	(876)	(108)
Net cash inflow from financing activities	116	592	312	169	498	387
Net increase/(decrease) in cash and cash equivalents	(319)	(173)	279	(379)	(173)	305
Opening cash and cash equivalents and bank overdraft	610	373	331	584	353	279
Closing cash and cash equivalents	291	200	610	205	180	584

The accompanying basis of reporting forms part of, and is to be read in conjunction with, these financial statements.

Basis of reporting

Auckland Council has designated itself and the Auckland Council Group as public benefit entities and applies New Zealand Tier 1 Public Benefit Entity Accounting Standards (PBE Accounting Standards). These standards are based on International Public Sector Accounting Standards, with amendments for the New Zealand environment. The full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, PBE Accounting Standards and other applicable financial reporting standards, as appropriate for public benefit entities. The summary financial statements comply with Public Benefit Entity Financial Reporting Standard 43: Summary Financial Statements.

The information presented is in New Zealand dollars, which is the functional currency of each of the group's entities, rounded to the nearest million dollars (\$million) unless otherwise stated.

The summary financial statements and associated disclosures have been extracted from the full annual report. However, the summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as the full financial statements.

The full and summary Annual Report for the year ended 30 June 2019 were authorised for issue by the council's governing body on 26 September 2019.

Subsequent events

City Rail Link Limited (CRL) alliance agreement

Auckland Council is committed to funding 50% of the City Rail Link project. On 19 July 2019, CRL signed an alliance agreement with Link Alliance for the next stage of the City Rail Link. Link Alliance will construct the two new inner-city underground stations (Aotea and Karangahape), upgrade the existing Mt Eden station and complete tunnel construction just south of Wyndham Street to the North Auckland Line at Mt Eden. This contract brings the total value of the project to over \$4 billion. Partners to the alliance are three construction companies and three design companies, being Vinci Construction Grands Projects SAS, Downer NZ Limited, Soletanche Bachy International NZ Limited, WSP Opus (NZ) Limited, AECOM New Zealand Limited and Tonkin+Taylor Limited. This contract increases Auckland Council's commitment to the CRL project to over \$2 billion in total.

None of the above transactions had a financial impact on the current year group results or its financial position at 30 June 2019.

Budget information

The budget figures presented in the financial statements of the group and the council are those included in the 10-year Budget 2018-2028 as amended in June 2019 and are consistent with the accounting policies used to prepare the financial statements.

The group has early adopted PBE IFRS 9 Financial Instruments this financial year which includes three areas of change: classification and measurement of financial instruments; a single, forward looking, 'expected credit loss' impairment model; and substantially reformed approach to hedge accounting. There was no material financial impact upon adoption.

Eden Park financing

Subsequent to balance date, the council signed agreements with Eden Park Trust and ASB Bank Limited to take over the \$40 million loan in favour of Eden Park Trust from ASB Bank Limited effective 30 September 2019. The council will become the lender to Eden Park Trust and the guarantee from the council to ASB Bank Limited will terminate. All rights, titles and interests in ASB's loans and security in relation to Eden Park will transfer from ASB Bank Limited to the council.

Bond issue

On 26 September 2019 the council issued an EUR500 million 10 year fixed rate bond that has been hedged to NZ\$877 million.

Tā mātou tauira whakahaere

Our operating model

This year we have been thinking about how we create value for Aucklanders.

Auckland Council supports the External Reporting Board's encouragement of extended external reporting to cover broad information such as governance, business models, strategies and environmental, cultural and social impacts.

We have used ideas from the Integrated Reporting <IR>* approach to start doing this. <IR> is being used by organisations around the world to present annual reports which move beyond financial information to tell succinct stories of the unique things (their 'capitals') they use to create value for their customers.

We have used <IR> ideas throughout this report. Our Auckland Plan and 10-year Budget define the issues that are most material for Aucklanders (these are structured as Groups of Activities).

We use the weave of a kete to highlight our basket of resources grouped by the <IR> capitals in each of the Groups of Activities sections of this report. We use these resources to deliver activities which positively impact the Auckland Plan outcomes. This is our value creation loop.

You will see our kete are unfinished. This is because we have only started weaving integrated thinking into our reporting and we still have a long way to go. Already <IR> is helping us to think more holistically about the broad range of resources we use, the value we deliver to the region, and how to be more responsive to Te Ao Māori.

The capitals that we have used to group our resources are:

Human

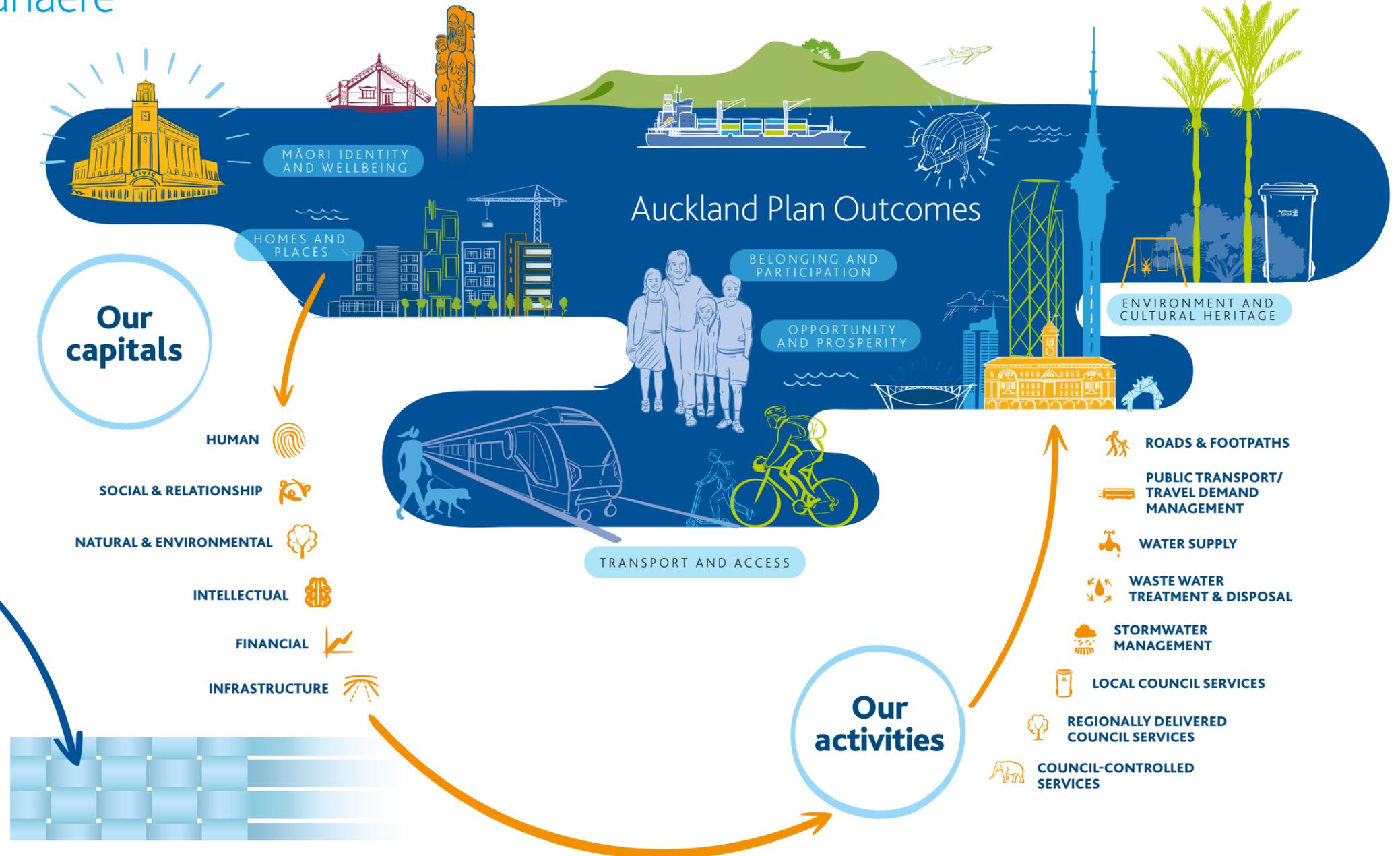
Our employee and contractor workforce, and the governance and leadership structures that guide them.

Social & relationship

The relationships we build with our communities, our stakeholders and our partners.

Natural & environmental

The renewable and non-renewable environmental resources and processes such as air, water, land, minerals and forests, biodiversity and ecosystem health that we rely on, and the actions we take to reduce our impact on the environment.



Intellectual

The knowledge-based assets we use to create value such as intellectual property, systems, brands etc.

Financial

The funds that we and our partners use to deliver our services

Infrastructure

The physical assets we own or lease that we can use to produce goods or provide services such as buildings and infrastructure (e.g. roads, ports, bridges, waste and water treatment plants).

Kotahi te aho ka whati
Ki te kāpuia e kore e whati

*A single strand is easy to break
But many strands woven together stand strong*

* More information on the Integrated Reporting <IR> framework can be found at www.integratedreporting.org

Ngā take rawa rangahau

Material Issues

Auckland's quality of life, vibrancy, diversity and robust economy attracts many people and our population is continually growing – we expect it to reach two million people by 2028.

This growth is challenging our housing, transport and water infrastructure. The 10-year Budget includes significant investment in infrastructure to keep up with the growth.

As our region grows, we need to ensure we invest in community services and facilities that meet the needs of our more diverse population. We need to protect our natural environment from natural and manmade threats. We also need to mitigate the impact of climate change and work to become a climate neutral city.

This section outlines our general approach to the material issues of housing, transport, water, climate change, natural environment, and communities. More specific information about what we did in 2018/19 is provided within Volume 1 Groups of Activities sections, from pages 38 to 112.

Housing

Auckland needs more houses – in February 2018 a government report estimated a shortage of 45,000 homes to adequately house its population at this point in time.

We don't build houses, but we are responsible for planning and providing sufficient infrastructure to meet the future demand for housing.

The council zones land, facilitates and advocates for quality development, and regulates building. It works alongside the government and the private sector to meet the demand for housing.

The Joint Housing and Urban Development Work Programme announced in April 2019 is an example of how we work alongside the government to facilitate more housing in Auckland.

In 2016 the council made its Unitary Plan operative in part. The plan enables an additional one million dwellings in Auckland's existing residential areas. It also identifies 15,000 more hectares for future urban growth. It enables greater urban intensification by allowing more townhouses, apartments and other attached dwellings.

Already the Unitary Plan is having positive results. We consented 14,032 new residential dwellings over the past year, the highest level ever. In November 2018, the number of new dwellings consented began to keep pace with the numbers needed to accommodate the growth in the city's population (although we need even more to make up the 45,000 houses shortfall).

