Tahua ā-Tau 2019/2020

Annual Budget

2019/2020

Volume 1:

Our plan for 2019/2020

Auckland Council
Te Kaunihera o Tāmaki Makaurau

He Mihi

Tērā tō waka te hoea ake e koe i te moana o te Waitematā kia ū mai rā ki te ākau i Ōkahu.
Ki reira, ka mihi ake ai ki ngā maunga here kōrero,
ki ngā pari whakarongo tai,
ki ngā awa tuku kiri o ōna mana whenua, ōna mana ā-iwi
taketake mai, tauiwi atu.

E koro mā, e kui mā i te wāhi ngaro, ko Tāmaki Makaurau tā koutou i whakarere iho ai,
ki ngā reanga whakaheke, ki ngā uri whakatupu – ki tō iti, ki tō rahi.
Tāmaki – makau a te rau, murau a te tini, wenerau a te mano.
Kāhore tō rite i te ao.
Tō ahureinga titi rawa ki ngā pūmanawa o mātou kua whakakāinga ki roto i a koe.
Kua noho mai koe hei toka herenga i ō mātou manako katoa.
Kua ūhia nei mātou e koe ki te korowai o tō atawhai,
ki te āhuru o tō awhi,
ki te kuku rawa o tō manawa.
He mea tūturu tonu tō whakairihia, hei tāhuhu mō te rangi e tū iho nei,
hei whāriki mō te papa e takoto ake nei.
Kia kōpakina mātou e koe ki raro i te whakamarumaru o āu manaakitanga.
E te marae whakatutū puehu o te mano whāioio,
e rokohanga nei i ngā muna, te huna tonu i ō whāruarua
i ngā hua e taea te hauhake i ō māra kai,
i ngā rawa e āhei te kekerihia i ō pūkoro.
Te mihia nei koe e mātou.

Tāmaki Makaurau, ko koe me tō kotahi i te ao nei, nōku te māringanui kia mōhio ki a koe,
kia miria e te kakara o te hau pūangi e kawe nei i ō rongo.
Ka whītiki nei au i taku hope ki ngā pepehā o onamata, ki ōku tūmanako mō āpōpō
me ōku whakaritenga kua tutuki mō te rā nei.
Tāmaki Makaurau, tukuna tō wairua kia rere.

Let your canoe carry you across the waters of the Waitematā until you make landfall at Ōkahu.
There, to greet the mountains, repository of all that has been said of this place,
there to greet the cliffs that have heard the ebb and flow of the tides of time
and the rivers that cleansed the forebears of all who came,
those born of this land and the newcomers among us all.

To all who have passed into realms unseen, Auckland is the legacy you leave to those who follow,
your descendants – the least, yet, greatest part of you all.
Auckland – beloved of hundreds, famed among the multitude, envy of thousands.
You are unique in the world.
Your beauty is infused in the hearts and minds of those of us who call you home.
You remain the rock upon which our dreams are built.
You have cloaked us in your care,
taken us into the safety of your embrace,
to the very soul of your existence.
It is only right that you are held in high esteem,
the solid ground on which all can stand.
You bestow your benevolence on us all.
The hive of industry you have become
motivates many to delve the undiscovered secrets of your realm,
the fruits that can still be harvested from your food stores
and the resources that lie fallow in your fields.
We thank you.

Auckland you stand alone in the world, it is my privilege to know you,
to be brushed by the gentle breeze that carries the fragrance of all that is you.
And so, I gird myself with the promises of yesteryear, my hopes for tomorrow
and my plans for today.
Auckland let your spirit soar.

How this Annual Budget is arranged

This is Auckland Council's plan for delivering services and building infrastructure during the 2019/2020 financial year, the second year of the council's 10-year Budget 2018-2028 (Long-term Plan or LTP).

Public consultation ran during February and March 2019. This involved around 60 feedback events across the Auckland region. Both written and digital feedback were also encouraged and approximately 6500 pieces of feedback were received. For a summary of the key decisions please visit aucklandcouncil.co.nz from July 2019.

This plan was then adopted by the Governing Body on 20 June 2019.

Finding your way around the volumes

Volume 1: Our plan for 2019/2020

Part one contains our plan for 2019/2020, including a message from the Mayor, key developments across the Auckland region, and Māori identity and wellbeing.

