

Te Rīpoata ā-Tau 2017/2018

O TE KAUNIHERA O TĀMAKI MAKĀURAU

AUCKLAND COUNCIL

Annual Report 2017/2018

Pokanga 1: He tirohanga whānui me te whakahaere ratonga
Volume 1: Overview and service performance



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September 2018

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ON THE COVER: Aotea Great Barrier Island is the world's third Dark Sky Sanctuary and the only island to become a sanctuary. With much of the island off the 'grid', light pollution is minimal, allowing for a good view of the spectacular night sky. Its skies have been rated as second to none.

The International Dark-Sky Association established a conservation programme in 2001 to recognise 'excellent stewardship of the night sky'. Designations are based on scientifically measured darkness of the sky as well as stringent outdoor lighting standards and innovative community outreach.

Mihi

Noho mai rā Tāmaki Makaurau,
 moana waipiata,
 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.

Rārangi kōrero

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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 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 our staff did across the council 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. From whitebait to e-bikes, from dark sky sanctuaries to our multi-billion-dollar investment in transport – this report has everything.

This report covers the Auckland Council Group, which includes the council, council-controlled organisations (CCOs), subsidiaries, associates and joint ventures. It covers the period from 1 July 2017 to 30 June 2018 and reports against the 2015–2025 Long-term Plan and the Annual Plan 2017/2018. 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 is a package of reports:

- Volume 1: An overview of the council 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 their 2017/2018 local board agreements
- Volume 3: Our financial statements
- Summary: This document is a high-level overview of key information across the entire package.

Te pūrongo nā te Koromatua From the Mayor

In the past 12 months Auckland’s population has grown by more than 32,000 people, reflecting our success as an attractive international city where people want to live. Growth is good for Auckland. It delivers scale, choice and opportunity to our people and allows our region to fulfil its role as the country’s only international and globally competitive city.

But rapid growth brings challenges, particularly around infrastructure, housing affordability, traffic congestion and the environment. While there are no quick fixes, we have continued to make strong progress in tackling these problems to ensure Auckland is a world-class city.

We’ve managed our finances responsibly, retaining our Moody’s and Standard and Poor’s’ ratings and ensuring our debt to revenue ratio remains within prudential limits. At the same time, we’ve succeeded in limiting the average general rate rise to 2.5 per cent for this term of council, lower than all other New Zealand metropolitan centres and high growth cities. Our group source procurement programme delivered \$112.4 million in procurement benefits in the 2017/2018 financial year, and a new corporate property strategy will save us \$100 million in maintaining and upgrading corporate property that we do not need post-amalgamation. We remain committed to identifying efficiencies through ongoing value for money reviews right across the council group and we continue to seek new mechanisms for funding infrastructure, including innovative solutions like Green Bonds and Special Purpose Vehicles (SPVs).

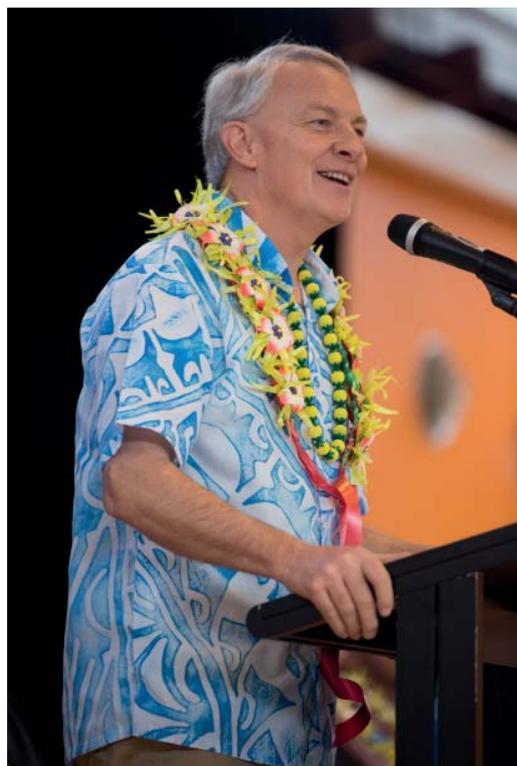
While remaining fiscally disciplined, we’ve increased capital expenditure on core infrastructure and services to support our rapid growth. In the past year we’ve invested \$688 million on transport projects including public transport, roads and footpaths, \$326 million

on water and wastewater projects, \$199 million on parks and community facilities and \$457 million in areas such as environmental management, regional facilities and planning regulation.

In April, we announced with government the country’s largest ever civil construction programme, the Auckland Transport Alignment Project (ATAP). It will see \$28 billion dollars invested in Auckland’s transport system over the next decade, revolutionising the way Aucklanders get around the region and unlocking our city’s potential. ATAP will be transformative, delivering vital projects like light rail, Penlink and Mill Rd, heavy rail and bus upgrades,

safety improvements, and upgraded walking and cycling facilities.

This unprecedented investment was made possible by the Regional Fuel Tax (RFT), which when combined



MAYOR PHILL GOFF AT THE
OPENING OF TE PUKE O TARA
COMMUNITY CENTRE

with funding from government subsidies, unlocks an additional \$4.3 billion in investment for transport infrastructure. Without the RFT, council will only be able to spend on routine renewals and already announced projects, leaving congestion and gridlock to get steadily worse as car numbers grow.

In June 2018, the council approved the final version of its 10-year Budget. It's a 'build-it budget' that responds to Auckland's growth pressures with investment of more than \$26 billion over 10 years to unlock greenfield housing development, reduce transport congestion, clean up our beaches and protect our environment.

\$452 million from a new water quality targeted rate will help clean up our beaches and harbours with much-needed stormwater infrastructure. This will reduce wastewater overflows into our harbours by up to 90 per cent and allow us to do in 10 years what would otherwise have taken 30 years.

A new natural environment targeted rate will generate \$311 million to tackle kauri dieback disease and to eradicate pests that are killing our native birds and trees.

Severe weather events will become more common as our climate changes and the establishment of a Climate Change Response Fund of \$40 million, and a coastal management fund of \$90 million will help to ensure we are adaptable and prepared.

These are the big issues, but it's important that we also recognise the other achievements that contribute to our city's success.

On 1 September 2018, the second tranche of Auckland Council's living wage policy comes into effect, lifting the wages of 2200 of our lowest paid staff. It's a policy that encapsulates our vision for Auckland as an inclusive region and will allow people to meet the cost of living in a big city.

We're supporting the arts, boosting funding for the Auckland Art Gallery by \$2 million per year to ensure our iconic institution can continue to thrive and add vibrancy to the city.

The Southern Initiative has been successful in helping people in our lower income communities to gain skills and meet their potential, and we've committed to extending this programme to our communities in West Auckland, with \$5 million in funding to get it off the ground.

At the same time, we are continuing to work with our local boards and communities to deliver the local amenities you told us are important to you.

We are working to ensure Auckland is a world-class city and appreciate your input as we shape its future. Thank you for your support.



Hon Phil Goff
Mayor of Auckland



Te pūrongo nā te Tumu Whakarae

Report from CEO

Last year we focused on three big things:

- Delivering the Performance Plan on time and within budget.
- Providing advice to elected members to assist in shaping the 10-year Budget.
- Supporting the Governing Body and Local Boards to complete the 10-year Budget.

We produced a very solid effort and finished 2017/18 in a sound financial position against budget.

The 10-year Budget has also been widely endorsed – the 'build-it budget' is just what Auckland needs.

High population growth continues to present service delivery challenges for the council. Over 120,000 new residents have made Auckland their home in the past four years. We have reduced staff per capita during this time and contained our core costs. Successes in service delivery include:

- Creating more digital options for services like booking parks, registering dogs and booking a building inspection online. Our revamped website has also received accolades and awards, which tells us we are on the right track.
- The Southern Initiative continues to be recognised for its innovative approach to solving complex problems, and empowering communities in the process.
- Oakley Creek, one of Auckland's longest urban streams, is now restored and being enjoyed by many.
- The launch of our Safeswim website is helping Aucklanders make informed decisions before they go swimming while we work on our larger water quality challenges.
- Land for a marae has been transferred to Te Kawerau ā Maki, the only mana whenua iwi in Auckland without a marae.
- New registrations, active library members and total issues from our libraries all increased, with total visits increasing seven per cent on the previous year.



- Strong partnerships with organisations like Vector and ANZ have delivered new amenities for Auckland, from splashpads to lighting up the Harbour Bridge with renewable energy.

Then there is the big stuff like the City Rail Link construction in Albert Street, where the trenches reached their full 18m depth, and plans have been approved to future-proof the stations in line with growing rail patronage.

Together with mana whenua and central government we've had to close the Waitākere ranges and 10 higher risk tracks in the Hunua ranges to prevent the spread of

kauri dieback disease and protect our kauri forests for future generations.

We collaborated with the government and America's Cup teams to agree new bases for our defence in 2021. The development around Wynyard Wharf and an extended Hobson Wharf will support both the racing event and create a vibrant waterfront area for all Aucklanders to enjoy.

We also know we need to continue to improve. Our building and resource consent services are under the pump due

to high demand. We processed over 20,000 building consents over the past year and this has challenged us. There are concerns around the way we calculated our statutory timeframes relating to building and resource consents, which resulted in two performance measures receiving a modified audit opinion. However, we know how to meet these challenges and will make improvements in our service performance over 2018/2019.

I would like to thank all of the staff working for the council group. We are Aucklanders working for Aucklanders, and we are committed to doing the very best we can into the future as we execute the 'build it budget.' Kia kaha.

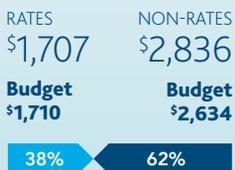
Stephen Town
Chief Executive

He aronga poto: Te whakahaere pūtea

At a glance: Financial performance

Operating Surplus (\$million)

\$659
Budget \$537



Capital Expenditure (\$million)

\$1,670
Budget \$2,017

Net Debt (\$million)

\$8,222
Budget \$8,303
Increased by only \$253
(compared to \$7,969 in 2016/2017)

Credit Rating



Outlook

Stable

Auckland is facing unprecedented population growth. By partnering closely with the Crown, prudently managing our debt, and controlling costs, the rates burden was kept to a minimum.

Our operating surplus was driven by a significant increase in vested assets from developers, reflecting high investment in infrastructure.

Expenditure was in line with budget. Despite the significant growth pressure, controllable costs were held within one percent of budget due to a concerted effort to keep these costs down. For example, for the council only (not group), staff headcount was contained, resulting in its staff costs being \$26 million below budget. Travel controls were also applied, meaning that we spent only \$1.3 million (or \$217 per FTE) of the \$1.8 million budgeted for travel.

We weathered some unexpected costs. For example, we had to spend \$13 million for the projects relating to the America's Cup. And we increased our weather-tightness provision by \$82 million as a result of more multi-unit claims in the future.

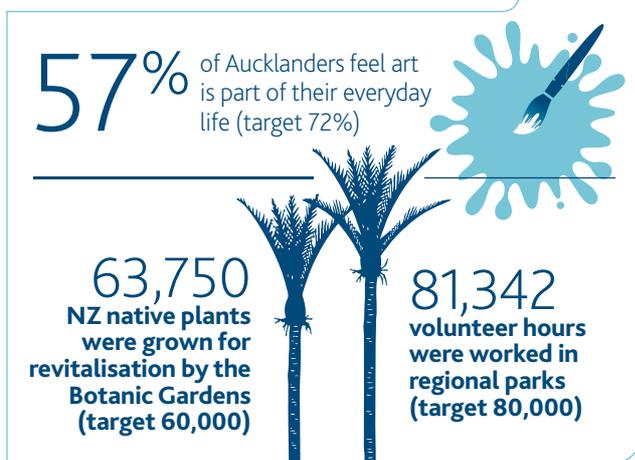
Rates made up 38% of our revenue. User charges and fees and other non-rates revenue made up the remainder. There is a continued effort to provide more value adding services to reduce the proportion of revenue that is raised by rates.

Our investment in capital was one of the largest in Auckland Council's history. Despite investment of \$1.7 billion, our net debt only increased by \$253 million. To fund capital investment, we used \$1.1 billion cash from operations, the Crown's contribution of \$218 million to the City Rail Link, non-strategic asset sales of \$257 million, and \$240 million from the sale of council's diversified asset portfolio.

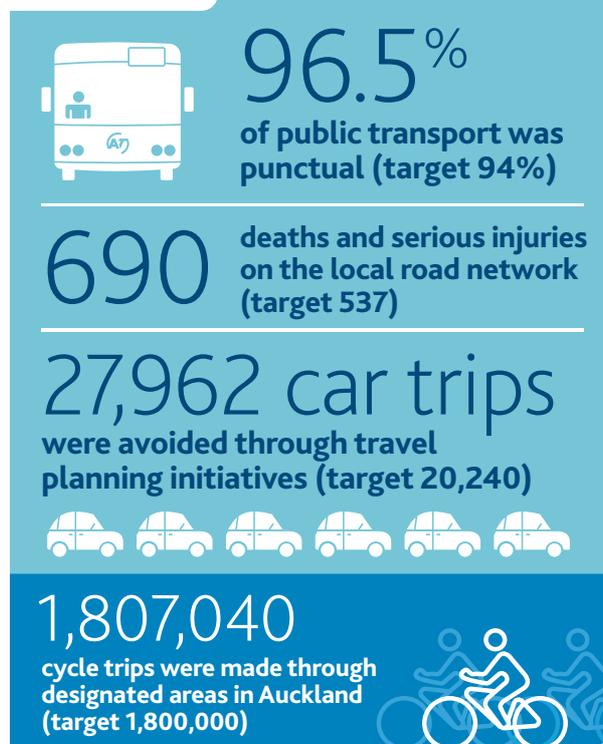
Our prudent and sustainable financial management is reflected by our strong credit ratings, and by the stable outlook identified by the rating agencies.

Ngā arotakenga mahi Performance measures*

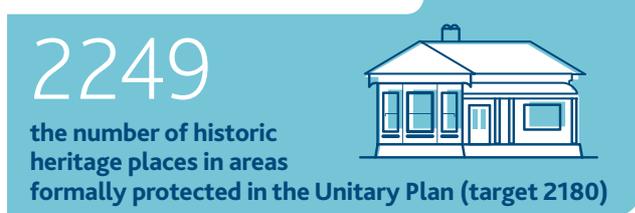
PARKS, COMMUNITY AND LIFESTYLE



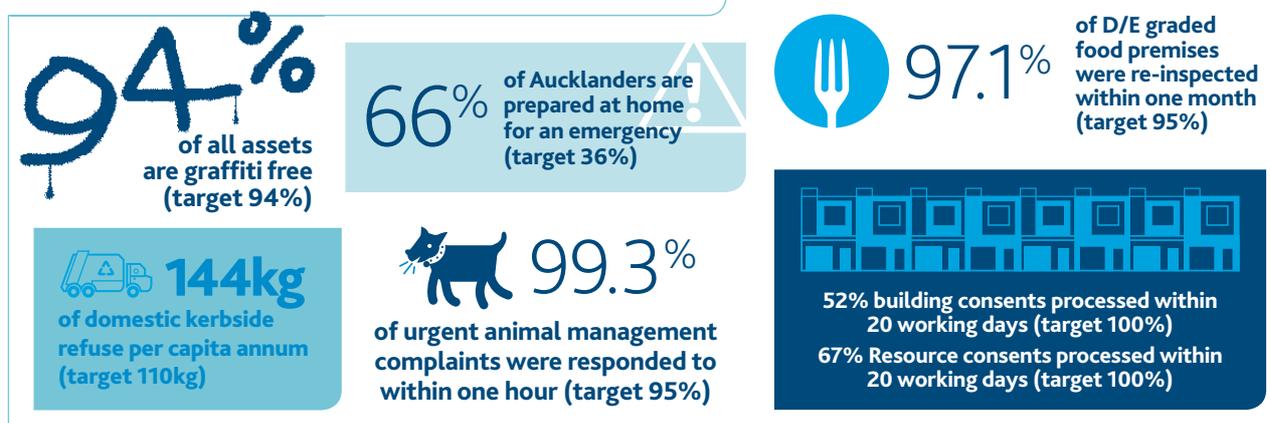
TRANSPORT



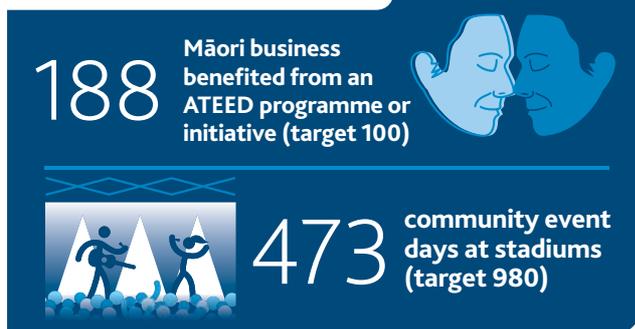
AUCKLAND DEVELOPMENT



ENVIRONMENTAL MANAGEMENT AND REGULATION



ECONOMIC AND CULTURAL DEVELOPMENT



GOVERNANCE AND SUPPORT



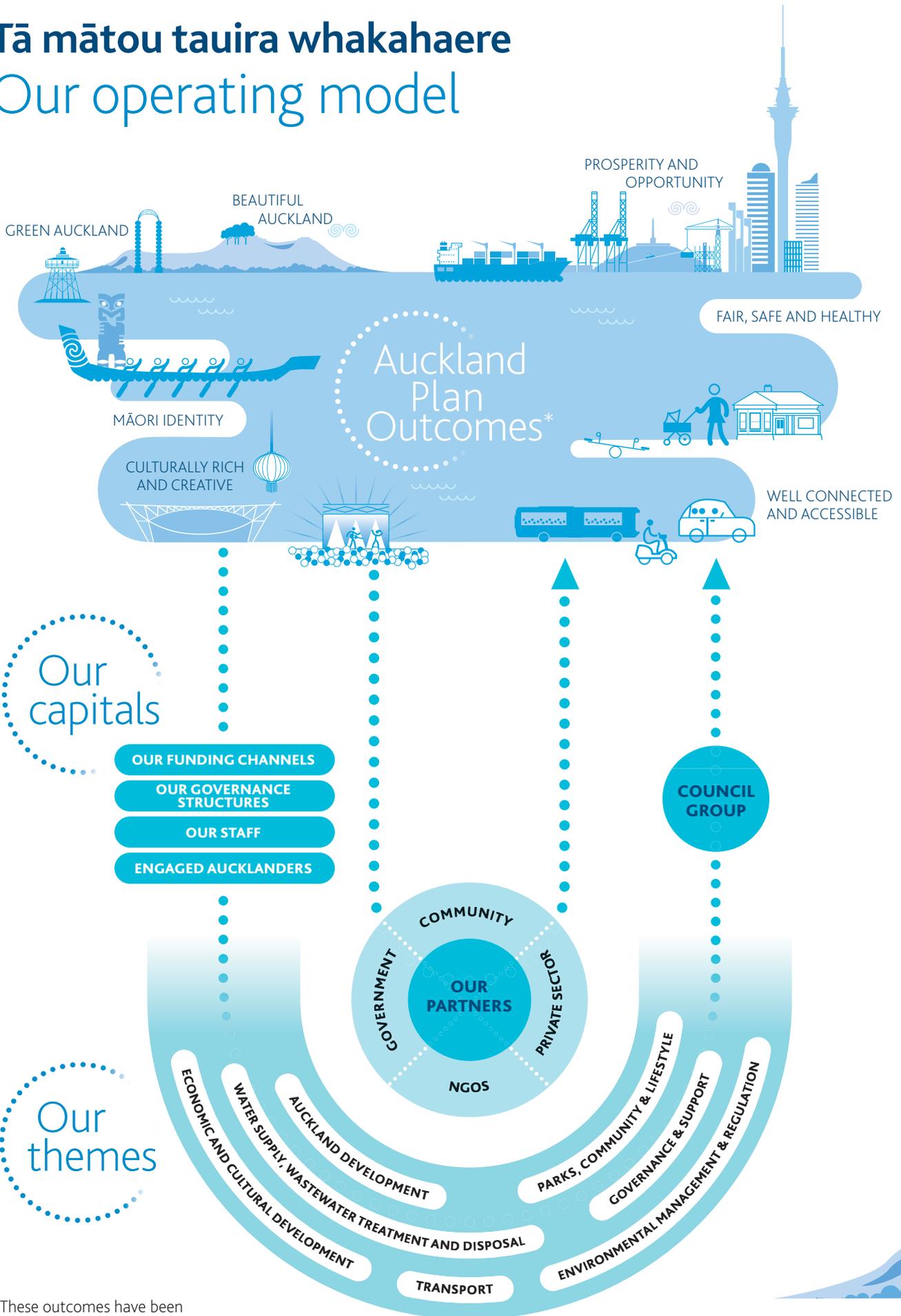
WATER SUPPLY AND WASTEWATER TREATMENT AND DISPOSAL



*Comprehensive performance results are available in the Groups of Activities section, pages 36 to 135, Volume 1.

Tā mātou taura whakahaere

Our operating model



* These outcomes have been subsequently updated as part of the 2018 Auckland Plan refresh

This year we have been thinking about how our operating model creates value for Aucklanders.

This report explores how we might be able to use the Integrated Reporting* framework to better tell our performance story. Integrated reporting is being used by organisations around the world to present annual reports which move beyond financial information to tell the wider value creation story. Organisations who use integrated reporting identify the unique things that can be harnessed to create value for their customers – and refer to these things as their 'capitals'.

As our first step we've identified four capitals that enable us to create value through our activities.

1. Our funding channels

We can use different funding channels and sources to pay for our activities – rates, levies, user charges and debt. These spread the cost of our services and infrastructure in an equitable and affordable way between Aucklanders who benefit. Our size, large asset base and financial stability make us an attractive entity for investors. Read more about our funding channels on page 14.

2. Our governance structures

Auckland Council has a unique governance structure that seeks to deliver both regional and local needs through shared decision-making. Our Governing Body (the Mayor and councillors) look to leverage our size and scale to address regional issues, while more local needs are considered through our 21 local boards. We also have a range of demographic and advisory panels representing the interests of specific groups of Aucklanders. Read more about our governance structures on page 18.

3. Our staff

Auckland is a diverse city where that diversity is harnessed as a key strength. To engage effectively with you, our staff reflect this diversity. In turn, the council supports diversity by promoting a culture of equal opportunity, professional development, health, safety and wellness through agile and flexible working, and inclusivity. We also have another advantage. As residents of the city, our staff have a vested interest in achieving the best outcomes they can for Auckland. Read more about our staff on page 23.

4. Engaged Aucklanders

We pride ourselves on engaging you in many ways to inform our decisions – surveys, social media channels, advisory panels, consultation on key plans, and an open and welcoming committee system.

This annual report tells the story of this flow of capitals – how we use them to deliver themed groups of activities that contribute to outcomes for the city – and how we continue to evolve them through our planning process.

This flow is shown in the diagram on the facing page and includes references to other sections of the report where specific aspects of our story are told in more detail. Read more about engaged Aucklanders on page 25.

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



Tirohanga whānui ki te whakahaere pūtea

Financial Performance Overview

Auckland Council Group's results show solid financial performance over the year, alongside significant capital investment to meet Auckland's rapid population growth.

Our financial performance

The Group achieved an operating surplus before gains and losses of \$659 million, \$122 million ahead of budget. This positive result is mainly attributable to the \$199 million increase in revenue against budget partly offset against operating expenses that exceeded budget by \$77 million. The fact that both revenue and expenditure were higher than budget reflects the level of growth occurring during the year.

Revenue

Total revenue, excluding other gains, was \$4,543 million. This was \$199 million higher than budget and relates to non-rates sources of revenue, of which the largest component was vested asset revenue. Details of revenue sources that exceeded the budget are:

- vested assets (\$370 million) – a higher amount of vested infrastructure assets was received than budgeted as a result of increasing infrastructure growth
- grant revenue from New Zealand Transport Agency (NZTA) (\$49 million) – an increase in grants from NZTA primarily as a result of some capital works being completed earlier than anticipated
- Finance revenue (\$29 million) – interest was higher than budgeted due to \$15 million received from the Crown for City Rail Link (CRL) assets prefunded by the council but not budgeted for, and higher than expected cash and short-term deposits
- fees and user charges (\$10 million) – unbudgeted income was received following the acquisition of two port owned subsidiaries.

This was partly offset by the following revenue sources which did not reach budget:

- grant revenue from the Crown (\$229 million) – following the finalisation of the CRL agreements, there was a reclassification of funding for the CRL from grant income in the budget, to a reduction in the value of the assets to which it relates

- development and financial contributions (\$32 million) – income from development agreements was below budget due to the number of expected agreements with developers not eventuating.

Revenue from rates was \$1,707 million, which was in line with the budget of \$1,710 million. During the year we continued our drive to rely less on rates as a key funding source with a reduction in the rates revenue as a percentage of total revenue from 40% to 38%.

Operating Expenditure

Despite the high level of development and growth-related activity during the year, and the additional pressure this puts on the group's resources, operating expenditure of \$3,884 million exceeded the budget by only 2% (\$77 million). We focussed efforts on controlling costs such as recruitment, discretionary expenditure, occupancy and professional services fees. As a result of this focus, controllable costs comprising employee benefits, professional services costs, costs of services and occupancy, were within 1% of budgeted expenditure.

A number of non-controllable costs which exceeded budget were:

- a provision for weathertightness claims (\$82 million) – the provision increased mainly as a result of the increasing numbers of multi-unit claims
- a provision for remediation of waterfront land and early lease termination fees (\$13 million), both incurred in preparation for America's Cup 36, which

were expected to be incurred in future years, and are therefore purely the result of timing differences.

Other expenditure that exceeded budget includes:

- additional unbudgeted expenditure arising following the acquisition of two Ports of Auckland subsidiaries (\$20 million)
- outsourcing of various resource consent, and amenities and infrastructure maintenance functions due to staff shortages (\$15 million)
- finance costs were unfavourable to budget due to higher than budgeted time value of money adjustments on long term provisions (\$7 million)
- higher than anticipated provision for non-collectability of debts (\$3 million).

The following areas of expenditure were materially under budget:

- depreciation and amortisation (\$60 million) – due to longer than budgeted useful lives for road assets, and various capital projects being behind budget; and
- consultancy and professional services (\$11 million) – attributable to consultancy savings across the group, and include savings of \$3 million in the Mayor’s office and local board services.

Our financial position

The Group has a strong balance sheet to ensure that it is able to fulfil its commitment to Auckland’s future. The Group’s total assets increased by \$4.1 billion during the year. This increase arose mainly from the increase in our capital assets of \$3.4 billion and an increase in our investments in associates and joint ventures of \$655 million.

We invested \$1.7 billion in Auckland’s infrastructure, had \$572 million of assets vest with the Group, plus revaluation gains of \$2.4 billion. This increase in assets was partly offset by annual depreciation charges and disposal of non-core assets. Most classes of fixed assets were revalued this year, with the exception of roads and formation, train stations, bus stations and shelters, and marina structures. The revaluation gain mainly relates to infrastructure assets and operational land and buildings, both with a gain of \$1 billion.

Our investment in associates and joint ventures

increased mainly as a result of the increase in our share of Auckland International Airport’s earnings of \$349 million. Our investment in the City Rail Link joint venture increased by \$307 million due to our contribution of equity in the form of cash (\$93 million) and assets (\$218 million) offset against our share of CRL’s losses of \$4 million.

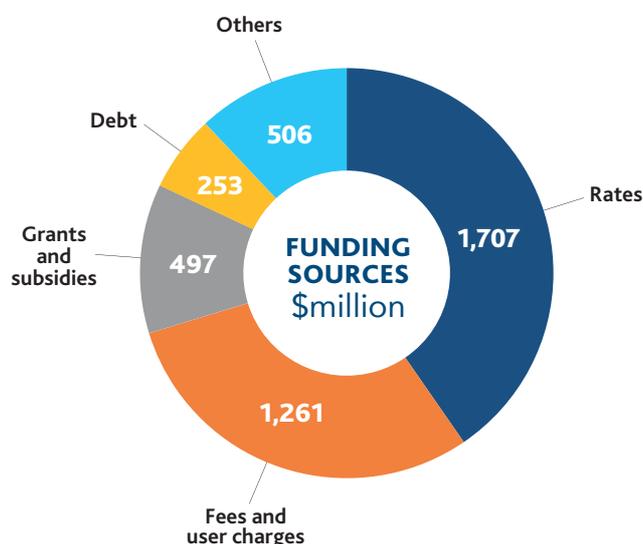
Our financial strategy

Our strategy is to meet the service expectations of Aucklanders, support the rapid growth in our population and maximise value for Aucklanders through prudent financial decisions.

We are continuously improving the efficiency and effectiveness of the way that we deliver services to make each dollar go further. And we are also investing in the infrastructure to meet the needs of a growing population, while ensuring that we remain within our debt limits.

Funding our activities

We use a range of funding sources to spread the cost of our activities equitably and affordably. The following diagram summarises the sources of funding:



We fund capital expenditure through:

- rates income and fees and charges which are used to renew existing assets
- borrowings which are used to build and purchase new assets
- development contributions and infrastructure growth charges which are used to fund growth-related assets and infrastructure development.

During the year we spent \$1.7 billion of capital expenditure on our existing and new assets, including:

- \$688 million on transport projects
- \$439 million on water, wastewater and stormwater infrastructure
- \$199 million on parks and community facilities.

The Crown and the council each contributed equity of \$311 million to the City Rail Link joint venture – a 50:50 partnership with the Crown.

Managing our debt

We generally use debt to fund new assets in order to spread the cost of the assets across both the current and future generations of Aucklanders that will benefit from them.

Our Group net debt as at 30 June 2018 was \$8.2 billion, an increase of \$253 million compared to the previous year. This shows our strong operational cash flows in conjunction with prudent financial management.

We managed our debt within prudent limits. Staying within these limits, along with other factors, contributes to us having one of the highest credit ratings in New Zealand (AA from Standard & Poor’s and Aa2 from Moody’s), both on stable outlook.

We manage risks associated with debt responsibly. The

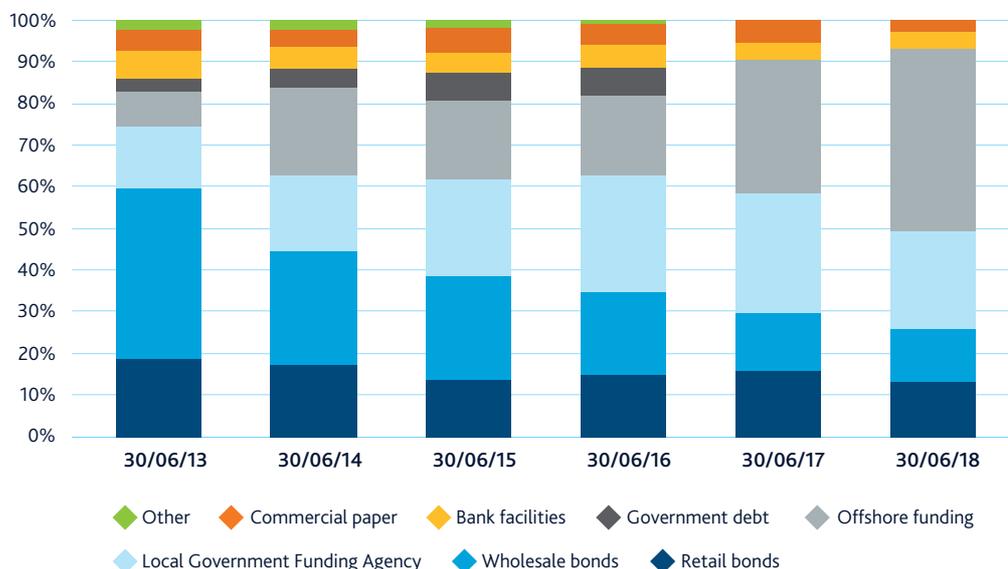
main risks are foreign currency risk, interest rate risk, liquidity risk and funding and refinancing risk.

- When we borrow in foreign currency, we mitigate all foreign currency risk by entering into derivative contracts which convert foreign currencies into New Zealand dollars.
- We manage our exposure to adverse interest rate changes by matching the interest rate profile of assets and liabilities, through fixed rate borrowings and the use of interest rate derivatives.
- We manage our liquidity risk by keeping enough liquid assets and bank standby facilities in place as well as having a range of funding sources available, to meet our commitments as they fall due.
- We manage our funding and refinancing risk by borrowing in New Zealand and overseas and spreading the timing of debt maturities.

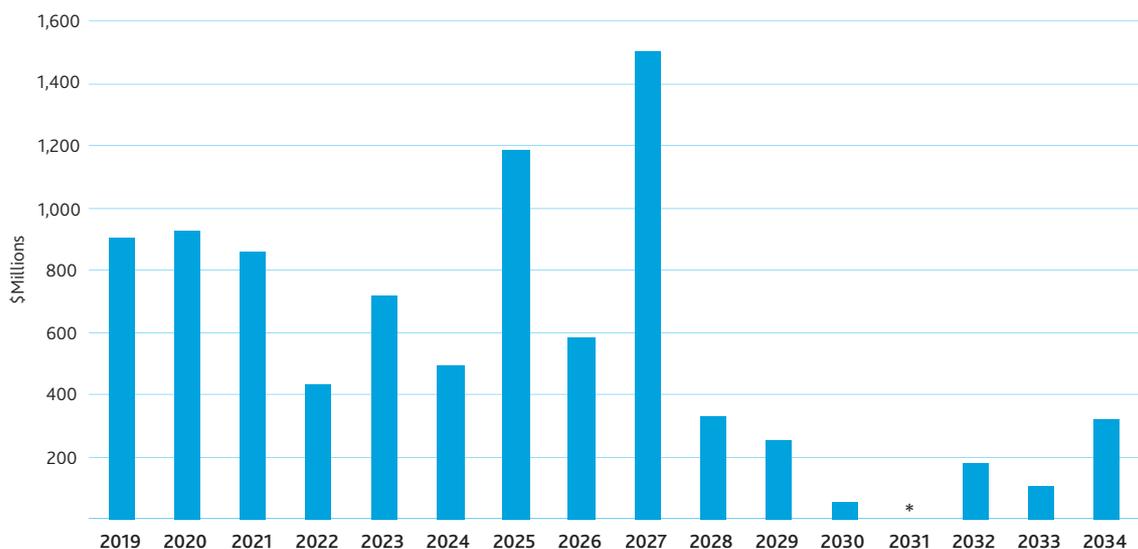
The below diagrams outline the sources of our debt funding and its maturity profile.

In 2017/2018 we increased our presence in the offshore and domestic retail markets. We issued an EUR 500 million (NZ\$840 million) bond in November 2017 and a \$200 million retail green bond in June 2018. Both bond issues were oversubscribed and were priced in line with our peers and market expectation, confirming our attractiveness as a borrower.

Group Debt Funding Mix at 30 June 2018



Maturity profile of debt held as at 30 June 2018



This is a snapshot as at 30 June 2018, the profile will change as time passes.

* No debt maturing in 2031

Reviewing value for money

Because public money funds our activities, a core objective is to get the most value we can out of every dollar we spend. To ensure we get the most value possible, legislation requires us to periodically review the cost-effectiveness of our services.