And of all the new dwellings, 49 per cent were in multi-unit complexes (such as townhouses and apartments).

Panuku, our urban development agency, is working with developers across the region to turn surplus council land into high quality developments.

Since Panuku was established in 2015, it has facilitated the delivery of 731 new dwellings for Auckland, with 755 underway and approximately 9,950 more dwellings to be delivered over the next 10 years. It's showcasing what good quality urban development is in many locations across the city – urban development that's about highly liveable, environmentally sustainable and community-oriented neighbourhoods.

"A community is not just where people live but where they have access to jobs, schools, parks, shops and services and where they can choose how they get around – public transport, cycling, walking or by car."

Penny Pirrit,
Auckland Council's Director of Urban Growth and Housing.



Last year, we updated the Auckland Design Manual to provide guidance to developers and the public on high-quality urban design.

Our Regulatory Services team have faced continued growth in the numbers of building consent and resource consent applications. Meeting this growth has been challenging and we haven't met our performance targets in this area. We have improved systems and made business improvements, recruited staff, provided more staff training and guidance, and introduced new quality assurance checks with the aim of improving performance (see Volume 1 page 98-99 for more information).

Auckland is one of the most unaffordable cities in the world for housing. Homelessness is a problem – in Ira Mata, Ira Tangata: Auckland's Homeless Count on 17 September 2018 we estimated that 800 people were living without shelter, and at least 2,874 people were living in temporary accommodation placements. Ira Mata, Ira Tangata provided important information about homeless people that is being used by government and social sector agencies. It will guide the \$197 million investment by the government over the next four years in the Housing First Programme enabling providers (Kāhui Tū Kaha, Lifewise together with Auckland City Mission, LinkPeople and VisionWest) that support the chronically homeless into permanent homes with wrap-around services.

For more information and updates on our key projects, please go to the Regionally Delivered Council Services and Council Controlled Services Groups of Activities sections within Volume 1, pages 38 and 112.

Transport

Traffic congestion on our roads makes it difficult for Aucklanders to move around and it has a detrimental impact on the productivity of businesses. We need to encourage more people to get out of their cars, and instead choose public transport and active transport (such as walking and cycling) as alternatives to moving around our city.

We've already made huge strides in improving our transport network so that people have more options about how to move around the city easily and safely. Improvements to our roads, public transport, walking and cycleways will continue as part of the \$28 billion 10-year transport programme agreed with government, partly funded by the Regional Fuel Tax which was introduced in July 2018.

Our initial focus has been on completing existing committed projects while planning and designing new projects prior to construction. We've introduced new double-decker buses on Dominion Road and Remuera Road, proposed a Safer Speeds Bylaw and soon we will be delivering bus priority improvements and improving access to the airport.



Auckland is still a city dominated by cars, but that's changing. Over the past year, Aucklanders made more than 100 million public transport journeys and 3.77 million bike trips. Park and ride facilities are now available at several bus and ferry terminals with more being planned. The new central city and North Shore bus networks are making it easier and more convenient to catch buses. The new transport interchange under construction at Puhinui Station will connect rail and buses to Auckland Airport. And the roll-out of double decker buses will continue. Construction started in early 2019 on the Eastern Busway. The first four stages will link Panmure and Pakuranga.

The City Rail Link will more than double the capacity of our rail network and significantly reduce journey times when it's completed in 2024. Trenching work has seen the railway line snake up Albert Street and soon tunnelling will begin from Albert Street onwards.

We are working to not only make it easier, but also safer to get around Auckland. Compared to other cities around the world, Auckland has one of the highest rates of pedestrian, cyclist, and motorcyclist deaths. Auckland Transport is working through an accelerated road safety programme including new road signage, roading improvements to bends and intersections, and speed management initiatives. It's also working with communities to increase road safety awareness and to promote walking and cycling as ways to move around.

For more information and updates on our key projects, please go to the Roads and Footpaths, and Public Transport and Travel Demand Management in the Groups of Activities sections within Volume 1, pages 38 and 110.

Water

There are three parts to managing water in Auckland. Watercare provides a safe and reliable supply of drinking water and looks after the wastewater network, including treating wastewater. The council manages the storm-water network.

Generally, we do these things well. Safe Aa-grade drinking water is delivered to 1.7 million Aucklanders. We have local beaches we can swim in most times of the year. And our waterways support a variety of natural ecosystems.



However, old infrastructure, a growing population and more frequent and more damaging weather events driven by climate change have strained our water infrastructure. This means we must invest now in new infrastructure to minimise future damage.

Watercare has been working on the Hunua 4 watermain to secure our water supply and accommodate the growing population. This 31km pipe will connect the Manukau and Khyber Pass Road water reservoirs. The final 3.5km from Market Road to Khyber Pass is being built now. Up north, we have started work on the North Harbour 2 Watermain which will move water from the west to the Albany Reservoirs, meeting growth demand there when it is opened in 2026.

The Warkworth Water Treatment Plant was commissioned in December 2018, drawing from an underground aquifer to double capacity and cater for growth and secure the summer water supply.

Watercare is also planning to expand the Waikato Water Treatment Plant and upgrade the Huia 1 watermain pipeline. Upgrades are also being made to the Ardmore Water Treatment plant so that it can manage through large storm events without having to reduce the output of drinking water it produces (as it had to do in March 2018 during the “Tasman Tempest” storm).

Significant investment is being made in our wastewater plants. We upgraded Army Bay, improving a pump station, and replaced an outfall pipe extending 1.2km into Tiri

Channel. And work is beginning to upgrade the Mangere and Rosedale wastewater treatment plants.

Our old pipes haven't coped in storm events, with mixed stormwater and wastewater going into our waterways. Work on the Central Interceptor, a 13km pipe from the central city to the Māngere Wastewater Treatment Plant, begins in late 2019. It will dramatically reduce wastewater overflows and improve the health of our waterways when complete. Work is also underway on the Northern Interceptor, which will divert flows to the Rosedale Wastewater Treatment Plant, giving the Māngere Waste Water Treatment Plant greater capacity to support growth in the central and southern areas.

We have a wide range of projects planned over the next 10 years to improve the water quality of our waterways and beaches, funded by the Water Quality Targeted Rate which has brought forward some projects by 20 years. These projects will reduce overflows and contaminants flowing into Auckland's waters and harbours. Streams will be rehabilitated, improving their ecological health and reducing bank erosion caused by rural and urban land changes.



We will extend the stormwater network in Freemans Bay and the Daldy Street outfall, reducing polluting overflows in the Wynyard Basin before the 2021 America's Cup begins. And in Ōkahu Bay, we will extend the stormwater network by 4.5km and separate wastewater and stormwater pipes to reduce polluting overflows into the bay and to enable future growth.

For more information and updates on our key projects, please go to the Water Supply, Wastewater treatment and disposal, and Stormwater in the Groups of Activities sections, within Volume 1, pages 38 and 110.

Climate change

The council has joined a growing community of cities around the world by declaring a climate emergency. The declaration signals the urgency of implementing actions to mitigate and adapt to the impact of rising world temperatures and extreme weather events. It follows on from the Intergovernmental Panel on Climate saying we only have around 12 years to reduce carbon emissions to limit temperature rises to 1.5 degrees.

“The council already demonstrates strong leadership in the face of climate change, including incorporating climate change considerations into council’s work programmes and decisions; working with regional partners to ensure a collaborative response; advocating and engaging with government; and leading by example to reduce in-house emissions.”

Councillor Penny Hulse,
Chairperson of Auckland Council's
Environment and Community Committee.



We are already taking action. We are accelerating improvements to our water quality and increasing protection of our natural environment for future generations, funded by targeted rates. And we have a lot of other projects that are helping mitigate and adapt to climate changes too.

Despite these projects, right now Auckland's emissions are not decreasing. We need to do more. In July 2019 we consulted on Auckland's Climate Action Framework, gathering ideas on actions that we can do to achieve cleaner transport, air and water. We have committed Auckland to a path toward climate neutrality with virtually no emissions by 2050.

For more information and updates on our key projects, please go to the Regionally Delivered Council Services in the Groups of Activities section, within Volume 1, pages 38 and 112.

Natural environment

One of the defining features of Auckland is its beautiful natural environment. Our role is to nurture, look after and monitor our environment, to protect our region from a variety of natural and manmade threats.

The introduction of the Natural Environment Targeted Rate in July 2018 enables investment of \$311 million over the next 10 years to protect our environment. It allows programmes to protect parks, islands, marine and freshwater areas, and to combat Kauri dieback disease. It will also fund our Pest Free Auckland initiative, increasing possum patrols, biosecurity measures and control of pests and weeds within Auckland's parks. Pages 12-15 in the Financial Performance Overview section outlines the projects that the Natural Environment Targeted Rate funded in 2018/2019.

The introduction of the Water Quality Targeted Rate in July 2018 enables \$452 million over the next 10 years to improve water quality by rehabilitating streams and reducing wastewater and septic tank run-off. Page 15 in the Financial Performance Overview section outlines the projects that the Water Quality Targeted Rate funded in 2018/2019.

Communities

Auckland is a super-diverse city – home to over 200 ethnicities, a large proportion of the rainbow communities, 19 mana whenua iwi, and the largest Polynesian population in the world.

It's important that as our city grows, and becomes even more diverse, we provide community services that evolve to meet the needs of Aucklanders. Our 10-year Budget allocates \$961 million to refurbish our current community facilities, and we are prioritising this spend to those buildings and communities that require it most. Our challenge is making the trade-offs between rebuilding our old facilities and investing in new facilities that better meet our communities' needs now and into the future.

For new facilities, we are moving to more integrated community facilities, such as the Te Manawa integrated community hub which was opened in April 2019. Te Manawa incorporates a community hub, library, council services, a Citizens Advice Bureau, a community kitchen, and even a recording studio.

For more information and updates on our key projects delivered to support our communities, please go to the Regionally Delivered Council Services in the Groups of Activities section, within Volume 1, pages 38 to 110.

Tā mātou tuapapa whakahaere

Our structure

The Auckland Council Group's structure provides the scale for efficient delivery, a regional perspective that provides a clear direction for Auckland, and representation that reflects diversity, local flavour and active public participation.

The Mayor promotes our vision for Auckland to be a world-class city and is tasked with leading the development of regional plans, policies and budgets to achieve that vision.

Auckland's 20 councillors, who represent 13 wards, make up the Governing Body along with the Mayor. It focuses on strategic issues and initiatives which affect Auckland as a region. Some decision-making powers are delegated to committees – three committees of the whole (Environment and Community, Finance and Performance, and Planning), three reporting committees (Audit and Risk, Community Development and Safety, Strategic Procurement) and four other committees (Appointments Performance Review and Value for Money, Ports of Auckland Appointments Panel, Civil Defence and Emergency Management Group, Regulatory).