Part two contains our strategic focus areas, key performance measures and financial information for 2019/2020.

Part three contains our financial overview, prospective financial statements for 2019/2020, rating policy overview, prospective funding impact statement and other key financial information.

Part four contains the summary of the Tūpuna Maunga Authority Operational Plan 2019/2020.

Part five contains the structure of and contact information for the council, a glossary of terms and key word index.

Volume 2: Local Board information and agreements

Part one provides information on local boards and a summary of planned expenditure for 2019/2020.

Part two contains specific information for each of the 21 local boards, including a local board agreement (outlining local activity initiatives and budgets for 2019/2020), and an introductory section that provides context for each agreement.

Part three contains the allocation of decision-making for non-regulatory activities.

Part four contains a glossary of terms and key word index.

Copies of the Annual Budget 2019/2020 can be found in service centres and libraries or to request a copy please call 09 301 0101.

Rārangi kōrero
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Tā tātou mahere mō te tau 2019/2020
Part one: Our plan for 2019/2020

1.1 Overview

This budget sets out spending plans for the coming 12 months and is focused on savings and value for money as well as continuing the delivery of a record $26 billion capital investment over the next decade – announced in last year's 10-year budget. The mayoral message and from pages 10 and 13 further detail our plans for the coming year and the part they play in achieving our Auckland 2050 vision.

We highlight some of the major developments – both at regional and local level – that we are getting on with next year and look at how this planned investment will make a difference to our day-to-day lives, our communities and our environment.

Importantly, key to our region, and Auckland's identity, is building strong and vibrant Māori communities that strive, socially, culturally, economically and environmentally. Our region is home to the country's largest Māori population and mana whenua retain cultural traditions and heritage that make Auckland unique and we look at how our activities and budgets can collectively achieve Māori outcomes for Auckland.

At every level, throughout the council group, our focus is to achieve our goal of Auckland, a world-class city.

1.2 Message from the Mayor

Last year, Auckland Council adopted the 10-year Budget 2018-2028 which sets out a record $26 billion investment in areas that matter most to our community – transport, housing and the environment.

This budget was transformational, addressing years of underinvestment in infrastructure with record funding to match Auckland's unprecedented population growth.

2019/2020 is the second year of the 10-year budget and our focus is on delivering that ambitious programme.

Significant progress is being made in the areas of transport, housing and the environment. Capital investment will increase from $2.51 billion in 2018/2019 to $2.75 billion in 2019/2020.

The record investment by the council and the government in the Auckland Transport Alignment Project (ATAP) is underway. The work is broad in scope and is already delivering safety improvements and more red light cameras. Significantly, the construction of the $1.4 billion Eastern Busway has begun, and construction of the landmark Puhinui Station will begin in this financial year, bringing to Auckland for the first time, rapid transit from the Airport to Manukau and into our central city.

Auckland is booming, construction is at an all-time high and council is facilitating growth. New housing consents in the latest year have reached their highest level ever of 13,874, and the Unitary Plan and improvements in the building consent process will continue to assist housing growth.

Water quality improvements in our beaches have been brought forward by 20 years and the $1.1 billion central interceptor begins construction this year. This will have a dramatic impact on wastewater overflows and our waterways when complete. Much more remains to be done and we are continuing our discussions with central government for a joined-up approach and additional funding.

Construction of the City Rail Link (CRL) is on track and in early May 2019, the council approved an additional funding commitment of $500 million. This will future proof the project ensuring it can accommodate the projected 54,000 passenger trips per hour at peak times, and additional contingency funding has been set aside to meet increases in construction costs. The additional funding has been found without imposing further costs on ratepayers or breaching prudential lending levels, however funding of the CRL constrains the council's ability to invest in major new initiatives for the next four years.

Despite these pressures, this annual budget ensures we are continuing to look after our communities and our people.

$5 million additional funding for the City Mission's HomeGround Project will help provide 80 secure and affordable housing units to help solve chronic homelessness in Auckland. This funding is on top of our support for Housing First which has placed 924 people in permanent accommodation in the last two years and helped them to address issues that contributed to their homelessness.

Free public transport for under 16-year olds on weekends and public holidays from 1 September will help encourage more families onto our buses and trains and encourage the next generation of Aucklanders into becoming public transport users.

All staff employed by the council will be paid a living wage from 1 September 2019. People who work hard for us deserve to be paid a fair

wage that enables them to meet the costs of living in Auckland.