Over 2017/2018, we began our Value for Money Programme. Value for Money reviews recommend potential improvements to the way we deliver services to achieve greater effectiveness and efficiency for Aucklanders. The Governing Body approves the recommendations and passes these to the Chief Executive for implementation. We completed reviews of the Three Waters (stormwater, waste water and water supply), domestic waste, communications and engagement, investment attractions and global partnerships, and procurement services.

In May 2018, the Governing Body agreed to implement its Corporate Property Strategy over the next six years. This will save us \$117 million and provide more accessible and people-friendly offices for the public, and better working conditions for staff. Our property portfolio will be structured around three hubs – north/west, south and central. These will be supported with numerous smaller offices which our staff can use to

be nearer the communities we serve. All 23 customer service centres and the 21 local board facilities will remain in current localities.

GREEN BONDS

Auckland Council issues green bonds in a first for New Zealand

In June 2018, we raised \$200 million using green bonds to fund electric trains. Electric trains will provide cleaner and more efficient public transport, and help Auckland meet its commitment to lower carbon initiatives.

Green bonds provide opportunities for investors to fund projects which have a positive environmental impact. The bonds were independently verified in line with Green Bond Principles, the Climate Bond Standard and certified by the Climate Bond Initiative.

Councillor Ross Clow, Chair of the council’s Finance and Performance Committee, welcomed the bond.

“We have sent a signal to the rest of New Zealand that smart financial management can go hand-in-hand with sustainable investment and greener outcomes.”

Tā mātou tuapapa whakahaere

Our structure

Auckland Council’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.

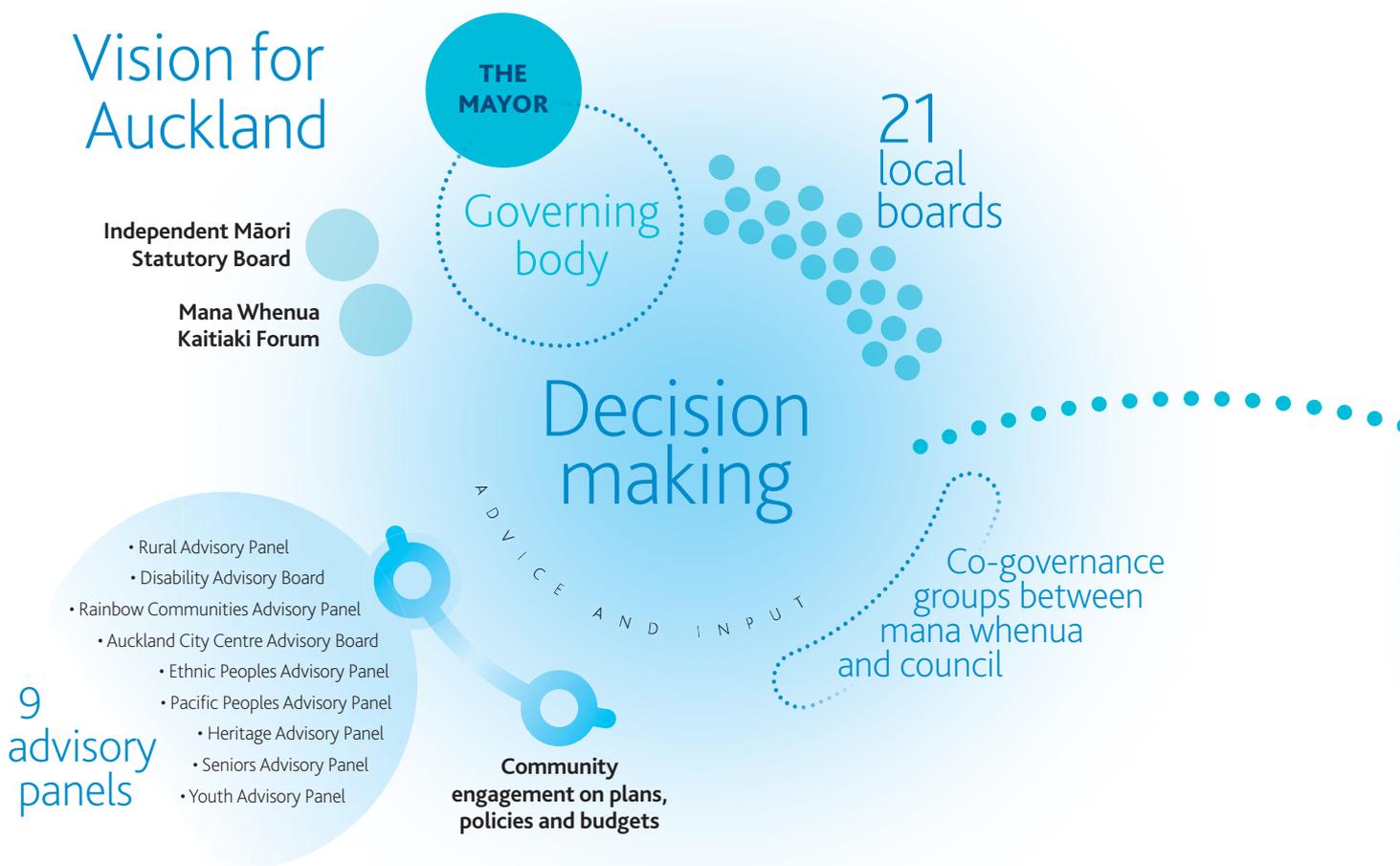
The Mayor promotes our vision for Auckland to be a world class city and is tasked with leading the development of regional plans, policies and budgets to achieve that vision.

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, Audit and Risk, 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 performs functions



in accordance with statutory provisions relating to Te Tiriti o Waitangi. The Board has voting rights on Auckland Council’s key decision making committees and promotes cultural, economic, environmental and social well-beings issues that are significant to Māori. 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, wahapū, 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.

Auckland 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.

The council Group also comprises six substantive council-controlled organisations (CCOs).

The CCOs look after specific council assets, infrastructure and activities using specialist expertise. They are independent, with their own board of directors or trustees, but are accountable to the council’s Governing Body. We approve each CCO’s annual objectives and targets as part of their statements of intent, monitor their performance quarterly and appoint their board of directors or trustees.

AUCKLAND COUNCIL

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



Delivery

CCOs

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



ACIL will be disestablished in early 2018/2019

There is more information under 'How Auckland Council works' on our website: www.aucklandcouncil.govt.nz

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



Alf Filipaina
MANUKAU



Fa'anana Efeso Collins
MANUKAU



Sir John Walker, KNZM, CBE
MANUREWA-PAPAKURA



Daniel Newman
MANUREWA-PAPAKURA



Josephine Bartley
MAUNGAKIEKIE-TĀMAKI



Denise Lee*
MANGAKIEKIE-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 AND GULF



Ross Clow
WHĀU

*Denise Lee was a councillor until 12 October 2017



OBITUARY

Councillor Dick Quax

Councillor Dick Quax passed away in June at the age of 70.

He served as a councillor, first on the Manukau City Council and then on the new Auckland Council, representing Howick Ward.

Mayor Phil Goff describes him as “a passionate contributor in council debates, advocating strongly on behalf of his constituents.

“We remember him also as one of New Zealand’s finest athletes, representing us at the Olympics and international events.”

Cr Quax was an unstinting advocate for Howick, Pakuranga and the eastern suburbs. He was known for his strong positions on high-density housing, public transportation and Auckland’s Unitary Plan. Cr Quax was also known as a steward of ratepayer funds.

Wards

Auckland is split into 13 wards.

Because each ward varies in population, the number of councillors who represent the people within that ward also varies, to ensure there is fair representation in each ward.

The wards are determined on the basis of:

- achieving a fair ratio of elected members to population
- the sense of identity with, and belonging to, a community or communities
- the geographical area of the services provided for a community.

20 ward councillors are elected by voters from the ward they represent, to the governing body of Auckland Council.

The wards are shown below.



Tō mātou tira kaiwhakahaere

Our executive leadership team



Council Group Executive Leadership Team (L to R): Jim Quinn, Penny Pirrit, Ian Maxwell, Stephen Town, Barry Potter, Matthew Walker, Phil Wilson, Patricia Reade, Dean Kimpton

CHIEF EXECUTIVE

Stephen Town

Responsible for leading the council's direction and service delivery.

GROUP CHIEF FINANCIAL OFFICER

Matthew Walker

Responsible for financial strategy, planning and policy; treasury; transaction services; financial accounting; corporate property, procurement; and information services.

CHIEF OPERATING OFFICER

Dean Kimpton

Responsible for public-facing projects and services including community services; regulatory services; infrastructure and environmental services; emergency management; and community facilities.

DIRECTOR PEOPLE AND PERFORMANCE

Patricia Reade

Enables the links between our people initiatives to our key strategic organisational goals, including responsibility for the formation and delivery of our strategic frameworks, enables delivery of services such as people advisory services and recruitment. Supports business improvement initiatives to transform the customer experience and drive better value for money to Aucklanders.

GOVERNANCE DIRECTOR

Phil Wilson

Responsible for advice and support for governing body and local board members, council's governance of council controlled organisations, ensuring delivery of our commitments to Māori, supporting community engagement and the internal auditing function.

CHIEF OF STRATEGY

Jim Quinn

Responsible for strategy, policy, planning, research, monitoring and communications that guides and supports sustainable social, environmental, and economic outcomes for a world class Auckland.

DIRECTOR REGULATORY SERVICES

Penny Pirrit

Responsible for building control, licensing and compliance, and resource consents.

DIRECTOR INFRASTRUCTURE AND ENVIRONMENTAL SERVICES

Barry Potter

Responsible for major infrastructure development, environmental management, stormwater and solid waste.

DIRECTOR COMMUNITY SERVICES

Ian Maxwell

Responsible for parks, sport and recreation services, libraries, and arts and events.

Ā mātou kaimahi – ko ā tātou tikanga ā-iwi kē tō mātou kaha

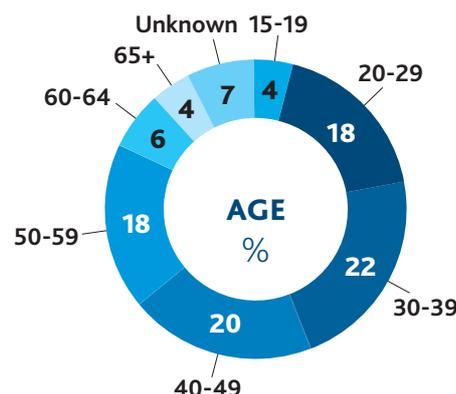
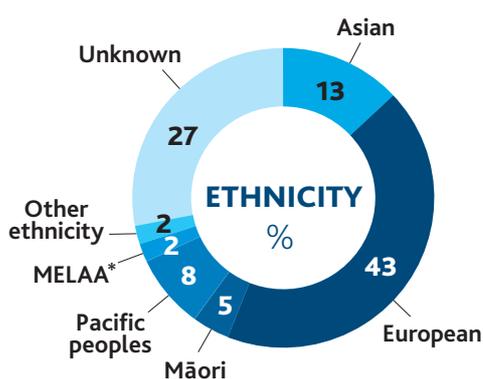
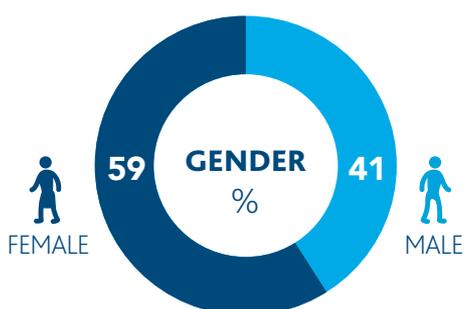
Our staff – diversity is our strength

Our operating model (on page 12) identifies diversity as an important component of the capitals we use to create value.

To engage effectively with the city, our staff reflects this diversity. To support diversity, we promote a culture of equal opportunity, professional development, health, safety and wellness (agile and flexible working) and inclusivity. Whiria Te Muka Tangata, council Group’s Māori Responsiveness Framework, also helps us ensure that staff have the capability, capacity and confidence to work effectively with Māori.

This past year, we focused on diversity, based around inclusion as a driving principle as well as a desired outcome. Inclusiveness is embedded in Our Charter and a core leadership expectation.

learning module focuses on inclusive recruitment which aims to remove the influence that unconscious bias can have on recruitment decisions.



*MELAA - Middle East, Latin America and Africa

Note: The above figures are for council only (not Group)

We want our staff to be aware of, and manage, unconscious biases that happen automatically when we make quick judgements and assessments of people and situations, influenced by our background, cultural environment and personal experiences. New learning modules have been developed so that staff can learn how to identify and manage unconscious bias. Another

Another important element to our diversity strategy is encouraging, where appropriate, flexible working so that staff can have an individual approach to when, where and how they work. This helps them meet out of work responsibilities such as caring for families or playing a role in their community. Or it could also be a lifestyle preference that helps wellbeing, such as

adjusting hours to study, exercise, or avoid traffic. We already have policies guiding decisions about providing flexible working conditions to staff, and we are developing learning modules on this.

We have strong staff networks that help our people to 'be their whole selves at work'. These networks help staff to bond, support each other and to overcome unconscious biases against them. Two new networks were established this year. The Rainbow Network for LGBTQI+ staff was launched, and we're aiming to achieve Rainbow Tick accreditation by 2019 (some of our teams have already achieved their Rainbow Ticks). And we also established the Women of Colour Network. This network provides a safe and empowering space for women of colour across the council to advocate for their collective interests.

We still need to improve representation of women in senior roles. In response, we've launched the Accelerated Female Leaders Programme to see more women in senior roles across the council Group.

SNAPSHOT

Turning four hours into a three-day weekend

Being able to balance work and personal life is a key principle of making our organisation a great place to work. Richard, Organisational Development Advisor, was able to put his family first through flexible working, reducing his hours by four to achieve a three-day weekend every week. This gives both Richard and his partner time to succeed in their careers and time to spend with their children. By working four-day weeks Richard has also reduced commuting time and childcare costs.

The small reduction in hours means Richard is still able to be a part of a lot of great work at council. In addition to a flexible approach to his hours worked, Richard's mode of travel also contributes to balancing his work and personal life. His regular bike ride provides a great way to get exercise and on the days he catches the bus, is an opportunity to get in some reading.



He tangata tāuteute te iwi o Tāmaki Makaurau

Engaged Aucklanders

Engagement and civic participation is one of our capitals that allows us to build broad value for Aucklanders. The input you provide on issues adds value to the decisions that we make.

As a public organisation, we have an obligation to be open and transparent with how we spend your money, what we do and how we work. But for us, engagement goes further than this – it's a vital input into making the best decisions we can for Auckland.

We seek input from you in many ways.

On major issues, we seek feedback through Have Your Say events and other consultation processes. We received 32,000 submissions in written and video form on the Auckland Plan refresh and the 2018-2028 Long-term plan.

We have nine advisory panels representing special interest groups, and we pass major issues through these panels to seek the broadest possible community input into decisions.

We recognise the enduring presence, aspirations, cultural and kaitiaki responsibilities of mana whenua in Tāmaki Makaurau. We engage with 19 mana whenua organisations through a range of fora and through project specific engagement to give effect to this and take it into account in our decision-making.

Our relationships with the wider Māori community are important in planning for social, economic and cultural activities and outcomes. We work with Māori to deliver Māori-led engagement and ensure strong input into our decision-making processes. Through this approach in our March consultation, we had 28,911 views of Māori-led online content over Māori social media networks, including 15 Māori community radio

Facebook Live events and 10 per cent of our written formal submissions were from Māori, nearly triple what has been achieved in previous years (3.6 per cent 2015 LTP).

We also have a People's Panel which any Aucklanders can join to participate in regular surveys on issues that are topical to the council.

We have a range of regular surveys we use to get your views on the city and our services, so that we can improve those services. As you will read in this report, many of our performance measures are based on the results of these surveys. Our main surveys are shown in the table on next page.

Our social media channels are also becoming more important because they make for great two-way communication.

And we're always busy responding to requests under the Local Government Official Information Act (LGOIMA) 1987.

Alongside this, CCO's across the Council Group also actively engage Aucklanders through multiple channels.

SURVEY NAME	PURPOSE	FREQUENCY	TYPE	SAMPLE SIZE	MARGIN OF ERROR
Auckland Residents' Survey	To measure residents' use of, and satisfaction, with council services	Annual	Mix of online and phone questionnaires, and face-to-face interviews	4242	± 1.50%
Auckland Libraries Customer Satisfaction Survey	To measure library users' satisfaction with library services	Continuous	Face to face interviews, online and paper questionnaires	8510	± 1.06%
Leisure Net Promoter Score	To measure pools and leisure centres' customer loyalty and satisfaction, based on customers' likelihood to recommend the facility to others	Continuous	Online questionnaire	4722	± 1.4%
Local Arts Activities Survey	To measure the satisfaction of those who have participated in an arts activity	Continuous	Face to face interviews, and on-line questionnaires	864	± 3.4%
Customer Experience Monitor Survey	To measure the satisfaction of customers applying for a resource consent/building consent, food/alcohol licence, or who enquired about noise control, resource/building consents	Continuous	Online questionnaires	Alcohol licensing – 2463 Building control – 2482 Food licensing – 1085 Noise control – 1137 Resource consents – 1031	± 1.50% ± 2.00% ± 2.30% ± 2.96% ± 3.06%
Grants Survey	To measure the satisfaction of all grant applicants (successful and unsuccessful, prior to being notified of the outcome of their application) with the information, assistance and advice provided in the grant application process	Continuous	Online questionnaire	684	± 2.7%
Events Evaluation Research	To measure the satisfaction of attendees at council delivered/funded events	Continuous	Face-to-face interviews, online and paper questionnaires	2012	± 2.2%

Te whakatutuki hua ki te iwi Māori mō te iwi Māori

Achieving better outcomes with and for Māori

Auckland Council plays an important role in enabling Māori communities to fully contribute to and benefit from Tāmaki Makaurau / Auckland becoming He tāone taioereore nui, tauawhi tāngata te ao (a world-class and inclusive city).

Māori Responsiveness Framework

We have developed Whiria Te Muka Tangata / Māori Responsiveness Framework to assist us with delivering on our commitments and obligations to Māori. Its purpose is to enhance and guide our responsiveness to Māori through:

- the recognition and protection of Māori rights and interests within Tāmaki Makaurau
- addressing and contributing to the needs and aspirations of Māori.

We have committed to significantly contribute to:

- building strong Māori communities through social, cultural, economic and environmental wellbeing
- strengthening the council's effectiveness for Māori by building an empowered organisation
- enabling effective Māori participation in decision-making.

These goals will be achieved by enabling Te Tiriti o Waitangi / The Treaty of Waitangi, valuing te ao Māori, fulfilling our statutory obligations and enabling Māori outcomes. Delivering on these commitments will ensure we play our part in developing 'a Māori identity that is Auckland's point of difference in the world'.

The framework aligns and focuses council departments and activities on a shared vision, and improves reporting and monitoring of how well the council is delivering on this vision. We are supporting all departments within the council to develop Māori Responsiveness Plans outlining how they will deliver on the goals of the framework.

Te Toa Takitini Māori Outcomes Portfolio

The name Te Toa Takitini is a call to action for the entire council group and draws from the whakatauki (proverb) 'Ehara taku toa i te toa takitahi, engari he toa takitini', 'Success is not determined by me alone; it is the sum of the contribution of many'.

As a result, the portfolio identifies, prioritises, tracks and reports on projects across the council group that lead and influence Māori outcomes, including:

- strengthening internal organisational capacity in responding to Māori
- demonstrating a positive impact on and with Māori communities
- demonstrating collaboration across the council family.

Future activity delivering on Maori outcomes will be focussed around the following strategic priorities.

- Te Reo Māori
- Marae development
- Māori economic development
- Kaitiakitanga (Water)
- Māori identity and culture
- Papakainga and Māori housing
- Rangatahi (Youth)
- Effective Māori participation
- Organisational effectiveness

Delivering Māori Outcomes

A range of initiatives are underway to improve the council's capability to respond to issues important for Māori, for example:

A Māori Housing Action Plan (led by the Community & Social Policy Department) has been completed. Relevant stakeholders were engaged in the development of the action plan. This will inform activities across the organisation.

Rangatahi Leadership (Ka Eke Poutama)

The purpose of the KEP programme is to build up a generation of confident, capable and engaged rangatahi Māori to take on governance positions throughout our community.

Māori Wardens security provisions on trains

Māori Wardens provide a customer service role on some train services particularly in the evenings, and for special events. This is met through a contract between AT and Transdev.

Road safety programme – young Māori drivers and passengers

Activities during 2017/2018 included learner licence training, train the trainer workshops, promotion events at festivals, car restraint workshops, Clinical Restraint Technician training, Slow Down Campaign, Drive Drink Free promotion at events, Sober Driving promotion at events, Pedestrian Safety Promotion, Alternative modes of transport promotions, Social media road safety campaign.

He rautaki hōu hei tiaki i te tupuranga o Tāmaki Makaurau

New strategies for managing Auckland's growth

Auckland's quality of life, vibrancy, diversity and robust economy has drawn more than 120,000 new residents since 2013. We expect our population to reach 2 million by 2028.

This growth is straining our key infrastructure – transport, housing and water.

Introduction

Solving the infrastructure challenge is complex, involving many players across diverse sectors, and billions of dollars of investment.

The 2018-2028 Long-term Plan (LTP) provides a clear way forward to fund and develop our housing, transport and water infrastructure to keep up with growth. It is integrated with central government's plans, providing the clarity on the way ahead.

It is also aligned with the Homes and Places and Environment and Cultural Heritage outcomes in the refreshed Auckland Plan 2050 which talk specifically about ensuring infrastructure is future-proofed and low impact.

This section outlines our general approach to meeting these challenges. Specific information on what we did in 2017/2018 is included in the themes sections:

- Auckland development (pages 52-65) and Environment and Regulation (pages 100-122) provide information on our contribution to housing
- Transport (pages 40-51) provides information on our contribution to transport

- Water supply and wastewater treatment and disposal (pages 82-89) and Environment and Regulation (pages 100-122) provide information on our contribution to water supply, wastewater and stormwater.

Housing

The National Policy Statement on Urban Development Capacity requires us to provide sufficient development capacity in our resource management plans, supported by infrastructure,

to meet demand for housing. This means our direct role is to open up land and facilitate development.

Part of our role is to understand the housing pipeline and the market dynamics underpinning it, and then use our influence to accelerate the supply of houses through that pipeline.

In 2017, the Mayor pulled together a taskforce to consider this and frame our approach. The government has recently announced it is joining that taskforce.

Our lack of new housing is well-documented, with a February 2018 government-commissioned stocktake estimating our housing shortage between 28,000 and 45,000 houses.

We focus on three components in the housing pipeline.



Auckland has an estimated
shortfall of up to
45,000
houses

Opening up land for development

The Unitary Plan opened up the potential for more residential dwellings in Auckland, either through greenfields development, or through intensification.

Panuku Development Auckland (Panuku) is our council-controlled organisation (CCO) tasked with facilitating high-quality urban development to transform and unlock the potential

of locations across

Auckland. It does

this by master-

planning urban

development,

selling council land

and partnering

with developers.

Since establishment, Panuku projects have delivered 485 dwellings contributing to their long-term target of 11,300 over 10 years. Panuku works closely with Homes.Land.Community and Housing New Zealand as part of the Auckland Housing Programme to align development programmes.

The government also plays a significant role in opening up land and providing infrastructure for development.

We are working with Crown Infrastructure Partners to find ways of funding some of the major infrastructure investments required to support growth. The

government has also provided \$300 million of capital to

the Tāmaki Regeneration Company to build 1400 new

dwellings, including 700 new public housing units. The

government's recently announced KiwiBuild programme

will also support the development of over 50,000

dwellings across Auckland over the next 10 years.

Developing sites and building new homes

The actual building of new dwellings depends on

market capacity and appetite. There are a limited

number of developers with the scale and capital for

multiple large-scale developments. The construction

industry is under significant constraints from a lack of

skilled tradespeople and the cost of raw materials is

driving costs up. These constraints will become even

more acute when KiwiBuild ramps up from 2019.

We play a direct role in providing resource and building consents, building inspections and codes

of compliance. 12,369 new dwellings and 8419

new sites were consented over the year, the highest

numbers since 2004. And we processed 9433 Code

of Compliance Certificates for completed new

dwellings. These volumes reflect the increased number

of dwellings that

are being built in

the housing sector

to respond to the

housing shortage.

We're advocating

for more trade

training to be

provided to close the skills gap. Both Panuku and the government are looking at how to support the entry of prefabricated houses into the market which should shorten construction time and reduce the overall cost of building new dwellings.

Addressing affordability

Affordability is another element that must be

considered. According to the 14th Annual Demographia

International Housing Affordability Survey, Auckland's

average house value is now 8.8 times the average

Auckland median household income, making Auckland

one of the least affordable housing markets in the

world. The percentage of Aucklanders who own their

home is 61.5 per cent, a historic low.

Our contribution to affordability is indirect, whereas

the government is the major player in terms of directly

assisting affordability. Government programmes such

as HomeStart and KiwiBuild will help first home buyers

into the market.

And Panuku is partnering closely with organisations and

iwi who are delivering affordable housing options with

projects. These include the Barrowcliffe development in

Manukau, where Te Ākitai Waiohū and the Puhinui Park

Ltd partnership, New Zealand Housing Foundation,



Opening up land for development



Developing sites & building new homes



Addressing affordability

Te Tumu Kāinga, CORT Community Housing, and Panuku are partnering together to deliver approximately 300 predominantly affordable dwellings over the next five years.

Transport

Our population growth has brought opportunities but has also increased congestion, injuries and deaths on our roads, pollution and reduced accessibility.

While we're planning a time of significant construction, at the same time we must continue balancing and re-balancing our current services and infrastructure against ever-growing needs.

What we did in 2017/2018

Our strategy to offer different modes of transport, better connections and more choice delivered a number of benefits in 2017/2018. Our public transport patronage continues to rise as we improve our services.

We made more than 92.4 million trips on public transport in 2017/2018, an increase of 4.4 per cent on the previous year. 94 per cent of trips used HOP cards. We made those trips cheaper by introducing zones, so the cost of your trip is based on how many zones you travel through, rather than the number of buses or trains. With an AT HOP card, you pay for your journey once instead of paying for each bus or train separately.

We introduced new bus networks across Auckland to offer better options – new services for Eastern bus users and a new Tāmaki Link bus. New services across central Auckland were introduced in early July 2018.

We opened the new Manukau bus station to create a modern, connected bus/train hub. We upgraded suburban railway stations, including Papatoetoe and Pukekohe, to improve bus/train links and deliver greater

safety to users. We improved Mt Smart train station to move people in/out of concerts more efficiently. We continued work on the City Rail Link (CRL) with the Albert Street trench reaching its full 18-metre depth. We used an innovative Green Bond to fund the purchase of more electric trains in preparation for the CRL coming online in 2024.

We're encouraging more use of bikes and cycleways. We counted 3.67 million bike trips across Auckland in 2017/2018. That's about 10,055 trips per day and means almost 7200 trips that could have been taken by car were instead taken by bike. Riders are already enjoying stage two of the Nelson Street Cycleway, giving them a safe, direct route through the city centre to the viaduct. Our own staff took to e-bikes, in place of cars, clocking up 16,000km in their first few months of riding around the city centre. We added our 30th school to our Bikes in Schools project.

We're working to ensure Māori culture is both seen and heard across our transport network, from te reo announcements on trains to incorporating Māori designs into transport hubs.

Electric vehicles (EVs) are becoming more common with both the council and Auckland Transport

purchasing them as fleet replacements. We're also installing 60 off-street charging points, and ensuring we accommodate EVs and their infrastructure in future developments. EVs have lower emissions and so do the electric buses we're trialling on the City Link with the aim of ending diesel bus purchases after 2025.

We finished the Te Atatu road corridor and worked closely with Freemans Bay residents on the three-year programme for Franklin Road. Up at Whangaparāoa, we introduced dynamic lane controls to smooth out peak traffic.



Looking ahead

Alongside these activities were the plans and decisions to take us into the next decade.

We refreshed the Auckland Plan which now focuses on an integrated transport system connecting people, places, goods and services; more travel choices and maximising safety and environment protection.

Supporting this, the Government Policy Statement on Land Transport was released in June 2018, identifying safety, access, the environment and value for money as the four strategic priorities over the next 10 years.

We revised the Auckland Transport Alignment Project (ATAP). This brings together the plans of central government agencies, such as NZTA and KiwiRail, the council and Auckland Transport in a fully coordinated approach to transport funding. The Regional Land Transport Plan (RLTP) provides the framework for delivering ATAP.

Together with the government, \$28 billion will be invested in our transport system over the next decade, a \$4.6 billion increase on funding outlined in previous plans. We agreed to a regional fuel tax to raise \$1.5 billion over the 10-year ATAP. ATAP covers:

- rail networks, including the City Rail Link, additional electric trains, the Pukekohe electrification, a third main Westfield-Wiri line, and initial light rail investment to leverage further funding for the city-airport and Northwest corridor lines
- bus networks, including the Northern busway extension, Eastern busway, Airport-Botany rapid transit corridor including a bus/rail interchange, bus priority improvements across the city
- road networks, including the Puhoi-Warkworth motorway, airport-Puhinui state highway upgrades, Papakura-Drury motorway widening, the first phase of Mill Road, the Penlink toll road, and the East-West link

- greenfield transport infrastructure
- active transport choices, including enhanced walking and cycling ways
- safety programmes across our transport networks.

Water

World-class cities have safe and reliable drinking water, safe treatment of wastewater and effective stormwater management. These factors were identified as part of the 2018 Auckland Plan refresh.

Our water infrastructure faces two main pressures. The first is population growth, with new water supplies, pumping stations, pipes and treatment options needed. The second is climate change which is seeing Auckland hit with more storms that do more damage. In recent years, this has caused flooding, stormwater overflows mixing with wastewater which then affects water quality across harbours, waterways and beaches. Our Safeswim website graphically demonstrated the impact of our ageing stormwater and wastewater infrastructure on water quality at our beaches, particularly following storms.

As our population increases, we must also be more efficient in using water to ensure we have an adequate supply for everyone. Watercare has developed a water efficiency strategy covering 2017-2020 to help meet the target of saving 21 million litres per day by 2025 – a reduction of 15 per cent in water use.

We also need to source new water supplies with the most viable solution being a second pipeline from the Waikato River.

Over the next 10 years, we'll invest \$1.9 billion to upgrade and expand this infrastructure, with a further \$2.8 billion over the following 10 years.

Many projects were originally scheduled across a 30-year programme. However we've brought these

60
electric car
charging points
across Auckland



projects forward to complete them over the next 10 years. This requires an extra \$856 million in funding. \$452 million of this will be funded through a water quality targeted rate.

Projects brought forward include:

- Central Interceptor
- infrastructure for stormwater contaminant removal across the region
- rehabilitation of urban and rural streams
- introduction of regional septic tank monitoring.

We recognise the importance of the values held by kaitiaki, from environmental and spiritual ties to ancestral lands, water, sites, wāhi tapu and other taonga, and the wellbeing of the entire iwi. We work with mana whenua from the Mana Whenua Kaitiaki

Forum to advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights. The Forum, a collective of the 19 hapū and iwi authorities, has identified several priorities to advance collectively, including protecting and enhancing natural resources and taonga tuku iho, with a particular focus on freshwater.

Conclusion

The past year was very much one of agreement and traction. We now have clarity about what council and the government will do to collectively tackle Auckland's infrastructure challenges. For the first time we also have agreed funding for the infrastructure programme. We are on our way.

Ngā tahua pūtea

Funding impact statements

The Local Government Act 2002 requires local authorities to produce funding impact statements in the annual report.

The funding impact statements report the sources and application of both the operating and capital funding in the prescribed format in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. These funding impact statements are prepared for each of the 23 groups of activities which compare actual results with the long-term plan (LTP). The consolidated funding impact statement compares actual results with the annual plan.

Below are the key items included in each section and an explanation of major variances against the annual plan for the consolidated funding impact statement.

Sources of operating funding

- General rates, Uniform Annual General Charge (UAGC), rates penalties and targeted rates are closely aligned with the annual plan.
- Subsidies and grants for operating purposes are favourable compared to the annual plan due to higher than expected operating subsidies from the NZTA.
- Fees and charges have a favourable variance to the annual plan mainly due to increased income following the acquisition of two port owned subsidiaries. This variance is partly offset by lower public transport patronage and lower average yields per passenger journey.
- Interest and dividends from investments are favourable to the annual plan due to interest received from the Crown for CRL assets that were prefunded by the council.
- Local authorities fuel tax, fines, infringement fees and other receipts are favourable compared to the annual plan mainly due to an increase in rental revenue as well as parking fines and traffic infringements.

Applications of operating funding

- Payments to staff and suppliers are unfavourable to the annual plan due to additional unbudgeted expenses arising as a result of the acquisition of two port owned subsidiaries and outsourcing of various resource consent, amenities and infrastructure maintenance functions due to staff shortages. This

is partly offset by a favourable variance in relation to consultancy and professional fees due to net consultancy savings across the Group.

Sources of capital funding

- Subsidies and grants are lower than the annual plan due to lower capital grants received from NZTA for transport infrastructure due to capital projects being behind schedule.
- Gross proceeds from sale of assets are higher than anticipated due to the significant number and quantum of non-core property sales during the year including 655 Great South Road, Queen Elizabeth Square and certain lots at Hobsonville Point.

Applications of capital funding

- Total capital expenditure is below budget mainly due to project delays and the deferral of projects across the group particularly in relation to transport, ports, property and waterfront development projects.

Comparative information

For the consolidated funding impact statement, the Annual Budget 2017/2018 has been provided as a comparator.

For the Groups of Activities Funding Impact Statements, the financial information from the Long-term Plan 2015-2025 has been provided as a comparator. This information has been reclassified to achieve disclosure consistency and information by group of activities has been remapped to reflect changes to the activity structure. Further detailed variance commentary can be found in the themes and groups of activities section.

Ngā tahua pūtea

Auckland Council Group consolidated - Funding impact statement

For the year ended 30 June 2018

\$MILLION	ACTUAL JUNE 2018	ANNUAL PLAN 2018	ACTUAL 2017	ANNUAL PLAN 2017
Sources of operating funding:				
General rates, Uniform Annual General Charge, rates penalties	1,514	1,517	1,463	1,454
Targeted rates	200	198	185	183
Subsidies and grants for operating purposes	286	274	272	260
Fees and charges	1,261	1,256	1,193	1,228
Interest and dividends from investments	94	68	17	5
Local authorities fuel tax, fines, infringement fees and other receipts	308	289	331	295
Total operating funding	3,663	3,602	3,461	3,425
Applications of operating funding:				
Payment to staff and suppliers	2,444	2,419	2,375	2,318
Finance costs	456	455	424	453
Other operating funding applications	-	8	0	9
Total applications of operating funding	2,900	2,882	2,799	2,780
Surplus (deficit) of operating funding	763	720	662	645
Sources of capital funding:				
Subsidies and grants for capital expenditure	211	403	187	240
Development and financial contributions	180	214	164	163
Increase (decrease) in debt	(57)	354	629	834
Gross proceeds from sale of assets	449	115	77	87
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	783	1,086	1,057	1,324
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand	625	798	504	705
- to improve the level of service	426	609	633	667
- to replace existing assets	619	610	523	573
Increase (decrease) in reserves	34	65	53	62
Increase (decrease) in investments	(158)	(276)	6	(38)
Total applications of capital funding	1,546	1,806	1,719	1,969
Surplus (deficit) of capital funding	(763)	(720)	(662)	(645)
Funding balance	-	-	-	-

Note: the 2018 actual and Annual Plan interest and dividends from investments includes \$57m dividend from Auckland International Airport Limited. In 2017 this was included in Local authorities fuel tax, fines, infringement fees and other receipts.