We have 149 local board members, spread over 21 boards, who make decisions on the local services, such as parks, libraries, community halls and pools, which form the fabric of our local communities.

The Independent Māori Statutory Board has specific responsibilities and legal powers to assist Auckland Council to make decisions and perform its functions in accordance with statutory provisions relating to Te Tiriti o Waitangi. The board has voting rights on council's key decision-making committees. The board promotes cultural, economic, environmental and social wellbeing issues that are significant to Māori and it provides direction and guidance to help improve council's responsiveness to Māori.

Co-governance structures between the council and mana whenua have been established as part of Te Tiriti o Waitangi settlements to co-govern maunga, wāhapū, motu and kaitiakitanga of land and marine resources.

Diversity is a strength that defines Auckland. To ensure this diversity is reflected in decision-making, we also have nine advisory panels the council uses to seek input on specific issues.

The council is led by the Chief Executive who is appointed by the Governing Body. The Chief Executive, with the support of his executive leadership team, employs staff to deliver services for residents.

We identify and manage risks using a framework based on AS/NZ ISO 31000:2009. Council's Assurance Services team provides independent assurance to the Audit and Risk Committee and chief executive that risk management controls are operating in an efficient, effective and ethical

manner. The team works with senior management and our people to reduce the risk of error, waste, theft and fraud. Our code of conduct "Our Charter" emphasises that managing these risks is the responsibility of every staff member. The Audit and Risk Committee (which has three independent members) and our Assurance Services team all play a role in monitoring risk at a governance level, with all teams across council playing a role in identifying and managing risks.

The group also comprises five substantive council-controlled organisations (CCOs). The CCOs look after specific council assets, infrastructure and activities using specialist expertise. CCOs have their own board of directors or trustees, but are accountable to the council's Governing Body. Auckland Council approves each CCO's annual objectives and targets as part of their statements of intent, monitors their performance quarterly and appoints their board of directors or trustees.

Vision for Auckland



AUCKLAND COUNCIL GROUP

AUCKLAND COUNCIL

We deliver a wide range of services, events and facilities.



LED BY OUR EXECUTIVE LEADERSHIP TEAM

CHIEF EXECUTIVE

LED BY INDEPENDENT BOARDS

Delivery

CCOs

Council-controlled organisations operate separately from Auckland Council. Each CCO is overseen by a board of directors.



In June 2018, the council decided to disestablish Auckland Council Investments Limited (ACIL). ACIL's assets (22 per cent of Auckland International Airport Limited and 100 per cent of Ports of Auckland) were transferred to council, effective on 2 July 2018. The company was removed from the register of companies in November 2018.

Ngā mema o te Kāhui Kāwanatanga Governing Body members



Phil Goff
Mayor



Bill Cashmore
Deputy Mayor Franklin



John Watson
Albany



Wayne Walker
Albany



Dr Cathy Casey
Albert-Eden-Roskill



Hon. Christine Fletcher QSO
Albert-Eden-Roskill



Sharon Stewart QSM
Howick



Paul Young
Howick



Alf Filipaina
Manukau



Fa'anana Efeso Collins
Manukau



Sir John Walker KNZM, CBE
Manurewa-Papakura



Daniel Newman
Manurewa-Papakura



Josephine Bartley
Maungakiekie-Tāmaki



Chris Darby
North Shore



Richard Hills
North Shore



Desley Simpson
Orākei



Greg Sayers
Rodney



Linda Cooper JP
Waitākere



Penny Hulse
Waitākere



Mike Lee
Waitematā



Ross Clow
Whau

Tō mātou tira kaiwhakahaere Auckland Council Executive Leadership Team



Auckland Council Executive Leadership Team (L to R):

BACK ROW: **Ian Maxwell** – Director Customer and Community Services, **Craig Hobbs** – Director Regulatory Services, **Barry Potter** – Director Infrastructure and Environmental Services, **Megan Tyler** – Chief of Strategy, **Matthew Walker** – Group Chief Financial Officer, **Phil Wilson** – Governance Director.

FRONT ROW: **Penny Pirrit** – Director Urban Growth and Housing, **Stephen Town** – Chief Executive, **Patricia Reade** – Director People and Performance.

He kōrero mō ngā momo mahi

INTRODUCTION TO GROUPS OF ACTIVITIES

The following sections of this summary include the summary performance information around our eight Groups of Activities in the Long-term Plan 2018-2028 (10-year Budget 2018-2028).

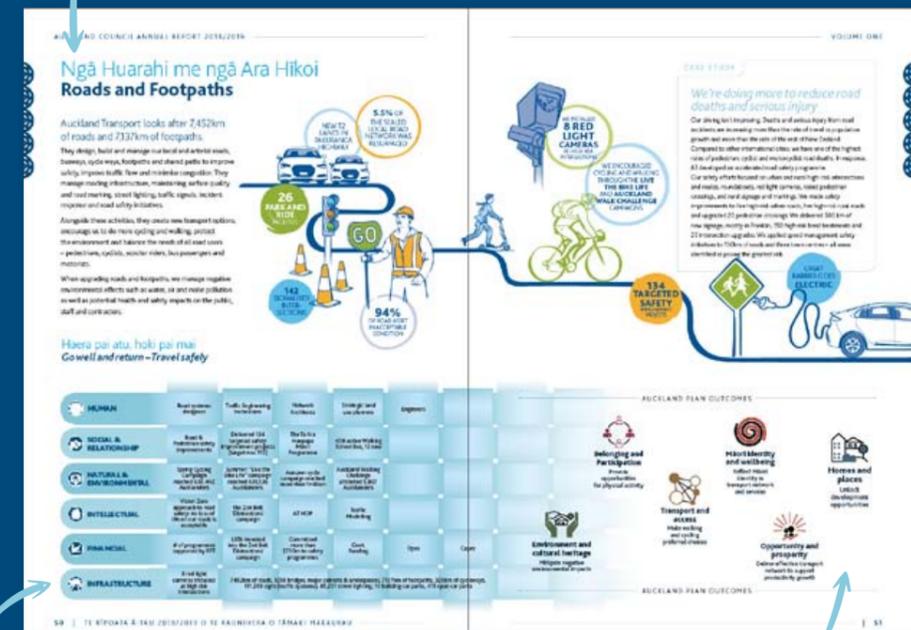
A group of activities is one or more related activities provided by, or on behalf of, the Auckland Council Group, which contribute to the Auckland Plan outcomes. Volume 1 comprises our performance results and funding impact statements which are audited by Audit New Zealand on behalf of the Auditor-General.

For 2018/2019, we have produced the 21 local board

reports within Volume 2 as individual documents. These also contain SSP information for each of the local boards.

The following pages on each Group of Activities follow a similar structure. The following sample pages have call-out arrows to explain the structure of each Group of Activities section.

Groups of Activities
One or more related activities provided by, or on behalf of the Auckland Council Group and Auckland Council.



Kete including <IR> capitals and resources: The kete (basket) of resources, grouped by Integrated Reporting <IR> capitals, we use to deliver the Auckland Plan outcomes (refer to page 22).

Auckland Plan Outcomes
The community outcomes that we seek to deliver to realise our vision for Auckland to be a world-class city.

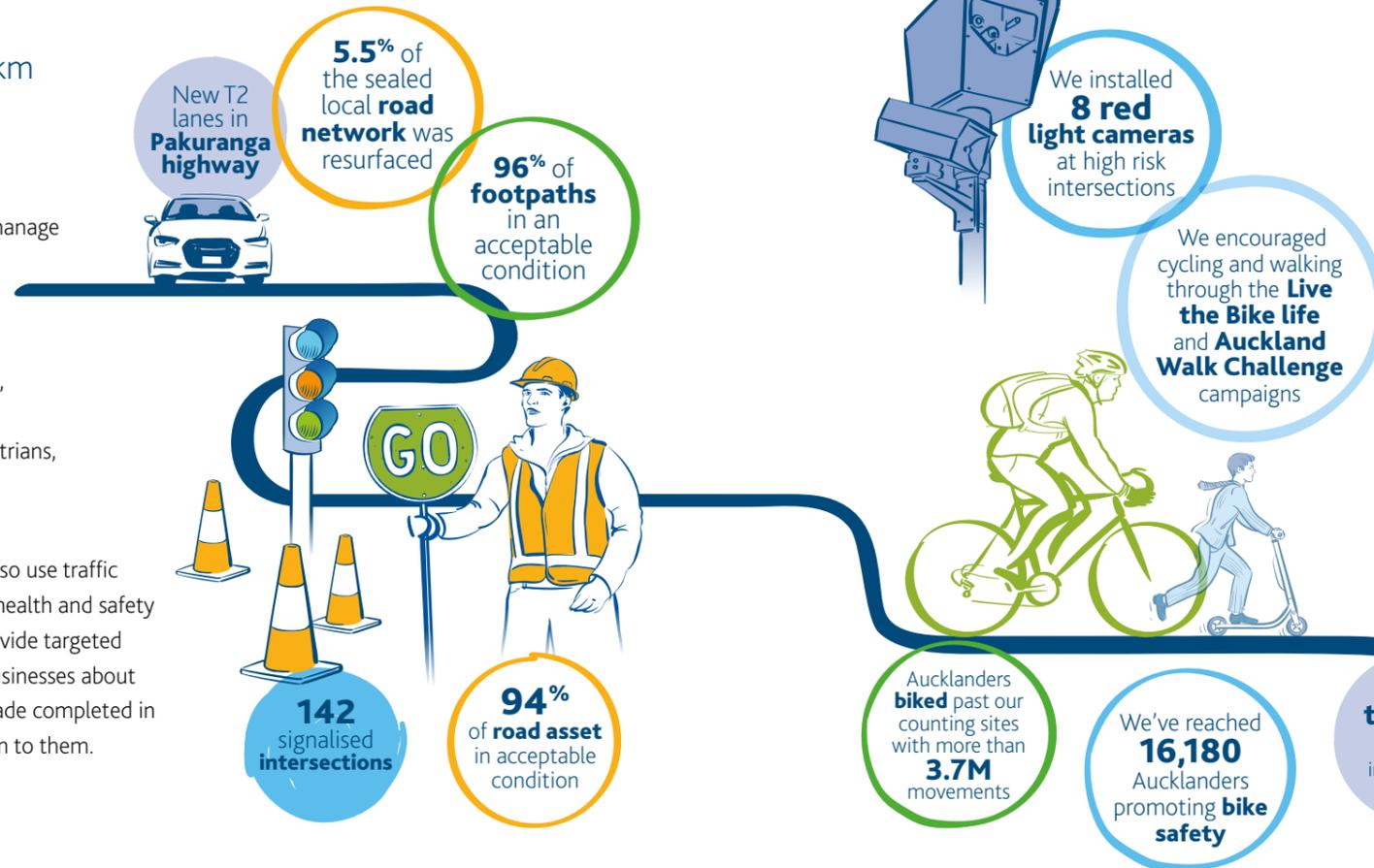
Ngā Huarahi me ngā Ara Hīkoi Roads and Footpaths

Auckland Transport (AT) looks after 7,550km of roads and 7,137km of footpaths.