Our record level of funding commitments is being delivered while keeping average general rate rises to 2.5 per cent next year, the lowest level for any growth or metropolitan city in New Zealand. That we can deliver record levels of investment without additional burden on Auckland's ratepayers is testament to council's focus on value for money and finding savings through efficiency.

The 17A Value for Money reviews are ongoing through the coming year and have identified potential operational and capital benefits of $500 million over 10 years, of which $260 million has been realised to date. Furthermore, the specific additional savings target of $23 million locked into this annual budget from the council parent, is $16 million more than that in the previous 10-year Budget. This will ensure savings achieved in the current 10-year Budget hit four per cent.

The investment this budget makes in our infrastructure, environment and quality of life aims to ensure that we achieve our vision for Auckland to be an inclusive and world-class city.

Phil Goff
Mayor of Auckland

Governing Body members

Auckland's 20 councillors, who represent 13 wards, make up the Governing Body along with the Mayor.

John Watson
Albany

Wayne Walker
Albany

Dr Cathy Casey
Albert-Eden-Roskill

Hon. Christine Fletcher, QSO
Albert-Eden-Roskill

Bill Cashmore, Deputy Mayor
Franklin

Sharon Stewart, QSM
Howick

Paul Young
Howick

Alf Filipaina
Manukau

Fa'anana Efeso Collins
Manukau

Sir John Walker, KNZM, CBE
Manurewa-Papakura

Daniel Newman
Manurewa-Pakakura

Josephine Bartley
Maungakiekie - Tamaki

Chris Darby
North Shore

Richard Hills
North Shore

Desley Simpson
Orākei

Greg Sayers
Rodney

Linda Cooper, JP
Waitākere

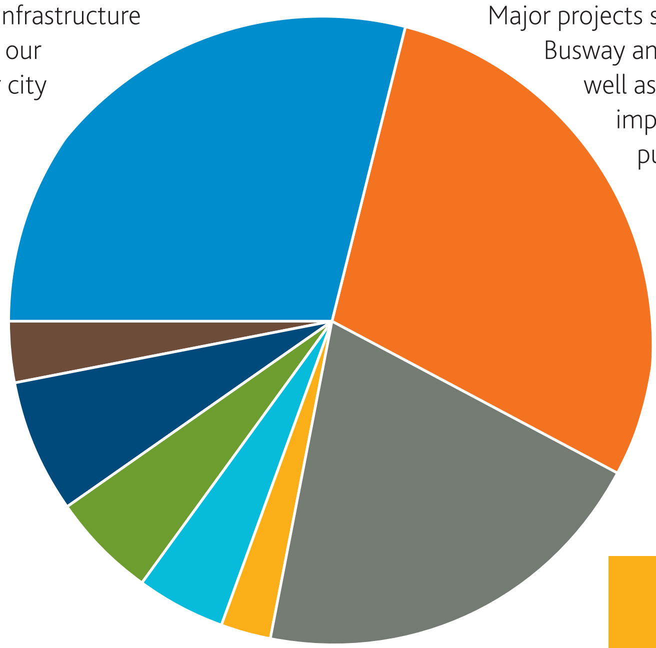
Penny Hulse
Waitākere

Mike Lee
Waitematā and Gulf

Ross Clow
Whau

1.3 The makeup of the budget

A record capital investment programme of $2.75 billion



Auckland Council

Includes providing stormwater infrastructure to support growth and improve our waterways, development of our city centre and other town centres, new and improved community facilities and parks.

Auckland Transport

Major projects such as the Eastern Busway and more electric trains as well as continued renewal and improvement of our roading, public transport and walking and cycling networks.

Crown Infrastructure Partners

Watercare

Maintaining and expanding the water and wastewater networks to cater for a growing Auckland.

City Rail Link

Our 50% funding share.