Ā mātou mahi

Introduction to themes/ groups of activities

The following sections of this volume include the statement of service performance (SSP) for the groups of activities under each of the seven themes that cover our service delivery as well as explanations of our reporting framework, criteria and methodology.

Legislation requires the Auckland Council Group to produce a Statement of Service Performance (SSP) reporting against the performance framework in the Long-term Plan 2015-2025 (LTP). The SSP comprises our performance results and funding impact statements which are audited by Audit New Zealand on behalf of the Auditor-General. The information that follows on pages 38 to 135 is the SSP referred to in the auditor's opinion.

For 2017/2018, we have produced the 21 local board reports with Volume 2 as individual documents. The SSP provides accountability to ratepayers and other stakeholders on our service performance. This service is assessed using performance measures and reported by theme and group of activities.



Ngā hunaga hapori

Community outcomes

The following seven community outcomes are the key goals of the Auckland Plan, which is our forward thinking 30-year strategic plan to realise our vision of being the world's most liveable city. They are what we want Auckland to be in 2040, and they have guided our decision-making. Each group of activities contributes to one or more of these outcomes.



A fair, safe and healthy Auckland

Auckland is a strong and equitable society where social and economic disadvantage is reduced, particularly for children and young people.



An Auckland of prosperity and opportunity

Auckland is a global city with a strong and vibrant economy providing ample business growth and job opportunities.



A green Auckland

Our waterways and coastlines are cleaner, healthier and full of life.



A well-connected and accessible Auckland

Auckland's infrastructure is well planned, built to last, has kept up with growth and meets the needs of its communities and the economy.



A beautiful Auckland that is loved by its people

Auckland remains one of the most beautiful cities in the world, offering superb lifestyle opportunities in a quality environment.



A culturally rich and creative Auckland

Arts and culture are alive and well and part of everyday life.



Te Hau o Te Whenua, Te Hau o Te Tangata – A Māori identity that is Auckland's point of difference in the world

Mana whenua, who are the original inhabitants of Tāmaki Makaurau, and other Māori originating from across Aotearoa / New Zealand living in Auckland have the opportunity to contribute to the social, cultural, economic and environmental success of Auckland.

The following table indicates which themes and their respective groups of activities have contributed to which key community outcome.

GROUPS OF ACTIVITIES	COMMUNITY OUTCOMES						
Transport							
Public transport and travel demand management	●	●	●	●	●		
Roads and footpaths	●	●	●	●			
Parking and enforcement		●		●			●
Auckland development							
Regional planning		●	●	●	●	●	
Local planning and development		●	●	●		●	
Property development	●					●	
Waterfront development		●	●	●	●	●	●
Parks, community and lifestyle							
Regional community services	●					●	
Local community services	●					●	
Regional parks, sport and recreation	●		●				●
Local parks, sport and recreation	●		●				
Water supply and wastewater treatment and disposal							
Water supply	●		●				
Wastewater treatment and disposal			●				
Economic and cultural development							
Economic growth and visitor economy		●				●	●
Regional facilities	●	●			●	●	●
Environmental management and regulation							
Regulation	●				●		
Solid waste and environmental services			●				●
Local environmental management	●		●				
Stormwater management			●				●
Governance and support							
Regional governance	●	●	●	●	●	●	●
Local governance	●	●	●	●	●	●	●
Investment		●					
Organisational support	●	●	●	●	●	●	●

Ngā kawekawenga Transport

Part of having a successful and enjoyable life in Auckland is the ability to easily, safely and sustainably reach the things that matter most to us – work, school, friends, recreation and healthcare. However, the more our population grows, the more our transport problems grow and restrict our lives – congestion, damage to our environment, stress levels and limiting our economic growth – issues we are actively working to address.

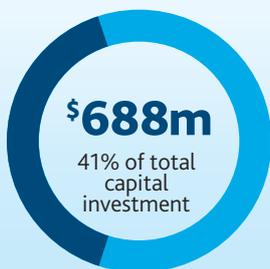
We can't rely on building our way out of this problem, so our strategy is to offer you alternatives to private cars – by foot, bus, ferry, train, or bike. These choices will help us create an efficient, balanced and safe transport network that meets your needs.

This past year was the third year of the Accelerated Transport Programme. It used an additional \$523 million of investment supported by the interim transport levy to provide bus, rail and cycle infrastructure improvements, and road improvements to align with new housing developments.

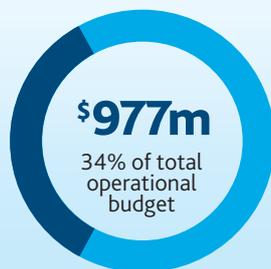
The council and the government agreed on the Auckland Transport Alignment Project (ATAP). This combined investment of \$28 billion over the next 10 years will support improvements including light rail, Penlink and Mill Road, heavy rail and bus upgrades, safety, and more dedicated cycle lanes. A new regional fuel tax (RFT) introduced from 1 July 2018 will help fund these services. This replaces the interim fuel levy.

Our investment

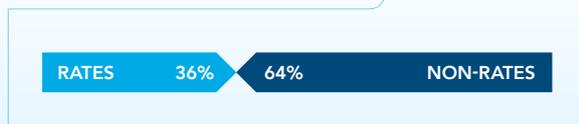
What we invested in transport in 2017/2018



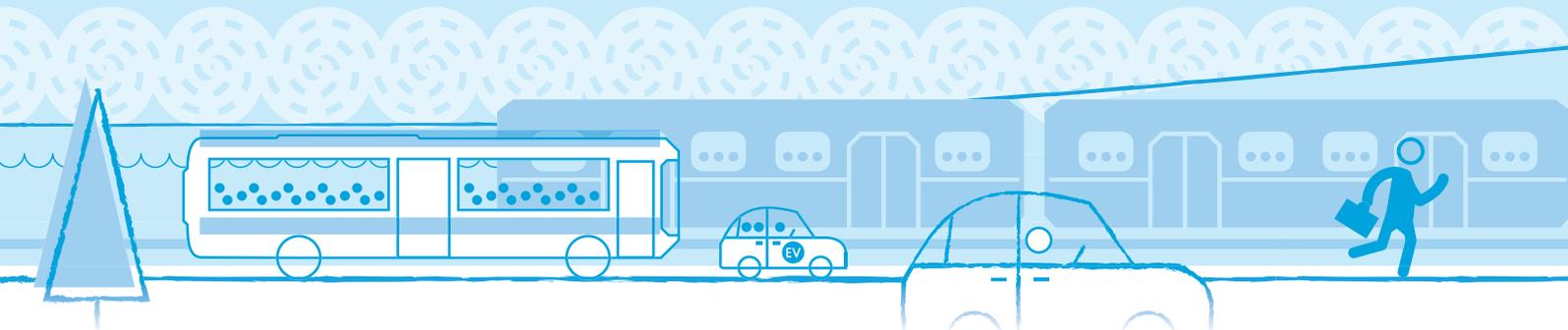
What we spent developing transport in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?



We keep Auckland moving by providing:

- public transport and travel demand management
- roads and footpaths
- parking and enforcement.

How our investment will give you better transport outcomes

- We're progressing the construction of the City Rail Link
- We expanded our public transport networks, made them easier to use and gave you more travel options
- We set a precedent with our Green Bond issue, this will enable us to purchase electric trains
- Our focus on cycling is paying off.

Community outcomes

The activities within this theme contribute to community outcomes by developing a network of footpaths to promote increased levels of physical activity. Ensuring people and resources can move efficiently, increasing convenience, positively impacting on productivity and supporting trade and commerce is a key aim. At the same, we also try to reduce air pollution, greenhouse gas emissions and reliance on petrol to be sustainably responsible. Providing seamless integration of roads, arterial roads and motorways, promoting and protecting the safety of all road users, and enforcement of parking restrictions are critical in promoting safety and accessibility.

SNAPSHOT



E-bike cuts commute for council staffer

Helen Barkman used to spend an hour getting to work on the bus. Since switching to an e-bike, she's cut her commute to 18 minutes each way.

Getting to work is much less hassle for Helen these days. It's also more fun and it raises her heart rate enough to tick off her weekly aerobic exercise quota.

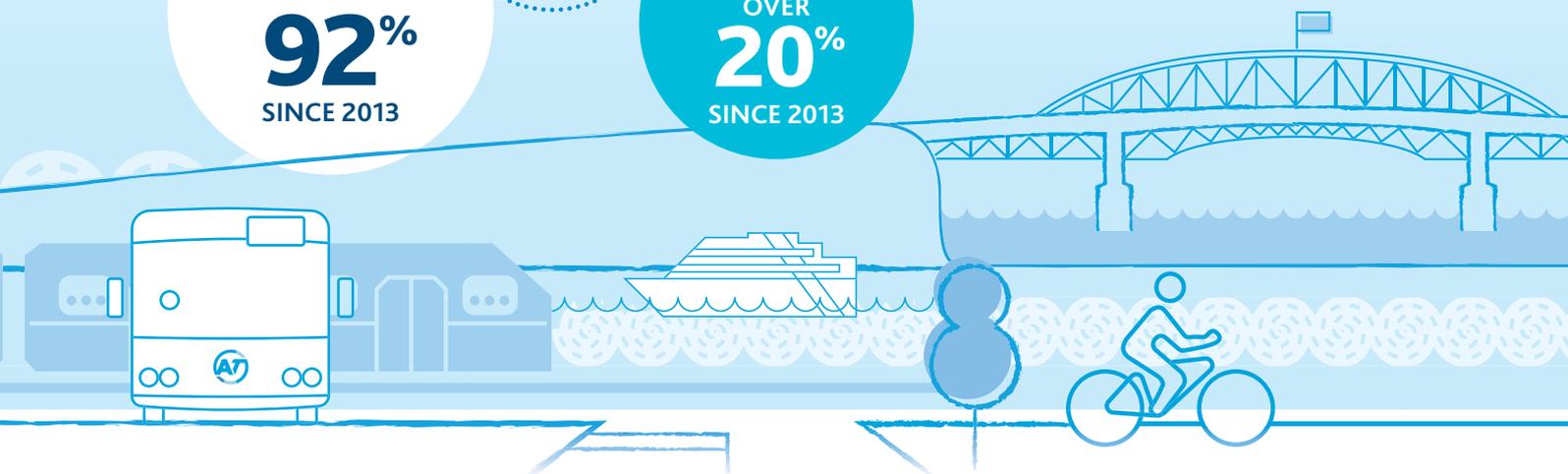
We've now trained more than 400 staff to ride our e-bikes and they've pedalled some 16,000km around central Auckland.

What we are dealing with today

RAIL BOARDINGS
INCREASING BY OVER
92%
SINCE 2013

240
MORE CARS
ON OUR ROADS
EVERY WEEK

BUS BOARDINGS
INCREASED BY
OVER
20%
SINCE 2013



Public transport and travel demand management

Our goal is to give you more options – speed, accessibility, frequency, affordability, reliability and attractiveness of public transport. To do this, we’re expanding our networks and services, from transport hubs to cycle lanes.

Public transport throws up a wide variety of challenges, ranging from maintenance and normal operations disrupting public transport, traffic, and other services.

Construction projects such as the City Rail Link (CRL) can have a greater effect because of their size and construction time. We use information campaigns and promote transport alternatives where work causes disruption and congestion, safety issues or it affects the quality of our environment (air, noise and water pollution). We always work to minimise disruption and focus on promoting the end-result – a more mobile, productive and environmentally sustainable Auckland.

We also have to balance provision of services against needs which is increasingly difficult given the city’s rapid growth, particularly around the fringes.

What we did

Construction of the City Rail Link’s (CRL) 3.5km twin tunnels continued from Britomart up to Albert Street.

The CRL is New Zealand’s largest infrastructure project – a project of up to \$3.6 billion that will be completed in early 2024, making the rail network more efficient. Work is happening at multiple sites, with tunnelling and trenching on lower Queen, Customs and Albert Streets. CRL Ltd has hosted events and promotions to mitigate the impact of the construction on businesses in the area. Work also began on diverting a 400-metre section of stormwater main to make way for the CRL tunnels. New estimates predict CRL stations need to cope with 54,000 passengers an hour at peak rather than the original estimates of 36,000.

We expanded our public transport networks and made them easier to use.

We introduced new bus networks across Auckland to give you more options and better access to services. Eastern bus users now have more destinations, more frequent services, better connections and easier transfers between bus, train and ferry. Our central suburbs have better evening and weekend services and new frequent routes to the city centre. The new Tāmaki Link bus connects suburbs between Glen Innes and Britomart using Tāmaki Drive,

without going through the city centre. We opened the new Manukau bus station to create a new bus/train hub and upgraded Pukekohe station. Our AT HOP card is used for more than 94 per cent of all trips. Overall, Aucklanders took 92.4 million trips on public transport last year, an increase of 4.4 per cent on the previous year.

We made public transport more affordable. With 94 per cent of all trips made using an AT HOP card travel is more affordable and convenient for most people. We introduced 13 zones, so the cost of your trip is based on how many zones you travel through, rather than the number of buses or trains. With an AT HOP card, you pay for a journey once instead of paying for each bus or train separately.

We’re making sustainability a much more important part of our decisions.

We’ve embraced sustainability and innovation, starting with how we raise funds. We set a New Zealand precedent with our \$200m Green Bond share issue to finance electric trains and equipment. We sent a signal to the rest of New Zealand that smart financial management can go hand-in-hand with sustainable investment and greener outcomes. We’ve installed 60 electric charging points in off-street car parks, prioritising parking and infrastructure for electric vehicles (EVs) in parking

buildings. We're working on parking and infrastructure for EVs in new developments and trialling two smart poles which carry multiple applications from lighting to signage, security and, now, EV charging. We started an electric bus trial on the City Link with the aim of ending diesel bus purchases after 2025.

We're working together with NZTA to develop integrated transport networks to support new housing and business areas. A new 1.2km arterial road will provide access to the special housing area in Drury. We continue to work with Housing New Zealand and HLC (Homes. Land. Community). Project areas under way include Northcote, Mt Roskill and Māngere. The council is developing a governance structure to assist with the Auckland Housing Programme workstreams.

We're improving our roads. This included completion of the \$30 million, 1.4km Te Atatu Corridor Improvement Project (road works) which is boosting the efficiency and safety of one of west Auckland's busiest roads. We also completed the seal extension of Takatu Road. The total cost of this seal extension was about \$5.8 million.

We gave te reo Māori a wider audience on public transport. We're committed to ensuring the Māori language is seen, heard, spoken and learnt throughout our transport network. Our train services now feature announcements in te reo. We began with the main safety announcements and the beginning and mid-point of the journey. The next stage will include messages in te reo throughout the journey. We've also incorporated Māori designs into our transport network, stations and the City Rail Link to celebrate Māori identity.

What we achieved

Prioritise rapid, high frequency public transport

Total public transport boardings (millions)



Public transport boardings increased by 4.4%, or 3.9 million boardings, over the 12 months to June 2018. The strongest performer was boardings on the rapid or frequent network, which saw a 14.2% growth. This year, rail operations faced a number of challenges including rail strike action and the Britomart derailment.

Transform and elevate customer focus and experience

Public transport punctuality (weighted across all modes)



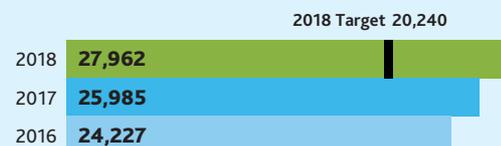
Customer satisfaction – public transport



Satisfaction levels have grown with the introduction of electric trains, integrated ticketing and the gradual implementation of new bus networks.

Develop creative, adaptive, innovative implementation

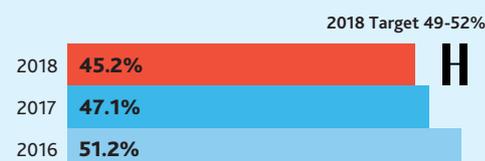
Number of car trips avoided through travel planning initiatives



Both Travelwise programmes have performed exceptionally well in 2018. The number of car trips avoided through travel planning is 7722 above target. Travelwise Choices exceeded its target by 20%.

Ensure a sustainable funding model

Public transport farebox recovery



Public transport farebox recovery did not meet its target for 2018 due to a number of factors, most notably the impact of continued customer migration from cash to lower AT HOP fares and the success of the new network in migrating customers onto feeder services.

Roads and footpaths

We're changing the way we design roads to improve traffic flow and reduce congestion to make us more productive, lower travel stress, improve safety, and reduce environmental pollution.

With an estimated 240 more cars on our roads each week, it's clear we can't rely solely on building our way out of that congestion. Instead, we're optimising our current network, particularly on key routes. This will see changes like transit and bus lanes, catering for cyclists and planning for light rail.

However, we're taking care that optimising one area doesn't negatively affect another. We're also looking at how we minimise negative environmental effects for current and new development.

Our roading network contributes to many negative environmental effects including water and air pollution, increased noise levels, and safety. AT has strategies to help mitigate these effects where possible. For example, with the three-year reconstruction of Franklin Road in Freemans Bay, AT is working with residents and businesses to keep them informed.

What we did

We're making our roads safer for everyone. We've adopted the Safe System and Vision Zero approach to road safety, committing \$700 million to achieve new targets towards zero deaths on our roads. More Aucklanders now ride bikes thanks to new protected cycleways which makes cycling safer and more attractive. Te Ara Mua Future Streets in Māngere is a great example of how a community can make its streets safer for motorists, walkers and cyclists with pathways, crossings and separated cycle lanes.

We're working to reduce congestion. A trial of dynamic lane controls along Whangaparaoa Road is reducing peak hour congestion. Upgrading the Te Atatū corridor has eased congestion on one of our busiest roads and made it safer for all road users, especially buses, cyclists, and pedestrians.

We're about to take the next step with the Eastern Busway. This will create a dedicated, congestion-free busway between Panmure, Pakuranga, and Botany town centres when fully completed in 2026, meaning you'll be able to travel from Britomart to Botany in less than 40 minutes. The first stage was completed in 2014 with roading improvements and an upgrade of the railway station in Panmure. In 2018 the Governing Body agreed to begin construction of the first section of the

busway from Panmure to Pakuranga in late 2018.

We made it easier to walk and cycle around Auckland. We delivered another 6.5km of cycle network, however this was behind our target of 10km due to design issues delaying some projects. We delivered the 3km Waterview Shared Path, completing a continuous 30km route from Māngere Bridge through to the CBD, and then out to St Heliers.

We are following the light with 54,000 LED bulbs. Almost half of Auckland's approximately 110,000 street lights now have LED. LED bulbs are safer, more efficient and over the life of the bulbs less expensive than traditional bulbs. When completed, the replacement programme estimates net savings in energy and maintenance of \$131 million.

We continued Te Ara Haepapa, our Māori Road Safety Programme. We attended the South Tech Week event for intermediate and high schools, engaged with 1200 students and kaiako to promote messages of 'Taraiwa Inu Waipiro Kore/Drive Sober' and 'Me Tika Whaia Kia Eke/Get Licensed'. Resources were shared with Kōhanga Reo, Kura Kaupapa, Rumaki units, Reo Rua units, and Whanau units. We held two child restraint technician trainings for five kaimahi from marae and kōhanga reo. We continued our 'Āta Haere/Slow Down' and 'Aro Atu Aro Mai/Look out for

us' speed and pedestrian safety campaigns in Māngere, Manurewa and Ōtara. We held six learner licence workshops with 73 students and a Train the Trainer workshop with 16 kaimahi from marae.

We made good progress on major walking and cycling projects. These include:

- planning for the Westhaven to CBD cycle route
- consultation, community engagement and discussion with stakeholders for the Karangahape Road, Tamaki Drive, Herne Bay to Westhaven and Pt Chevalier to Herne Bay cycle routes
- design work for the Waitemata Safe Routes, Victoria Street Cycleway (Beaumont Street to Hobson Street), Great North Road Cycle Route and Bus Priority, and the Glen Innes/Tamaki Shared Path (section 2)
- starting procurement for the New Lynn/Avondale and Parnell to Tamaki cycle routes and the Glen Innes/ Tamaki Shared Path (section 4)
- construction for the Links to New Lynn, Quay Street Cycleway (Plumer Street to The Strand), Glen Innes/ Tamaki Shared Path (section 3), Ian McKinnon Cycle Route and Northcote Safe Cycle Route.

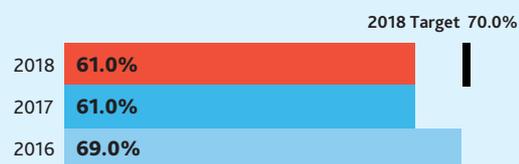
We're preparing new initiatives to bring down the number of road deaths and serious injuries. We

had 668 local road deaths and serious injuries in the 12 months to March 2018 (latest data available). That's 15 per cent higher than the 12 months to March 2017. Over a calendar year, local road deaths and serious injuries were 690, significantly above the target of 537. What are we doing to reduce these numbers? We're delivering a speed management plan in 2018 to change speeds on 10 per cent of the rural and urban roading network. We've also developed an accelerated safety engineering programme to address a greater number of high-risk locations and implement mass-action treatments across the urban and rural network. Local road deaths and serious injuries per 100 million vehicle kilometres travelled is an indication of injuries relative to travel growth on the network. The result at December 2017 was 8.4 deaths and serious injuries per 100 million vehicle kilometres travelled, significantly higher than the target of 4.9, and 20 per cent higher than the 2016/17 result of 7.

What we achieved

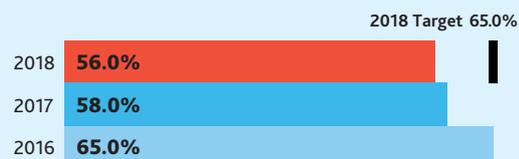
Transform and elevate customer focus and experience

Customer satisfaction – Roads



Traffic flow is the main driver of customer overall experience of travelling by road. Following significant decreases in traffic flow satisfaction two years ago we saw a similar effect where most other roading satisfaction survey measures also decreased.

Customer satisfaction – Footpaths



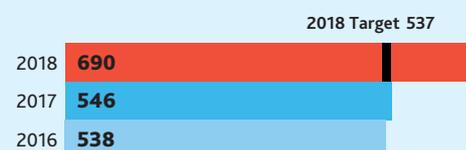
Following a slow decline over recent quarters, satisfaction levels are currently stable for the quality of footpaths in the Auckland region (56%), now below the target SOI of 65%. Auckland areas where footpath quality has significantly decreased since June 2016 are North Urban, West and South Urban.

Customer satisfaction – Road Safety



Traffic flow is the main driver of customer overall experience of travelling by road. Following significant decreases in traffic flow satisfaction two years ago, we saw a similar effect where most other roading satisfaction survey measures also decreased.

The change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number



The increase in road deaths and serious injuries over the past three years has led to urgent review and recommendations being adopted, including a substantially higher budget for road safety. The 2018 target reflects a reduction of at least 9 (537) over the previous year.

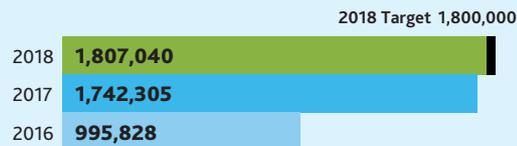
Build network optimisation and resilience

Arterial road productivity



This year, 24% of the arterial network was subject to congestion during the morning peak, two percentage points lower than congestion in June 2017, and 77% of the network was operating efficiently during the morning peak.

Annual number of cycling trips in designated areas in Auckland (all day)



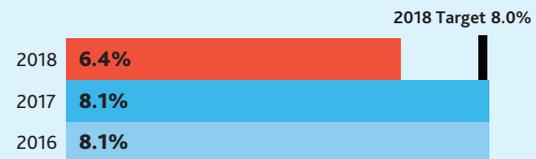
Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all rural roads



Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban roads

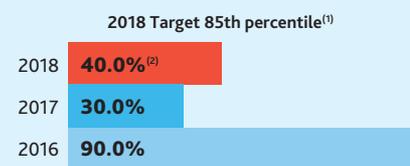


Percentage of the sealed local road network that is resurfaced



We resurfaced or rehabilitated 417.5km, or 6.4% of the total network. The 2017/2018 programme didn't meet target as we reprioritised funding for urgent emergency repairs to our asset base, including storm events and the sea wall.

Travel times on key freight routes



⁽¹⁾ Maintain baseline travel times for the 85th percentile.

⁽²⁾ See table on page 48.

Percentage of footpaths in acceptable condition



Percentage of customer service requests relating to roads and footpaths which receive a response within specified timeframes



The Assets and Maintenance team is working with contractors to gain insights on the issues impacting on performance.

Parking and enforcement

We manage on-street and off-street parking, and enforce parking, traffic and special vehicle lane restrictions. We have improved our customer self-service options.

As our population growth continues, it delivers new challenges in how we manage parking. We must maximise our current parking at the same time as finding solutions to a change from private cars to other modes of transport from buses and trains to feet and bikes. We need to balance parking pricing to encourage people to change transport modes, but not so that we penalise those who need to travel by private car.

We introduced pay-by-plate meters. We're changing more than 800 on-street parking machines from text-a-park to pay-by-plate. The new system is paperless and enforcement officers can track everything electronically. Best of all, you don't need to head back to your car to put that ticket on the dashboard – it's a great park-and-leave option.

What we achieved

Ensure optimal use of parking resources

On street parking occupancy rates (peak four hours) (LTP)



(2) Travel times along strategic freight routes during the inter-peak (9am-4pm), with 85 per cent of trips travelled.

MINUTES	2018 ACTUAL	2018 TARGET	2017 ACTUAL	2016 ACTUAL
SEART** (from Sylvia Park to East Tamaki) – east bound	12	11	12	11
SEART (from East Tamaki to Sylvia Park) – west bound	11	12	11	10
Wairau Road (from SH18 to SH1) – east bound	9	8	9	8
Wairau Road (from SH1 to SH18) – west bound	9	8	9	8
Harris Road (from SH1 Highbrook interchange to East Tamaki) – east bound	13	11	12	11
Harris Road (from East Tamaki to SH1 Highbrook interchange) – west bound	11	10	11	10
Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (SH20 to Walmsley) – east bound	9	13	8	8
Kaka Street/James Fletcher Drive/Favona Road/Walmsley Road (Walmsley to SH20) – west bound	7	13	7	7
Great South Road (Portage Road to SH1 Ellerslie Panmure Highway Interchange) – north bound	11	11	13	12
Great South Road (SH1 Ellerslie Panmure Highway Interchange to Portage Road) – south bound	12	11	12	11

**Note: SEART refers to the South-Eastern Highway off-ramp.

Funding impact statement – Public transport and travel demand management

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		290	297	281
Targeted rates		19	19	19
Subsidies and grants for operating purposes	1	209	202	200
Fees and charges	2	149	226	182
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	3	35	3	5
Total operating funding		702	747	687
Applications of operating funding:				
Payment to staff and suppliers	4	574	599	547
Finance costs		106	113	104
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		680	712	651
Surplus (deficit) of operating funding		22	35	36
Sources of capital funding:				
Subsidies and grants for capital expenditure	5	63	22	36
Development and financial contributions		12	14	12
Increase (decrease) in debt	6	(58)	116	167
Gross proceeds from sale of assets	7	218	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		235	152	215
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		37	24	32
- to improve the level of service	8	95	158	214
- to replace existing assets		32	5	5
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments	9	93	-	-
Total applications of capital funding		257	187	251
Surplus (deficit) of capital funding		(22)	(35)	(36)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

- Subsidies and grants for operating purposes are higher than plan due to increase in NZTA operating subsidies as a result of increased qualifying operating expenditure.
- Fees and charges are below plan partly due to certain fees and charges being allocated to Local authorities fuel tax, infringement fees and other receipts, whereas they were included in this line item in the plan. The remainder of the decrease against plan relates to lower than budgeted patronage, declines in yields from bus fares and lower than planned parking fees.
- Local authorities fuel tax, fines, infringement fees and other receipts are above plan due to these amounts being included in fees and charges in the plan.
- Payment to staff and suppliers is below plan mainly due to the number of FTE being below plan.
- Subsidies and grants for capital expenditure are higher than plan due to NZTA subsidies being higher than planned as a result of an increase in qualifying capital expenditure.
- The decrease in debt is above plan due to the high amount of proceeds from sale of assets, which resulted in a lower debt funding requirement.
- Gross proceeds from sale of assets include an unplanned \$218m reimbursement from the Crown for assets transferred by the Group to City Rail Link Limited.
- Capital expenditure is below plan mainly due to the mass transit (\$30 million) project now being led by NZTA. This is offset by overspend of \$6 million on other transport projects.
- The increase in investments represents an unplanned equity investment in City Rail Link Limited of \$93m.

Funding impact statement – Roads and footpaths

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		314	319	305
Targeted rates		44	44	43
Subsidies and grants for operating purposes	1	52	43	42
Fees and charges		6	8	6
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	14	3	3
Total operating funding		430	417	399
Applications of operating funding:				
Payment to staff and suppliers	3	166	161	161
Finance costs	4	94	85	81
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		260	246	242
Surplus (deficit) of operating funding		170	171	157
Sources of capital funding:				
Subsidies and grants for capital expenditure		143	139	184
Development and financial contributions	5	58	74	57
Increase (decrease) in debt	6	143	75	67
Gross proceeds from sale of assets		-	-	3
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		344	288	311
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		120	65	88
- to improve the level of service		162	149	146
- to replace existing assets		232	245	234
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	7	514	459	468
Surplus (deficit) of capital funding		(170)	(171)	(157)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

- Subsidies and grants for operating purposes are higher than plan mainly due to increase in NZTA operating funding.
- Local authorities fuel tax, fines, infringement fees and other receipts are above budget mainly due to increase in commercial and residential rent received.
- Payment to staff and suppliers is above plan mainly due to the number of FTE being above plan.
- Finance costs are above plan due to higher debt levels than planned.
- Development and financial contributions are below plan due to development growth not occurring as fast as planned.
- The increase in debt is higher than plan due to capital expenditure being higher than plan, which has resulted in higher debt funding requirement.
- Capital expenditure is above budget mainly due to an increased spend on projects including Auckland-Manukau Eastern Transport Initiative, Mill Road, Wynyard Quarter, and various other roads, road improvements, footpaths, safety improvements and renewals.

Funding impact statement – Parking and enforcement

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		(40)	(41)	(41)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		1	1	1
Fees and charges		80	80	80
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	1	1
Total operating funding		42	41	41
Applications of operating funding:				
Payment to staff and suppliers		36	36	36
Finance costs		1	-	-
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		37	36	36
Surplus (deficit) of operating funding		5	5	5
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	1	5	(2)	(2)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		5	(2)	(2)
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		5	-	-
- to replace existing assets		5	3	3
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	2	10	3	3
Surplus (deficit) of capital funding		(5)	(5)	(5)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. The increase in debt is higher than plan due to capital expenditure being above plan, which resulted in a higher than anticipated debt funding requirement.
2. Total applications of capital funding are greater than plan because of capital expenditure being greater than plan for a number of transport projects.

Te whanaketanga o Tāmaki Makaurau Auckland development

A world-class Auckland requires vibrant town centres supporting thriving businesses, attractive local streets providing a mix of different types of housing, with protected environments and heritage.

To achieve this, we develop plans and strategies to guide development across Auckland. Panuku Development Auckland (a council-controlled organisation) partners with other organisations to develop and deliver housing, intensification and refreshed town centres. It also delivers a vibrant and lively CBD waterfront for you to enjoy.

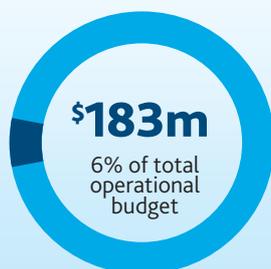
As outlined in the 'New strategies for managing growth' section on pages 29-33, the significant challenge facing our development is our rapid population growth and the increasing inequity we're seeing in our communities. Growth is outstripping our housing supply and straining infrastructure. We are working with multiple sectors and partners who can deliver sustainable quality housing and infrastructure. We must also incorporate development that considers Māori design and cultural heritage.

Our investment

What we invested in Auckland's development in 2017/2018



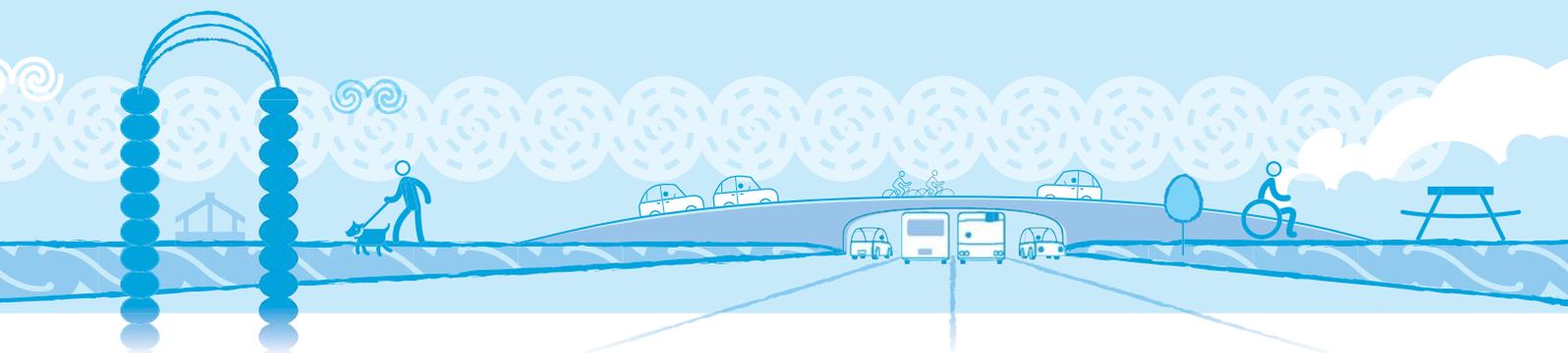
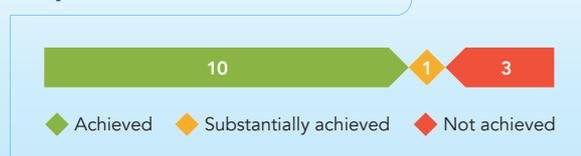
What we spent developing Auckland in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?



Our development activities focus on:

- regional planning
- local planning and development
- property development
- waterfront development.

How our investment progressed Auckland’s development in 2017/2018

- We have a refreshed Auckland Plan to guide our development
- We’re using great design to change the way Auckland looks, feels and functions
- We’re using the harbour bridge to shine the light on renewable energy
- We helped create a historic moment for Te Kawerau ā Maki
- We’re regenerating suburbs across Auckland.