They design, build and manage our local and arterial roads, busways, cycle ways, footpaths and shared paths to improve safety, improve traffic flow and minimise congestion. They manage roading infrastructure, maintaining surface quality and road marking, street lighting, traffic signals, incident response and road safety initiatives.

Alongside these activities, they 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.

When upgrading roads and footpaths, we manage negative environmental effects by containing run-off sediment. We also use traffic management systems to minimise congestion and manage health and safety impacts on the public, our staff and contractors. We also provide targeted information and community liaison to local residents and businesses about large roading upgrades (for example, the Franklin Road upgrade completed in July 2019) to keep them informed and to minimise disruption to them.



CASE STUDY

We're doing more to reduce road deaths and serious injury

Our driving isn't improving. Deaths and serious injury from road accidents are increasing more than the rate of travel or population growth and more than the rate of the rest of New Zealand. Compared to other international cities, we have one of the highest rates of pedestrian, cyclist and motorcyclist road deaths. In response, AT developed an accelerated road safety programme. Our safety efforts focused on urban and rural high-risk intersections and routes, roundabouts, red light cameras, raised pedestrian crossings, and rural signage and markings. We made safety improvements to seven high-risk urban roads, four high-risk rural roads and upgraded 26 pedestrian crossings. We delivered 235km of new signage, mostly in Franklin, 150 high-risk bend treatments and 11 intersection upgrades. We applied speed management safety initiatives to 150km of roads and three town centres – all areas identified as posing the greatest risk.

Haera pai atu, hoki pai mai
Go well and return – travel safely

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES					TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)				
HUMAN	Road systems designers	Roading contractors	Network architects	Strategic land use planners	Engineers					
SOCIAL & RELATIONSHIP	Road & pedestrian safety improvements	Delivered 54 targeted safety improvement projects	The Te Ara Haepapa Māori Programme		AT Public meetings on transport			Belonging and Participation Provide opportunities for physical activity	Māori identity and wellbeing Reflect Māori identity in transport network and services	Homes and places Unlock development opportunities
NATURAL & ENVIRONMENTAL	Walking and cycling campaigns	3 new cycleways; Ian McKinnon Dr, Quay Street extension and links to New Lynn	326km of cycleways							
INTELLECTUAL	Vision Zero approach to road safety: no loss of life on our roads is acceptable	Traffic Modelling								
FINANCIAL	\$156 million collected by RFT	\$37 million to road safety projects	\$484 million operating expenditure	\$402 million capital expenditure						
INFRASTRUCTURE	8 red light cameras installed at high-risk intersections	111,293 signs (traffic systems)	1258 bridges, major culverts, underpasses	More than 110,000 street lighting		Environment and cultural heritage Mitigate negative environmental impacts	Transport and access Make walking and cycling preferred choices	Opportunity and prosperity Deliver effective transport network to support productivity growth		

AUCKLAND PLAN OUTCOMES

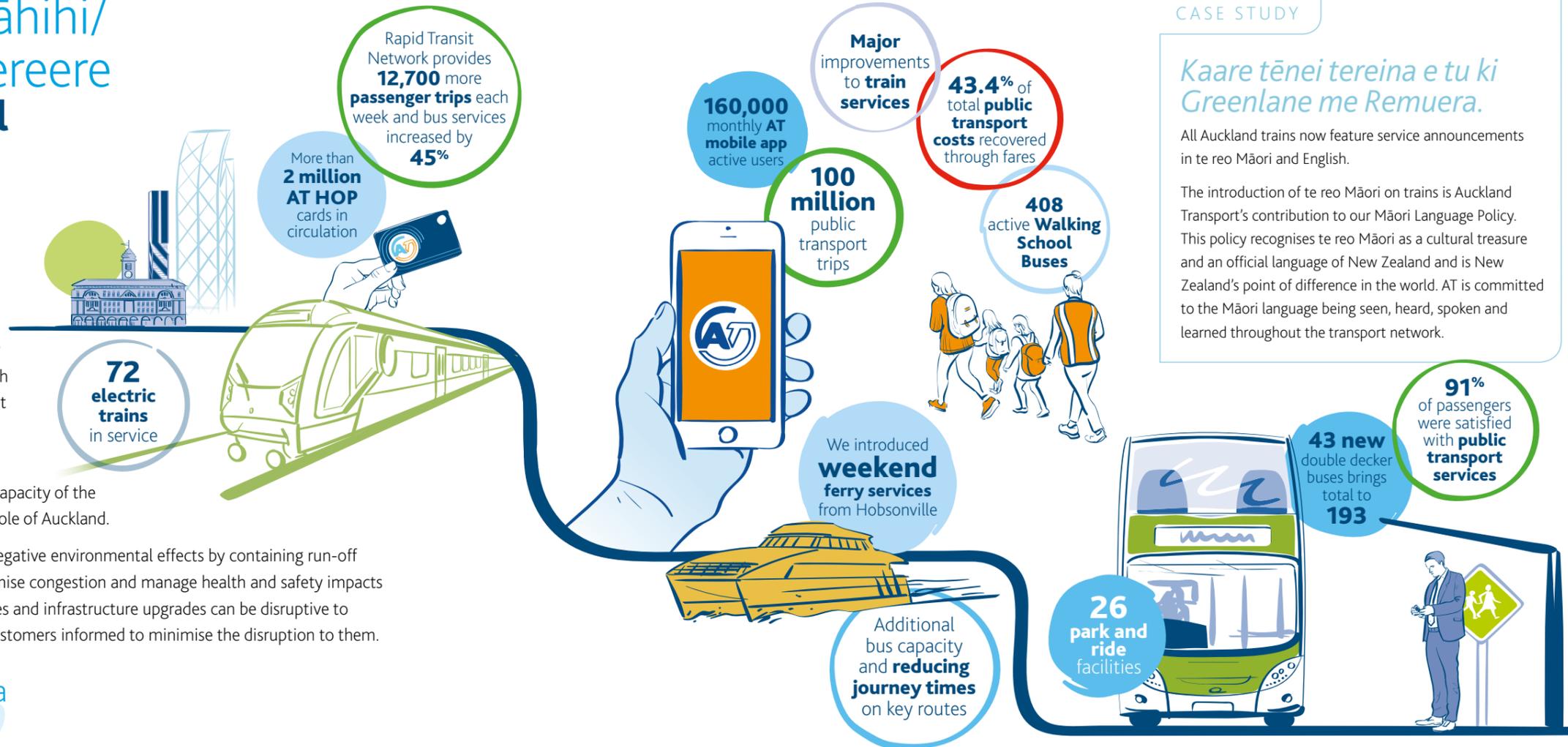
Ngā Tikanga Kawe Pāhihi/ Ngā Tikanga Aro Hāereere Public Transport/Travel Demand Management

We're on our way to a simpler and more integrated public transport network that will change the way you travel.

Auckland Transport (AT) manages and plans 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. AT manages off-street and on-street parking, balancing parking demand with the needs of road users, businesses and residents.

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.

When building public transport infrastructure, we manage negative environmental effects by containing run-off sediment. We also use traffic management systems to minimise congestion and manage health and safety impacts on the public, our staff and contractors. Changes to schedules and infrastructure upgrades can be disruptive to commuters, and we provide targeted information to keep customers informed to minimise the disruption to them.



CASE STUDY

Kaare tēnei tereina e tu ki Greenlane me Remuera.

All Auckland trains now feature service announcements in te reo Māori and English.

The introduction of te reo Māori on trains is Auckland Transport's contribution to our Māori Language Policy. This policy recognises te reo Māori as a cultural treasure and an official language of New Zealand and is New Zealand's point of difference in the world. AT is committed to the Māori language being seen, heard, spoken and learned throughout the transport network.

Waiho i te toipoto, kaua i te toiroa
Let us be close together, not far apart

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES						TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)			
HUMAN	Bus drivers	Train drivers/ conductors	Harbourmasters	Parking officers	Schedulers					
SOCIAL & RELATIONSHIP	Rail pedestrian crossing improvements	Travelwise in Schools	AT public meetings on transport				Belonging and Participation Reduce transport barriers for participation			
NATURAL & ENVIRONMENTAL	72 electric trains	3 new electric buses	Electric charging stations at Council-owned city carparks					Transport and access Influence travel demand and make use of transport technology	Māori identity and wellbeing Reflect Māori identity in transport network and services	Homes and places Integrate travel choices where people live, work and play
INTELLECTUAL	Real-time Programme	LED Passenger Information Displays	AT Park app	AT Local app						
FINANCIAL	\$156 million collected by RFT	Rodney Transport Targeted Rate	\$902 million operating expenditure	\$265 million capital expenditure	Local Board Transport Capital Fund					Opportunity and prosperity Deliver effective transport network to support productivity growth
INFRASTRUCTURE	City Rail Link	26 Park and Ride facilities	41 train stations and 15 bus stations	1520 bus shelters	21 ferry wharves					