Regional Facilities Auckland

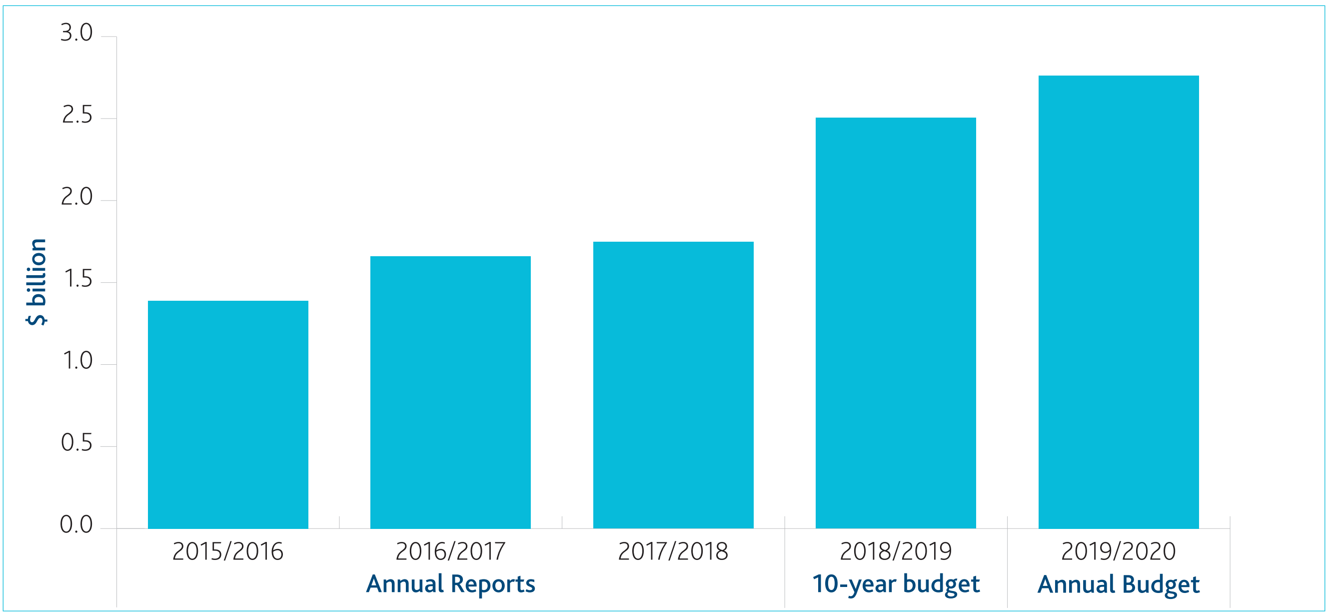
Major projects include the Aotea Centre refurbishment and renewal and renovation of enclosures at Auckland Zoo.

Panuku Development Auckland

Developing our downtown waterfront as well as Transform and unlock regeneraton projects.

Investment planned by Ports of Auckland Limited

Growth in capital investment



Delivering more value to Auckland ratepayers

Another $23 million savings in our day-to-day costs

Since amalgamation, around $270 million per annum in operational budget savings have been achieved. A further $62 million is targeted over the first three years of the 10-year budget. In 2018/2019, the first $23 million has been achieved and a further $23 million is targeted for 2019/2020, with the remaining $16 million to be achieved in the third year.

On top of this, a further $500 million over the 10-year budget in benefits through cost avoidance and our capital programme has been identified.

Procurement

We spend around $4 billion each year with external organisations.

Leveraging this scale, and working with government to leverage our combined scale, is delivering better value on our contracts.

Organisational design

We are looking to remove duplication and leverage our capability and capacity more efficiently.

Examples such as the disestablishment of Auckland Council Investments Limited and the centralisation of some finance functions have each saved around $1 million in annual costs.

Technology

Leveraging existing investments for better outcomes or implementing new tools that create efficiencies.

Including automation of manual processes through robotic processing – saving money and improving customer experiences and accuracy.

Challenging all expenditure

We have a strong focus on prudent financial management through a culture of questioning and challenging all expenditure.

We are aligning staff with areas of growth, like consenting, and delivery of our capital programme.

An ongoing focus on areas such as travel, consultancy and utilities.

Keeping rates increases low

General rates increase of 2.5%

No changes to Water Quality and Natural Environment targeted rates

Adjustments to Waste Management rates to ensure cost recovery and equity

Maintaining sustainable and prudent debt levels

Total debt of $9.7 billion compared to total assets of $55 billion

Debt-to-revenue ratio of 253%

AA credit rating

1.4 Major developments in 2019/2020

City Rail Link

The City Rail Link (CRL) is a joint venture with the Crown to reduce travel times, improve access to employment and education opportunities, and reduce traffic congestion.