Community outcomes

The activities within this theme contribute to community outcomes by reducing barriers to facilitate additional housing supply to meet demand. Ensuring opportunities are developed to grow Auckland’s economy and ensure our people have access to the right business skills to connect Auckland both nationally and internationally. We also want to promote tourism, skilled workers and investors to Auckland. Equally as important is to sustainably manage Auckland’s natural environment, natural hazards and private projects. Creating a beautiful Auckland that’s loved by its people and supports a great place for people to live, work and play by demanding quality design of our buildings, whilst ensuring growth is managed and protects and conserves local heritage. We also want to protect our Māori cultural heritage and provide opportunities to imbue cultural values, establish enduring relationships with Māori to showcase Auckland’s unique Māori identity and include narratives of the area in architectural, urban design and landscape.



Award-winning plans for Avondale rejuvenation

Panuku’s Senior Project Planning Leader John Carter won a prestigious New Zealand Planning Institute award for his work on the rejuvenation of Avondale.

We chose to ‘unlock’ Avondale because of its suitability for intensification and the potential benefits of urban development. The City Rail Link will also bring commuters into the CBD 10 minutes faster. We have an opportunity to transform Avondale into a great town for residents, visitors and businesses and one that also contributes to a growing and prosperous Auckland.

“It’s a privilege to be involved in a project like this which is at the forefront of addressing Auckland’s housing and infrastructure cost issues, while benefiting the Avondale community,” says John.

“This plan is hugely important to me and the team – the stars are starting to align for Avondale and I think we can pull off something really great.”

What we are dealing with today



Regional planning

This includes Auckland strategy and research, unitary and area planning, community and social policies, natural environment and heritage protection, urban design and The Southern Initiative.

Planning is complex because of our size and the diversity of players involved – from developers and advocacy groups through to central government and lenders. Over the past year we took a step forward with the refresh of the Auckland Plan and a vision to take us through to 2050 and adoption of the Auckland Transport Alignment Project.

We face significant challenges in solving major regional issues around housing and transport and gaining agreement from all players so that we move forward with a shared vision. We must accommodate rapid growth to ensure we develop a city with better and more sustainable living, working and recreation environments.

What we did

We adopted our new 30-year strategy. The Auckland Plan 2050 sets the direction for how Auckland will grow and develop. We know we could need another 313,000 dwellings and up to 263,000 extra jobs in the next 30 years. This plan will drive the way we deal with that growth to share prosperity with all Aucklanders and reduce further degradation of the environment.

We assessed our future business and residential needs. We completed our assessment of these needs under the National Policy Statement – Urban Development Capacity. This links with the Auckland Plan 2050 and assesses whether we have planned enough intensity and land for future housing and commercial needs.

We got the green light to develop an integrated climate action plan. This plan sets a path to rapidly reduce greenhouse gas emissions and help prepare us for the impacts of climate change. It will also help deliver on national objectives. The government wants New Zealand to have net zero emissions by 2050 but Auckland's carbon emissions are not decreasing, so there is more work needed. A plan will go out for public consultation in 2019.

We're using great design to change the way Auckland looks, feels and functions. Urban design is something you experience every day in Auckland – Wynyard Quarter, the new Devonport Library, Te Oro

Music and Arts Centre in Glen Innes, the pink Lightpath in the CBD, New Lynn's Merchant Quarter, Hurstmere Green in Takapuna. We follow Te Aranga principles, enabling tangata whenua, taura here, tauwiwi and manuhiri alike to connect to and deepen their sense of place. We make public places active and safe, promote great public art that also expresses our Māori culture, aim for sustainable homes that don't compromise the quality of our environment, and design for happier and healthier communities.

We're driving social change through gardens and the digital world. The Southern Initiative is a long-term multi-agency regeneration programme working to deliver social change in south Auckland. Much of the change is being driven by the community itself, such as the Takanini Sikh Temple garden. Eventually, the garden will cover nearly 4.5ha, complete with vegetables and up to 400 fruit trees, and help feed the 3000 people who visit the temple weekly. Reaching young Māori and Pasifika benefits from a different approach – the digital one, with platforms such as UPsouth playing a key role in reaching young people. The Southern Initiative (TSI) is now using this digital crowd empowerment programme as an engagement tool to find out how young south Aucklanders believe we can support Māori identity and wellbeing to thrive and equip people for future jobs.

We're using the harbour bridge to shine the light on renewable energy. When Auckland's Harbour

Bridge was lit up on Anniversary Weekend in January 2018, Vector Lights delivered a world-first solar, battery and peer-to-peer powered light show that’s entertaining thousands each night and inspiring them to think about renewable energy. Energy from 248 solar panels is stored in a battery the size of a shipping container and smart meters match the energy feed with the 90,000 LEDs on the bridge. Each LED can be individually programmed to create lightshows which have included Matariki, the Pasifika Festival and ANZAC Day. This 10-year partnership between the council and Vector aims to promote renewable energy technology.

We have enhanced our support and facilitation for Māori organisations who are developing housing. In the previous reporting year, we established a Māori Housing Unit to support Māori housing and papakāinga projects. Over the past year, this unit has responded to over 240 support queries related to liaison, advisory, information gathering, funding, research and co-ordination of services. \$300k of Cultural initiative funding grants have also been awarded to support Māori housing initiatives over the 17/18 financial year.

What we achieved

Our plans and agreements meet legislative requirements

Percentage of unitary and area plan changes and Notices of Requirement processed within statutory timeframe



Percentage of adopted core strategies, policies and plans incorporating Māori outcomes or developed with Māori participation



Considering the impact on Māori is part of the decision making process when adopting strategies, policies and plans. This include summarising the views or results of any engagement with Māori, identifying any particular beneficial or adverse effects and how these positive or negative impacts will be managed. This information is mandatory for all political reports to the governing body or its committees. Therefore, the percentage of the strategies, policies and plans incorporating Māori outcomes or developed with Māori participation is usually at 100%.

We support Auckland’s economic development activities with advice, leadership, facilitation and advocacy

Percentage of key performance indicators in Auckland Economic Development Strategy that are met or improving

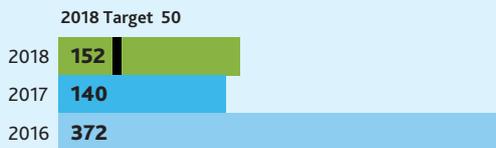


The Economic Development Strategy (EDS) sets out to achieve the five targets in the Economy Chapter of the 2012 Auckland Five Plan. The strategy contains 27 indicators to measure intermediate economic outcomes which was reported annually and included in the LTP2015-2025 as a performance measure. As the Auckland Plan was due for the six yearly review (which might provide different directions to the EDS), it was decided to stop producing further annual monitoring reports. Therefore we are unable to provide results on this performance measure since 2016.

LEGEND

- Achieved
- Substantially achieved
- Not achieved
- Target value indication

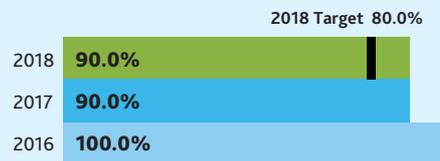
Number of economic, business, and city building opportunities facilitated through the Auckland Council global engagement programme



We changed the methodology for measuring engagements from a simple count to better reflect the outcomes of opportunities. Opportunities are defined as 'Connections organised via council's global partnerships and strategy unit between an Auckland-based council official, stakeholder, business, or organisation and an Auckland or global forum, network, business or organisation, for the purposes of discussing and generating economic, business and city building opportunities'. Scoring: Engagement rejected or of no-value = 0, Standard meeting/courtesy call = 1, Planned meeting with focus area = 2, Meeting expected to result in action = 3. Thus, 152 reflects the opportunity score, not the number of engagements. This high score results from two Tripartite Economic Alliance events this year in addition to other activity.

Our environmental strategies and policies are effective, evidence based and actionable

Proportion of actions from strategies and action plans that are being implemented according to timeframes



Work against this performance measure has largely been completed and embedded in operational work programmes through other council divisions. The refreshed 'Natural Hazards Risk Management Action Plan' is scheduled for August 2018.

We protect and conserve our city's historic and Māori cultural heritage

Number of historic heritage places and areas formally protected in the Unitary Plan



Baydaa Mahdi (L) and Shabana Firdous (R)

From incinerator to innovation

These beautiful bags were once the fuel for incinerators. Now, they're getting a second life and delivering income for people in south Auckland as part of The Southern Initiative plan for social change.

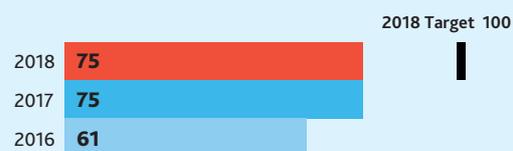
In Sikhism, Rumala Sahib are used as altar cloths to protect prayer books and scriptures, or as scarves worn during worship. Once used, they're usually burnt or thrown away. The Supreme Sikh Society of New Zealand in Takanini now donates the fabric to be upcycled.

Around 200 women with the Cook Island Development Agency New

Zealand, Te Awa Ora Trust, the Māngere East Community Centre and the Auckland Regional Migrant Services under the Wise Collective use their skills and creativity to give the fabric a second life, showcasing the work based on their own cultural backgrounds.

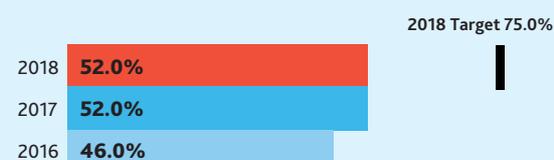
"We have managed to find a unique solution on what to do with the holy cloth without hurting anyone's sentiment and in a way that sees different communities acknowledging and respecting others' faiths," says Supreme Sikh Society New Zealand spokesperson Daljit Singh.

Number of sites and places of significance to mana whenua formally protected in the Unitary Plan



In addition to the 75 sites currently scheduled, another 36 sites also potentially meet the criteria for scheduling in the Unitary Plan. Iwi signoff is now required for the 36 and then council approval to initiate a plan change.

Percentage of Aucklanders satisfied with historic heritage management in Tāmaki Makaurau / Auckland



The survey results – 6% dissatisfied, 26% neutral and 16% don't know – may be explained by the fact that not all Aucklanders are aware of, or are impacted by, a heritage issue. That the result of 52% has stayed the same may indicate this is the level we can expect.

Local planning and development

This includes business area planning, street environment and town centres, and environment and heritage protection. These are economic, environmental, heritage and spatial projects enabling us to deliver great local places.

Business associations partner with the local boards to operate Business Improvement District (BID) programmes in their communities. We have 48 BIDs representing more than 25,000 businesses with a combined capital value estimated at \$24 billion. Our BIDs did extremely well this year, with 17 out of 18 meeting their targets. Aotea Great Barrier, Puketāpapa and Waiheke don't have BIDs.

What we did

Local planning has delivered a diverse range of benefits to Aucklanders. Mt Albert, Pukekohe and Birkenhead town centres have been revamped. Howick Local Board developed an innovative heritage app. In Waitemata, we completed the Teed Street laneway and upgraded the Ellen Melville Centre and Freyberg Place. We restored Ellen Melville's modernist heritage features and added a new commercial grade kitchen, better amenities, a new audio-visual system and café-style seating. In line with our commitment to accessibility we've made all areas accessible with installation of a new lift. Freyberg Place makes a feature of the pōhutukawa, new nikau and a new sculpture, all embraced by new terraces that create an amphitheatre and completed with a new water feature.

In May 2018 Panuku entered into development agreements with the NZ Housing Foundation and the Te Akitai consortia for the development of over 300 homes on this site. The Barrowcliffe project has

been officially named by the development parties as 'Kotuitui' for marketing purposes. The two consortia are working collaboratively to complete the overall site development master plan.

The settlement of the transfer of the property to NZ Housing Foundation was completed on 7 June 2018 and the New Zealand Housing Foundation is progressing subdivision works and consents to complete the super lot subdivision. Te Akitai will purchase its super lot upon completion of the super lot subdivision in March 2019. A public announcement was made by the Mayor in Manukau on 24 May 2018, acknowledging the project and development parties, and endorsing council's commitment to the acceleration of provision of affordable housing for Auckland.

Property development

Panuku buys, manages and sells property on behalf of the council and our CCOs. It's responsible for transforming urban areas through regeneration, unlocking land for development and supporting housing demand.

Property development, particularly for housing, presents multiple challenges.

Panuku indirectly contributes to the housing supply through sale of council sites for development by a range of development partners (private, public and third sector). Panuku site sales and development agreements are subject to market exposure including property market fluctuations; high net inward migration; cost to service land for development; and the regulatory environment.

The market itself presents another set of challenges where we must balance our goal of facilitating high-quality development against the market return for land.

We must also align our objectives with those of key stakeholders, such as private sector developers and central government, who contribute to development outcomes. Development must be accompanied by infrastructure, such as roading, water and waste services, as well as community facilities such as parks, libraries and pools.

Transport, from roads through to parking, presents another set of challenges. For example, our parking model assumptions can be an impediment to development.

What we did

We helped create a historic moment for Te

Kawerau ā Maki. Our decision to transfer land at Te Henga fulfills a long-standing promise to Te Kawerau ā Maki, the only mana whenua iwi in Auckland without a marae. The transfer enables them to build a marae and papakāinga. The Waitākere Ranges Heritage Area Act acknowledges Te Kawerau ā Maki (alongside Ngāti Whātua) as tangata whenua of the heritage area.

Our plans will regenerate suburbs across the

region. These plans include a wide variety of large-scale housing development across Auckland, much of it in partnership with community groups, the private sector, and government agencies.

- We'll revitalise Avondale town centre with quality residential neighbourhoods, new open spaces and purpose-built community facilities.
- In Panmure, we're partnering with the Tamaki Regeneration Limited, the Crown and Auckland Transport to make the most of significant redevelopment opportunities.
- We're leading the refresh of the Old Papatoetoe mall along with a new plaza and reconfigured shops.
- In Hobsonville Point, 20 hectares of the old airfield is being transformed into at least 890 new residential dwellings.
- Over in Henderson we have concept designs for the first two regeneration projects, public initiatives to turn Henderson into an urban eco-centre, and the construction of 40 new housing units for older people.
- In Manukau, work has started on 300 mostly affordable homes in Barrowcliffe Place. The development is a partnership between Panuku, Te Ākitai Waiohū, the Puhinui Park partnership of the New Zealand Housing Foundation, Te Tumu Kāinga and CORT Community Housing.
- We're working with Housing New Zealand and its subsidiary Home.Land.Community to build 23,600 new residences on state-owned land in Northcote, Avondale, Mt Roskill and Mangere. This will include 11,000 state houses, some of which will replace existing state houses.
- In Takapuna, we have concept plans to revitalise the town centre, including a new public plaza, residential apartments and a new car parking building.

Panuku homes have a minimum 6 Homestar Design rating in its Transform and Unlock

locations. The first homes to gain this rating were built at Hobsonville and they're expected to save their

owners more than \$460 a year in energy and water costs and reduce CO₂ emissions by around 190kg year per household. Panuku also gained a 7 Homestar Design rating for the 40-unit development for older people in Henderson to be managed by Haumaru in a joint venture with the Selwyn Foundation. This was the first time Homestar was used to recognise innovation in social housing, cost benefit analysis, and application of Te Aranga design principles.

And we have been given credits to create a plan for more sustainable housing. Panuku is the first organisation in the world to be pre-awarded credits under Green Star Communities, an international rating tool to guide sustainable planning and delivery. Granting of credits in this way endorses Panuku’s standard policies, standards and procedures under Green Star Communities, covering excellence in design, planning, community engagement and its approach to site development. The Green Star framework will now be matched to priority locations to assess which areas will best benefit from a formal rating of 4-6 stars.

Food brings people together. The Kitchen Project is a great example of our work and collaboration with Panuku, Healthy Families and community groups. The project works with emerging food entrepreneurs committed to their community, improving access to healthy foods and improving the local foodscape. The pilot, in Henderson, provides a mentoring programme with industry experts and affordable commercial kitchen space for product development.

Waterfront development

Panuku is responsible for our waterfront development, delivering public and commercial projects across our waterfront and managing marina operations. It has multiple projects across Westhaven Marina and Wynyard Quarter in the CBD.

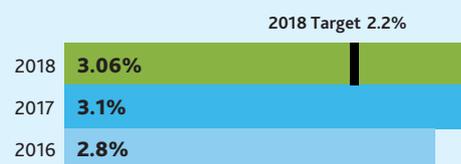
Panuku is also responsible for making the CBD and waterfront vibrant, with high-quality public spaces and events throughout the year.

As with property development, we're exposed to market uncertainties, including property market fluctuations, and the regulatory environment. Some waterfront sites have ground contamination requiring

What we achieved

Properties are managed for Auckland Council and Auckland Transport so that they achieve optimum returns and are maintained to be fit for purpose

Return on investment on like-for-like properties



The improvement against target is mainly due to increased revenue from properties that completed rent reviews during the year.

Occupancy rate for tenantable properties



remediation at significant cost and development will be determined by the outcomes of negotiations with potential partners.

What we did

We've brought the America's Cup a step closer.

Panuku lodged the resource consent for the America's Cup bases and associated infrastructure. The Environment Court will consider the application and make a decision later in 2018. The America's Cup was last held in Auckland in 2003 and we're looking forward to an even bigger and better event in 2021! We collaborated with the government and America's Cup teams to agree new bases for our defence. Team New Zealand will be based at the Viaduct Events Centre with the remaining teams around Wynyard Wharf and an extended Hobson Wharf.

The Volvo Ocean Race stopover was a taster for what will come with the America's Cup.

We transformed Auckland Viaduct into a race village complete with live entertainment during the February stopover on the Volvo Ocean Race, attracting more than 550,000 people.

We moved public parking off Te Wero Island. We now have more open public space and a better walking and cycling connection between the waterfront and Wynyard Quarter and we hope it'll encourage more people to explore the area. About 1.9 million people go through this area each year.

The first people to call Wynyard Quarter home moved in during December 2017. This was a major milestone in Wynyard's redevelopment. The new precinct offers 500 dwellings in free-standing pavilions, townhouses and apartments. Nearby, 132 Halsey is offering luxury apartments while 30 Madden will feature apartments, maisonettes and penthouses.

We're enabling new commercial and retail space at the waterfront. We're partnering with Precinct Properties to develop commercial space and the new Park Hyatt hotel is rising rapidly.

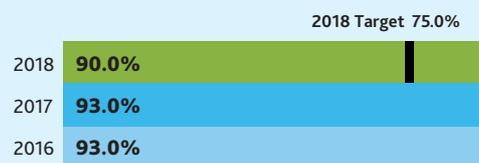
We're developing Wynyard Quarter, above and below ground. A new \$14 million pump station at Wynyard Quarter ensures the wastewater system in this fast-growing area caters for current residents and future growth. The new underground tank will store 400,000 litres of wastewater, reducing wet-weather overflows during heavy rain. The pump station is being

incorporated into the new Wynyard Common which provides another green space alongside the Daldy Street Linear Park.

What we achieved

Deliver initiatives to make the waterfront dynamic, well-connected, culturally-rich, safe and sustainable for the enjoyment of Aucklanders and visitors

Percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront



Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year



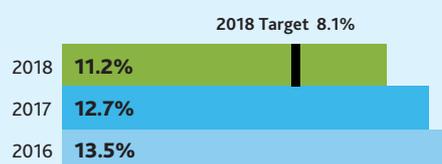
A number of roading and construction projects in Wynyard Quarter may have affected the percentage of visitors to the city centre waterfront. Projects have an impact on both access and parking.

Number of significant Māori initiatives implemented per annum



This target has not been achieved based on the 2015-2025 LTP target, however it has been achieved against the updated Statement of Intent (RFA SOI) target (47) which is used for reporting purposes as it is deemed by RFA as a more appropriate target.

Return on equity on commercial assets and services

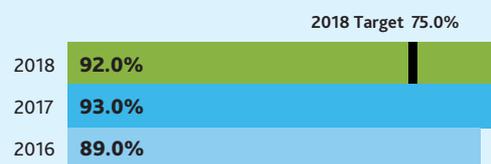


The improvement against target is mainly due to increased revenue from investment properties such as commercial leases on the waterfront that completed rent reviews during the year.

The reduction in Return on Equity (ROE) percentage compared to previous years is mainly due to a combined effect of increased contamination expenditure, the Marina not being revalued this year but incurring depreciation and a reduction in capital value of Wynyard Wharf and Headland areas due to the sites being taken out of use for the America’s Cup event.

Return on Equity (ROE) is calculated as '(Ending valuation less beginning valuation less capital expenditure plus EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation) divided by (beginning valuation plus 0.5 (capital expenditure less EBITDA))'. This is the Property Council of NZ ROE formula. Shareholder equity includes all Panuku-owned investment property and any public realm property generating a commercial income. Data is collected from internal sources using information from SAP and valuation reports. The purpose is to achieve an optimal return on shareholder equity on commercial assets, ensuring assets are managed efficiently, return a long-term value to Auckland and increase non-rates revenue for Auckland Council.

Percentage of customers surveyed satisfied overall with marina facilities and services



This result is mainly due to good customer service provided by the marina team and the quality of facilities that meets boating requirements.

Funding impact statement – Regional planning

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		80	81	87
Targeted rates		22	22	22
Subsidies and grants for operating purposes	1	6	-	-
Fees and charges		2	1	1
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	1	1
Total operating funding		111	105	111
Applications of operating funding:				
Payment to staff and suppliers		56	58	63
Finance costs		14	15	14
Internal charges and overheads applied		16	16	18
Other operating funding applications		-	-	-
Total applications of operating funding		86	89	95
Surplus (deficit) of operating funding		25	16	16
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	(8)	13	4
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(8)	13	4
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		8	10	8
- to improve the level of service		8	18	11
- to replace existing assets		1	1	1
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	3	17	29	20
Surplus (deficit) of capital funding		(25)	(16)	(16)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Subsidies and grants for operating purposes are higher than plan due to Ministry of Health grant funds being received in relation to the Southern Initiative.
2. The decrease in debt is higher than plan mainly due to capital expenditure being below plan, which resulted in a lower than anticipated debt funding requirement.
3. Capital expenditure is below plan because the St James Theatre project is currently on hold as it is dependent on the neighbouring apartment block providing the facilities for the theatre to use.

Funding impact statement – Property development

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		(1)	(1)	(4)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	28	32	37
Total operating funding		27	31	33
Applications of operating funding:				
Payment to staff and suppliers	2	11	18	19
Finance costs		7	6	4
Internal charges and overheads applied		2	2	3
Other operating funding applications		-	-	-
Total applications of operating funding		20	26	26
Surplus (deficit) of operating funding		7	5	7
Sources of capital funding:				
Subsidies and grants for capital expenditure	3	-	10	25
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	(201)	(34)	(34)
Gross proceeds from sale of assets	5	231	53	51
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		30	29	42
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		5	8	16
- to improve the level of service		26	19	26
- to replace existing assets		6	7	7
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		37	34	49
Surplus (deficit) of capital funding		(7)	(5)	(7)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

- Local authorities fuel tax, fines, infringement fees and other receipts are below plan as rental revenue relating to Auckland Transport properties was reported in the Transport Group of Activities during the year, whereas it was reported under Property Development in the plan.
- Payment to staff and suppliers is below plan mainly due to expenditure relating to Auckland Transport properties being reported in the Transport Group of activities during the year, whereas it was reported under Property Development in the plan.
- No subsidies and grants were received for capital expenditure. The plan included part of the proceeds for sale of assets, which is reflected in Gross proceeds from sale of asset below.
- The decrease in debt is higher than plan mainly due to gross proceeds from sale being higher than plan, which has resulted in a lower than anticipated debt funding requirement.
- Gross proceeds from sale of assets are above plan due to asset sales being carried forward from the prior year, as well as some of the proceeds from sale of assets being included in Subsidies and grants for capital expenditure in the plan.

Funding impact statement – Waterfront development

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		22	22	21
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	3	33	29
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	56	24	5
Total operating funding		81	79	55
Applications of operating funding:				
Payment to staff and suppliers	3	43	34	32
Finance costs	4	10	15	13
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		53	48	45
Surplus (deficit) of operating funding		28	31	10
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2	3	3
Increase (decrease) in debt	5	(18)	(15)	22
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(16)	(12)	25
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		6	8	22
- to improve the level of service		4	9	11
- to replace existing assets		2	2	2
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	6	12	19	35
Surplus (deficit) of capital funding		(28)	(31)	(10)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Fees and charges are below plan due to the reclassification of other revenue received to Local authorities' fuel tax, fines, infringement fees and other receipts.
2. Local authorities fuel tax, fines, infringement fees and other receipts are above plan due to the budget being reflected under fees and charges.
3. Payments to staff and suppliers exceeded plan due to additional staff costs associated with increased maintenance workloads.
4. Finance costs are lower than plan due to lower opening debt than forecast, and a lower interest rate than anticipated in the plan.
5. The decrease in debt is higher than plan due to capital expenditure being below plan, which resulted in a lower than anticipated debt funding requirement.
6. Capital expenditure is below plan due to delays in Marina development projects including the Westhaven Marine Village development.

Funding impact statement – Local planning

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		13	13	10
Targeted rates		17	19	17
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding		30	32	27
Applications of operating funding:				
Payment to staff and suppliers	1	18	23	21
Finance costs		5	7	6
Internal charges and overheads applied		1	1	1
Other operating funding applications		-	-	-
Total applications of operating funding		24	31	28
Surplus (deficit) of operating funding		6	1	(1)
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2	3	2
Increase (decrease) in debt	2	12	22	21
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		14	25	23
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		8	13	16
- to improve the level of service		5	7	3
- to replace existing assets		7	6	3
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	3	20	26	22
Surplus (deficit) of capital funding		(6)	(1)	1
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Payment to staff and suppliers is below plan due to savings from vacancies held to achieve efficiency target.
2. The increase in debt is lower than plan due to a higher than anticipated surplus of operating funding resulting from lower payments to staff and suppliers; and capital expenditure being lower than anticipated, which resulted in a lower than anticipated funding requirement, both resulting in a lower than anticipated debt funding requirement.
3. Capital expenditure is below plan as land acquisitions did not occur as forecasted.

Ngā papa tū wātea me te āhua nohoanga ā-hapori Parks, community and lifestyle

We help make Auckland a vibrant, interesting place to live by providing a range of facilities, services, and events that help us to be healthy and have fun. Choices range from sports, arts and culture to recreation and leisure experiences via facilities such as libraries, pools, sports fields and parks, and community centres.

In turn, these activities contribute to community development, safety and quality of life offering opportunities for gathering, learning, sharing and connecting. We're funding more community groups to deliver these amenities with local boards playing an active role. We deliver housing for older people through a joint venture with a community provider.

Our parks and open spaces are critical to enhancing our biodiversity and reducing the environmental impacts of our activities. They support flora and fauna while also being a natural mitigation for the increasing volume of stormwaters we're experiencing.

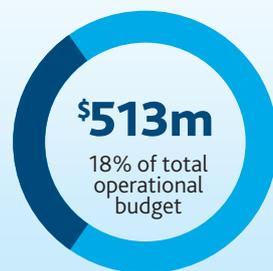
We face significant challenges in maintaining existing facilities and planning for the future. We must focus our spending where growth is happening, funded where possible by development contributions for new facilities or expansion. We must also accommodate our growing diversity, for example, the popularity of badminton with Asian communities, and the increasing popularity of our pools.

Our investment

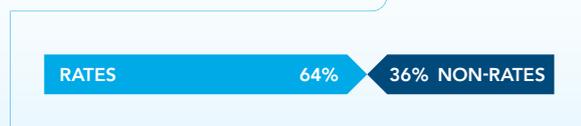
What we invested in parks, community and lifestyle in 2017/2018



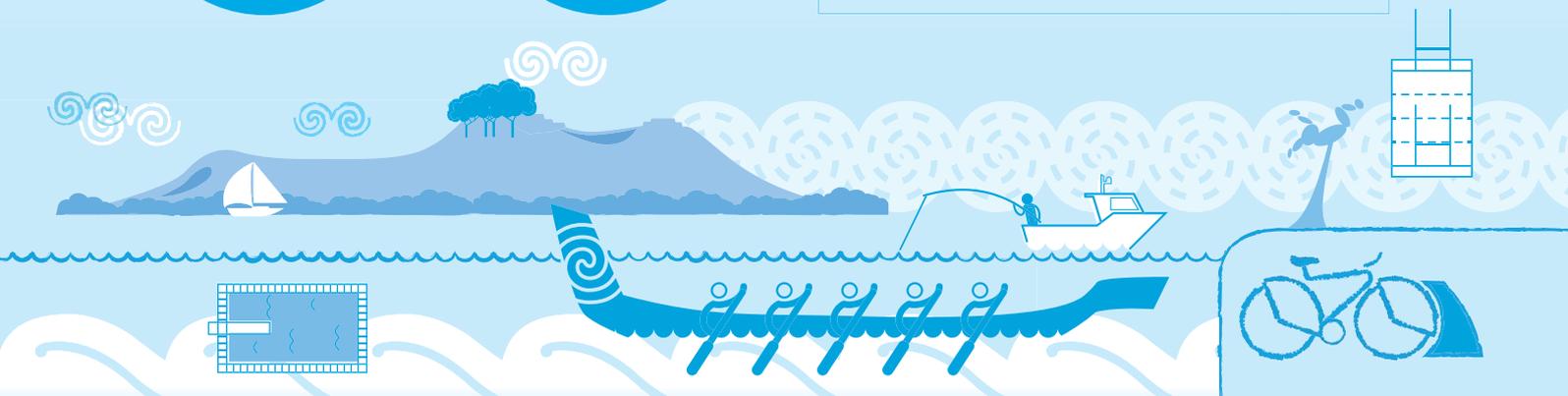
What we spent on parks, community and Lifestyle in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?



Our parks, sport and recreation activities focus on:

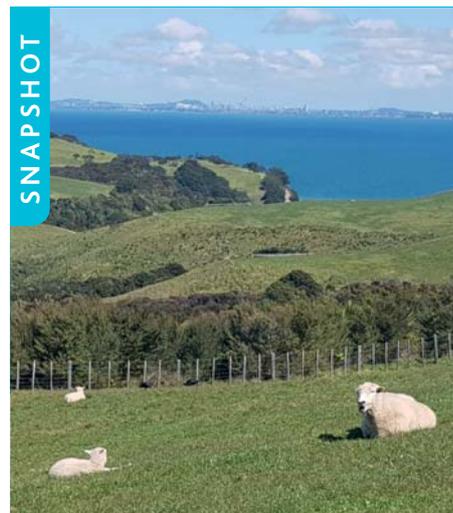
- regional community services
- local community services
- regional parks, sport and recreation
- local parks, sport and recreation.

How our investment gave you better parks, community and lifestyle

- We reshaped and extended our library offerings to meet your needs
- We restored the Ellen Melville Centre and revamped Freyberg Place
- Ten of our parks have been recognised internationally through the Green Flag awards
- We've secured the future of Sculpture in the Gardens
- We're turning the tihi / summits of our tūpuna maunga into pedestrian-only areas
- We provided 13 new parks and open space areas.

Community outcomes

The activities within this theme contribute to community outcomes by strengthening our communities through participation, encouraging connections and collaboration with others for positive community change. This includes providing access to information, learning and development opportunities. Promoting individual and community wellbeing through participation in sports and increasing levels of physical activity. Celebrating our diverse cultural and encouraging participation in arts and events, thereby promoting inclusiveness in the community.



Farming in the city

We once saw sheep and cattle as ways to keep the grass down in our regional parks.

Today, they're a valuable resource for the council, whether it's breeding, prize-winning steaks, attracting visitors, or conservation and land management.

Manager Farm Business Dene Noonan and his team are focusing on making our farms more commercial, with environmental management, nutrient-dense pastures and breeding stock. 'For example, electromagnetic mapping is telling us more about soil health, we're putting rams in with the dry ewes and earning income from the lambs, we're bringing back our Hereford breeding programme and we're looking at working with tertiary students, our farmers of the future.'

The team recently won a "Steak of Origin" award for its beef. "This competition is the pinnacle for quality beef producers in New Zealand. It has allowed us to benchmark the quality of our beef and we're excited about the great result," says Dene.

While we're becoming more commercial, Dene says our farms can still give back to the environment and communities by breaking down the rural/urban divide.

What we are dealing with today



Regional community services

Our regional community services include libraries, community events, arts and culture, regional community services, and housing for people through a third-party provider.

We support, develop and deliver regional community events ranging from Movies and Music in Parks to the Auckland Heritage Festival, and administer regional and local event grants.

The Arts, Community and Events department delivers regional festivals, events and programmes as well as delivering new public artworks and caring for the city's art collection.

Regional community services respond to regional social issues using an empowerment approach. We're committed to community engagement in decision-making and community capacity building.

We face a number of challenges across community services.

Libraries are increasingly becoming community hubs whether digital, makerspaces for creating things or for leisure. We need to support programmes to improve Aucklanders' literacy and connectedness, especially in communities most impacted by services moving online. At the same time, we need to deliver more services faster to a rapidly changing information landscape.

Our grants must support activities that are aligned to community needs and are fit-for-purpose. Similarly, we need to identify community groups able to deliver

events and programmes that meet the needs of our diverse population and align with our priorities. Local boards have a key role to play here because they best understand their own communities.

Our population growth is also changing our demographic make-up, and this presents us with new challenges. We need to maintain existing facilities while also planning for future growth. We are encouraging Aucklanders to be more active more often and that will increase demand on our recreation and leisure facilities.

What we did

We reshaped and extended our library offerings to meet your needs. We finished our fit-for-purpose review with appointments to key positions. The e-space demand continues to grow and we're making our e-offerings more visible. We became the second library system outside North America to reach four million checkouts on the OverDrive e-book system.

Libraries play a key role in supporting their communities. Whau Libraries collaborated on a



SNAPSHOT

Award recognises cemeteries innovation

Waikumete Cemetery has been recognised nationally for its innovative approach to natural burials.

Auckland Council Cemeteries manager Catherine Moore says the natural burial area offers customers an environmentally friendly alternative and contributes to the restoration and protection of native forest.

"We've had a lot of positive feedback from the community, with many families finding closure through a burial that is closely aligned with nature.

"The natural burial area is set in an area of regenerating native forest, and burials are integrated with the forest alongside planting, weed control and protection," Ms Moore says.

community outreach programme supporting the Whau Foodbank with a library pop-up while people waited to be served. We helped with the 2018 Census, organising displays and supporting people completing their forms on paper or online.

Our libraries are also great community hubs. The Kōrero Mai exhibition at Waitākere Central Library brought together woven works to celebrate Pasifika art, culture, language and history. In Birkenhead, we started an art wall for local artists in response to Herald columnist Janet McAllister (The woman who read Auckland) who requested “More art, please”. Our Kia Māia te Whai / Dare to Explore summer reading programme grew by 13 per cent last year, with 12,700 children from all over Auckland jumping at the challenge.

We’re building a new library/community centre at Westgate and have plans for Flat Bush.

Like the rest of the council Group, we’re using technology to reduce manual processes and increase efficiencies – doing more with less.