AUCKLAND PLAN OUTCOMES

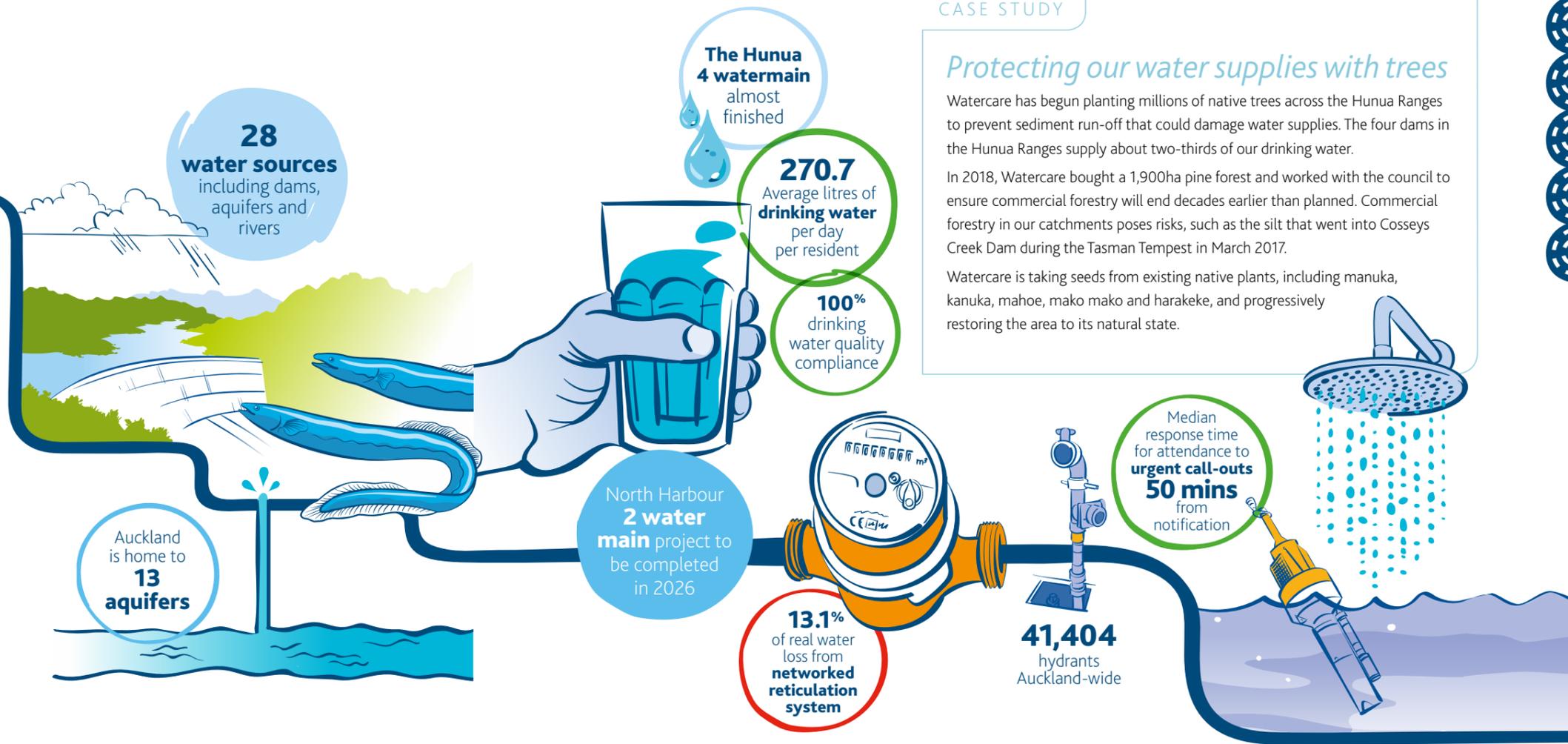
Ngā Putunga Wai Water Supply

We're all used to a constant and safe water supply to our homes, workplaces, and sporting and leisure venues.

This is the job of Watercare. They manage a vast water supply system critical to our economic, social and environmental health and wellbeing.

The numbers are impressive. 365 million litres of Aa-grade drinking water supplied to 1.7 million Aucklanders daily. A 9,000km network of pipes. Water from 28 sources including 12 dams and 91 reservoirs.

We sometimes have to turn off your water supply when undertaking repairs, maintenance and installation. If it's planned work, we give 24 hours written notice to customers, and if it's an unplanned outage, we aim to respond within two hours and restore the service within five hours. We also work hard to manage the effects on ecosystems caused by our dams. For example, we trap and haul whitebait and eels from downstream systems to upstream of dams, and then vice versa so that they can complete breeding cycles. We manage the flows of water to mimic natural events such as storms on waterways downstream of dams.



CASE STUDY

Protecting our water supplies with trees

Watercare has begun planting millions of native trees across the Hunua Ranges to prevent sediment run-off that could damage water supplies. The four dams in the Hunua Ranges supply about two-thirds of our drinking water.

In 2018, Watercare bought a 1,900ha pine forest and worked with the council to ensure commercial forestry will end decades earlier than planned. Commercial forestry in our catchments poses risks, such as the silt that went into Cosseys Creek Dam during the Tasman Tempest in March 2017.

Watercare is taking seeds from existing native plants, including manuka, kanuka, mahoe, mako mako and harakeke, and progressively restoring the area to its natural state.

Ko te wai te ora o ngā mea katoa
Water is the life-giver of all things

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES					TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)				
HUMAN	Engineers and planners	Technicians	Tradespeople	Scientists	Support staff					
SOCIAL & RELATIONSHIP	'Te Kunenga o te Ao Tikanga' courses		Mana Whenua Kaitiaki Forum		Free water education programme (31 schools and 290 lessons)					
NATURAL & ENVIRONMENTAL	Hunua Ranges and Waitakere Ranges fish trap and haul programme	Coastal walkways		Hunua Ranges Plantation Forestry						
INTELLECTUAL	Asset management plans	Strategic Transformation Programme	Water quality bouys							
FINANCIAL	\$209 million operating expenditure	\$151 million capital expenditure								
INFRASTRUCTURE	12 water supply dams	91 water reservoirs	Over 9,000km of water pipes		3 river sources					

Māori Identity and Wellbeing
Enable mana whenua participation in the management of water

Environmental and Cultural Heritage
Provide resilient infrastructure and mitigate negative environmental impacts

Homes and Places
Unlock development opportunities

AUCKLAND PLAN OUTCOMES

Ngā Tikanga Tiaki me te Tuku Wai Para

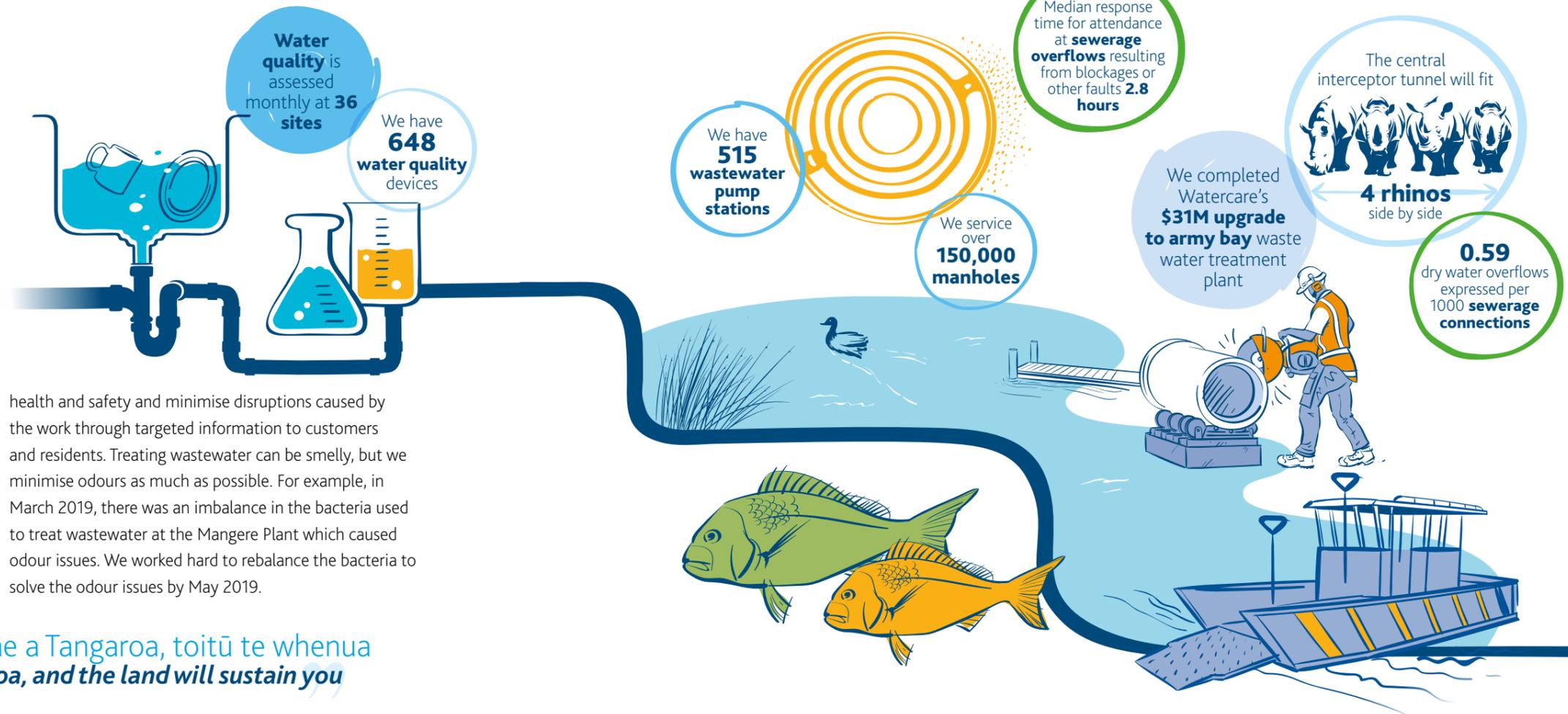
Wastewater Treatment and Disposal

Managing our wastewater is the second part of Watercare's job.

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 can also include 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, Watercare's 515 wastewater pump stations collect and treat around 396 million litres of wastewater, treating it to a high standard through 18 wastewater treatment plants before discharging. This happens through 8,000km of wastewater pipes.

When undertaking repairs, maintenance, and installations, we mitigate the negative environmental impacts, manage



health and safety and minimise disruptions caused by the work through targeted information to customers and residents. Treating wastewater can be smelly, but we minimise odours as much as possible. For example, in March 2019, there was an imbalance in the bacteria used to treat wastewater at the Mangere Plant which caused odour issues. We worked hard to rebalance the bacteria to solve the odour issues by May 2019.