The CRL will connect Britomart and Mt Eden stations with two new stations at Aotea and Karangahape Road via two 3.5km rail tunnels. It's Auckland's highest priority transport project and will provide a critical piece of infrastructure to support Auckland's economic growth, unlock development areas and support future population growth.

Auckland Council is committed to funding 50 per cent of this $4.4 billion project and expects to invest $203 million in 2019/2020.

Water Quality and Natural Environment Targeted Rate Programme

Auckland's response to threats to our natural environment and water quality has been scaled up significantly through the introduction of two new targeted rates. With this funding we will:

- deliver major infrastructure projects to improve water quality and reduce overflows into the Waitematā Harbour
- continue investigations and projects to improve water quality at popular swimming beaches, such as Takapuna Beach and Okahu Bay
- upgrade 30km of tracks to provide safe conditions to reduce the spread of kauri dieback disease
- fund 30 additional community-led projects to achieve conservation outcomes, through protecting and restoring their local ecologically significant areas
- provide additional support to foster youth kaitiakitanga and youth-led action on environmental issues.

America's Cup and Downtown

The next year is a significant one for the America's Cup Programme, with continuing construction around the Viaduct Basin, Wynyard Quarter and Hobson Wharf:

- challenger base platforms on Wynyard Wharf and Hobson Wharf will be completed and handed over to the teams
- the bulk storage terminal tanks will be removed, and the site handed over to Wynyard Edge Alliance for development
- the SeaLink ferry operations will relocate from North Wharf, Wynyard Quarter, to the western side of Wynyard Point.

Works are also underway to transform downtown into a more vibrant, people friendly space. Projects include:

- construction to strengthen Quay Street and enhance it as a waterfront destination
- development of a new waterfront public space in the ferry basin between Princes Wharf and Queens Wharf
- developing the Ferry Basin.

Photo credit: facebook.com/WynyardEdgeAlliance/
Captured by timescapes.co.nz

Investment across the region

North Auckland

Northcote town centre
Town centre developments

Ōrewa Beach Seawall
Community asset upgrade

Silverdale Park n' Ride
Public transport project upgrade

Rural Road Safety Programme
Critical safety initiative

CBD/East Auckland

Glen Innes to Tamaki Drive shared path
Walking and cycling initiative

Colin Maiden Park
Sportsfield upgrade – new double hockey turf

America's Cup infrastructure
Waterfront development

Parnell Baths
Community facility upgrade

West Auckland

Avondale Library and Community Centre
New community facility

Henderson town centre
Town centre development

West Wave Aquatic Centre
Comprehensive renewal

Lincoln Road/Triangle Road/SH 16 Intersection
Roading improvement

South Auckland

Ngāti Ōtara Park multi-purpose facility
Community facility upgrade

Papatoetoe
Town centre development

Walter Massey Park – Mangere East precinct
Parks project

Mill Road improvements
Public transport project

Region-wide

Work continuing on the **City Rail Link**

Creating new **Cycle ways and walkways**

Continue implementing **Bus lane improvement**

Work continuing on **Water Quality and Natural Environmental Targeted Rate projects**

1.5 Māori identity and wellbeing

To support a thriving Māori identity and the wellbeing of Māori in Auckland, council group activities and budgets collectively contribute to achieving Māori outcomes for Auckland. These are guided by the directions and focus areas in the Auckland Plan 2050.

Whiria Te Muka Tangata – the Māori Responsiveness Framework outlines Auckland Council's commitments and obligations to Māori within the wider network of agencies in Auckland. These commitments require that the council group ensures its policies and actions consider:

- the recognition and protection of Māori rights and interests in Tāmaki Makaurau, and
- how the council will address and contribute to Māori needs and aspirations within the wider network of agencies in Auckland.

The 10-year Budget 2018-2028 allocated $14 million to the financial year 2019/2020 for activities that directly contribute to Māori identity and wellbeing (combined capital and operating expenditure).

Key priorities

As outlined in the 10-year Budget 2018-2028, the council group seeks to deliver outcomes across all three goals (Whiria Te Muka Tangata goal: Strong Māori Communities; Whiria Te Muka goal: Effective Māori Participation; Whiria Te Muka Tangata goal: An Empowered Organisation) of the Māori Responsiveness Framework. Over the 2019/2020 financial year, these activities will focus particularly on the following strategic priorities:

Marae development

Supporting Marae to be sustainable cultural hubs for Māori and the wider community.