We took art, music and movies out into your neighbourhoods. Pop Poetry and Pop Drop won Gold Pins at the Best Design Awards 2017. They were part of a programme that takes art out of galleries and theatres and into public spaces. We also repeated our popular Music and Movies in Parks events with 24 free outdoor concerts and 26 free outdoor movie screenings. We delivered the annual Stand Up Stand Out, Auckland’s premier secondary schools music and dance competition, attracting more than 700 talented youth from across the city.

We restored the Ellen Melville Centre and revamped Freyberg Place. Ellen Melville was the first woman elected to a city council in New Zealand and an advocate for women in public life. A striking new sculpture, by artist Lisa Reihana honouring her, hangs in the revamped square. The square now includes concrete terraced seating, a new water feature and native planting set around an open plaza designed for events. The revamp of the centre won a 2018 New Zealand Property Council award.

We helped recycle a shade house to help a marae garden in Māngere. When a large horticultural shade house in Ōrākei had to be removed, we saved it from demolition and passed it onto the Papatūānuku Marae in Māngere. They’re using it as part of their community gardens programme which includes food production courses and produce donated back to the community.

We’re providing housing for older people through Haumarū Housing. We have 1142 housing units for older people and we’re facing significant challenges – baby boomers nearing retirement age, housing stock that needs upgrading and is spread unevenly across Auckland, and a limited budget. A new agreement is aiming to change this for the better. Haumarū Housing is now managing those units in an agreement between us and The Selwyn Foundation. This partnership ensures we maintain the current number of homes and level of service.

We further enhanced our mana whenua partnership approach through the region’s Matariki celebrations. In 2016, Auckland Council developed a new vision to host the Matariki Festival in partnership with mana whenua. Each year, the iwi manaaki (host mana whenua iwi) gives Auckland a chance to discover its stories and understand what Matariki means through its worldview. Each year the festival features an iconic mana whenua taonga of the host iwi. In 2018, the hosting of Matariki Festival was led by Te Kawerau a Maki. A highlight this year was the Matariki Dawn Karakia held at Arataki Visitor Centre in Titirangi, which included a mass haka composed by Te Kawerau a Maki especially for the occasion. The partnership embraced inclusivity and opportunities for all, allowing iwi-specific stories to be shared with schools, artists and the community through events, publications and video documentation. The order of iwi manaaki is decided upon by iwi and the hosting relationship extends through the entire year.

What we achieved

Provide access to a broad range of information in a variety of formats to support reading, discovery and participation

Percentage of customers satisfied with the range of collection items available



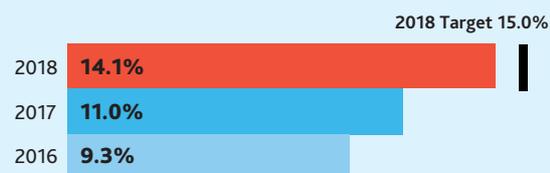
Percentage of Māori satisfied with the range of collection items available



Number of library items borrowed (millions)



Percentage of items borrowed that are e-collections (e.g. eBooks, eAudiobooks)



While we didn't meet target, the increase in e-circulations has been significant. This was due to initiatives including curation, simultaneous access, increased collection size, reduced wait times, improved user experience with the Libby app, and promotional efforts. Importantly, the combined circulation of both e- and physical collections shifted from a declining pattern in 2016/2017 to one of growth by the end of 2017/2018. The slower decline for physical collection usage has made it harder to achieve the target for e-usage – a challenge we are pleased to have. Based on current usage, we expect 15% of our circulation to be e- by the end of the calendar year.

Percentage of customers satisfied with the Auckland Libraries website



The new Library Website was launched this year, which was a major influence in the great increase to customer satisfaction.

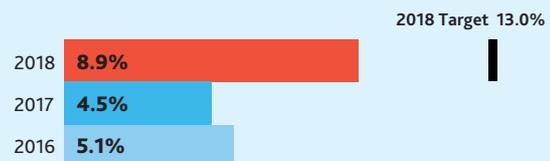
Number of visits to the Auckland Libraries website (millions)



The new Library Website was launched this year. Part of this new website included improvements to the way that visits were captured, allowing Libraries to capture visits that were previously missed.

Enable Aucklanders and communities to express themselves and improve their wellbeing through customer centric advice, funding, facilitation and permitting

Percentage of successful funding applications where the main beneficiary is Māori organisations, individuals or Kaupapa Māori as a percentage of all successful applications

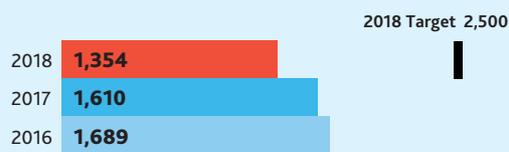


This year's result is higher than last year's as we've received more self-declared applications from individuals and organisations identifying themselves as Māori. The total number of successful applications including non-Māori was 1,277 (1,292 last year). This year we received 159 applications from individuals and organisations identifying themselves as Māori (82 last year), of which 114 obtained funding (58 last year). This year, these applicants have a success rate of 72 per cent comparable to the overall success rate of 69 per cent. The reporting of this measure is based on applicants' status, not the main beneficiary. While we ask relevant applicants to provide information on how the funding will be used, we rely heavily on each applicant's representation.

LEGEND



Total permitted events taking place across the city



Since targets were set, opportunities have been identified for relaxing permitting requirements to ensure that permits are only required where there is a clear reason and benefit for doing so. This reduces administrative cost and effort for event organisers.

Deliver a variety of events, programmes and projects that improve safety, connect Aucklanders, and engage them in their city and communities

Percentage of all assets that are graffiti-free across the city

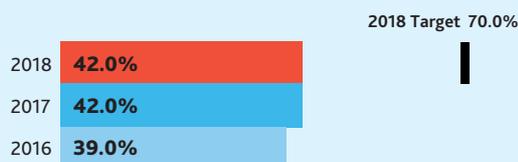


Percentage of Aucklanders that feel Auckland is an eventful, fun and exciting city



This measure was negatively affected by transport options, parking and traffic in terms of accessing events and activities.

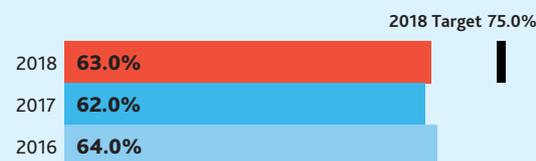
Percentage of Aucklanders that feel art and culture is part of their everyday life



When people are asked about arts and culture, there is confusion about its definition and what this means to Aucklanders. Many Aucklanders experience arts and culture daily in their surroundings and/or interactions with family, social and community groups, but may not make a conscious effort to engage in a specific arts and culture experience. We recognise this performance measure target has been difficult to obtain and the methodology has not produced a meaningful result, however, this measure has been replaced in the 2018-2028 Long-term Plan which is more specifically defined and easier to measure.

Provide safe, reliable and accessible social infrastructure for Aucklanders that contributes to placemaking and thriving communities

Percentage of tenants satisfied with provision and management of 'housing for older people'



Over the last 12 months, Haumaru Housing has struggled to deliver on some tenants' expectations of the time needed to complete both reported repairs and ongoing house maintenance. Communicating and explaining time frames may help set more realistic expectations whilst maintenance work backlogs are cleared. Improved grounds maintenance over the next 12 months may also have a positive effect on tenants' perceptions of safety, particularly in relation to tree and path maintenance. Facilitating willing tenants to assist with grounds maintenance may also have positive benefits for tenants' sense of connection and involvement.

Local community services

Across a range of facilities, we deliver community programmes and events over the 21 local board areas which celebrate diversity, build strong communities, and help people to have a strong sense of belonging.

Local community facilities include 62 community houses and centres, 120 venues for hire, and 54 libraries. We also subsidise 1300 community and recreation lease spaces.

Across these facilities we run many community activities, including programmes for a diverse range of people and community needs, and arts and culture programmes. We also facilitate many local events, such as ANZAC day events, Christmas parades, and volunteer awards.

Many community programmes and events are run by groups from within the community which are supported by council.

There is a change in the usage of our libraries as people use new technology to source information.

Many local boards are concerned with day and night

safety. Perceptions of safety are connected to crime rates, the built environment, and socio-economic status. Alongside the Police and other community groups, we run safety initiatives, and we improve lighting and CCTV coverage to help provide a greater sense of safety. For example, in Manukau, the new transport hub at Putney Way and the re-opening of the Te Puke o Tara community centre have contributed to better town centre safety.

For more information on local board performance, see the relevant local board report for your area in Volume 2.

Regional parks, sport and recreation

We want to get Aucklanders more active more often. This helps people to be fit and healthy, have strong mental health, and feel connected to the community.

We provide quality places for people to be physically active, to volunteer and to enjoy the outdoors.

Across the 42,000ha that make up our 26 regional parks, Aucklanders can walk, mountain bike, kayak, ride horses, camp and enjoy our regional farms and open sanctuaries.

We lead the implementation of the Auckland Sport and Recreation Strategic Action Plan 2014-2024, alongside One Voice – Sport and Recreation Auckland, which is an independent multi-agency group.

And across 42 pools and leisure centres and a multitude of sportsfields, we offer a range of swimming options, fitness programmes, and sports facilities. Our sport and recreation facilities are under pressure from growth with many often at full capacity. The recreation needs of Aucklanders are changing as Auckland becomes more diverse – for example, badminton is increasingly popular as our Asian communities grow.

Our 14 tūpuna maunga (ancestral mountains) come under the direction of the Tūpuna Maunga o Tāmaki Makaurau Authority.

Also within this group of activities, we provide 30 open cemeteries, covering more than 250ha and 27 crematoria.

What we did

10 regional parks have been recognised

internationally through Green Flag Awards. Green Flag Awards recognise parks that set the benchmark for recreational outdoor spaces.

We offered camping and glamping. Glamping was introduced at Orewa, Martins Bay and Wenderholm, and it was booked out almost overnight after its introduction. Furnished canvas bell tents take the hassle out of camping and have made it more accessible.

We put our paths online. Auckland Paths is an online resource to help Aucklanders discover 30 new walking and cycling routes that connect local playgrounds, parks and community destinations.

Kids can splash away at two new splashpads. During summer, up to 500 kids are staying cool at each of our splashpads, with two new ones opened at Stanmore Bay and at Lloyd Elsmore Park.

The tihi (summits) of our tupuna maunga are becoming pedestrian-only areas. Our tupuna maunga are sites of great cultural and historic interest. We are honouring that by progressively closing them to vehicles, increasing safety and providing a more peaceful environment. Maungakiekie, Takarunga, Pukewiwi, Puketāpapa, and Maungawhau are now all closed to vehicles.

What we achieved

Provide and maintain cemeteries, memorial areas and facilities for families, friends and visitors

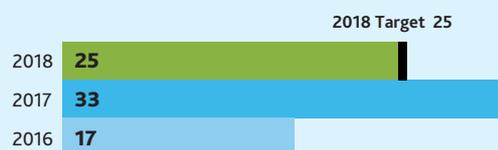
Percentage of visitors satisfied with the presentation of cemeteries



New maintenance contracts implemented this year resulted in new contractors onsite and some teething issues. Additional audits and engagement with the Cemetery team are delivering improvements.

Preserve, protect and enhance the cultural and natural values and activities of Auckland's tūpuna maunga and other volcanic heritage

Number of key sites of significance on tūpuna maunga with mitigation measures to improve or maintain their condition



Promote and increase awareness of the residents and visitors to Auckland as to the uniqueness, value and importance of the tūpuna maunga

Percentage of the people of Auckland with a greater awareness of spiritual, ancestral, cultural, customary and historic significance of the tūpuna maunga



This measure has been removed from the 2018-2028 Long-term Plan. The target was not based on any baseline test, so the measure was deemed unrealistic. A number of community engagement events were organised during the last half of the financial year and we expect these will increase awareness for next year's poll.

Number of activities that mana whenua are engaged in on tūpuna maunga



Mana whenua own and govern most of the tūpuna maunga, so they are involved in many of the events.

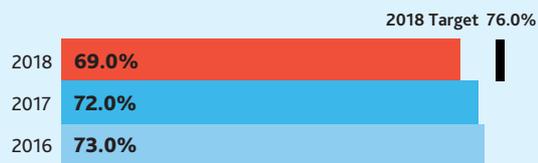
Manage the Auckland Botanic Gardens as a premier destination for sustaining the biodiversity of the Auckland region through education and research, as well as a place for recreation

Number of New Zealand native plants grown for revegetation programmes in the Botanic Garden



Manage regional parks as part of the open space network for the use and enjoyment of the community

Percentage of the public who have used a regional park in the last 12 months



The difference between survey and visitor counts may be the result of repeat use, visitors from outside Auckland or margin of error in the survey response.

Percentage of park visitors satisfied with the overall quality of their visit



Provide, protect, conserve and enhance the natural and cultural features in regional parks

Number of volunteer hours worked in regional parks each year

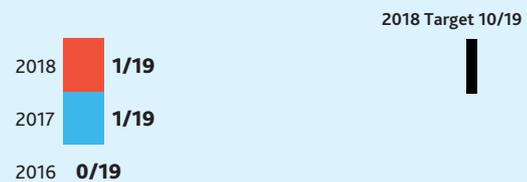


Number of formalised arrangements with Māori (per annum) that provide for the management of specific cultural sites within regional parks



The term 'formalised arrangements' is defined as arrangements substantially agreed by two or more parties, which could reasonably be relied on by parties external to council. Whatever form of documentation the formal arrangement results in, it must be clearly communicated and agreed what the agreement is about, who the parties to the agreement are, and what they have committed to do. Arrangements include: a co-management agreement in Mutukaroa Regional Park, an agreement with Tainui and Ngāti Whanaunga in Waharau Regional Park, a maintenance contract to ensure carved pou whenua (land posts) are maintained in the Waitākere Ranges, and a permit to ensure mana whenua input in management aspects of the open bird sanctuary in Tawharanui Regional Park.

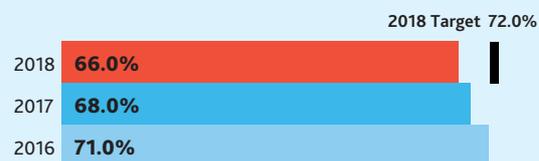
Proportion of mana whenua satisfied with their engagement in the kaitiakitanga and stewardship of parks and reserves



There were 12 responses – one was favourable, five were neutral and six were unfavourable. This question was broken down into more detailed questions and qualitative feedback given. This shows there is significant room to improve staff competence, participation in engagement and the outcomes of engagement.

Lead and coordinate implementation of the Auckland Sport and Recreation Strategic Action Plan

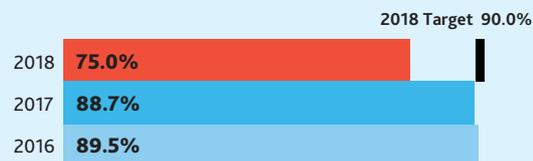
Percentage of residents participating at least once per week in sport and recreation



The Sports Field Capacity Development Programme has continued to lead the placement of investment in sports field playing capacity across the region, in line with evidential supply and need modelling in response to population growth. New population figures were provided by RIMA and used in the 2017 study. With new population figures there was a change in the needs of some local board areas. The focus is now on high demand areas in Henderson, Albany, Albert Eden, Waitemata, Manurewa, Howick, Franklin and Māngere Ōtāhuhu. The primary response is lifting the capacity of the existing field network and providing lighting to cater for training.

Manage quality and financially prudent City Park Services

Percentage of City Park Service requests completed on time



The result is mainly due to the process of the works order not coming through however it has now been resolved. We are now receiving a new report on a weekly basis and each department has their respective works order to investigate and to complete. Operations team have also reviewed their internal processes to ensure Requests for Services are signed off appropriately.

Local parks, sport and recreation

Our local and sports park activities include operation and maintenance of over 3000 local parks, 241 sports parks and three holiday parks. We provide a range of park-based programmes around education, conservation and nature appreciation, while also coordinating volunteer services. On 1 July 2017, we changed to a new maintenance structure, with Auckland split into five areas, each serviced by a different company.

We own and manage 45 aquatic and recreation facilities. These are a combination of 24 pools, 11 Early Childhood Education centres, 24 leisure centres and 28 fitness centres.

What we did

The demand for sports fields, including training and lit fields, continues unabated with several boards commenting that new maintenance contracts aren't up to standard. We invested in renewing and upgrading parks, playgrounds and sporting facilities. These ranged from Albert-Eden's Windmill Road netball courts, upgrading of Franklin's pool and completion of Aotea Great Barrier's Haratonga Track, to artificial turf in Massey Domain, a new splashpad at Stanmore Bay and the planting of 600 trees on Waiheke's Matiatia headland.

We bought 13 new local parks and open spaces to give you more leisure choices. The parks and open spaces are in Franklin, Henderson-Massey, Hibiscus & Bays, Howick, Māngere-Ōtāhuhu, Ōrākei, Papakura, Puketāpapa, Rodney, Upper Harbour and Waitākere Ranges. Local boards in these areas will decide how these spaces will be developed.

We completed our purchase of sports fields at Hobsonville and a progress payment on Monte Cecilia Park. We also gained six new parks and open space areas at no capital cost to ratepayers, including a significant gift from Ngāti Manuhiri of 180ha of land at Te Arai South.

For more information on local board performance, see the relevant local board report for your area in Volume 2.

Funding impact statement – Regional community services

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		67	68	62
Targeted rates		-	-	-
Subsidies and grants for operating purposes		2	2	2
Fees and charges		3	4	4
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		8	7	7
Total operating funding		80	81	75
Applications of operating funding:				
Payment to staff and suppliers	1	64	55	51
Finance costs		3	1	2
Internal charges and overheads applied		11	11	11
Other operating funding applications		-	-	-
Total applications of operating funding		78	67	64
Surplus (deficit) of operating funding		2	14	11
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		(1)	1	1
Increase (decrease) in debt	2	19	6	8
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		18	7	9
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		2	3	2
- to improve the level of service		2	-	-
- to replace existing assets		16	18	18
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		20	21	20
Surplus (deficit) of capital funding		(2)	(14)	(11)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Increase in payment to staff and suppliers due to reallocated costs between Regional Community Services, Regional Parks, Sports and Recreation and Local Parks, Sports and Recreation.
2. The increase in debt is higher than plan due to lower surplus of operating funding than anticipated driven principally by payments to staff and suppliers being above plan.

Funding impact statement – Regional parks sport and recreation

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		99	100	96
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	1	1
Fees and charges		17	15	14
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		3	7	7
Total operating funding		119	123	118
Applications of operating funding:				
Payment to staff and suppliers	1	91	72	69
Finance costs		8	8	10
Internal charges and overheads applied		19	19	20
Other operating funding applications		-	-	-
Total applications of operating funding		118	99	99
Surplus (deficit) of operating funding		1	24	19
Sources of capital funding:				
Subsidies and grants for capital expenditure		1	-	-
Development and financial contributions	2	64	75	63
Increase (decrease) in debt	3	(16)	(23)	(25)
Gross proceeds from sale of assets		-	-	14
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		49	52	52
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		38	38	41
- to improve the level of service		3	24	15
- to replace existing assets		9	14	15
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	4	50	76	71
Surplus (deficit) of capital funding		(1)	(24)	(19)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Payment to staff and suppliers is above plan due to a restructure which resulted in a reallocation of costs between Regional Community Services, Regional Parks, Sports and Recreation and Local Parks, Sports and Recreation.
2. Development and financial contributions are below plan due to development growth not occurring as fast as planned.
3. The decrease in debt is lower than plan due to the reallocation of costs between Regional parks, sports and recreation and Local parks, sports and recreation resulting in higher debt funding requirement.
4. Capital expenditure is below plan due to delays in parks and cemetery land acquisition.

Funding impact statement – Local community services

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		101	103	103
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		5	4	3
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		5	6	6
Total operating funding		111	113	112
Applications of operating funding:				
Payment to staff and suppliers		84	85	85
Finance costs		9	12	10
Internal charges and overheads applied		14	14	15
Other operating funding applications		-	-	-
Total applications of operating funding		107	111	110
Surplus (deficit) of operating funding		4	2	2
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		2	2	2
Increase (decrease) in debt	1	7	30	15
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		9	32	17
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	21	3
- to improve the level of service		4	3	5
- to replace existing assets		9	10	11
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	2	13	34	19
Surplus (deficit) of capital funding		(4)	(2)	(2)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. The increase in debt is below plan mainly due to capital expenditure being below plan, which resulted in lower debt funding requirement.
2. Capital expenditure is below plan mainly due to deferral of Flat Bush library facilities to FY19.

Funding impact statement – Local parks sport and recreation

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		185	187	173
Targeted rates		1	1	1
Subsidies and grants for operating purposes	1	4	8	8
Fees and charges		26	26	25
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	1	1
Total operating funding		217	223	208
Applications of operating funding:				
Payment to staff and suppliers	2	154	152	148
Finance costs	3	31	36	30
Internal charges and overheads applied		25	25	25
Other operating funding applications		-	-	-
Total applications of operating funding		210	213	203
Surplus (deficit) of operating funding		7	10	5
Sources of capital funding:				
Subsidies and grants for capital expenditure	4	4	-	-
Development and financial contributions	5	8	12	10
Increase (decrease) in debt		97	94	86
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		109	106	96
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		49	9	4
- to improve the level of service		12	53	44
- to replace existing assets		55	56	53
Increase (decrease) in reserves		-	(2)	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		116	116	101
Surplus (deficit) of capital funding		(7)	(10)	(5)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

- Subsidies and grants for operating purposes are below plan mainly due to grants revenue being transferred to Community facilities due to restructure.
- Payment to staff and suppliers is on plan despite the reallocation of costs between Regional Community Services, Regional Parks, Sports and Recreation and Local Parks, Sports and Recreation. This is due to the cost of repairs and maintenance of community facilities exceeding plan by \$31 million.
- Finance costs are lower than plan due to lower opening debt than forecast, and a lower interest rate than anticipated in the plan.
- Subsidies and grants for capital expenditure are higher than plan due to these being included in development and financial contributions in the plan.
- Development and financial contributions are below plan due subsidies and grants for capital expenditure being classified in this line item in the plan.



Te whakaputunga wai, te rāwekeweke me te whakareinga waipara

Water supply, and wastewater treatment and disposal

Watercare is the council-controlled organisation (CCO) responsible for our water, wastewater and related infrastructure. Watercare is not funded by general rates, but by water and wastewater user charges, infrastructure growth charges and borrowing.

Our growing population is challenging our ability to ensure our water supply and infrastructure keep pace with growth. Without this, we'll affect our economic health and vibrancy.

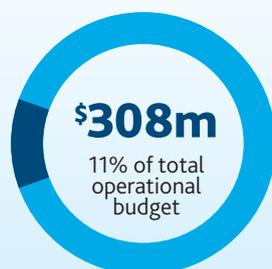
However, solving these challenges can throw up new ones. Large infrastructure projects can affect the environment. Dams and water discharges can have downstream impacts on flora and fauna ecosystems. Capturing finite resources in rural areas over the long-term may limit horticultural and agriculture. Unstable land and extreme weather can cause runoff into vital reservoirs.

Our investment

What we invested in water in 2017/2018



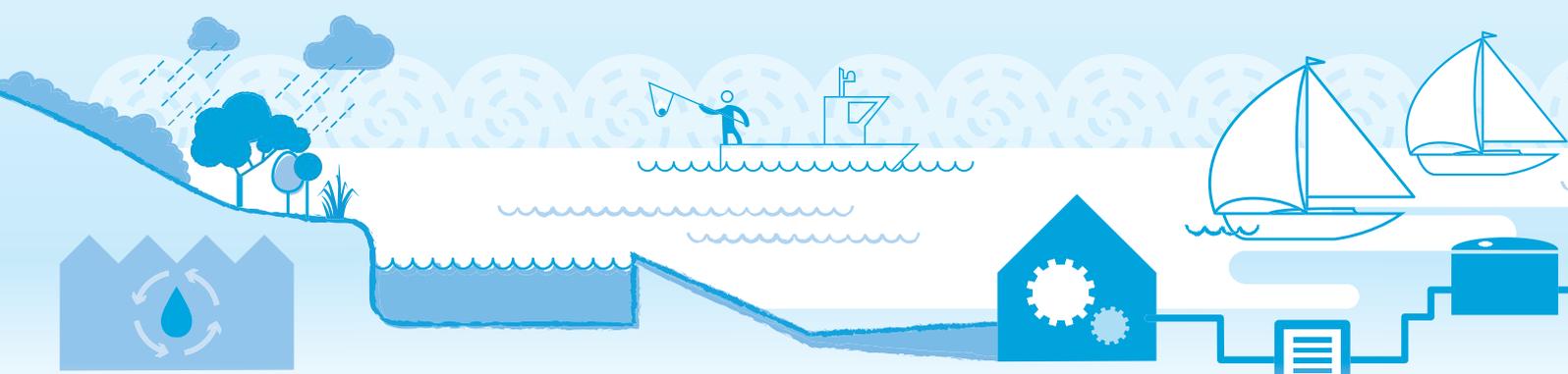
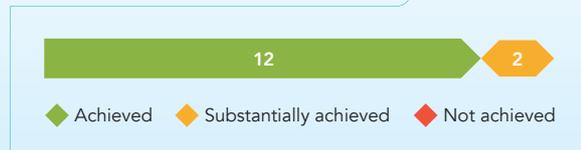
What we spent running our water network in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?



Watercare delivers our:

- water supply
- wastewater treatment and disposal.

How our investment improved water supply and wastewater treatment and disposal in 2017/2018

- A new pump house and storage tank will help stop overflows into Shoal Bay on the North Shore
- We approved upgrades to the Pukekohe Wastewater Treatment Plant.

Community outcomes

The activities within this theme contribute to community outcomes with Watercare facilitating this by providing Aucklanders with reliable, safe and efficient water and wastewater services. By treating wastewater to a high standard and responding promptly to overflows. A green Auckland is supported through its Be Waterwise programme, education programme and sponsorship of environmental initiatives such as the Watercare Harbour Clean-up Trust and Trees for Survival, Watercare is promoting water-efficient behaviours and the protection of Auckland’s waterways.



\$1 billion North Shore water quality and system improvements

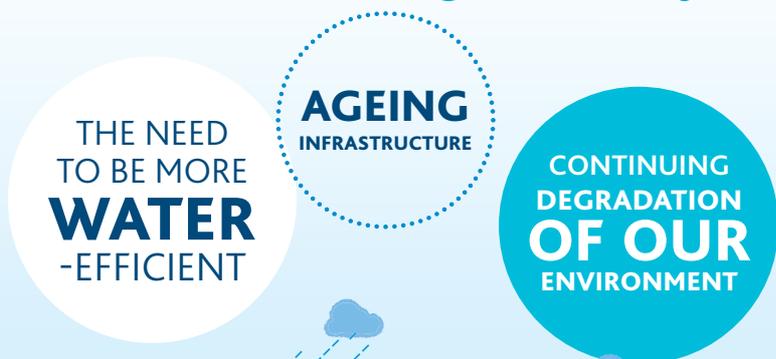
More than one billion dollars of water infrastructure projects will be delivered across the North Shore over the coming decade.

We’re investing significant amounts to improve our water quality and commitment to supporting growth with improved and expanded water management infrastructure.

At Fred Thomas Drive in Takapuna, we’ve completed a new 3.5 million litre wastewater storage tank to increase capacity. On Wairau Road, ageing infrastructure is being replaced to increase capacity and improve resilience in the wider network.

These are just two of several confirmed projects contributing to a \$700 million investment on the North Shore. An additional \$350 million investment will also be made to improve and expand water supply infrastructure.

What we are dealing with today



Water supply

Watercare supplies around 360 million litres of water to 1.4 million Aucklanders every day.

What we did

We're investing heavily in infrastructure to cater for Auckland's skyrocketing growth. Watercare has a pipeline of projects through to 2026, including:

- Waikato Water Treatment Plant expansion due for completion by the end of 2018
- Hunua No. 4 water main – a 32 kilometre water main running from Manukau to central Auckland, due for completion in 2020
- Pukekohe East Reservoirs due for completion in 2021
- Nihotupu No. 1 and Huia No. 1 Water mains replacement due for completion in 2021
- North Harbour water main duplication – a 33 kilometre water main running from Titirangi to Albany due for completion in 2026
- Huia Water Treatment Plant upgrade (no completion date available)

There is more information about Watercare projects in the section 'New strategies for managing growth' on pages 29-33.

We need to save more water. While we saved approximately five million litres a day over the past three years, that's only about one-fifth of the savings we need by 2025. Watercare's efficiency strategy is aiming for a reduction of 15 per cent in water use, between 15-27 million litres of water a day. The strategy outlines a range of initiatives across the council Group, plus residents and businesses, and includes targets for organisations working with us.

What we achieved

Watercare delivered 354 million litres of drinking water every day last year

The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)



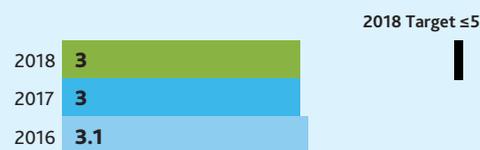
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)



Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (mins)



Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)

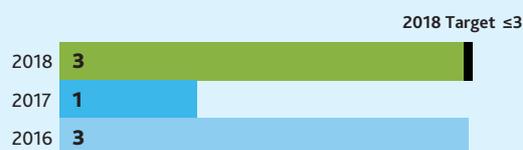


Weekly key performance indicator reporting helps contractors meet targets.

LEGEND

- Achieved
- Substantially achieved
- Not achieved
- Target value indication

Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)



Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days)



Weekly key performance indicator reporting helps contractors meet targets.

The total number of complaints received by the local authority about any of the following:

- drinking water clarity
- drinking water taste
- drinking water odour
- drinking water pressure or flow
- continuity of supply
- the local authority's response to any of these issues.

Expressed per 1000 connections to the local authority's networked reticulation system



Remedial works minimised repeat call-outs and helped us achieve target.

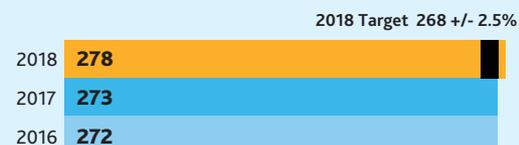
The percentage of real water loss from the local authority's networked reticulation system



We did not meet this target. The water losses in this measure are calculated by deducting water sales volumes and allowable unbilled water usage from the total volume of water produced. These allowable uses fall into three categories: operational usage (pipeline flushing, fire-fighting, etc.); meter under-recording; and unauthorised usage. The volumes attributed to these three activities are calculated by using percentages recommended by Water New Zealand.

The total volume of water produced is calculated by using readings from our Bulk Supply Points (BSP). A review over the year has identified that some BSPs are overestimating supply, which overstates real losses by as much as 0.8%. Improved checking procedures have been implemented to ensure these errors are corrected for the year 2018/2019.

The average consumption of drinking water per day per resident within the territorial authority district (litres)



The gross per-capita consumption was 278 litres per day this year, against a target of 268 litres per day (+/- 2.5%). The increase in gross per capita consumption is a result of a long, hot and dry summer and consequently, a prolonged period of high water demand. We are working to streamline the delivery of the water efficiency programme to domestic and non-domestic customers and develop tools to understand localised demand and its causes. The data from the 2018 census will help to validate our calculations and forecast demand for the future accurately.

Wastewater treatment and disposal

We collect, treat and dispose of more than 392 million litres of wastewater daily. We treat it to a high standard and discharge it sustainably through 18 wastewater treatment plants and 7999km of wastewater pipes.

As our population grows, so do the challenges around treatment and disposal in terms of quantity and the effects of severe weather events causing overflows and discharges into our waterways, harbours and oceans.

What we did

Our new pump house and storage tank on the North Shore dealt to the April storm. The April storm was the worst in a decade, but there were no wastewater overflows into Shoal Bay now we've brought the Fred Thomas Drive storage tank and pump station into operation. We're investing more than \$1 billion in new and improved wastewater infrastructure to cater for the North Shore's huge population growth. This complements significant investment in stormwater and wastewater systems across Auckland that will support growth and help clean up our beaches.

Tonnes of microbes are hard at work at our Māngere Wastewater Treatment Plant. 22 tonnes of microbes are happily 'munching' on debris bad bacteria at the Biological Nutrient Removal (BNR) facility at Māngere. They're part of the BNR expansion to help cope with our population growth.

Green light for Pukekohe Wastewater Treatment Plant upgrades. We got approval to start the upgrade work, along with a 35-year resource consent to double the volume of treated wastewater that can be discharged into Parker Lane Stream. The plant treats wastewater from Pukekohe, Buckland, Tuakau and Patumahoe – all rapidly growing areas. The consent was granted with support from Taniwha o Waikato, a group representing the Waikato-Tainui marae along the lower Waikato River.

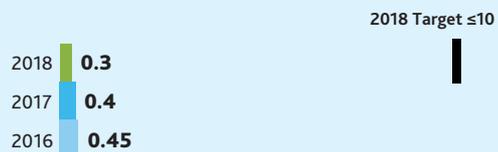
Clevedon village residents are getting mains water and wastewater services. Clevedon is zoned for growth and has issues with failing septic tanks and environmental pollution. All new properties in

the village will be connected while those with private supplies and on-site wastewater systems will be able to connect. Construction is expected to start in 2018 with completion in 2020.

What we achieved

We provide reliable wastewater services and manage discharges to minimise harm to our natural environment

The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system



This result reflects the network's capability to meet current demand, and education programmes around causes of blockages.

Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

- a) abatement notices
 - b) infringement notices
 - c) enforcement orders
 - d) convictions
- received by the territorial authority in relation to those resource consents.

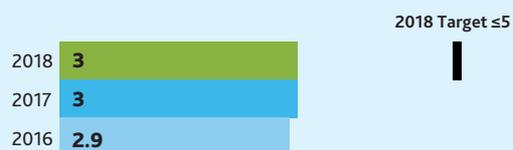
2018 result:	2018 target:	2017 result:	2016 result:
a) 0	a) ≤2	a) 0	a) 0
b) 0	b) ≤2	b) 0	b) 0
c) 0	c) ≤2	c) 0	c) 0
d) 0	d) 0	d) 0	d) 0

Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes)



This exceeded target through good business processes and monitoring.

Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours)



Weekly key performance indicator reporting helps contractors meet targets.

The total number of complaints received by the territorial authority about any of the following:

- sewerage odour
- sewerage system faults
- sewerage system blockages
- the territorial authority's response to issues with its sewerage system.

Expressed per 1000 connections to the territorial authority's sewerage system



Remedial works minimised repeat call-outs and helped us achieve target.