Toitū te marae a Tāne, toitū te marae a Tangaroa, toitū te whenua
Care for the domains of Tane and Tangaroa, and the land will sustain you

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES					TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)				
HUMAN	Engineers and planners	Technicians	Tradespeople	Scientists	Support staff					
SOCIAL & RELATIONSHIP	'Te Kunenga o te Ao Tikanga' courses	Partnered with Plunket to promote proper way of disposing wet wipes	Mana Whenua Kaitiaki Forum							
NATURAL & ENVIRONMENTAL	Omaha Wastewater Treatment Plant grounds. Native vegetation and habitat for fauna		Riparian planting	Pest control	Vegetation and weed removal programmes					
INTELLECTUAL	Treatment processes and models		Advanced treatment technology (membrane bioreactor technology)							
FINANCIAL	\$342 million Operating Expenditure	\$277 million Capital Expenditure								
INFRASTRUCTURE	7,999km of wastewater pipes	Over 150,000 manholes	515 wastewater pump stations	18 wastewater treatment plants						

Māori Identity and Wellbeing
Enable mana whenua participation in the management of water

Environmental and Cultural Heritage
Provide resilient infrastructure and mitigate negative environmental impacts

Homes and Places
Unlock development opportunities

AUCKLAND PLAN OUTCOMES

Te Whakahaere Wai Āwhā Stormwater Management

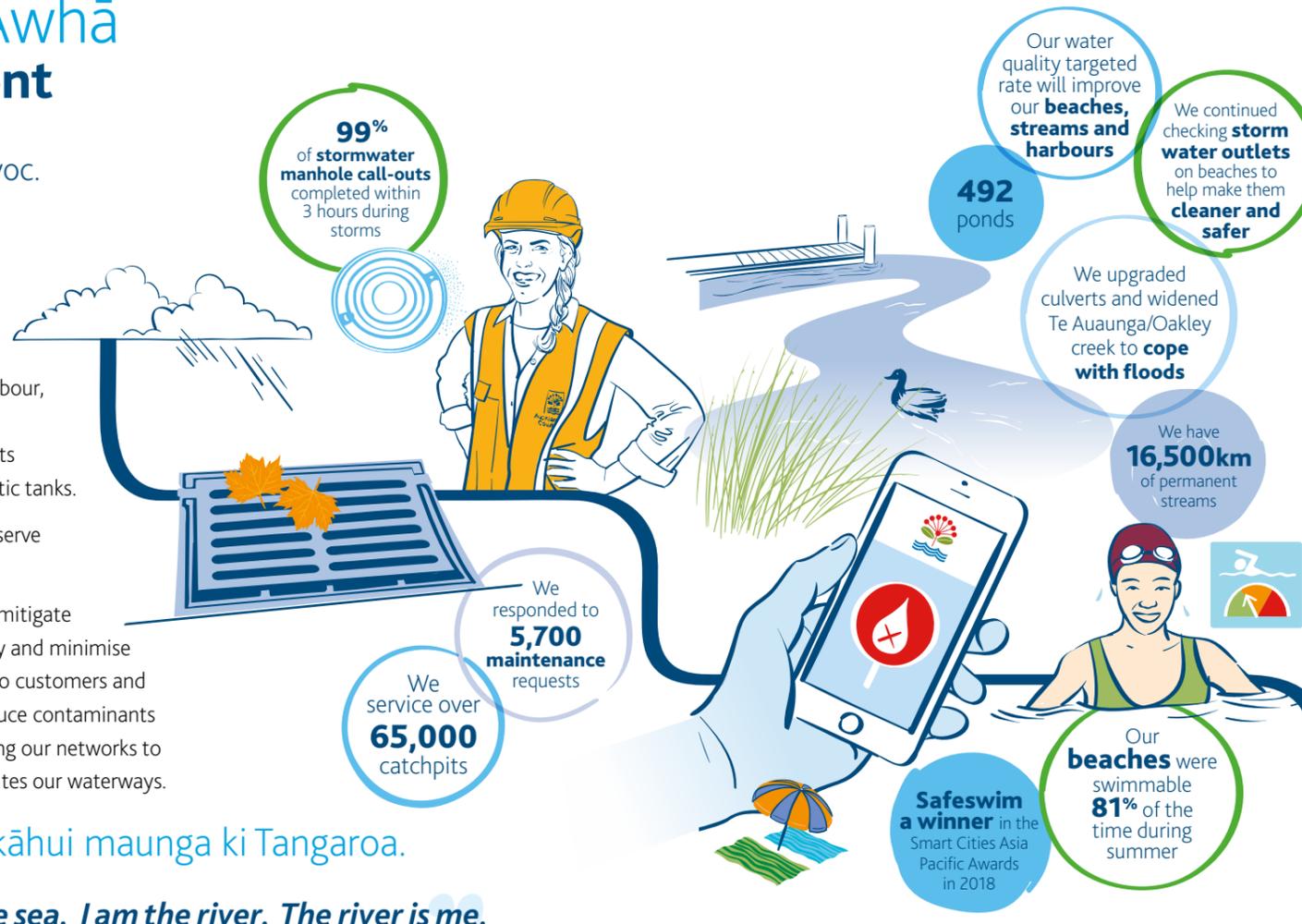
Severe flooding. Gale force winds cause havoc. Auckland Council cleans up after storm.

This is climate change and headlines like this will become more common. We must improve our stormwater system, so it can cope with more events and service our rapidly growing population. The Water Quality Targeted Rate (WQTR) will help reduce wastewater overflows into the Waitemata Harbour, stormwater into the Manukau Harbour, and contaminants in stormwater. We'll improve water quality, create healthy habitats for plants and animals in streams, and proactively monitor septic tanks.

Get this right and we can protect people and property and preserve our waterways and harbours for future generations.

When undertaking repairs, maintenance, and installations, we mitigate the negative environmental impacts, manage health and safety and minimise disruptions caused by the work through targeted information to customers and residents. We work closely with industry and developers to reduce contaminants entering our stormwater system. We are progressively upgrading our networks to prevent the mixing of stormwater and wastewater, which pollutes our waterways.

E rere kau mai te awa nui e mai te kāhui maunga ki Tangaroa. Ko au te awa. Ko te awa ko au.
The river flows from the mountain to the sea. I am the river. The river is me.



CASE STUDY

Safeswim going global

We developed Safeswim to help Aucklanders check conditions at nearly 100 beaches around the city and now it could be going global.

We partnered with Surf Lifesaving Northern Region and Auckland Regional Public Health Service to give beach users up-to-the-minute advice on water quality, safety, wind, beaches patrolled by Surf Lifesaving Northern Region and long-term health warnings.

Now, a partnership with global engineering firm Mott MacDonald could see Safeswim become a global product. We've already had interest from cities in Australia and North America. As part of the partnership, Mott MacDonald will establish a third global digital hub in Auckland at Grid AKL.

Data from Safeswim also played a role in our decision to invest at record levels in cleaning up our beaches over the next 10 years.

Safeswim won the Smart Water Category, in the Smart Cities Asia Pacific Awards in 2018.



<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES				TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)			
HUMAN	Healthy water specialists	Low-carbon living specialists	Sustainable schools advisors	Our contractors				
SOCIAL & RELATIONSHIP	Wai Ora - Healthy Waterways programme	Safe networks programme: water quality sampling investigations	Mana Whenua Kaitiaki Forum					
NATURAL & ENVIRONMENTAL	16,500km of permanent rivers	72 lakes	We monitor 100 rivers, 29 lakes, 80 rainfall sites and 79 groundwater sites	492 ponds				
INTELLECTUAL	Water-sensitive design	Safeswim						
FINANCIAL	\$41 million collected by WQTR	\$104 million operating expenditure	\$122 million capital expenditure					
INFRASTRUCTURE	6,444km of pipes and culverts	436 water quality devices	3 pump stations	Over 150,000 manholes	Over 13,000km of channels (including kerbs)			

Māori Identity and Wellbeing
Enable Māori participation in management, restoration and protection of taonga resources

Environmental and Cultural Heritage
Provide resilient infrastructure and mitigate negative environmental impacts

Homes and Places
Unlock development opportunities

AUCKLAND PLAN OUTCOMES

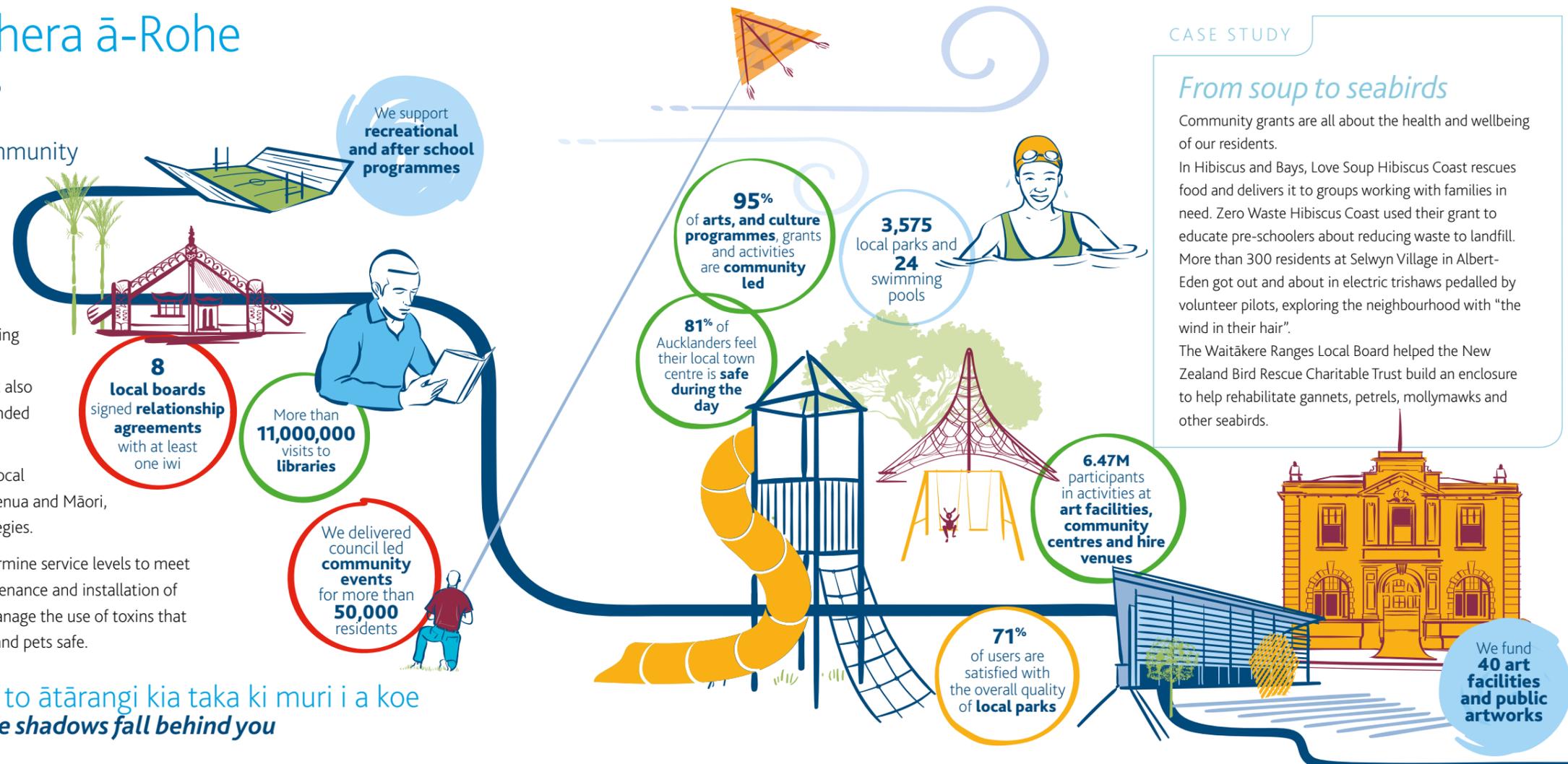
Ngā Ratonga Kaunihera ā-Rohe Local Council Services

Local boards are heavily involved in community services and public spaces which help to create community wellbeing and a sense of belonging.