The council will continue to support Marae across the region. This will include completing the pilot development programme with four marae and aligning infrastructure planning with Watercare and Auckland Transport and improving consents processes. Marae will also continue to have access to Marae grants.

Te Reo Māori outcomes

Te Reo Māori is seen, heard and spoken throughout council activity.

The council will work to increase activity in bilingual signage and place-naming as well as completing Auckland Council's Māori Language Implementation Plan. The council will also continue to support Hīkoia te Kōrero: Auckland Central Māori Language Week parade.

Māori business, tourism and employment

The council actively provides economic opportunities for Māori and supports Māori growth in business, tourism and enterprise.

The council will continue to seek to support Māori economic wellbeing through its activities. Activity includes scaling-up the successful He Waka Eke Noa programme initiated by The Southern Initiative, focusing on improving Māori business participation in council procurement opportunities, and supporting a signature Māori festival.

Kaitiakitanga outcomes – specifically water outcomes

The council actively provides for the Māori participation in the management of taonga resources. Council works with Mana Whenua in the management, restoration and protection of our water resources.

The council will continue to work with mana whenua, increasing shared responsibility between mana whenua and the council in the management and maintenance of waterways and water. Some key activities include developing a Tāmaki approach to the climate change programme, development of the Auckland water strategy, the central interceptor project, and supporting mana whenua with iwi-specific projects (e.g. Ngāroto restoration project with Ngāti Manuhiri).

The council will also continue to support:

- becoming an empowered organisation by providing appropriate training to staff and ensuring policies, plans and strategies deliver better outcomes with Māori
- enabling effective Māori participation through activities such as supporting and funding the Mana Whenua Kaitiaki Forum and enabling Māori capacity such as through Māori capacity contracts.

Work is also underway to better measure council's performance against the priorities identified above and the outcomes identified in the 10-year Budget 2018-2028. Indicators for the priorities above will be completed in 2019, with further measures following.

Wāhanga tuarua: Ngā aronga nui me ngā takinga mahi mō te tau 2019/2020

Part two: Focus and performance for 2019/2020

Overview

The following part describe the strategic focus areas for Auckland Council and the council-controlled organisations for 2019/2020.

This includes key programmes of work, and financial information around key operating costs and capital investment programmes. Also, included are some key measures, the full set of performance measures and targets can be found in Part 2, Volume 2 of the 10-year Budget 2018-2028.

Below provides an overview of each organisation's respective strategic focus areas.

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Pages 18-24

- Community
- Environmental services
- Healthy waters
- Regulatory
- Waste

Auckland Transport
An Auckland Council Organisation

Pages 25-31

- Help people to travel safely
- Encourage walking and cycling
- Improve access to frequent and attractive public transport
- Make the best use of existing transport networks
- Manage the impacts of the transport system on the environment
- Support growth, urban development and regeneration
- Ensure value for money

Watercare
An Auckland Council Organisation

Pages 32-36

- Investment and collaboration
- Wastewater investment
- Water supply investment

Panuku Development Auckland
An Auckland Council Organisation

Pages 37-40

- Waterfront development
- Transform and unlock

Regional Facilities Auckland
An Auckland Council Organisation

Pages 41-44

- Stadia
- Zoo development
- Aotea centre development

Auckland Tourism, Events and Economic Development
An Auckland Council Organisation

Pages 45-47

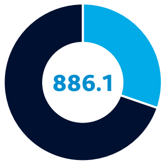
- Economic development
- Destination

2.1 Auckland Council

Auckland Council
Te Kaunihera o Tāmaki Makaurau

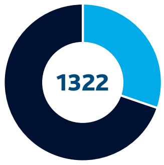
Auckland Council provide infrastructure development and management to support the growth and improvement of our region. From the delivery of stormwater infrastructure to improve our waterways, to development of town centres and introducing and improving our local facilities and parks, our focus is on a better Auckland.

Capital spend ($m) 2019/20



32% of total capital investment

Direct operating spend ($m) 2019/20



46% of total operational budget

WHAT WE'LL BE DEALING WITH IN 2019/2020

160,00 hectares under community pest control

$86.4m investment in stormwater infrastructure

$22.7m **for libraries and community hub renovation and renewal**

Community

Through our network of parks, libraries, pool and recreation facilities and community halls, centres and venues services we play an active part in the region's environmental, social and cultural life. In addition, our funding of programmes, grants and increasing digital services touch the lives of more than 200,000 Aucklanders each day.