Funding impact statement – Water supply

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		(1)	(1)	(1)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		154	158	151
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		56	57	52
Total operating funding		209	214	202
Applications of operating funding:				
Payment to staff and suppliers		83	81	78
Finance costs	1	15	25	19
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		98	106	97
Surplus (deficit) of operating funding		111	108	105
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	13	131	109
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		13	131	109
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		50	75	66
- to improve the level of service		17	67	66
- to replace existing assets		57	97	82
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	3	124	239	214
Surplus (deficit) of capital funding		(111)	(108)	(105)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Finance costs are lower than plan due to lower opening debt than forecast, and a lower interest rate than anticipated in the plan.
2. The increase in debt is lower than plan due to capital expenditure being below plan, which resulted in a lower than anticipated debt funding requirement.
3. Capital projects are constantly reviewed and reprioritised in line with available construction capacity and techniques, resource consent timing, and changes in anticipated growth and new development areas.
Actual capital expenditure is below plan, mainly due to:
 - Huia Water Treatment upgrade. Project deferred pending public consultation on site options
 - Hunua 1 Watermain upgrade. Project deferral resulting from review of network strategy
 - Hunua 4 Watermain. Project deferred due to revised construction methodology resulting in lower project cost
 - North Harbour 2 Watermain. Delay due to undertaking planning in tandem with Northern Interceptor for overall efficiency.

Funding impact statement – Wastewater treatment and disposal

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		(1)	(1)	(1)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	325	332	317
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	57	50	38
Total operating funding		381	381	354
Applications of operating funding:				
Payment to staff and suppliers	3	132	143	138
Finance costs	4	78	88	88
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		210	231	226
Surplus (deficit) of operating funding		171	150	128
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	5	31	22	99
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		31	22	99
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		118	97	138
- to improve the level of service		17	39	47
- to replace existing assets		67	36	42
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	6	202	172	227
Surplus (deficit) of capital funding		(171)	(150)	(128)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

- Fees and charges are below plan due to the plan including revenue classified as Local authorities fuel tax, fines, infringement fees and other revenue. It is also below plan due to intercompany revenue from the Auckland Council Group not being eliminated in the plan.
- Local authorities fuel tax, fines, infringement fees and other revenue is higher than plan because it includes revenue that was included in Fees and charges in the plan.
- Payment to staff and suppliers is below plan mainly due to a reduction in external consultants and an overall reduction in operating costs.
- Finance costs are lower than plan due to lower opening debt than forecast, and lower interest rates than anticipated in the plan.
- The increase in debt is higher than plan due to capital expenditure being higher than plan, which has resulted in higher debt funding requirement.
- Capital projects are constantly reviewed and reprioritised in line with available construction capacity and techniques, resource consent timing, and changes in anticipated growth and new development areas.

Actual capital expenditure is above the plan mainly due to:

- Army Bay wastewater treatment plant upgrade. Project brought forward
- Central Interceptor. Additional early works expenditure than planned
- North Shore trunk sewer upgrades. Brought forward
- Puketutu rehabilitation. Construction of embankments to enable rehabilitation of Puketutu Island by filling the former quarry with biosolids from the Mangere wastewater treatment plant is proceeding earlier than was planned.

Whanaketanga ōhanga me te ahurea

Economic and cultural development

Unleashing our potential is crucial to raising living standards and delivering a world-class city.

We want Auckland’s economy to be agile and innovative, with access to international markets. We must ensure people have access to good quality jobs and can train and re-train as the job market changes.

As the primary gateway to New Zealand, Auckland gains from its strong visitor economy, with visitors drawn to Auckland by major events, our culture (especially tikanga Māori) and our natural environment.

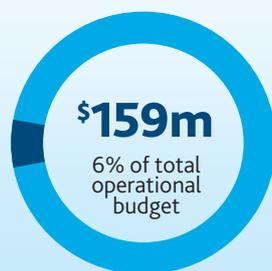
Auckland faces a range of economic challenges that threaten our productivity and growth. There is a shortage of skilled workers and we have a number of our youth, particularly in South Auckland who are not in work, education or training. The more we increase tourism, the more infrastructure we’ll need, particularly with the increasing number and size of cruise ships visiting our port each year. Our regional venues are critically important to entertainment and conventions, but many are ageing and costly to operate. Locally, they’re not meeting the needs of our increasingly diverse population. The America’s Cup and the Asia-Pacific Economic Cooperation conference (APEC) in 2021 will require new facilities and infrastructure. Our convention facilities are facing increasing competition from new facilities across Australasia. Auckland’s stadiums – particularly Eden Park and Mt Smart – need to be more financially sustainable.

We’re refocusing towards employment, urban regeneration and maximising large-scale events to create economic and cultural opportunities.

Our investment

What we invested in economic and cultural development in 2017/2018

What we spent on economic and cultural development in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?

Not measured: 1



◆ Achieved ◆ Substantially achieved ◆ Not achieved

Our economic and cultural activities focus on:

- economic growth and visitor economy
- regional facilities.

These activities are delivered by Auckland Tourism, Events and Economic Development (ATEED), and Regional Facilities Auckland (RFA).

How our investment improved our economic and cultural development in 2017/2018

- We grew our visitor economy with major international events such as the Volvo Ocean Race and the DHL Lions Series.
- We're refocusing on employment, urban regeneration and large-scale events
- We made our stadiums more financially sustainable through sporting and music events
- We brought international art exhibitions to Auckland and New Zealand art to the international stage.

Community outcomes

The activities within this theme contribute to community outcomes by promoting Auckland as a business and leisure destination. Contributing to the growth of Auckland's economy through attracting international business and talent, facilitating investments, fostering innovation and entrepreneurship. Provide facilities, events and attractions for our visitors. Promoting Auckland's arts and culture through support for major events including the Diwali Festival, Lantern Festival and Pasifika. Celebrating and showcasing Māori culture and identity through major cultural, sporting and business events, for example through forums and the development of tourism services and products.



SNAPSHOT

Tāmaki Herenga Waka Festival

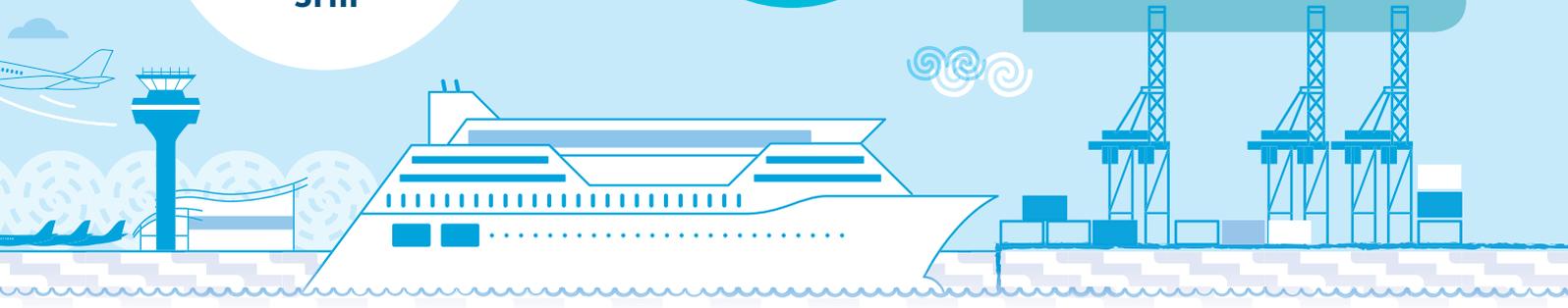
This free, family-friendly three-day festival celebrates our unique Māori history, heritage and contemporary culture of Tāmaki Makaurau.

The festival is driven by mana whenua in partnership with the council.

Steering Group Chair, Hau Rawiri, says with Auckland being home to more than 180 ethnicities, our mana whenua can provide the platform for the people of Tāmaki Makaurau to learn about and understand each other, and to share the many things all cultures have in common, like music, art, games and good food.

"This is about showing tamariki and mokopuna of all backgrounds that it's cool to korero and use some te reo Māori, no matter what your cultural identity; to see and do and interact with modern Māori technology, like digital games, or try their hands at traditional things, like weaving, playing with poi or rākau or paddling a waka."

What we are dealing with today



Economic growth and visitor economy

Activities in this group are delivered by Auckland Council entity Auckland Tourism, Events, and Economic Development (ATEED), which is focused on attracting new money and jobs for Auckland.

ATEED works with a range of private sector and government partners to deliver on its strategic priorities: to stimulate innovation and entrepreneurship; attract new business investment; grow a skilled workforce; enable education and talent; grow the visitor economy; and build Auckland's brand and identity.

ATEED identifies and facilitates business attraction opportunities in Auckland's key industry sectors and geographic priority areas.

What we did

We grew the visitor economy. We supported major international events such as the Volvo Ocean Race and the DHL New Zealand Lions Series 2017 (which won a gold award for the Best Match Day Experience at the Sports Business Awards in London). These international events sit alongside a multitude of annual local events such as the Lantern Festival, Diwali Festival, the Pasifika and Tamaki Herenga Waka Festival, and the Pride Parade. We also released a new visitor strategy, Destination AKL 2025, which focuses on sustainably growing visitor numbers to maximise the benefit to Auckland.

We helped build a culture of innovation and entrepreneurship. The GridAKL innovation precinct at Wynyard Quarter continued its expansion with two new buildings – the refurbished Mason Brothers building and the new 12 Madden St. GridAKL is home to 104 businesses across three buildings with almost 70 per cent of the businesses considered to be innovation-led.

We attracted business and investment. Our film business brings in significant income and helps attract highly skilled people to Auckland. Following on from ATEED agreeing to a long-term lease of the Kumeu Film Studio site, two new state-of-the-art sound stages were developed by the studios owners. We also own the Auckland Film Studios in Henderson.

We continued our commitment to helping young people into employment. We supported JobFests in west and central Auckland which matched 900

young job hunters with 70 employers, with 140 people being employed. The JobFest website launched with 23 employers registered indicating over 185 jobs available for young people on the day, and Youth Connections announced the JobFest Mātanga, an online youth readiness-for-work programme. And through the Auckland – Make the Smart Move project we ran a LinkedIn campaign to help technology and construction industry partners to recruit skilled migrants for Auckland-based roles by working alongside Immigration NZ to tell the 'Auckland story'.

And we promoted Auckland's global identity. Our mayoral business delegation to the Tripartite Economic Summit (involving Auckland, Los Angeles and Guangzhou) in Guangzhou 2017 showcased Auckland, and included a fashion show by Māori designers and Auckland's food and beverages.

The Accommodation Provider Targeted Rate was introduced in 2017/2018 to help part fund the costs of visitor attraction, major events and destination and marketing which are part of council's 'economic growth and visitor economy' activity, delivered through Auckland Tourism, Events, and Economic Development (ATEED). The rate applied from 2017/2018 and was charged to hotels, motels, motor inns, lodges, pub accommodation, and serviced apartments. Using the targeted rate to fund these costs freed up the general rates funding that had previously paid for this expenditure.

We're refocusing on employment, urban regeneration and large-scale events. We focus on activities and industry sectors that will have the greatest impact on increasing investment in quality jobs – particularly where Auckland's south and west can benefit. We'll actively support identified urban regeneration areas and leverage our investment in them. We'll start with Manukau and Onehunga, looking for opportunities to attract investment and grow business and employment, working with the council Group, community leaders, business and government agencies. We'll maximise large-scale events coming to Auckland.

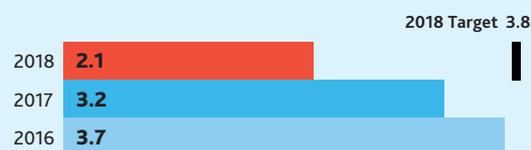
We're improving our assessment of mana whenua cultural values and interests in resource consents.

We're working with mana whenua to improve the assessment of mana whenua cultural values and interests, and how they're recognised and provided for in resource consent applications and decisions. The project is a partnership between mana whenua and council, with a joint steering group sharing governance over the project's process and outputs. We report back to all mana whenua kaitiaki at a quarterly hui. We've done one-on-one interviews with mana whenua kaitiaki, and some mana whenua also participated in an engagement log, providing us with valuable data about how much time they spend on this work. We also ran interviews and focus groups with our consent planners and compliance staff, resource consent applicants and consultants to get feedback on our current processes. As we move into the next phase of the project and look to implement the findings, mana whenua will continue to be involved, particularly in helping us to develop training materials on cultural values for our resource consents staff.

What we achieved

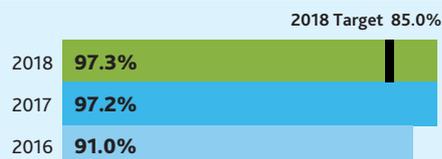
Promote Auckland as a national and international visitor and business destination with major events

Total visits to www.aucklandnz.com (millions)



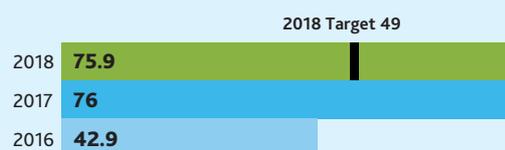
This measure was aligned to ATEED's former website design that was replaced in April 2017. The new website is designed to target a more defined customer base rather than a high volume of visits.

Percentage of customers satisfied with visitor information centres and services



ATEED sold the i-SITEs in May 2018. The satisfaction result was last recorded in April 2018 and is based on responses to surveys undertaken across the Auckland i-SITE network.

Contribution to regional GDP from major events invested in (in \$ millions)



This result includes GDP generated by the final DHL New Zealand Lions Series 2017 match played in Auckland on 8 July 2017, as reported by MBIE.

LEGEND



Achieved



Substantially achieved

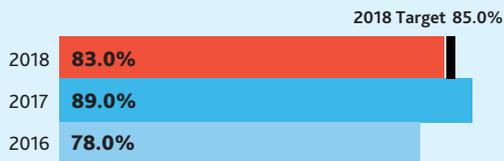


Not achieved



Target value indication

Percentage of customers satisfied with delivered major events



ATEED now uses the net promoter score (NPS) methodology to measure the willingness of customers to recommend an organisation's products and services to others. ATEED has followed this methodology (instead of a satisfaction rating) since mid-2016/2017 when it was adopted by NZTE. ATEEDs' NPS for 2017/2018 was +54.

Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce

Percentage of stakeholders satisfied with provision of business advice, start-up and training programmes



Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention



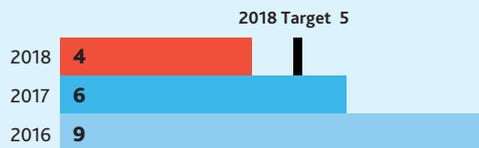
The measure includes only businesses that went through an ATEED programme or intervention and does not capture the wider downstream benefits of each intervention. It also excludes individuals or entrepreneurs measured separately. Businesses that have been involved in multiple ATEED interventions / programmes are only counted once.

Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention



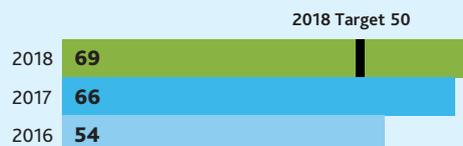
Where possible, Māori businesses have been self-defined and include businesses that consider themselves a Māori business due to ownership, philosophy, principles, goals, tikanga, management practices, branding, assets (both tangible and intangible), and employees (all categories provided by Statistics NZ).

Facilitation of the establishment, or significant expansion, of multinational and local companies in target sector



ATEED has facilitated the establishment or significant expansion of four multinationals in target sectors into Auckland during 2017/18. These included companies in the ICT/digital, screen/creative and automotive sectors. The attraction of these companies increases Auckland's productivity in these sectors.

Number of live signatories to the Youth Traction Hub Employer's Pledge



Regional facilities

We take a regional approach to developing our vibrant arts, culture and heritage, leisure, sport and entertainment activities – activities which define what it means to be an Aucklander.

We deliver these across a number of venues and facilities run by Regional Facilities Auckland (RFA), including:

- Auckland Zoo
- Auckland Art Gallery – Toi O Tāmaki
- Aotea Centre, Viaduct Events Centre, Bruce Mason Centre, the Civic Theatre, Auckland Town Hall, the Cloud and Shed 10
- Mount Smart Stadium, Western Springs Stadium, QBE North Harbour Stadium.

Auckland Council also funds the Auckland War Memorial Museum, the Museum of Transport and Technology (MOTAT), and the Auckland Regional Amenities Funding Board.

What we did

We provided an exciting range of live arts and entertainment. Hundreds of thousands of people enjoyed a range of theatre, arts, film, dance and musical events. These included Matilda the Musical, the Auckland Writers Festival, the International Cabaret Season, Cirque Eloize, the New Zealand International Film Festival, and the Art of Banksy across RFAs Auckland Live venues.

We made our stadiums more financially sustainable through sporting and music events.

Thousands flocked to see international superstars from Sir Paul McCartney, Foo Fighters, Sia, Ed Sheeran, Adele, Beck, and Grace Jones, and New Zealand's own Six60 perform. The summer concert and festival series boosted our economy with a visitor spend of more than \$29 million.

And in the sports arena, international cricket, rugby, rugby league and tennis events were a drawcard for local and international sports fans. The recent success of the Warriors rugby league team has seen a 25 per cent increase in attendance at their games at Mt Smart Stadium, with an average crowd of almost 17,000 at each game.

We brought people together to build a future for wildlife. More than 698,000 people visited the Zoo, where new additions included two female cheetah and two male Tasmanian devils. More than 100,000 people experienced the exhibition Bug Lab. The Zoo's annual pass membership almost doubled to around 20,000 members thanks to a successful customer loyalty partnership with Vodafone. As part of our 10-year redevelopment programme, we began a \$50 million new South-East Asia development, the largest in the Zoo's 96-year history. The Zoo also achieved CarbonNZero certification, a huge step forward in supporting its commitment to sustainability and environmental protection.

We hosted a wide range of exhibitions, conventions and corporate functions. The ANZ Viaduct Events Centre hosted New Zealand Fashion Week which attracted more than 70,000 people; the Volvo Ocean Race stopover which saw 550,000 people pass through; and the Tāmaki Herenga Waka Festival which brought more than 30,000 visitors to celebrate Tāmaki Makaurau's Māori heritage and culture. We hosted seven international conventions, including the World Conference on Genetics Applied to Livestock with 5000 delegates. During the year, RFA took over the Maritime Museum and the management rights for Queens Wharf and Shed 10.

And we brought international art exhibitions to Auckland and New Zealand art to the international stage. The Auckland Art Gallery – Toi Tāmaki had a year of diverse and successful exhibitions, including The Corsini Collection to Collective Women: Feminist Art Archives, and Yayoi Kusama's family-friendly participatory installation: The obliteration room (2002 – present) which far exceeded expectations with 150,000 visitors placing over three million stickers in the exhibition room.

Our travelling exhibition The Māori Portraits: Gottfried Lindauer’s New Zealand went to San Francisco and was seen by 99,000 people.

And we created a new chatbot using Facebook Messenger to help online viewers explore our collection of more than 17,000 works.

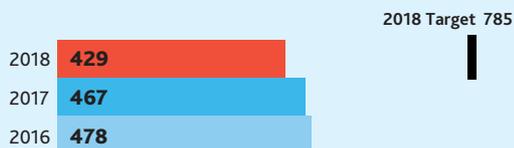
The gallery’s role and quality were recognised by Qualmark, New Zealand Tourism’s official mark of quality, with the Gold Sustainable Tourism Business Award.

Funding the gallery has been a challenge, and in January 2018 it introduced an entry fee ranging from \$17 to \$20 for international visitors. As part of the 2018-2028 Long-term Plan, the Governing Body reaffirmed its commitment to the Auckland Art Gallery with a further \$20 million in funding.

What we achieved

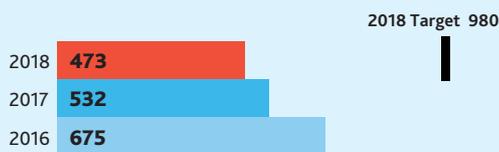
We bring people together and help provide identity through memorable stadium events

Number of commercial event days at stadiums



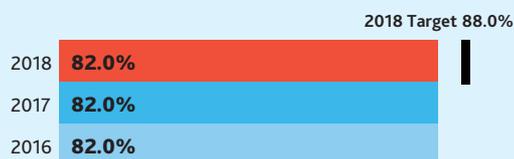
Commercial event days for 2017/2018 were within 3.1% of the target. The outer oval redevelopment at QBE Stadium resulted in reduced field capacity meaning baseball and a number of community football events were displaced. A commercial event day is either a public ticketed event, a non-ticketed event organised by profit-focussed entities such as sport franchises, national/provincial sports organisations, or a major concert. The target was set in the Long-term Plan 2015-2025 prior to changes to data capture methodology that give us a more accurate measure of event days. In RFA’s Statement of Intent 2016-2019, a revised target of 443 was adopted.

Number of community event days at stadiums



The outer oval redevelopment at QBE Stadium resulted in reduced field capacity meaning baseball and a number of community football events were displaced. The target was set in the Long-term Plan 2015-2025 prior to changes to data capture methodology that give us a more accurate measure of event days. In RFA’s Statement of Intent 2016-2019, a revised target of 645 was adopted.

Visitor satisfaction with experience at Auckland stadiums



This target has not been achieved based on the 2015-2025 Long-term Plan target, however it has been achieved against RFA’s updated Statement of Intent (SOI) target (82%) which is used for reporting purposes as it is deemed a more appropriate target.

People like our cultural, artistic and zoological collections

Total number of visitors to the Auckland Zoo and Auckland Art Gallery



Visitor satisfaction with experience at Auckland Zoo and the Auckland Art Gallery



Visitor satisfaction survey responses revealed that visitors to Auckland Zoo were dissatisfied with parking availability, high cost of ticket prices and food and beverage limitations. Auckland Zoo’s 10-year masterplan includes substantial renewal and redevelopment of its facilities, including the completion of a new restaurant. This should greatly enhance overall visitor satisfaction and also address concerns with food and beverage services. RFA has recently started

working with stakeholders in finding a solution to the parking shortages in the Western Springs area.

Number of Māori projects annually



The gallery exceeded its target for Māori collaborations this year due to a strong presence of work by Māori artists within both the exhibition and public programmes.

We deliver leading convention events and live arts and entertainment experiences

Number of publicly available performing arts performances programmed by Auckland Live



The 'Matilda' season, more commercial concerts and RFA taking on Queens Wharf delivered more events than forecast.

Visitor satisfaction with experience at Auckland Live events



Funding impact statement – Economic growth and visitor economy

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		53	53	53
Targeted rates	1	13	-	-
Subsidies and grants for operating purposes		2	3	5
Fees and charges	2	2	9	13
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	3	10	2	4
Total operating funding		80	67	75
Applications of operating funding:				
Payment to staff and suppliers	4	48	66	77
Finance costs		-	-	-
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		48	66	77
Surplus (deficit) of operating funding		32	1	(2)
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	5	(25)	(1)	9
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(25)	(1)	9
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		7	-	7
- to improve the level of service		-	-	-
- to replace existing assets		1	-	-
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	6	8	-	7
Surplus (deficit) of capital funding		(32)	(1)	2
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Targeted rates are higher than plan mainly due to implementation of Accommodation Provider Targeted Rate, which is applicable from current financial year and was not anticipated in the plan.
2. Fees and charges are below plan mainly as a result of rental receipts for GridAKL being recorded within local authorities fuel tax, fines, infringement fees and other receipts, whereas they were included in fees and charges in the plan.
3. Local authorities fuel tax, fines, infringement fees and other receipts are above plan mainly as a result of rental receipts for GridAKL being included in fees and charges in the plan.
4. Payments to staff and suppliers is below plan due to a reduction in staff costs resulting from an organisational restructure.
5. The decrease in debt is higher than plan mainly due to a surplus in operating funding from revenue being above plan, and payments to staff and suppliers being below plan. This has resulted in the requirement for debt funding being lower than planned.
6. Capital expenditure is above plan mainly due to the progress on the fitout of GridAKL, which was deferred from the prior financial year.

Funding impact statement – Regional facilities

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		56	57	54
Targeted rates		-	-	-
Subsidies and grants for operating purposes		2	1	1
Fees and charges		45	44	43
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		9	7	7
Total operating funding		112	109	105
Applications of operating funding:				
Payment to staff and suppliers	1	98	81	79
Finance costs		13	14	13
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		111	95	92
Surplus (deficit) of operating funding		1	14	13
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	44	30	21
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		44	30	21
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		7	4	2
- to improve the level of service		3	9	12
- to replace existing assets		35	31	20
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		45	44	34
Surplus (deficit) of capital funding		(1)	(14)	(13)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Payment to staff and suppliers is above plan mainly due to an increase in employee benefits arising from living wage increases and increases in staff numbers following the acquisition of the NZ Maritime Museum, as well as increases to manage large concerts.
2. The increase in debt is higher than plan due to surplus in operating funding being lower than plan, resulting mainly from increased payments to staff and suppliers.

Ngā whakahaere taiao me ōna herenga

Environmental management and regulation

Our natural environment is connected to our sense of identity and place. It provides the fresh air and water we need, and it also affects our health and wellbeing through the mental and physical interactions we have – or don't have – with it.

We work alongside iwi and our community partners to restore and enhance our natural environment. We reuse and recycle as much as possible and ensure household rubbish gets picked up on collection day. We help protect people and their property from flooding. Our strong public health and safety principles support activities ranging from land use and the sale of alcohol to environmental health and animal management. Our emergency management team proactively manages emergencies, hazards and crises.

Many of our challenges are related to the flow-on effects of our rapid growth. Our streams, waterways, harbours and coastal waters are degraded, some with sediment runoff from housing development. The latest report on the health of the Hauraki Gulf paints a grim picture. The frequency and intensity of storms shows that we must do more to protect our city against the effects of climate change. We need to reduce or eradicate pests and predators ranging from plants that smother vegetation to rats. We have challenges in consenting due to volume, complexity and types of building consents lodged, this impacts our ability to meet our statutory timeframes which has resulted in a modified audit opinion on performance measures. More detail can be found on pages 105-107.

Our investment

What we invested in environmental management and regulation in 2017/2018



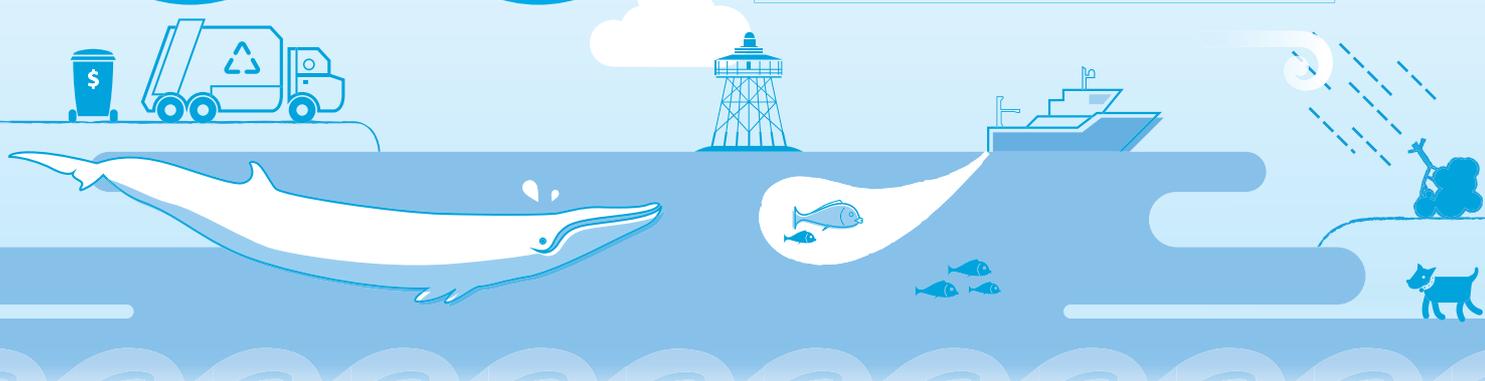
What we spent on environmental management and regulation in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?



Two areas of concern related to the way we calculated timeframes for building and resource consents, resulting in two performance measures that have received a Modified Audit Opinion. Pages 105-107 explains what has happened and what we are doing about it for each of the two measures.

Our environmental management and regulation activities focus on:

- regulation including housing policy, building and resource consents, environmental health, animal control and licensing services
- solid waste and environmental services, emergency management
- local environmental management
- stormwater management.

How our investment gave you better environmental management and regulation

- We made the hard decision to close the Waitākere Ranges and 10 higher risk tracks in the Hunua Ranges Regional Parks to help save our kauri
- We’re protecting threatened native species such as eels, kōkupu, īnanga and long-tailed bats.

Community outcomes

The activities within this theme contribute to community outcomes by protecting the health of the public and improving our perception of safety. Removing some of the barriers to meet housing demand. Protecting our natural heritage and managing our natural resources sustainably. Managing Auckland’s waste and reducing our reliance on landfills. Delivering environmental programmes in partnership with trusts and volunteers. Ensuring our stormwater network is robust enough to manage growth and changing environmental conditions.

What we are dealing with today



SNAPSHOT



Whitebait – local heroes and social media

Shelley Hackett (that’s her above) is a guardian for our whitebait red light districts. Their secret location is designed to help one of our five precious species, the īnanga, get into their spawning habitat.

It’s all part of our plan to halt the decline in whitebait populations.

Up at Tāwharanui Regional Park 10,000 fingerlings were released into two of the park’s main waterways last year. Another 140 juveniles reinforcements arrived in July this year to help entice some of those fingerlings to return for spawning.

Over at Paturoa Stream, local enthusiast Ruby Moore videoed juvenile īnanga trying and failing to get over a weir to their breeding ground.

Shane Wright of Fish Passage Solutions saw her Facebook post and pledged to retrofit the weir with a fish ladder. Senior Regional Advisor Matt Bloxham and team stepped in with a unique design and the ladder was installed in time to help the last īnanga over the weir.

Regulation

Our regulation services are designed to keep you safe, whether it's a building site, the beach, eating out, reducing harm from alcohol, or problems like excessive noise. Regulations are also there to help us manage Auckland with services such as building and resource consents, engineering approvals, and earthquake assessments.

What we did

We completed safety assessments across a range of buildings. Following the introduction of the Building (Earthquake-prone Buildings) Amendment Act 2016 on 1 July 2017, we inspected nearly 2000 properties and identified those that could pose a risk. Eight council buildings, including the Grey Lynn Library, Victoria Theatre in Devonport, Leys Institute buildings in Ponsonby and Studio One Toi Tu in Ponsonby Road, were identified as at-risk. We have spoken with all staff and we are beginning a programme to get these buildings to meet the new code. We've advised the owners of 1800 properties that their buildings could be at risk. They have between 35-45 years to ensure these buildings meet the new code.

We also reviewed more than 300 buildings that might have aluminium composite panels (ACP) in their construction. These panels were implicated in the Grenfell fire in London. Our review found 116 buildings with ACP but given other safety measures required by our building and fire regulations, they're not considered dangerous.

We introduced online dog registration in June 2018. This is a much more convenient payment option for many dog-owners and we saw higher rates of registration over June and July as compared with previous years.

We verified 4000 food businesses this financial year. This is the second year of the new Food Act and the busiest as most food businesses must transition under the new regulations. We worked hard to educate owners about the requirements and what they need to

do to comply with the new regulations, particularly those owners where English is not their primary language.

We had a high-profile prosecution upheld by the High Court. Augustine Lau received a two-year jail sentence for breaches of the Resource Management Act (RMA) and Companies Act across several properties – a significant decision. It is the longest jail-term handed down under the Resource Management Act. Staff have been working on this prosecution for a number of years and we hope it will serve as a deterrent to those who flagrantly breach requirements.

We consented the highest number of new dwellings in over 10 years. 12,369 new dwellings and 8419 new sites were consented, the highest numbers since 2004. This reflects the increased number of dwellings that are being built in the housing sector to respond to the housing shortage.

Overall, we processed 20,393 building consents and 18,459 resource consents. These high volumes, the increasing complexity of applications, and staff retention and recruitment challenges, have impacted our ability to meet statutory timeframes. We have also identified two areas of concern in the way we calculate our statutory timeframes for building and resource consents, and as a result we have taken steps to improve our internal systems and processes (please refer to pages 105 to 107 for more information).

LEGEND



Achieved



Substantially achieved



Not achieved

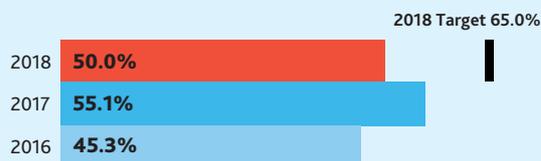


Target value indication

What we achieved

Deliver a customer focused building consents and compliance monitoring service that meets statutory requirements

Percentage of customers satisfied with the overall quality of building control service delivery



This result reflects the pressure on consenting timeframes due to the growth in new construction (10%), the ability to recruit experienced technical staff and the adjustment to the new consenting system. The building team has established an effective qualified partner programme with high volume customers and processing timeframes are improving.

Deliver timely, cost effective and customer focused resource consent processing services

Percentage of customers satisfied with the overall quality of resource consents service delivery



This result reflects the pressure on resourcing and transition to the Unitary Plan rules for those providing input into consenting.

Percentage of notified resource consent applications processed within 70 working days



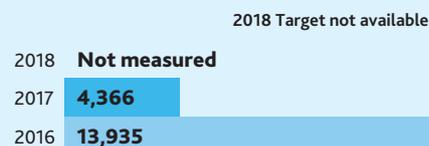
Notified consents are complex, meaning the time required to process them has a large impact on performance.

Percentage of requests by iwi that are relevant and within their area of interest that are responded to within three statutory days



Facilitate and enable the building of affordable and enduring neighbourhoods

Number of dwellings and sites consented towards Auckland housing targets



This measure relates to the Auckland Housing Accord, which covered the period of October 2013 to May 2017. Given the Accord did not extend into 2017/2018, no result was measured for the past year. New measures tracking housing capacity have been established as part of the Long-term Plan 2018-2028.

Provide safe access to beaches and coastal areas for recreation

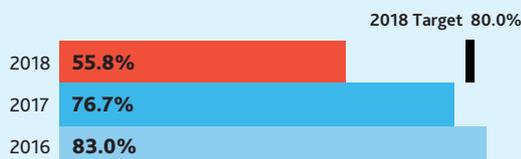
Proportion of time bathing beaches are suitable for contact recreation



This measure has been replaced in the new LTP 2018-2028 with the following improved measure: Proportion of time Safeswim marine beaches are suitable for contact recreation during the summer swimming season (November 1 to April 30).

Respond fairly and effectively to excessive noise related incidents and complaints

Percentage of noise complaints responded to within 30 minutes for urban areas or 60 minutes for rural areas



Contractors failed to meet targets for noise response and their payments were reduced. These results were also considered when renewing the contracts for the new financial year and beyond.

Percentage of complainants satisfied with noise control services



Percentage of D/E graded food premises re-inspected within one month



Protect public health through licensing and compliance of food, health, and hygiene premises to legislative requirements

Percentage of customers satisfied with the food and hygiene licensing service



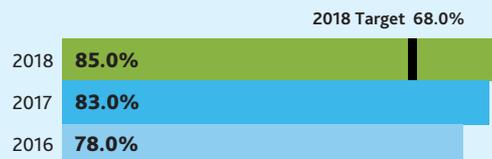
This result reflects the team’s work in supporting our food businesses to successfully transition to the new food safety legislation.

Reduce public nuisance through licensing, education, and the enforcement of relevant bylaws

Percentage of high-risk alcohol premises inspected annually

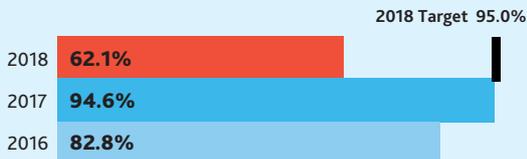


Percentage of customers satisfied with the alcohol licensing service



This result reflects positive liaison with customers while working to reduce alcohol-related harm.