Activities and services range from library and literacy, sport and recreation, to community-led action and volunteering, and caring for the environment. Local planning and development focuses on street environments, town centres, and local environment and heritage protection. It also includes the Business Improvement Districts which are funded by a targeted rate.

The council supports boards with governance, preparing local board plans and agreements, engagement with mana whenua and Māori, and providing input into regional plans, policies and strategies.

Local boards approve council work programmes and determine service levels to meet community needs to keep disruptions from repairs, maintenance and installation of community infrastructure to a minimum. We carefully manage the use of toxins that we use to control plant and animal pests to keep people and pets safe.



CASE STUDY

From soup to seabirds

Community grants are all about the health and wellbeing of our residents. In Hibiscus and Bays, Love Soup Hibiscus Coast rescues food and delivers it to groups working with families in need. Zero Waste Hibiscus Coast used their grant to educate pre-schoolers about reducing waste to landfill. More than 300 residents at Selwyn Village in Albert-Eden got out and about in electric trishaws pedalled by volunteer pilots, exploring the neighbourhood with "the wind in their hair". The Waitākere Ranges Local Board helped the New Zealand Bird Rescue Charitable Trust build an enclosure to help rehabilitate gannets, petrels, mollymawks and other seabirds.

Hurihia to aroaro ki te ra tukuna to ātārangi kia taka ki muri i a koe
Turn your face toward the sun and the shadows fall behind you

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES					TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)				
HUMAN	Librarians	149 Local Board members	Democracy advisors							
SOCIAL & RELATIONSHIP	436 public artworks	Summer reading programmes		12 school holiday programmes	Relationships with community groups					
NATURAL & ENVIRONMENTAL	190 sports parks		More than 3,500 local parks	Pest-free programmes						
INTELLECTUAL	Digital library	Online heritage collection	Smart boards in Local Board offices							
FINANCIAL	Local grants - Smarty Grants	Locally delivered initiatives	\$344 million operating expenditure	\$149 million capital expenditure						
INFRASTRUCTURE	55 libraries		3 mobile bus libraries	191 community halls/centres	15 venue hire locations					

<p>Belonging and Participation Provide opportunities for Aucklanders to participate in social and civic life, and foster a sense of belonging and inclusion</p>	<p>Transport and access Integrate travel choices where people live, work and play</p>	<p>Māori identity and wellbeing Provide arrangements to empower Māori kaitiakitanga</p>	<p>Homes and places Provide public spaces that enhance urban living</p>
<p>Environment and cultural heritage Lead environmental action and encourage community stewardship</p>	<p>Opportunity and prosperity Encourage lifelong learning and training</p>		

AUCKLAND PLAN OUTCOMES

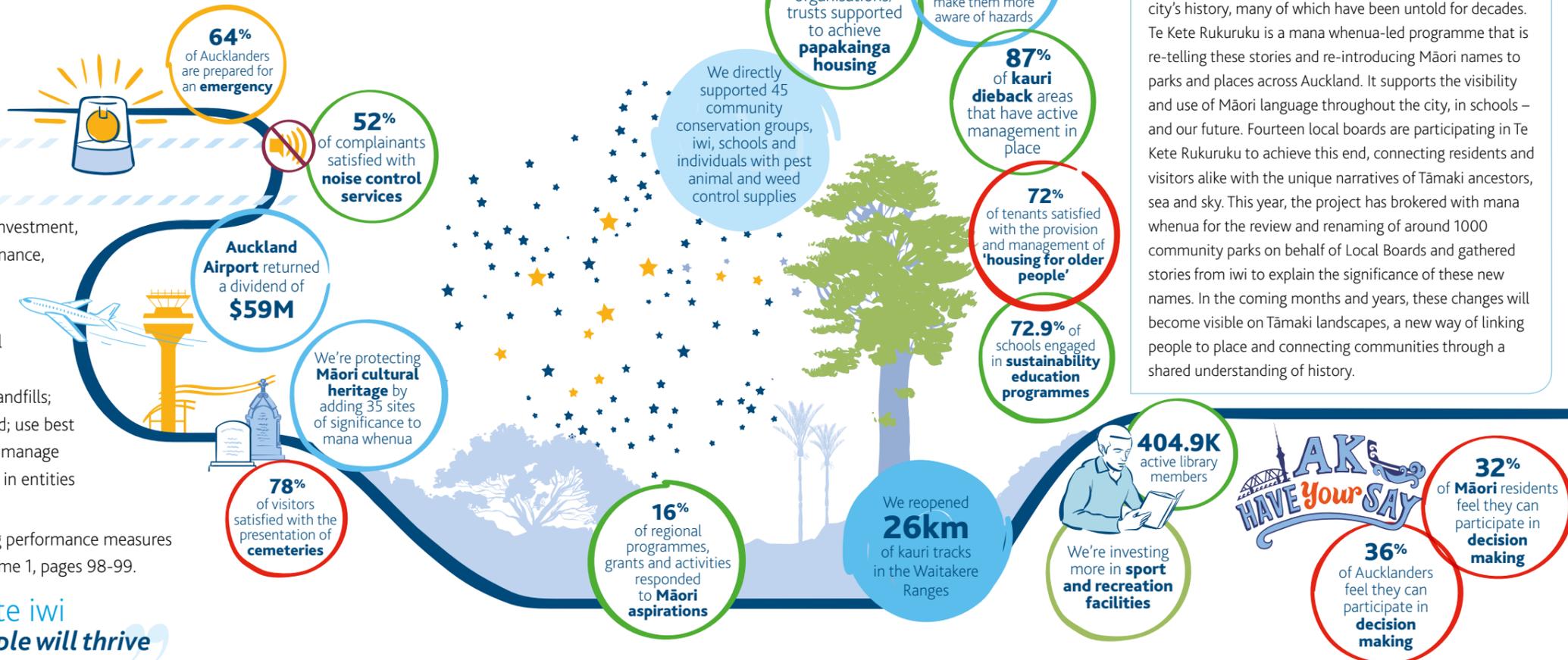
Ngā Ratonga Kaunihera i Tukuna ā-Rohetia Regionally Delivered Council Services

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 business.

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.

We engage landowners and developers to protect natural and cultural heritage; regulate to ensure buildings in the region meet appropriate standards; monitor and manage gas and leachate liquid from closed landfills; promote ways for residents to reduce household refuse to be collected; use best practice for refuse collections; carefully manage toxins that we use to manage pest animals and plants; and invest carefully to minimise investments in entities that cause social, cultural or environmental harm.

Last year we received a modified audit opinion for our two consenting performance measures this remains in place for 2018/2019. More detail can be found in Volume 1, pages 98-99.



CASE STUDY

Te Kete Rukuruku

Tāmaki Makaurau landscapes are rich with stories of the city's history, many of which have been untold for decades. Te Kete Rukuruku is a mana whenua-led programme that is re-telling these stories and re-introducing Māori names to parks and places across Auckland. It supports the visibility and use of Māori language throughout the city, in schools – and our future. Fourteen local boards are participating in Te Kete Rukuruku to achieve this end, connecting residents and visitors alike with the unique narratives of Tāmaki ancestors, sea and sky. This year, the project has brokered with mana whenua for the review and renaming of around 1000 community parks on behalf of Local Boards and gathered stories from iwi to explain the significance of these new names. In the coming months and years, these changes will become visible on Tāmaki landscapes, a new way of linking people to place and connecting communities through a shared understanding of history.

Nā tō rourou, nā tāku rourou ka ora ai te iwi With your food basket and my food, the people will thrive

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES				TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)				
HUMAN	Summer lifeguards and fitness instructors	Park rangers	21 Governing Body members	Consenting officers	Urban planners and engineers	Belonging and Participation Provide opportunities to participate and foster a sense of belonging	Transport and access Integrate land-use and transport decisions	Māori identity and wellbeing Provide arrangements to empower Māori kaitiakitanga	Homes and places Unlock development opportunities
SOCIAL & RELATIONSHIP	11 Recreation programmes offered	30 Heritage walks and places	65,168 volunteer hours worked in regional parks	The Southern Initiatives (TSI)	Hauraki Gulf Forum				
NATURAL & ENVIRONMENTAL	One million trees	26km of kauri tracks re-opened	6 community recycling centres	32 regional parks	6 maunga that are pedestrian access only				
INTELLECTUAL	Bi-lingual signage Mana whenua relationship agreements	INSPECT project (APP)	Auckland Design Manual	Robotic Process Automation					
FINANCIAL	13 types of regional grants offered	\$29 million collected by NETR	\$1,422 million operating expenditure	\$416 million capital expenditure					
INFRASTRUCTURE	24 pools and 28 fitness centres	40 art facilities	57 cemeteries	16 transfer (waste) stations					
						Environment and cultural heritage Lead environmental action and encourage community stewardship		Opportunity and prosperity Encourage lifelong learning and training	