Initiatives include:

- continued planning and roll-out of integrated library and community hubs. Takanini, Avondale and Flatbush currently in design and planning stages
- extending customer satisfaction surveys to include maintenance and cleanliness of facilities
- continued support of One Local Board Initiatives (OLIs) - key programmes for local boards to provide/upgrade community assets and facilities
- Karanga Atu! Karanga Mai! – improving our responsiveness to Māori by partnering with mana whenua and mataawaka to deliver a number of programmes including:
    - Marae Infrastructure Fund – supporting compliance of marae
    - Te Kete Rukuruku – investment for place-naming, storytelling and interpretation
    - Te Kākano – reducing barriers to accessing services.

- increasing customer use and engagement of our services online by increasing opportunities for people to access public wifi and launching a range of dedicated sites (such as pools and leisure, AKL paths, etc) and making booking systems available online
- advertising the second round of applications for the $120 million Sports Facility Investment Fund that was established in 2018
- invest $235 million in maintenance and renewal of Auckland's great local places including major projects at Panmure library, Moana-Nui-A-Kiwa Leisure Centre, Marlborough Park, Huia Domain and Stanmore Bay Park
- contribute $5 million (towards a $90 million budget) to the Auckland's City Mission HomeGround project, a plan to create a purpose-built housing and social services facility.

Key performance measure(s)	LTP target for 2019/2020
percentage of customers satisfied with the quality of library service delivery	85%
percentage of park visitors satisfied with the overall quality of their visit	96%
percentage of visitors satisfied with the presentation of cemeteries	81%
percentage of park visitors who are satisfied with the overall quality of sports fields	74%
percentage of users who are satisfied with the overall quality of local parks	73%
percentage of attendees satisfied with a nominated local community event	73%

Environmental services

The diversity of Auckland's natural environment needs to be protected and one of the major ways we are enabling this is through our natural environment targeted rate. This rate will help to fund:

- control and eradication of plant and animal pests
- upgrade 71 km of tracks and supporting infrastructure to prevent further spread of kauri dieback
- support for more than 600 community groups, iwi, households, landowners and schools to restore and protect their local ecosystems
- investment in marine biosecurity management and education of all boat users to minimise risk of spreading pests.

In addition, to help Aucklanders to measure and reduce their carbon footprint, we'll be launching FutureFit, our sustainability initiative to encourage the adoption of lower carbon lifestyles.

Key performance measure(s)	LTP target for 2019/2020
the proportion of kauri areas on Auckland Council land that have active management in place for kauri dieback disease	85%
the percentage of priority native habitats under active management	50%
the percentage of threatened plants and animals under active management	42%
the number of hectares under community pest control	160,000

Healthy waters

We are addressing the challenges our waterways face from overflows, sedimentation and other pollutants. Through the water quality targeted rate we will deliver a programme of works to:

- reduce overflows and contaminants flowing into waterways and harbours
- identify solutions to make our beaches safer for swimming
- improve the ecological health of streams and reduce bank erosion
- deliver enhanced monitoring and compliance of onsite wastewater systems.

Our delivery of stormwater projects will continue. These projects manage and reduce risk from flooding, renew and manage existing stormwater infrastructure with a focus on supporting our future growth.

Key performance measure(s)	LTP target for 2019/2020
the number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connected to Auckland Council's storm water network	1 event per 1,000 properties
the proportion of time beaches are suitable for contact recreation during the summer swimming season (1 November – 30 April)	79% then a further 1% increase every year up to 87% in 2027/28

Regulatory

Regulatory Services work to make Auckland a world-class city by keeping Aucklanders safe and well through building compliance, animal control, alcohol licensing, resource consenting, and environmental health activities. By ensuring the preservation and protection of our built and natural environments we give Aucklanders the opportunity to enjoy a better standard of living. Focus and improvements include:

- recognising the different needs of customers and offering defined services for high value, high volume, streamline, and custom consent application processes
- reviewing internal processes to deliver a streamlined, efficient, and cost-effective service.