Percentage of registered food premises graded annually



Changes in the Food Act mean businesses are not inspected annually. They’re now inspected according to their risk which may range from every three months to three years.

SNAPSHOT

Taking dog registration online

Digitising dog registration is paying huge dividends with more than 27,000 people responding to email and text notifications. We began online payments a few years ago, but now we’re using technology to take the service even further.

“We worked with our IT and digital transformation teams to create personalised emails for some 70,000 owners complete with a link, so they could re-register and pay online with just a few clicks,” says Sarah Anderson, Manager, Animal Management.

This is another great example of how we’re doing more with less and using

technology to make a process faster, cheaper and easier.

“By mid-July, we’d had 52,000 online registrations with more than 80 per cent of owners paying online. In 2017, we peaked with 27,000 registrations. We passed that with the email/text approach alone,” says Sarah.

This digital transformation to online payments also streamlines our processes and to date they’re triple what they were last year.

We also reduced our environmental footprint, replacing 27,000 pieces of paper and envelopes by moving to digitisation.



Reduce public nuisance through licensing, education, and the enforcement of relevant bylaws

Percentage of bylaw related requests for service (e.g. illegal signs, public nuisance, street trading) responded to within three days



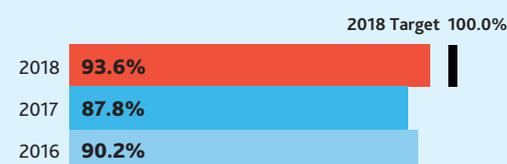
The Regulatory Committee endorsed a shift to a strengthened compliance approach in October 2017 which meant a move towards a risk based approach of attending requests for service. This has impacted the response times for certain types of requests. For the period of July 2017 to October 2017, the result was 94%. Following the implementation of the new approach in late October, for the period from November 2017 to June 2018, this had dropped to 65%.

Provide dog, stock and other animal management services to Aucklanders

Percentage of urgent animal management complaints such as dog attacks responded to within one hour



Percentage of known dogs that are registered



We have increased the percentage of known dogs registered from last year and continue to focus on our responses to calls for service to minimise harm to individuals and communities.

KEY ISSUE

Building and resource consents key issues

There were two areas of concern related to the way we calculated our statutory timeframes for building and resource consents. This has resulted in two performance measures that have received a Modified Audit Opinion. These are:

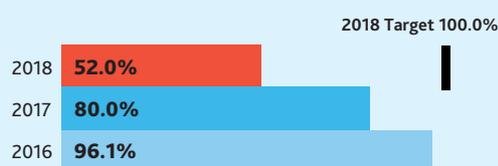
- percentage of building consents processed within 20 working days
- Percentage of non-notified resource consents processed within 20 working days.

The following section explains what has happened and what we are doing about it for each of the two measures.

Percentage of building consents processed within 20 working days

This performance measure looks at the time taken to process building consent applications – from the time at which complete applications are received by the council through until when the building consents are issued. The performance measure does not measure the quality of the technical decisions which are the basis on which building consents (with any specific conditions) are issued.

The actual performance for the year was 52 per cent.



For the period 1 July 2017 to 31 March 2018 the actual performance was 48 per cent.

For the period 1 April 2018 to 30 June 2018 performance improved to 66 per cent.

The decline in performance for the first nine months of the year is reflective of:

- the high volumes and increasing complexity of building consents being processed together with challenges in recruiting staff (refer to page 102 for further information)
- the completion of the first full year of processing consents on the NewCore platform. New processes have been introduced which have taken time to embed

KEY ISSUE

- the impact of a clarification to the rules in the Building Act 2004 (sections 45 and 48) by the Ministry of Business, Innovation and Employment, together with International Accreditation New Zealand which specifies when the building consent processing time starts. This clarification has been applied as from 1 July 2017. This has resulted in a more conservative basis for recording time from that applied in previous years

- a review by our Internal Audit team of building consent data. Based on the testing, it has been confirmed that draft reported performance for the first nine months of the year was overstated. Reported performance for the first nine months of the year has been discounted to reflect this.

The improvement in performance for the last three months of the year reflects the embedding of the new processes, and the implementation of a quality plan which consists of a review of all consents processed after 1 February 2018 to ensure that the new processes are being followed. This involves:

- communication, training and support to staff on the correct process to be followed
- independent checking of building consent files to ensure the correct process is being followed and processing times have been correctly recorded
- checking all building consent applications that have a start date with a different date to the lodgement date and auditing the reason that the clock has not been back dated to lodgement date. If there is not a valid reason for not backdating, the clock has been backdated to lodgement date as a conservative approach
- checking all building consents that have been put on hold where council has sent a request for further information to the consent applicant. Council has verified the recorded dates for putting the application on-hold and then off-hold and has ensured that there is evidence to support this decision.

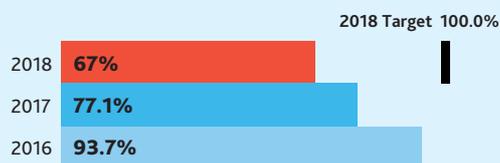
Council’s Internal Audit team has performed an audit of building consents processed for the last three months of the year. Their work has confirmed there

has been a significant improvement in data quality for these three months.

Auckland Council commissioned an independent review of its building consents improvement programme towards the end of the year. The review was performed by MartinJenkins. That review has confirmed that Councils performance has been impacted by high volumes and increasing complexity of consent applications which reflects the high level of building activity. Council supports and agrees with the reviews findings and recommendations. The review has identified that

- councils demand forecasting systems, which drive workforce planning need improvement. Council is working with Martin Jenkins to implement a new approach to demand management that encompasses forecasting and workforce planning.
- improvements are required to reduce the complexity of the IT systems that are used to support consent processing. A system upgrade that is scheduled for November will address a number of these issues.
- changes are required to both simplify the process to recruit staff, and to scale up the recruitment of staff. Council is reviewing its approach to recruitment.
- a dedicated team is required to drive the implementation of the improvement programme. This is being actioned.

Percentage of non-notified resource consent applications processed within 20 working days



This performance measure looks at the time to process non-notified resource consent applications – from the time when complete applications are received by the council through until when resource consents are issued. The performance measure does not measure the quality of technical decisions which are the basis on which the resource consents (with any specific conditions) are issued.

KEY ISSUE

We have identified a weakness where for some resource consents, the dates recorded in our consenting system do not agree to the underlying consenting information. For these resource consents this is where time stops and starts when further information is requested from the applicant in order to process the resource consent in accordance with the Resource Management Act 1991.

Internal Audit performed an audit of resource consent data. Based on the testing they have confirmed that draft reported performance was overstated. Reported performance has been discounted to reflect this representative error.

In response to the weakness identified, management has implemented a programme of improvements in the system, which consist of:

- training through champions in the department, in order to better understand how to use the system and the impact poor data has on tracking and measuring performance
- a formal training plan for the Regulatory Directorate is being created to build on the above principles, with input from SAP technical specialists. Smaller and discrete training modules for targeted individuals within the Resource Consents departments is being delivered
- validation reporting for each team, with the prior month's resource consents being reviewed and signed off by senior staff

- a new quality assurance checklist to improve the accuracy of recorded data when a decision is granted/has been implemented. The checklist is completed by processing officers and reviewed by regulatory support officers
- new system upgrades will be beneficial with SAP/Hybris (digital consenting) to be integrated in November 2018, which will result in more automation and a reduction in errors. New SAP improvements are also currently being scoped.

In addition, we also have a number of initiatives in place to address the challenges discussed:

- digital investment – technology and system improvements that make it easier for our customers and also automates some of the work for our staff
- building a training school – this provides upskilling for our staff and career progression
- the Resource Consent department is improving the way it uses and manages consultant resource to provide better value for money
- progressing the Qualified Partner initiative to work with industry partners to ensure higher quality applications, dedicated service and therefore reducing timeframes.



Solid waste and environmental services

The way that we manage our solid waste and care for our natural environment is key to a healthy environment.

We are responsible for kerbside domestic refuse, recycling, hazardous and inorganic waste, public litter bins and loose litter. Most of our work comes under our Waste Management and Minimisation Plan (WMMP) with its aspirational goal of zero waste by 2040, turning waste into resources.

Our environmental services deliver improved environmental outcomes that contribute to Māori, community and economic wellbeing. The priorities are:

- flourishing indigenous biodiversity
- clean waters
- Aucklanders connected with nature and adopting environmentally responsible lifestyles.

This approach will help us become a world-class city by ensuring you continue to enjoy a high-quality natural environment.

Pests and diseases threaten many of our native species, including our kauri. We need to find new ways to eradicate these problems without using toxins that can damage our environment.

Our landfills are under pressure and there's a growing problem with what we do with construction and demolition waste from residential building, rejuvenation and infrastructure projects. China was New Zealand's biggest buyer of waste and recyclables, but in January 2018 they banned imports of a wide variety of plastic and paper waste. We're working with our industry partners and our contractor to find solutions here or in Australia. Given the issue is nationwide, the government will need to be involved.

We have divided this into three sections – Environmental Services, Solid Waste and Emergency Management – for ease of reading.

Environmental services

What we did

We made the decision to introduce a Natural Environment Targeted Rate that will help protect our natural environment and tackle our

pests, weeds and diseases that are threatening our native species. With support from iwi, we're introducing this rate for pest control and eradication, kauri dieback, marine biosecurity, grant funding for Pest Free Auckland, and marine ecology. Along with making a significant difference in key areas, we expect to reduce the risk of kauri dieback disease spreading from 80 per cent to 15-25 per cent.

We made the hard decision to close the Waitākere Ranges and 10 higher-risk tracks in the Hunua Ranges Regional Parks to help save our kauri. We closed these areas – with great reluctance – in May 2018 to help halt the spread of kauri dieback and protect our remaining kauri. The rāhui, placed over the Waitākere Ranges by mana whenua Te Kawerau a Maki, remains in place. We worked closely with Te Kawerau a Maki on the closed area and the exceptions for tracks to be kept open. In late July 2018, kauri dieback was detected on the North Shore.

We're working with community groups to plant the Mayor's one million trees. We began by growing more than one million seedlings and followed that with 174,000 planted in 2017/2018. We're aiming to plant another 550,000 in 2018/2019. This programme is a great example of working together: Community Parks supported Sustainable Coastlines, Forest and Bird Motu Mānawa, Kristen School, and Riverhead Scout group who planted over 3000 trees on parks. We also approved a strategy for our ngahere / urban forest which includes increasing the tree canopy by up to 20 per cent, with no local board areas less than 15 per cent. The ngahere, like the pōhutukawa fringing our coastline, are an important part of our identity and natural heritage. Trees are also important to our heritage places and areas, such as Albert Park, Western Park and Myers Park.

We're protecting threatened native species such as eels, kōkopu, inanga and long-tailed bats.

We're restoring breeding grounds and the access to them in our waterways through riparian planting, rope ladders and safe breeding areas. Giant kōkopu have returned to Tāwharanui Regional Park thanks to a joint project between the council, Manāki, Ngāti Manuhiri and NIWA. In the largest reintroduction of whitebait in New Zealand, 10,000 juveniles were released into two of the park's main waterways last year. Without the juveniles, the adult kōkopu won't return to spawn, one of the reasons whitebait catches in the wild are declining. Our resident batman, aka Senior Biodiversity Advisor Ben Paris, joined researchers tracking and tagging our elusive, indigenous long-tailed bat. Down in Patumahoe, Brad the Bachelor Bat has taken up residence in the eaves of a veranda. Bats are normally sociable, so Brad's solo life is a bit of a mystery.

We're sending plant and animal pests packing thanks to your help. We're aiming to be pest free by 2050, so we're working hard to say goodbye to a whole range of pests and we're delighted with your participation. Eastern schools hosted a highly successful Festival to encourage residents to control pests in their back yards, focussing on rats. We helped them with free traps and best-practice pest control methods. At Farm Cove Intermediate, a Howick Local Board grant enabled the school to buy 170 rat traps and now five other schools have joined in to rid the peninsula of rats. We reduced possum densities in the Waitākere Ranges to approximately half the target level, a great result given the terrain and weather in this area. We're now in contact with 2200 groups involved in community-led conservation.

We're working hard to get rid of moth plants and Chinese knotweed – pest plants that smother everything. Currently, we have all Auckland sites under control. Myrtle rust is also another problem plant, now in more than 90 sites across Auckland. Velvet leaf has been identified in rural properties in Helensville, Papakura and Franklin and we're working with contractors, Ministry for Primary Industries (MPI) and the Waikato Regional Council to inspect properties.

We're working with other upper North Island councils and organisations to deliver one plan to halt marine



Our newest biodiversity force – chickens

The plague skink – also known as the rainbow skink – is an Australian pest living up to its name, threatening our native lizard populations on Aotea Great Barrier.

Enter Team Chicken (well, Team Hen, really).

Our biosecurity team and ecologists Wildlands cleared the native skinks from a fenced area and introduced 200 skink-loving chickens. (Yes, we did some training.)

Who's winning? So far, it's Chickens 1 Skinks 0.

But, what about the 200 eggs a day the chickens are producing? We talked SeaLink (thanks, team) into carrying them weekly to Auckland free-of-charge where we donate them to the Auckland City Mission.

pests that can damage our native species, shipping and marine farming. Healthy oceans are important to our environment, economic activity and social and cultural activities. These plans are a relatively new tool available through the Biosecurity Act. This will be the first inter-regional plan of its kind, allowing rules to be introduced across the regions.

We're working with local iwi to restore Pūkaki Crater in Māngere. We've begun restoring Te Pūkaki Tapu o Poutūkeka / Pūkaki Crater in a co-management arrangement with Te Ākitai-Waiohū, with support from the Māngere-Ōtāhuhu Local Board. The site is recognised as an Outstanding Natural Feature and a Significant Ecological Area and is also wāhi tapu because it includes a sacred urupā / burial ground.

We're working with school children on sustainability. Our Sustainable Schools Team partnered with the Manukau Beautification Charitable Trust to support south Auckland secondary schools to

participate in Tiaki, an event where students develop innovative environmental solutions for their own community. Nine south Auckland schools took part and two schools had mentors from the sustainable schools and biodiversity team in freshwater projects.

What we achieved

Manage land use and development on the council's closed landfills to safeguard the region's environment, productivity and economic value of soil

Percentage of the council-controlled closed landfill discharge consents achieving category one or two compliance ratings



These are Auckland Council owned and monitored landfills.

Facilitate action to restore the quality of Auckland's waterways and harbours

Proportion of catchments where sources of key contaminants are identified, and impact mitigation measures are in place



This measure was developed to support our operational strategy for sustainable catchments, a programme that ended in 2015/2016. Auckland Council's work programmes are now being realigned to deliver on the National policy Statement for Freshwater Management (NPS-FM). Within this, the Wai-Ora – Healthy Waterways programme will ensure the region's waterways and aquifers are well managed and enhanced through planning and management of 10 integrated watersheds. The use of the watershed approach means that this measure (which refers to smaller catchments that fall within each watershed) is no longer appropriate for assessing progress. Stage two to be completed next year and involves identifying options for achieving the objectives for each watershed. At this point, we anticipate wider community consultation to assist in setting objectives, limits and targets. The previously identified Environmental Services Unit (ESU) priority catchments fall within a larger watershed region.

Proportion of catchments with stable or improving Macroinvertebrate Community Index (MCI)



This measure was developed to support our operational strategy for sustainable catchments which ended in 2015/2016. Our work programmes are now being realigned to deliver on the National Policy Statement – Freshwater Management. The use of the watershed approach means that this measure is no longer appropriate for assessing progress.

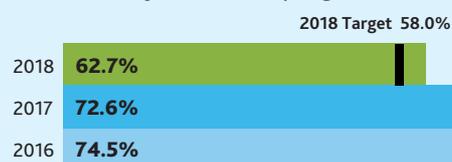
Length (km) of waterways protected annually with riparian planting and/or fencing



This result is below target because this target is primarily reached through grants to community groups and landowners through the Healthy Waters' Waterway Funds. In 2017/2018, we increased the timeline for delivering on these grants from 12 months to 18 months to allow better operational delivery of fencing and planting by grant recipients. This means, many of the projects funded by Waterway Funds grants committed to in 2017/2018 are yet to be completed. The results of these projects will be reported in 2018/2019. As such, the 2018/2019 results are expected to be on target and will better reflect the effects of the positive changes made to the programme during 2017/2018. The reports of kilometres planted may also be an underestimate of council-supported work, because not all planting or fencing carried out by private landowners using council grants is included in the calculation.

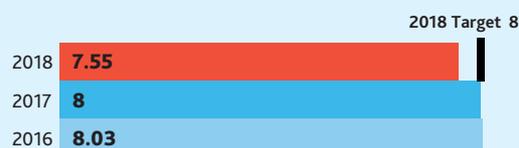
Support Aucklanders to reduce their environmental footprint through effective education, communications, programmes and community driven projects

Proportion of schools participating in sustainability education programme



Enhance the region’s biodiversity by actively managing and improving the extent of indigenous ecosystems and species and by promoting biodiversity best practice

Number of hectares of new forest or wetland habitat established on regional parks



We did slightly less native revegetation planting than targeted within regional parks. This was due to delays from new regulatory requirements under the proposed Unitary Plan requiring resource consents for revegetation planting in dune habitats. This requirement has now been removed from the operative Unitary Plan and will not hinder future planting programmes.

Percentage of indigenous ecosystems under active management



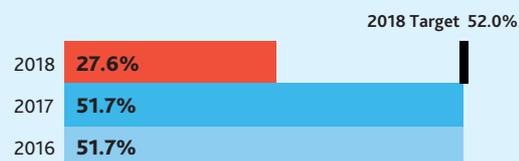
Percentage of threatened species under active management



33.9 per cent of threatened species are under active management including birds, lizards, plants, fish, and a type of bat. Active management includes pest control, fencing, and weed control, and also surveys and monitoring required to determine population trends and key sites for management. This total excludes threatened species managed within the region by the Department of Conservation.

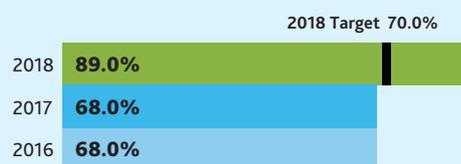
Reduce the impact of pest animals, plants and pathogens on the natural environment

Percentage land area with less than 5% residual trap catch for possums



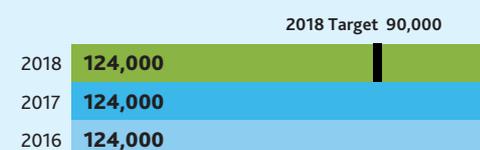
Budget and operational challenges mean some large community-run possum control operations weren’t achieved. The natural environmental targeted rate will enable us to better support these groups and professional possum control in 2018/2019.

Proportion of kauri areas on Auckland Council land that have active management or exclusion measures in place for kauri dieback disease



This result reflects the council’s decision on 10 April 2018 to close most walking tracks in the Waitākere Ranges and Hunua Regional Parks to prevent the spread of kauri dieback disease. We worked with the Ministry for Primary Industries to place a controlled area notice on these areas, protecting our taonga species from the kauri dieback pathogen. The closure came into effect on 1 May 2018.

Number of hectares under community pest control



Solid Waste

What we did

We're successfully changing how we collect household rubbish. We began by changing from bags to bins in Manukau with great results. In the first full month of operation, refuse collected from over 106,000 customers dropped 15 per cent. We introduced 'pay as you throw' in Waitākere, with 25 per cent of households using the new service in the first month. We started it on the North Shore. If everyone there switched from bags to tags, we'd save 2.5 million plastic bags going to landfill each year.

We're diverting food waste from our landfills.

Our first food waste collection – in Papakura – diverted over 70 tonnes from landfill in its first month of implementation. The food scraps go to make a nutrient-rich compost used to grow fruit and vegetables. Food makes up nearly half the waste in our bins. We'll roll this collection out across Auckland over the next three years.

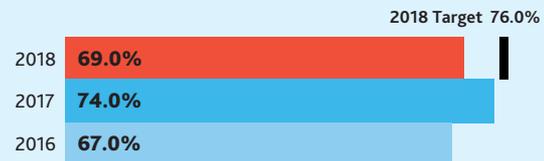
We're making good progress with recycling. We successfully introduced new recycling collections for central and south Auckland. We won a WasteMINZ award for our Resource Recovery Network where you can drop off unwanted items and materials for reuse and repurposing.

We're winning awards for how we manage our waste. For the second time, the waste management industry has recognised our commitment to delivering zero waste to landfill by 2040. We won the top honour at the industry's WasteMINZ Awards for Excellence for our progress in creating a Resource Recovery Network and community recycling centres. We also won the prestigious Cities4ZeroWaste Award for our work in moving away from landfill towards more greener processing of urban waste. The award, from the C40 Cities, recognises the world's top 10 urban sustainability projects.

What we achieved

Plan and provide reliable household waste management and processing service

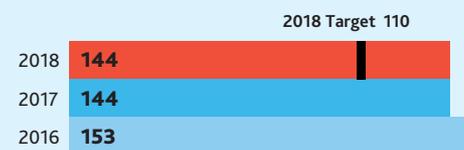
Percentage of customers satisfied with overall reliability of waste collection services



We rolled out a number of significant service changes last year. These changes impacted a high proportion of Auckland households and teething issues with the new services led to the drop in satisfaction. This should improve in 2018/2019 as we've largely resolved operational issues. Late in 2017/2018, we introduced a consistent regional system for capturing customers' requests for service relating to waste collections. This should improve customer service, thus lifting customer satisfaction results.

Plan and enable reliable waste minimisation

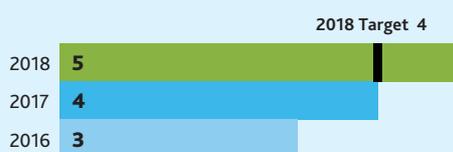
Domestic kerbside refuse per capita per annum



The target was to reduce waste collection to 110kg per person and the actual result was 144kg per person. Reducing the volume of kerbside waste sent to landfill depends on the introduction of a region-wide food scraps collection. This service is now proposed for roll out across Auckland in 2020/2021. The reporting is based on estimates as follows

- a. the amount of waste collected by private waste collectors, based on a survey last done Nov 2017. Waste collectors' licensing data as required by the Solid Waste Bylaw is improving and an aggregated figure will be used in the future
- b. percentage of domestic waste out of the total kerbside waste, based on knowledge and experience of staff.

Total number of Resource Recovery Facilities



Development of the Resource Recovery Network is progressing above target, with the Waiuku Community Recycling Centre operational since October 2014, Helensville since July 2015, Devonport since March 2016, Waitākere since June 2016 and Whangapāroa since August 2017. This rapid growth reflects the strong support from community groups and the general public for the network.

Emergency management

What we did

Major storms in January and April 2018 brought disruption and damage to infrastructure, sea walls, coastlines and our parks.

We worked with Vector and other partners to help Aucklanders during and after the 10 April storm.

This storm left up to 183,000 homes and businesses without power. Our emergency management team worked with Vector and other partners and key stakeholders to deliver a coordinated welfare response to vulnerable and affected communities, the largest such response since the 2011 Christchurch earthquake. Operation Connect involving the council, Police and Land Search and Rescue mobilised volunteers who door-knocked more than 7000 homes in severely affected communities in just five days. Together, we delivered water, food, generators, toilet facilities, and visits by welfare professionals to households without power. More than 100 of our own staff stepped in to help, many of them responding thanks to a late Friday afternoon council-wide email asking for volunteers. An independent external review of our response to the storm will capture the successes, learnings and areas for improvement.

We're upskilling our own staff in emergency management. Our staff play a critical role in any emergency and 140 of them have completed an Emergency Management Foundation Course. We're also upgrading leadership staff phones, so they can receive Emergency Mobile Alerts.

We're learning more about communication and response plans in emergencies. New Zealand learnt from the Christchurch, Wellington and Kaikoura earthquakes, but we need to do more. We joined a project based around the potential effects of a magnitude eight earthquake on the Alpine Fault and the immediate public information needs of the response/recovery units across the country. It highlighted the need to think about alternative communication methods and operational support in the wake of a disaster.

What about something like a pandemic? We joined with other Auckland groups, including the district health board, to discuss our vulnerability. This is where our size, cultural diversity, vulnerable communities, and exposure to international travellers and trade work against us. The discussion underlined the need to work on appropriate multi-agency response plans.

What we achieved

Provide emergency management and rural fire capability to manage fire and emergencies quickly and effectively

Percentage of incidents requesting attendance by New Zealand Fire Service responded to within 12 minutes



This measure is not applicable as rural fire transferred out of Auckland Council to Fire and Emergency New Zealand starting 1 July 2017. This measure has been taken out of the 2018-2028 Long-term Plan.

Provide education, support, and training to develop a resilient community

Percentage of Aucklanders prepared at home for an emergency



Previously, we used the national Ministry of Civil Defence & Emergency Management annual Colmar Brunton survey to provide results for this measure. This survey was not

considered truly reflective of true readiness due to the small sample size and composition. This has been replaced with a council-commissioned survey which better reflects the initiatives put in place to increase Aucklanders' preparedness for emergency. This includes a question about understanding of what actions to take in an emergency, having conversations with family and friends about actions they need to take to keep safe before an emergency, and having the necessary emergency items, or access to necessary emergency items, to survive an emergency. We'll include another question to gain insight into Aucklanders' understanding of the types of emergencies that could happen here. We've been conducting a quarterly survey since August 2017 to measure the 'percentage of Aucklanders that are prepared for an emergency'. The most recent survey, in May 2018, showed 66 per cent of Aucklanders are prepared for an emergency.

Percentage of Aucklanders covered by Community Response Plans



Traditional approaches to developing Community Response Plans and encouraging the establishment of volunteer Community Response Groups have been reviewed as part of a wider resilience strategy and community empowerment approach for Auckland. This approach focuses on how to best support Auckland's diverse communities, build resilience, respond to, and recover from hazards and associated risks. Strategies must be adaptable and relevant in each area, meet the needs of the wider community, and offer different participation choices. Where existing Community Response Plans are delivering local outcomes, they'll be supported.

Local environmental management

Local environmental management activities work closely with local communities and iwi to deliver enhanced environmental outcomes. The focus is primarily on local natural heritage protection and biosecurity that contribute to Māori, community wellbeing and the economy.

This is achieved through habitat restoration, species management, native planting, water quality improvements, support for community environmental advocacy and education.

Local Boards play a key role in this area by facilitating many of the community-led activities and projects and undertaking decision making responsibility.

More information on key achievements and how we performed can be found in Volume 2 of the Annual Report.

Stormwater management

Effective management of our stormwater systems is critical to improving the health of our waterways and harbours.

Tackling our water infrastructure challenges is a key priority for the Council Group.

What we did

We made the decision to introduce a Water Quality Targeted Rate (WQTR) to deliver 30 years work in 10 years. This will contribute to reducing wastewater overflows into the Waitematā Harbour, stormwater volumes into the Manukau Harbour,

and contaminants such as litter, sediments, metals and oils in stormwater across the region and in the South Kaipara Harbour. We'll improve water quality and create healthy habitats for plants and animals in streams and introduce a proactive regional septic tank monitoring programme.

We're working hard to keep sediment from doing more damage to our waterways and coastline.

We worked with industry experts and mana whenua to prepare industry best practice guidelines to help minimise sedimentation from development. Our leadership in this area was confirmed with the Best Publication of 2017 Award from the Resource Management Law Association.

We're tracking water quality at our beaches through the new Safeswim website.

When Aucklanders and visitors alike asked that question last summer, our Safeswim website provided water quality forecasts and up-to-date information on health and safety risks at 84 beaches and eight freshwater locations around Auckland. On average, our beaches met the guidelines 77 per cent of the time. Safeswim also graphically demonstrated the impact of our ageing stormwater and wastewater infrastructure on water quality at our beaches, particularly following storms. Now, Safeswim has won an international award for its collaboration between different organisations and the increased accuracy it delivers.

We're developing a new water strategy to deliver a united approach to both quality and supply.

Water is a crucial element of our natural, rural and urban environments, and the health and wellbeing of Aucklanders. The strategy will focus on outcomes needed across five draft themes – resources, recreation, ecosystem health, cultural health, and resilience and natural hazards. It will also identify the issues, opportunities and challenges we face in achieving them. Feedback from the recent public consultation on the 2018-2028 Long-term Plan and Auckland Plan will also be considered, with a draft strategy due by December 2018.

We've turned the neglected Brylee Reserve in Takanini into an urban ecology hotspot.

This neglected park is now a high-quality community amenity that also processes stormwater treatment for motorway runoff. We added more than 22,000 plants and built a timber boardwalk for pedestrians and cyclists. In the process, we won an award at the 2018 Institute of Public Works and Engineering Australasia NZ Excellence Awards.

Our role is to protect the environments that receive stormwater and minimise flooding risks. We do this by operating and maintaining an extensive network of built and natural stormwater infrastructure alongside Watercare which manages water supply and wastewater.

Our stormwater network is extensive – 6000 km of pipes and culverts; 145,000 manholes; 377km of channels; 6700 catchpits; 25,000 outlet/inlet structures and more than 900 stormwater detention and treatment facilities.

Our Glen Innes stormwater test will benefit local waterways and wider Auckland.

Together with Watercare, we've begun testing pipes at 900 residential properties for illegal stormwater connections as part of a new city-wide campaign to reduce wet weather overflows. We aim to reduce the amount of stormwater entering and overwhelming the wastewater network which can result in overflows to streams and beaches, including nearby Omaru Creek. We'll notify property owners of any issues and will follow-up to make sure problems are fixed.

Takanini has better stormwater management. We finished two major stormwater construction projects – the Artillery Drive Stormwater Tunnel and the Grove Road Culvert – to reduce flooding risk and enable residential development.

We're integrating Māori outcomes into various urban stream restoration projects.

The Te Auaunga-Walmsley and Underwood Reserves Project are to be one of the most progressed examples of this and has been developed through extensive engagement with mana whenua, who have been involved at both an operational and governance level. As a result of this engagement, more wetlands and swales have been included in the design to improve water quality and traditional Māori games are recognised in the design of playgrounds. The project has also achieved social outcomes through using Te Whangai Trust as the preferred contractor to provide approximately 120,000 native plants for the project. The trust works closely with community partners, such as schools, mana whenua and community groups, to provide training and work readiness opportunities to local people who

are not currently in training or employment.

We're supporting the Integrated Kaipara Harbour Management Group on the creation of a healthy and productive Kaipara Harbour. The group is a partnership involving Ngāti Whātua o Kaipara, Te Uri o Hau together with various local councils and other key stakeholders. Its key purpose is to promote integrated management and inter-agency coordination and kaitiakitanga of the Kaipara Harbour and its catchment. The council has undertaken a range of activities in support of the group, such as assisting Ōtakanini Tōpū Incorporation, a 2750 hectare Māori-owned farm, through the implementation of a Farm Plan which includes fencing and riparian planting of waterways, wetlands and Kaipara Moana. Ōtakanini Tōpū Incorporation is one of the Integrated Kaipara Harbour Management Group's flagship farms which provides an example of best practice for others.

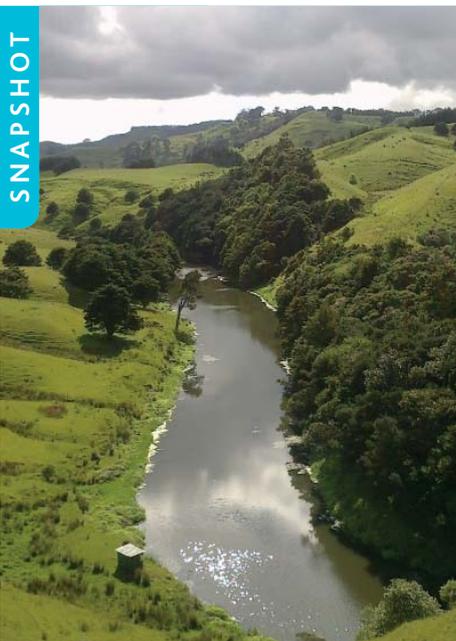
What we achieved

Enhance and protect the stormwater receiving environments for the people of Auckland through sustainable management of the stormwater system

Proportion of mana whenua satisfied with Auckland Council's engagement with iwi in relation to stormwater projects



Failure to achieve this target results from two key factors – low engagement in the survey and lack of consistency in engaging with mana whenua. However, none of the nine groups surveyed returned a 'dissatisfied' score. Existing initiatives include a regular monthly hui with mana whenua kaitiaki representatives, appointment of dedicated staff to work on this issue and training for staff to improve their understanding of te reo, Te Ao Māori and tikanga. To increase engagement, we've committed to engaging earlier at the planning stage to provide greater decision-making influence and impact; and increasing engagement in the survey.



SNAPSHOT

Shot in the arm for Hōteio River project

There is good news for the Healthy Waters team working on the Hōteio River project in the Rodney district.

The government's Freshwater Improvement Fund has contributed more than \$1 million to support the five-year, \$2 million project to reduce the amount of sediment discharging from the river into the Kaipara Harbour.

The Hōteio River is the second-largest contributor to the sediment build-up in the harbour, which is stressing both the freshwater and marine environments.

Over the years, deforestation and land clearance have removed vegetation from the river banks in the Hōteio catchment. Combined with highly erodible soils this has created a 'perfect storm' of factors influencing sediment creation on the catchment.

The team will work with local iwi and landowners on a range of sustainable land-management practices and natural engineering options to improve freshwater quality.

Manage the stormwater network to minimise the risks of flooding to Aucklanders

The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's stormwater network



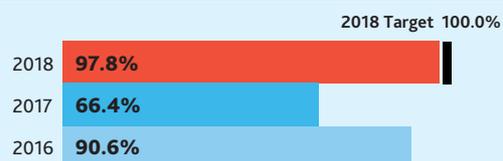
These measures are unable to be effectively or accurately reported as they rely on information from calls from the public about flooding. If a residence is flooded the council refers the caller to the fire service. However, this is only a subset of total calls, as most people call the fire service directly. Fire service records are not concise enough to accurately establish the number or address of flooding.

The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site



These measures are unable to be effectively or accurately reported as they rely on information from calls from the public about flooding. If a residence is flooded the council refers the caller to the fire service. However, this is only a subset of total calls, as most people call the fire service directly. Fire service records are not concise enough to accurately establish the number or address of flooding.

Stormwater manholes that pop open in flood events are made safe within two hours



92 popping manholes were reported with two events not made safe within two hours. Analysis has identified the importance of call centre staff assigning these maintenance tasks correctly. We're taking steps to mitigate the risk of this happening in the future, especially during storm events.

The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system



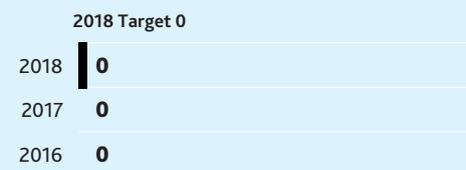
832 faults/blockages in the stormwater network were reported in 2017/2018. Despite a higher number than reported for 2016/2017, this result is well within target and the positive results reflect the resilience of the stormwater network to the numerous storm events experienced throughout the financial year. Healthy Waters is actively working to mitigate the risk of the number of faults increasing again in 2018/2019 if storm events of similar severity and frequency are experienced. These mitigations include cross-council alignment on catchpit, kerb, channel and grate cleaning and increasing consistency of maintenance services across the region.