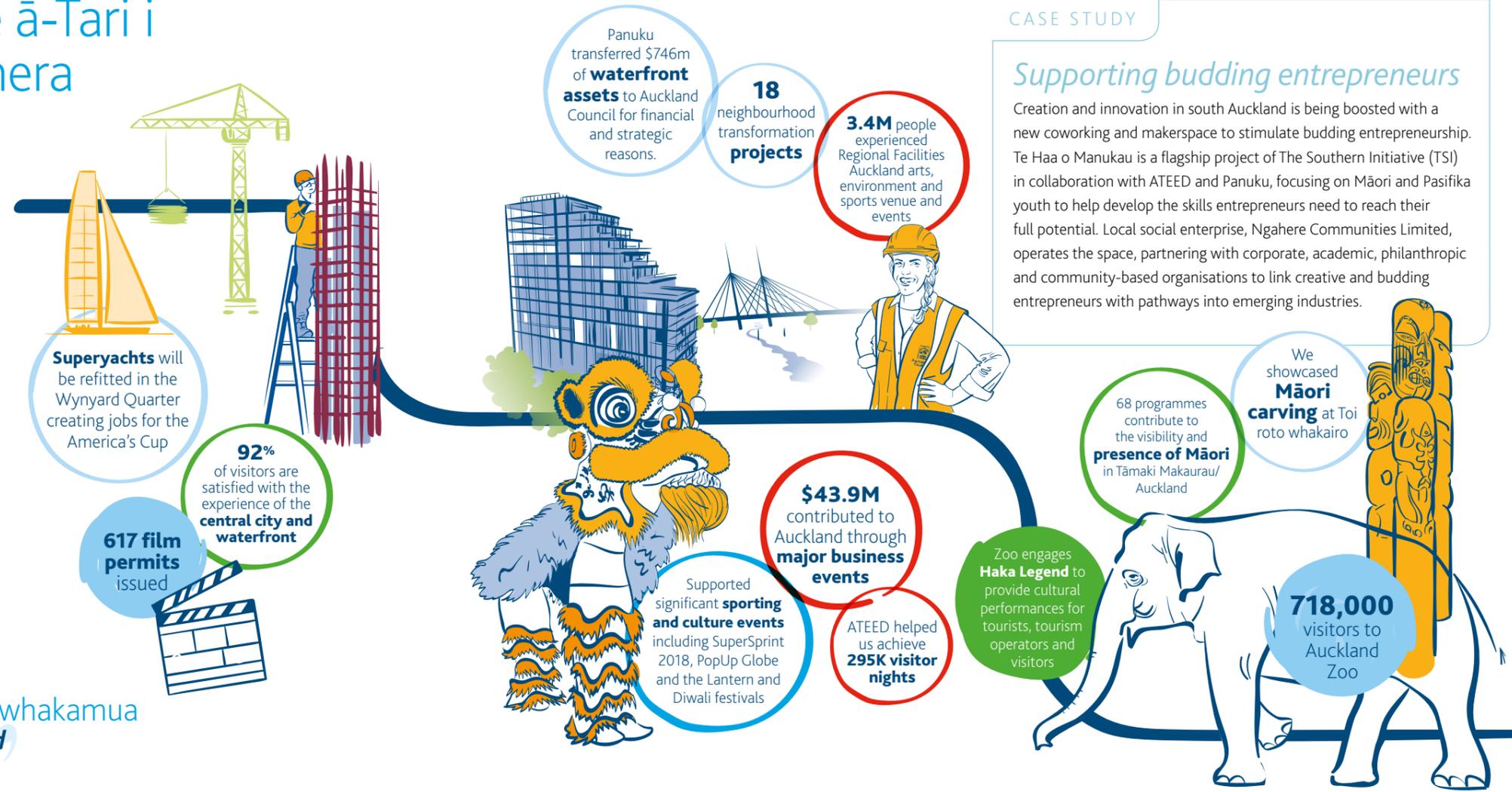
AUCKLAND PLAN OUTCOMES

Ngā Ratonga Whakahaere ā-Tari i Raro i te Mana o te Kaunihera Council Controlled Services

Council-controlled services include property development services, provision of major events and major facilities, and commercial investments. Each activity is governed by an independent board of directors or similar governance group.

These activities are delivered by council-controlled organisations; Panuku Development Auckland, Auckland Tourism, Events and Economic Development (ATEED), and Regional Facilities Auckland (RFA).

Town centre developments can cause disruption to local communities, and Panuku targets information to local residents and puts on special activities to ensure town centres remain vibrant and safe places when they are redeveloped. RFA and ATEED manage health and safety and ensure traffic management systems are in place to minimise the impact of large scale events on local communities. When large concerts and sports are held in our stadia, RFA partners with AT to provide free public transport to and from the stadia to minimise the impact on traffic congestion.



CASE STUDY

Supporting budding entrepreneurs

Creation and innovation in south Auckland is being boosted with a new coworking and makerspace to stimulate budding entrepreneurship. Te Haa o Manukau is a flagship project of The Southern Initiative (TSI) in collaboration with ATEED and Panuku, focusing on Māori and Pasifika youth to help develop the skills entrepreneurs need to reach their full potential. Local social enterprise, Ngahere Communities Limited, operates the space, partnering with corporate, academic, philanthropic and community-based organisations to link creative and budding entrepreneurs with pathways into emerging industries.

Manaaki whenua, Manaaki tangata, Haere whakamua
Care for the land, care for the people, go forward

<IR> CAPITALS	OUR INPUTS USED IN THIS GROUP OF ACTIVITIES						TO DELIVER AUCKLAND PLAN OUTCOMES (THE VALUE WE CREATE)				
HUMAN	Zookeepers	Our volunteers	Marina staff	Property specialists	Events managers						
SOCIAL & RELATIONSHIP	Haumarū Housing for older people	International concerts, conferences, exhibitions and events to Auckland	4 learning groups at Auckland Art Gallery	Relationships with developers	Mana Whenua Kaitiaki Forum						
NATURAL & ENVIRONMENTAL	RFA measure its operational emissions	ATEED's Environmental Management System (EMS)									
INTELLECTUAL	Wynyard Quarter Smart	Maori Responsiveness Plans	140+ innovative businesses in GridAKL	932 businesses supported through the Regional Business Partner							
FINANCIAL	Grants and donations	Reinvested proceeds from Transform and Unlock programmes	Admission and ticket, and rental revenue	\$281 million operating expenditure	\$194 million capital expenditure						
INFRASTRUCTURE	18 neighbourhood transformation projects		Strategic assets owned/managed by RFA (Art Gallery, Zoo, Aotea Centre)	16,000 artworks worth \$289m owned by RFA on behalf of the public							
						Belonging and Participation Provide opportunities to celebrate and showcase Auckland's diversity	Transport and access Activate urban regeneration that facilitates all modes of transport	Māori identity and wellbeing Reflect Māori identity and culture	Homes and places Unlock development opportunities	Environment and cultural heritage Provide opportunities to interact with cultural heritage	Opportunity and prosperity Raise Auckland's profile to attract investment



Independent Auditor's Report

To the readers of Auckland Council's summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of Auckland Council and Group for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 16 to 21 and pages 32 to 49:

- the summary Auckland Council and Group statement of financial position as at 30 June 2019;
- the summaries of Auckland Council and Group's statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary Auckland Council and Group's financial statements that include accounting policies and other explanatory information; and
- the summary Auckland Council Group statement of service provision referred to as performance information and introduction to groups of activities.

Opinion

In my opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of my auditor's report on the full annual report.

The full annual report and my audit report thereon

In my auditor's report for the year ended 30 June 2019, dated 26 September 2019, on Auckland Council's annual report I expressed an unmodified audit opinion on the information I audited, other than the statement of service performance. I issued a modified audit opinion on the statement of service performance because my work was limited in relation to the comparative year results reported for the building consent and non-notified resource consent processing time measures.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

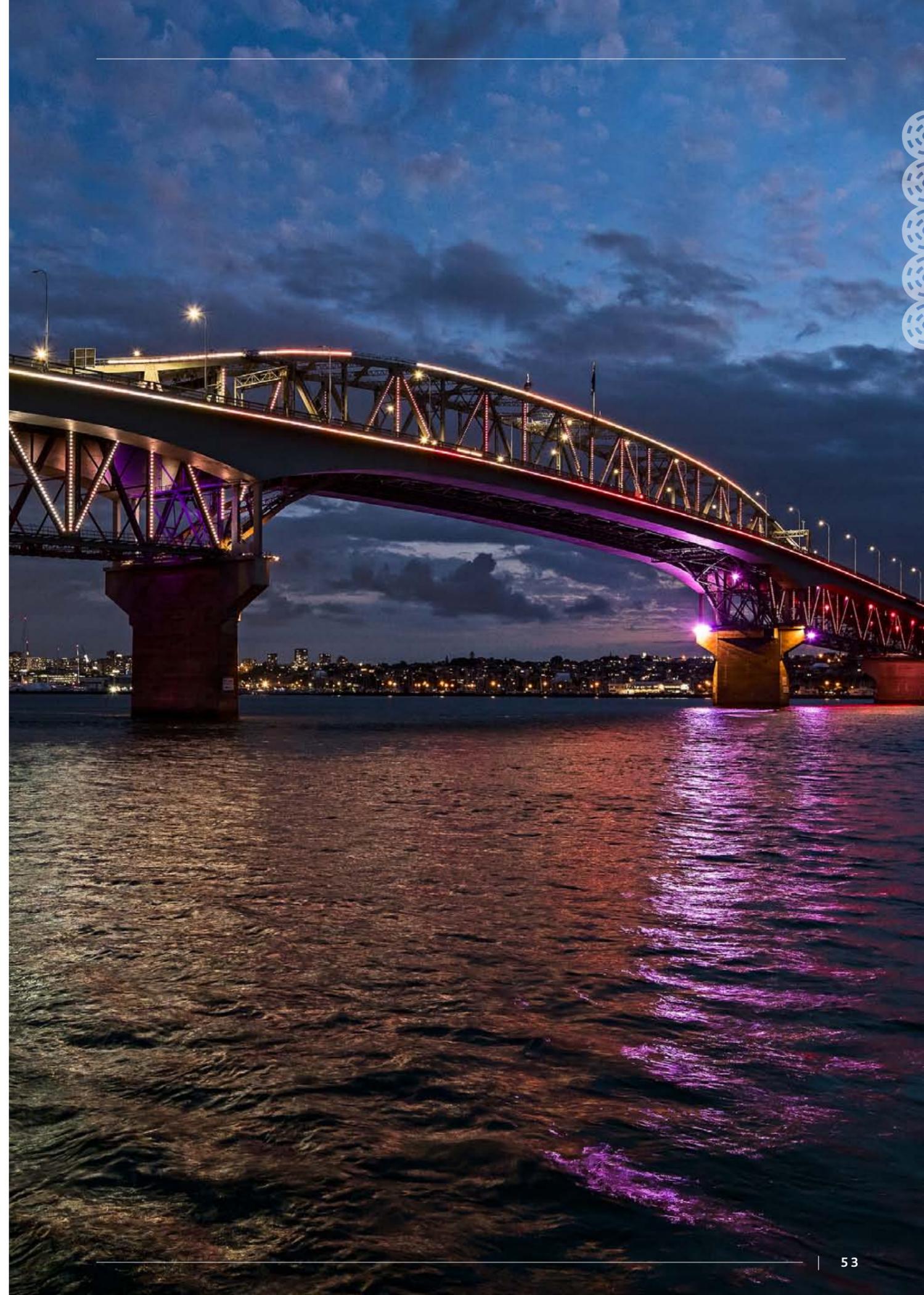
My responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

My opinion on the summary of the annual report is based on my procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary of the annual report, I have reported on the full annual report and I have carried out an audit of an Amendment of the Auckland Council Group Long-Term Plan 2018-28 and a range of other assurance engagements, which are compatible with independence requirements. Other than this reporting and these engagements, and in exercising my functions and powers under the Public Audit Act 2001, I have no relationship with, or interests in, Auckland Council or its subsidiaries and controlled entities.



Greg Schollum
Deputy Auditor-General
Wellington, New Zealand
26 September 2019





THIS IMAGE: Manukau Heads Lighthouse, Awhitu Peninsular

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