Enhance and protect the stormwater receiving environments through sustainable management of the stormwater system

Auckland Council stormwater compliance with resource consents for discharge from its stormwater system, measured by the number of:

- abatement notices
- infringement notices
- enforcement orders
- successful prosecutions

received in relation to those resource consents:



The objective of this measure is to have no orders, notices or prosecutions.

Auckland Council is the monitoring agency for compliance with resource consents.

The ratio of length of watercourse consented to be physically improved versus physically degraded in the current year

2018 result:	2018 target:	2017 result:	2016 result:
2.88:1	3:1	2:6	2.6:1

Council records show that 1.3 metres of intermittent streams and 2.8 metres of permanent streams were improved for every 1 metre degraded in 2017/2018. While the target of 3 metres was not achieved, this is an increase of 0.2 metres for permanent streams and 1.14 metres for intermittent streams from 2016/2017 results. There are significant gaps in data and inconsistencies in the quality of information recorded for this measure which prevents the outcomes of 2017/2018 projects from being fully captured, as demonstrated in the below-target results. To mitigate against this in 2018/2019, a more robust methodology for data collection is being investigated by the council which will more accurately report progress made on this measure.

Funding impact statement – Regulation

For the period ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		67	68	68
Targeted rates		8	7	6
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	183	162	157
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		1	-	-
Total operating funding		259	237	231
Applications of operating funding:				
Payment to staff and suppliers	2	165	146	142
Finance costs	3	17	23	20
Internal charges and overheads applied		52	52	55
Other operating funding applications		-	-	-
Total applications of operating funding		234	221	217
Surplus (deficit) of operating funding		25	16	14
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	15	52	49
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		15	52	49
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		1	-	-
- to replace existing assets		-	-	-
Increase (decrease) in reserves		34	59	54
Increase (decrease) in investments		5	9	9
Total applications of capital funding	5	40	68	63
Surplus (deficit) of capital funding		(25)	(16)	(14)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Fees and charges are above plan due to resource consent, building consent and inspection revenue being higher than anticipated as a result of market forces and a focus on charging accurately and timely for all services.
2. Payment to staff and suppliers is above plan mainly due to external consultants and contractors being used to undertake work arising from vacancies as a result of departmental restructuring.
3. Finance costs are lower than plan due to lower opening debt than forecast, and a lower interest rate than anticipated in the plan.
4. The increase in debt is lower than plan due to capital expenditure being below plan, which resulted in a lower than anticipated debt funding requirement.
5. Applications of capital funding is below plan mainly due to lower than anticipated settlement of weathertightness claims.

Funding impact statement – Solid waste and environmental services

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		46	46	46
Targeted rates		76	78	78
Subsidies and grants for operating purposes		5	6	6
Fees and charges	1	24	42	32
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	3	3
Total operating funding		151	175	165
Applications of operating funding:				
Payment to staff and suppliers	2	116	143	134
Finance costs		3	4	3
Internal charges and overheads applied		26	26	26
Other operating funding applications		-	-	-
Total applications of operating funding		145	173	163
Surplus (deficit) of operating funding		6	2	2
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	3	4	8	11
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		4	8	11
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		10	7	11
- to replace existing assets		-	3	2
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		10	10	13
Surplus (deficit) of capital funding		(6)	(2)	(2)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Fees and charges are lower than plan due to the plan assuming that Auckland Central and Manukau refuse collection would have moved away from a targeted rate funded service to a user pays service. This did not happen during the current year due to changes in timelines for changes to the service. Due to other planning considerations, the planned targeted rate was not reduced by the corresponding amount.
2. Payments to staff and suppliers are below plan partially due to the drop in revenue from a delay in implementing new waste solutions. It is also due to the council no longer providing rural fire services, which was not anticipated in the plan.
3. The increase in debt is lower than plan due to higher surplus of operating funding than anticipated driven principally by payments to staff and suppliers being below plan.

Funding impact statement – Stormwater management

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		80	81	79
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		2	-	-
Total operating funding		82	81	79
Applications of operating funding:				
Payment to staff and suppliers	1	46	25	24
Finance costs		14	12	13
Internal charges and overheads applied		9	9	9
Other operating funding applications		-	-	-
Total applications of operating funding		69	46	46
Surplus (deficit) of operating funding		13	35	33
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions	2	33	78	50
Increase (decrease) in debt	3	67	(35)	(6)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		100	43	44
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		60	34	37
- to improve the level of service		30	22	15
- to replace existing assets		23	22	25
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	4	113	78	77
Surplus (deficit) of capital funding		(13)	(35)	(33)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Payment to staff and suppliers is higher than plan due to more and larger storm events than anticipated.
2. Development and financial contributions are below plan due to the number of planned development agreements not eventuating following an unanticipated slowdown in residential growth.
3. The increase in debt is higher than plan due to higher capital expenditure than planned.
4. Capital expenditure is above plan mainly due to critical asset renewals plan brought forward from future years due to more regular significant storm events and general underspend in this area to date. Also, a number of pending infrastructure funding agreements and land acquisition negotiations from prior periods were settled and included in current year spend.

Funding impact statement – Local environmental management

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		5	5	5
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding		5	5	5
Applications of operating funding:				
Payment to staff and suppliers		4	4	4
Finance costs		-	-	-
Internal charges and overheads applied		1	1	1
Other operating funding applications		-	-	-
Total applications of operating funding		5	5	5
Surplus (deficit) of operating funding		-	-	-
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt		-	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		-	-	-
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		-	-	-
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		-	-	-
Surplus (deficit) of capital funding		-	-	-
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

None above threshold



Te kāwanatanga me ngā tautoko

Governance and support

Our two-tier governance structure is unique. We support the Governing Body and 21 local boards and their shared decision-making responsibilities. Our governance is critical for ensuring that we are accountable to Aucklanders and that they can trust us. Good governance practices mean that Aucklanders can have a say in what we want to achieve.

Support for our 170 elected members ranges from committee meetings, hearings, co-governance arrangements and relationships with mana whenua to elections, by-elections and support for our advisory panels. Staff support includes learning and development; health, safety and welfare; diversity and inclusion programmes; and support networks.

The governance of council controlled organisations (CCOs) involves giving clear political direction to the outcomes that CCOs need to achieve for Aucklanders and monitoring their achievement of those outcomes. It also includes appointing well qualified directors to the boards of CCOs. The council also has similar responsibilities to organisations such as The Auckland Regional Amenities Funding Board, Auckland War Memorial Museum, MOTAT and many other smaller entities.

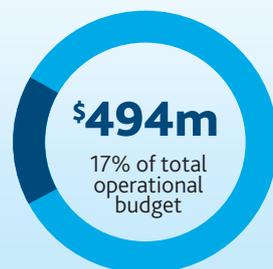
Our challenges centre on ensuring our support enables a well-functioning organisation and democracy that is well informed by an engaged community and delivers value for money.

Our investment

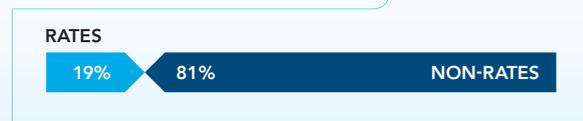
What we invested in governance and support in 2017/2018



What we spent on governance and support in 2017/2018



Where that funding came from



How well did we perform against our performance indicators?



Governance and support focuses on:

- regional governance
- local governance
- investment
- organisational support.

How our investment improved our governance and support

- We supported the Governing Body through some major consultations with the community
- We made our People’s Panel more representative of our diversity
- We supported local boards through their planning process
- We’re robotising wherever we can to make our engagement processes more efficient for you and for us (refer page 129 for more detail)
- We began our statutory value for money reviews.

Community outcomes

The activities within this theme contribute to all the community outcomes. Regional governance enables the support of elected members to deliver initiatives and engage with communities. Whereas local governance contributes by actively supporting local boards. The investment activity contributes towards a prosperous Auckland and by facilitating an opportunity to influence economic growth. Indirectly, organisational support contributes by ensuring the councils’ services are adequately resourced to undertake service delivery of our strategic initiatives (e.g. the Auckland Plan).



What Russell did while we slept

Russell is one of our shy team members, but his performance is 100 per cent.

He joined us for the 2018-2028 Long-term Plan/Auckland Plan to help process more than 27,000 digital submissions. Russell is a great example of how we’re doing more with less. His sidekick was Andrew Thalmann.

“Russell did those manual processes staff would normally do – like submitter name, details and basic information – so we could focus on more important information and tasks, such as interpreting comments,” says Andrew.

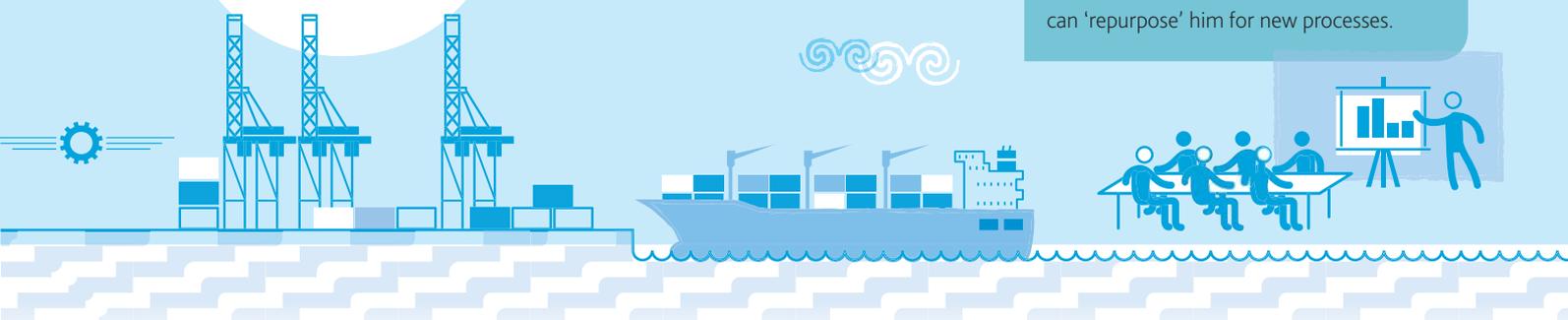
Russell saved up to eight minutes on each submission. Each night, he processed around 360 submissions while we slept, doing the work of dozens of temp data entry staff.

“We gave elected members better feedback to help with decision-making, so staff could work on value-add activities.”

Automating routine and manual tasks is not just about cost-savings. We can also improve our speed, consistency, audit trail, flexibility and reliability.

*If you hadn’t guessed, Russell is a piece of software. He’s so flexible and scalable we can ‘repurpose’ him for new processes.

What we are dealing with today



Regional governance

We support the Mayor and councillors to make good quality decisions, ensuring democratic processes run smoothly, and enabling Māori, the public, and other stakeholders to be involved.

We support democracy by running elections, providing support to the mayoral office and councillors, and supporting engagement between elected members and Māori communities.

We also support advisory panels and boards and run hearings.

What we did

We supported the Governing Body through a year of firsts and major consultations. We supported councillors with proposals such as the new America’s Cup Village, community consultation, hearings and decisions on the Auckland Plan refresh and LTP, and the decisions needed to halt kauri dieback.

We’re looking at online voting. We’ve agreed in principle to support an online voting trial for next year’s elections. Continuing to rely on the postal system risks us losing a generation of voters who experience the world online. After the 2016 election, 74 per cent of you said you’d support online voting.

We made our People’s Panel more representative of our diversity. Auckland’s diversity is its strength, and we need to embrace diversity in our decision-making. We recruited more than 2800 new members onto the panel, attracting more youth, Asian and Pasifika people to give us feedback on our proposals and activities.

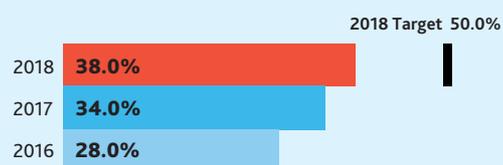
We continued being open and transparent about council activities. Last year, we received 993 requests for information, most of them from individuals, and around a third from media and organisations. These are what we call LGOIMA requests – questions asked under the Local Government Official Information and Meeting Act 1987 (LGOIMA). Every request for information is covered by LGOIMA, but we more formally record the less straightforward requests to make sure that we answer them correctly. Answering

these requests is a way of sharing important information. Because it was an LTP year, we were proactive with publishing proposals around some changes such as the regional fuel tax, the accommodation provider targeted rate and rubbish bin tags. We also had requests around building consents, animals, our rates review, mowing of grass, water quality, how much we spent on the City Rail Link, and CCO activities.

What we achieved

Ensure communities can easily engage in council decision-making and have access to information

Percentage of residents who feel they can participate in Auckland Council decision-making



Despite enhancements to the 2018-2028 consultation process, Aucklanders’ perceptions have proven slower and more difficult to shift than anticipated. We did make some gains, for example enhanced engagement with Asian communities more than tripled their submissions compared to the previous LTP – 3,094 in 2018, up from 937 in 2015.

LEGEND



Achieved



Substantially achieved

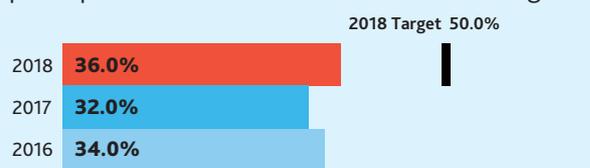


Not achieved



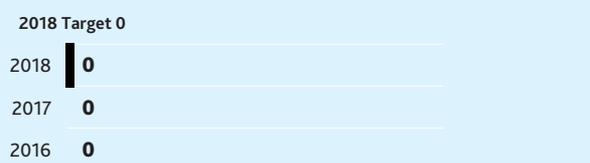
Target value indication

Percentage of Māori residents who feel they can participate in Auckland council decision-making



While enhanced Māori engagement grew from 573 in 2015 to 1623 in 2018, this didn't deliver the expected improvements. Perceptions held by Māori communities at large have proven slower and more difficult to shift than anticipated.

Number of complaints regarding council democratic processes upheld by the Auditor-General or Ombudsman



The objective of this measure is to have no complaints upheld.

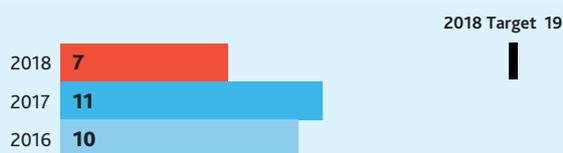
Support elected members, council and Māori to work together to achieve better outcomes for Tāmaki Makaurau / Auckland and enable the council to effectively contribute to Māori wellbeing

Percentage of Māori organisations who consider they have an appropriate working relationship with the council



We agreed with iwi that the survey used to get this result (The Mana Whenua Survey) would become bi-annual, so the result for this year shows as 'not measured'.

Number of formalised relationship arrangements between the council and mana whenua



Shared areas of mana whenua interests across Tāmaki Makaurau requires local boards to engage with multiple iwi entities. The measure assumes 19 mana whenua will each sign only one agreement with the council when in fact their tribal rohe extends across multiple local boards which requires mana whenua to formalise relationships with two or more local boards. For example, seven relationship agreements were signed this year, but one iwi signed separate agreements with four different local boards.

Local governance

We support our 21 local boards to engage with and represent their communities and make decisions on local activities. This includes strategic advice, leadership in the preparation of local board plans, support in developing local board agreements, community engagement including relationships with mana whenua and Māori communities, and democracy and administrative support.

For more information on local board performance, see the relevant local board report for your area in Volume 2.

What we did

Local boards set their strategic directions. Local plans were published for all 21 local boards, setting out their

directions and outcomes for the next three years.

We consulted communities so the plans reflected community priorities. The plans provide the basis for annual local board agreements which set out work programmes and investment decisions. The plans also influence local board input into regional strategies and plans.

We're using new online collaboration tools to transform local board meetings. Technology is a great way of doing more with less and our local boards are making the most of it. Surface Hubs and Skype for Business in all 21 local boards are making life easier for the boards and the people who work with them. The Auckland region is 1086km², so Surface Hubs and

Skype are a great way for elected representatives, staff and the public to connect face-to-face without needing to travel long distances around the region.

We managed three by-elections. Maungakiekie-Tāmaki, Waitemata and Manurewa Local Boards elected new members through by-elections.

Investment

Auckland Council Investments Limited (ACIL) was a CCO and was established to bring a strong commercial focus to the ownership and governance of major investments.*

ACIL managed two major investments on behalf of council:

- Auckland International Airport Ltd (AIAL) – 22.15 per cent shareholding valued at \$1.8 billion
- Ports of Auckland Ltd (POAL) – 100 per cent shareholding with net assets of \$750 million.

What we did

We are bringing our ownership interests in-house.

In June 2018, the council decided to disestablish ACIL to increase the strategic alignment between the council and both POAL and ACIL, and to reduce our costs.

The council now directly holds the shares in AIAL and POAL. We believe we'll develop a better understanding of POAL's business with a direct relationship and this may also foster closer collaboration in areas such as shared services and procurement, areas that are included in our Value for Money programme.

We expect to make net cost savings of \$500,000 – \$800,000 per year.

ACIL performance for 2017/2018. ACIL returned a dividend of \$129 million to the council, \$43.6 million more than the prior year. It achieved a return on equity of 24 per cent.

POAL performance for 2017/2018. It returned a dividend of \$49.9 million to the council, \$3.8 million less than the prior year. It achieved a return on equity of 16.2 per cent.

AIAL performance for 2017/2018. It returned a dividend of \$57 million to the council, \$6 million more than the prior year. It achieved a return on equity of 32.4 per cent due to asset revaluations and Queensland share sale.

What we achieved

Manage council investments to optimise returns

Return on equity (ROE) for ACIL group



The significant revaluations from AIAL and its profit from the sale of its shares in North Queensland airports contributed to this performance.

*ACIL will be disestablished in early 2018/2019

Organisational support

We support the operational functioning of the council, and the day-to-day services it provides to decision-makers (the Governing Body and local boards) and the public as those receiving the council services.

Some of these services directly support quality interactions between the community and the council, such as customer services and communications and engagement.

There are also a number of other internal services that keep the council running smoothly, such as people and capability, information services, finance, risk management and internal audit, and legal services.

What we did

The first phase of our living wage came into effect. We lifted the wages of more than 1500 employees to \$18.00 per hour on 1 September 2017. Our new Living Wage policy will be introduced for all staff over the next three years. Wages will be progressively lifted each year until they reach an estimated \$21.00 per hour in September 2019. For trainees, interns, cadets or apprentices the minimum hourly rate is now \$16.16. This will be increased to an estimated \$16.80 by September 2019.

We're robotising wherever we can to make our processes more efficient for you and for us.

We're using Robotics Process Automation (RPA) technology to speed up time-consuming manual processes and improve our productivity. RPA works on 'bots' – software customised to a specific task. The bot software is so flexible and scalable, it can be easily repurposed. So far, we've built and deployed nine bots. We're also upskilling our own staff who are creating and deploying bots and becoming change experts in the process. Watercare is also trialling similar technology.

We're also putting more of our services online for the same reasons. You can now book a building inspection online using real time calendars. You get a better service, we reduce our costs and our inspection teams are working with a more efficient process out in the field. What about booking spaces or accommodation in our regional parks? We've put this online, too. We created a new system to support Active

Recreation's 19 sites. Now, they have better processes that are also standardised across memberships, bookings, payments and access management. We've done the same with manual processes and transactions for Tupu, our online staff learning hub, turning them into a system staff can access from any device. We automated an Accounts Payable process for invoice approvals and it processed 5200 invoices in the first two weeks.

We began reviewing the efficiency and effectiveness of our services.

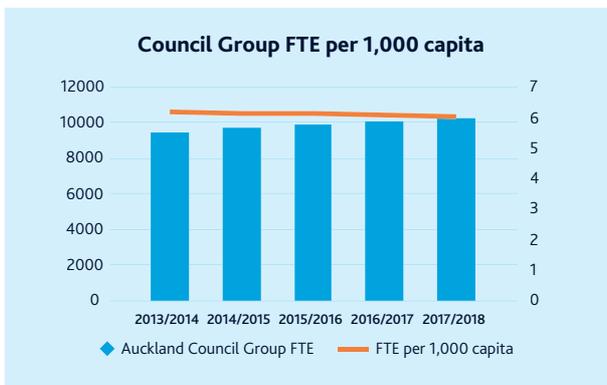
This multi-year statutory Value for Money programme requires the council and our CCOs to review expenditure and identify opportunities to improve our services and ensure we're spending wisely. There are over 20 reviews in all and to date, five have been completed – Three Waters, domestic waste, Communications & Engagement, investment attraction & global partnerships, and Group procurement. A three-member panel provides independent input into the review work.

The five approved reviews all point to significant further opportunities to achieve value:

- An integrated public policy and strategy for managing water, wastewater and stormwater and reviewing the fitness of our current operating model, potentially under combined service delivery.
- Rebalancing waste service resources towards influencing zero waste in the fast-growing non-domestic waste streams to achieve greater waste reduction or diversion.
- Integrating asset, capital and procurement planning for large group infrastructure work to improve the economic benefits of scale.
- Require the Group to establish an annual hard savings target for procurement and include this in the long-term plan budget.

- Greater use of performance or outcome-based contracting with outsourced suppliers.
- Better engagement with Māori.
- Improving the monitoring of our performance and spending by outcome.

Our FTE per capita is decreasing. Overall our FTE* numbers for Auckland Council Group (includes CCOs) have increased but at a lower rate than population growth. The increased FTE over the past year have predominantly been in our delivery and customer facing areas, which is partially offset by a reduction in back office staff. This is all reflected in our FTE per 1,000 capita, which has been decreasing since FY2015 as we continue to increase staff efficiencies.



*Full-time equivalent is the equivalent of a person working 40 hours per week

We're applying sustainability principles in simple ways to save money and the environment. We're doing more with less with office stationery and helping the community at the same time. Tape dispensers, spare post-it notes, desk trays...we've stopped sending a whole raft of unwanted stationery items to landfill and now they're in our Surplus Store for re-use. Where we have large quantities, we're donating them to schools, charities and non-profit organisations. This stops us ordering new items when we can reuse what we have, and we're cutting out the disposal costs.

Digitisation is rendering lever arch files redundant, so these are going straight to community groups, schools and recycling centres.

The council Group now has more than 30 EVs in our vehicle fleets and we're reducing the overall size of those fleets.

We're also walking the talk (well, riding the ride actually) with electric bikes, helping more than 400 staff master riding electric bikes for CBD trips.

Focusing on saving energy has won us an award for our Albert Street headquarters. The internal retrofit of our headquarters has won a prestigious 6 Green Star award. Heating/cooling adjust automatically, and LED lights use motion sensors meaning our monthly electricity use is down 40 per cent. We're saving 34.5 tonnes of carbon/carbon equivalent each year and costs are down \$300,000 a year. Around 78kg of food waste is sorted daily and fed to 78 on-site worm bins. We recycled or sold 85 per cent of waste produced during construction and the overall volume of waste was reduced by 50 per cent by re-using items. These initiatives saved us approximately \$250,000.

What we achieved

Manage the council's diversified asset portfolio investments to optimise returns

Rolling 10-year return for diversified financial assets portfolio

Equal or exceed return on reference portfolio

2018	Not measured
2017	9.1%
2016	9.2%

The entire Diversified Financial Assets Portfolio (DFA), was divested by 30 September 2017 and therefore is no longer a relevant measure.



Who owns all those traffic cones?

How much did you spend on international staff travel in 2017?

What are the most requested books in the library?*

Who owns all those traffic cones?*

These requests and 989 others received by Elizabeth McKenzie and her team in 2017/2018 were researched and answered under what's called a LGOIMA – the Local Government Official Information and Meeting Act 1987.

"If people can't find the information they need on our website, or they need specific information for, say, a

project or assignment, they can ask through the LGOIMA process," says Elizabeth.

"Often, we receive requests about a problem that hasn't been resolved and we do our best to find the answer, or it can be something big that has happened recently, like a major sporting event or a big storm. Those generate a lot of LGOIMA requests for us."

*Lee Child's books are some of the most requested at libraries and traffic cones are typically owned by contractors.

Funding impact statement – Regional governance

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		94	96	98
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		2	2	2
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	1	2
Total operating funding		96	99	102
Applications of operating funding:				
Payment to staff and suppliers	1	102	92	95
Finance costs		-	-	-
Internal charges and overheads applied		6	6	7
Other operating funding applications		-	-	-
Total applications of operating funding		108	98	102
Surplus (deficit) of operating funding		(12)	1	-
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	12	(1)	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		12	(1)	-
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		-	-	-
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		-	-	-
Surplus (deficit) of capital funding		12	(1)	-
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Payment to staff and suppliers is above plan due to current year costs being allocated to Local Governance in the plan.
2. The increase in debt is mainly due to the increased deficit from operating funding arising from payments to staff and suppliers being included in Local Governance in the plan.

Funding impact statement – Investment

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		(78)	(80)	(74)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1	232	254	240
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	68	44	42
Total operating funding		222	218	208
Applications of operating funding:				
Payment to staff and suppliers	3	140	107	115
Finance costs	4	26	37	35
Internal charges and overheads applied		-	-	-
Other operating funding applications	5	-	15	13
Total applications of operating funding		166	159	163
Surplus (deficit) of operating funding		56	59	45
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	6	73	(35)	156
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		73	(35)	156
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		110	14	87
- to improve the level of service		5	1	2
- to replace existing assets		14	9	112
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding	7	129	24	201
Surplus (deficit) of capital funding		(56)	(59)	(45)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Fees and charges are below plan due to Ports of Auckland revenue being lower than planned.
2. Local authorities fuel tax, fines, infringement fees and other receipts are above plan mainly due to higher dividend received from Auckland International Airports than expected.
3. Payment to staff and suppliers are above plan mainly due to the increase in Ports of Auckland staff costs as a result of the purchase of two new subsidiaries as well as an increase in maintenance costs, in particular, the five-yearly survey for the Bunker Barge Awanuia being brought forward to the current year.
4. Finance costs are lower than plan due to lower opening debt than forecast, and a lower interest rate than anticipated in the plan.
5. The current year results do not reflect the budgeted subvention payment. This payment was made to Watercare Services Limited, and being an intercompany transaction, it was eliminated on consolidation.
6. The increase in debt is higher than plan due to capital expenditure being higher than plan, which has resulted in higher debt funding requirement.
7. Capital expenditure is above plan mainly due to prior year delays on major Ports of Auckland projects resulting in current year spend on projects such as the Intelligent terminal and purchase of Quay street cranes. Further increases in capital spend relate to projects required to increase output such as straddle automation.

Funding impact statement – Organisational support

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		35	35	13
Targeted rates		-	-	-
Subsidies and grants for operating purposes		3	-	-
Fees and charges		3	2	2
Internal charges and overheads recovered		185	185	195
Local authorities fuel tax, fines, infringement fees and other receipts	1	47	31	30
Total operating funding		273	253	240
Applications of operating funding:				
Payment to staff and suppliers	2	209	182	191
Finance costs	3	1	10	11
Internal charges and overheads applied		-	-	-
Other operating funding applications		-	-	-
Total applications of operating funding		210	192	202
Surplus (deficit) of operating funding		63	61	38
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	4	(254)	68	30
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(254)	68	30
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		17	22	43
- to replace existing assets		48	48	38
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments	5	(256)	59	(13)
Total applications of capital funding		(191)	129	68
Surplus (deficit) of capital funding		(63)	(61)	(38)
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

- Local authorities fuel tax, fines, infringement fees and other receipts are above plan mainly due to interest received from the Crown for CRL assets that were prefunded by the council and higher than expected cash and short-term deposits.
- Payments to staff and suppliers are above plan mainly due to lower than anticipated capitalisation of ICT time due to delays in the capital expenditure programme as well as more resources required for the strategic assessment of ICT operations programmes and treasury and transaction services.
- Finance costs are lower than plan due to lower opening debt than forecast, and a lower interest rate than anticipated in the plan.
- The large decrease in debt compared to plan is mainly due to the sale of the Diversified Financial Assets portfolio, which resulted in lower debt funding requirement.
- The large decrease in investments compared to plan is due to the unplanned sale of the Diversified Financial Assets portfolio.

Funding impact statement – Local governance

For the year ended 30 June 2018

\$MILLION	NOTES	ACTUAL JUNE 2018	LONG TERM PLAN 2018	LONG TERM PLAN 2017
Sources of operating funding:				
General rates, UAGC, rates penalties		29	29	28
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		-	-	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding		29	29	28
Applications of operating funding:				
Payment to staff and suppliers	1	4	23	22
Finance costs		1	1	1
Internal charges and overheads applied		5	5	5
Other operating funding applications		-	-	-
Total applications of operating funding		10	29	28
Surplus (deficit) of operating funding		19	-	-
Sources of capital funding:				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase (decrease) in debt	2	(19)	-	-
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding		(19)	-	-
Applications of capital funding:				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		-	-	-
Increase (decrease) in reserves		-	-	-
Increase (decrease) in investments		-	-	-
Total applications of capital funding		-	-	-
Surplus (deficit) of capital funding		(19)	-	-
Funding balance		-	-	-

Variance explanation Actual 2018 to Long-term Plan 2018

1. Payment to staff and suppliers is below plan mainly due to the plan including Regional Governance costs as well as Local Governance costs.
2. The decrease in debt is mainly due to the increased surplus from funding arising from payments to staff and suppliers for which the plan includes Regional Governance costs.

For variance explanations, see the individual Funding Impact Statements for groups of activities.



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Me pēhea te whakapā mai ki te kaunihera

How to contact the council

Online www.aucklandcouncil.govt.nz/contactus

Phone 09 301 0101

Post Auckland Council, Private Bag 92300, Auckland 1142

Our customer service centres

Albany

30 Kell Drive, Albany

Birkenhead

Corner of Rawene Street and Hinemoa Street,
Birkenhead

Bledisloe Lane (CBD)

Bledisloe House, Ground Floor
24 Wellesley Street, Auckland CBD

Devonport

2 Victoria Road, Devonport

Glenfield

90 Bentley Avenue, Glenfield

Graham Street

Ground level, 35 Graham Street, Auckland CBD

Great Barrier Island

75 Hector Sanderson Road
Claris, Great Barrier Island

Helensville

49 Commercial Road, Helensville

Hibiscus and Bays

Corner of Bute Road and Glen Road, Browns Bay

Huapai

296 Main Road (SH16), Huapai

Manukau

Ground floor, Kotuku House,
4 Osterley Way, Manukau

Orewa

50 Centreway Road, Orewa

Papakura

35 Coles Crescent, Papakura

Pukekohe

82 Manukau Road, Pukekohe

Takapuna

1 The Strand, Takapuna

Waiheke Island

10 Belgium Street, Ostend,
Waiheke Island

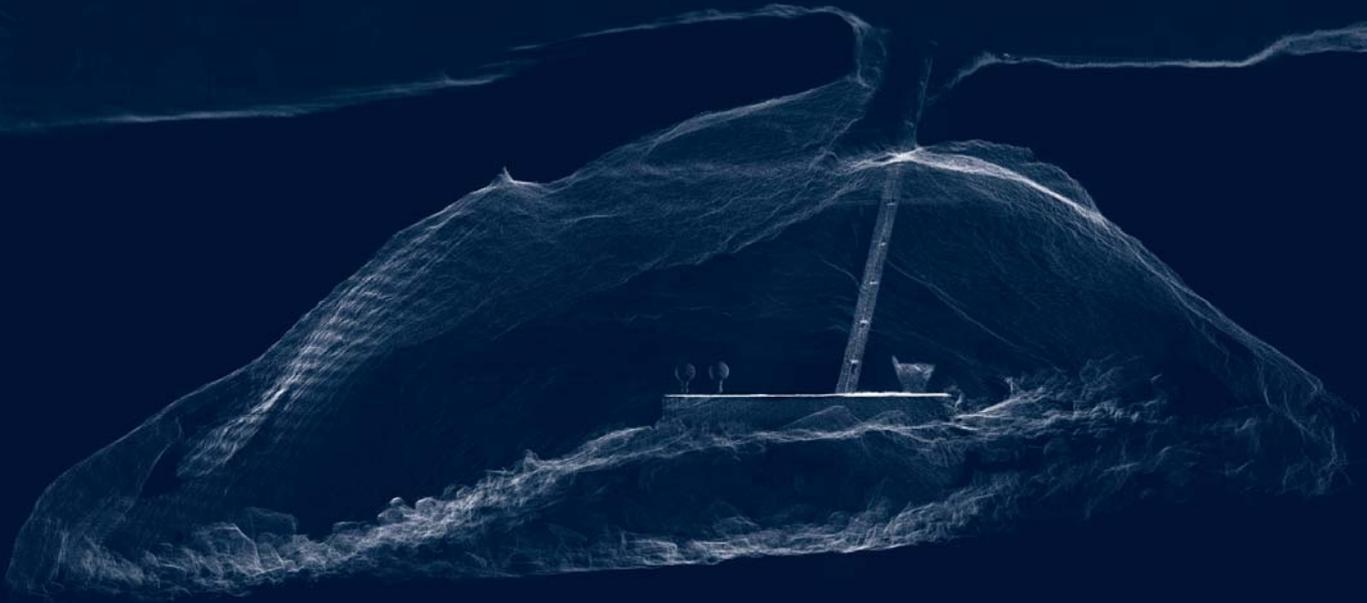
Warkworth

1 Baxter Street, Warkworth

Whangaparāoa

9 Main Street, Whangaparāoa

For opening hours and a list of services available at each service centre,
visit www.aucklandcouncil.govt.nz



THIS IMAGE: **Into the underworld**

A picture speaks a thousand words, and digital mapping speaks millions when it comes to our lava tubes.

Last year, eerie images showed us 10 lava caves under the Auckland isthmus.

Over two years, artist Chirag Jindal and speleologist Peter Crossley walked a \$100,000 3D scanner into each cave to create digital images of what lies beneath our houses and feet.

For some, a door on their property leads to a cave, but for the most part, they're unseen. Chirag and Peter wanted to ensure the caves, some of which are over 40,000 years old, were not lost.

"We're the only region in New Zealand, and one of the only places in the world, with lava caves like these beneath its surface," says Chirag

"These images are the first archived drawings of these caves, establishing their unique heritage and identity within our broader landscape," says Chirag. An exhibition included artistic and scientific plans, sections, animations, text, short films and 3D prints of some of the most prominent caves in the isthmus. The council is committed to preserving our heritage and provided Chirag and Peter with a range of grants regionally and through the Albert-Eden, Puketāpapa and Maungakiekie-Tāmaki Local Boards.

Image: Chirag Jindal and Peter Crossley.

ON THE BACK COVER: **Kowhatukiteuru of Te Kawerau a Maki, Matariki Festival 2018 host iwi. Matariki ki tua a ngā whetū / Matariki beyond the stars and into the heavens.**



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Matariki ki tua
o ngā whetū

Te Kaunihera o
Tāmaki Makaurau
Auckland Council 