Key performance measure(s)	LTP target for 2019/2020
the percentage of building consent applications processed within 20 statutory working days	100%
the percentage of non-notified resource consent applications processed within 20 statutory working days	100%
Alongside these two key goals, Regulatory Services measure their performance against another 12 goals which can be found in Volume 2, Part 2 of the 10-year Budget 2018-2028.	

Waste

We want to minimise the amount of waste going to landfills through focusing on various waste management goals. In 2019/2020 we will:

- work with the construction industry to reduce the amount of construction and demolition waste going to landfill
- support the growth of our community recycling centre network through opening a new centre in Western Springs and identifying a new site in South Auckland
- aim to reduce the amount of food waste sent to landfill and award the contract for a food scraps processing plant. We will also continue to procure a weekly food scraps collection for urban households in Auckland from 2021
- continue our fight against illegal dumping through 0800NODUMP and increased enforcement activity.

Key performance measure(s)	LTP target for 2019/2020
the volume of domestic kerbside refuse per capita per annum	144kg
the total number of resource recovery facilities	7
the total waste to landfill per year (kg per capita)	877kg
the percentage of customers satisfied with overall reliability of waste collection services	76%

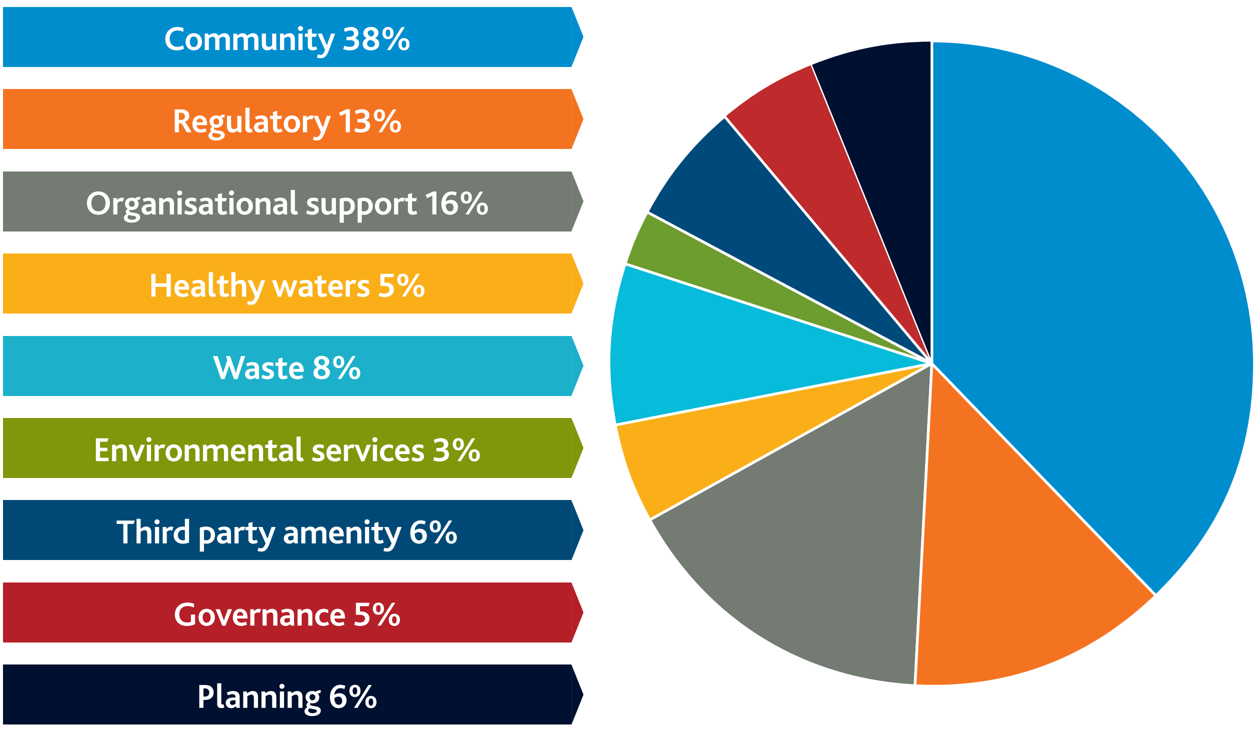
Financial information

Direct operating performance

$(million)	Actual 2017/18	Long-term Plan 2018/19	Annual Plan 2019/20
Net direct expenditure	**805**	**725**	**971**
Direct revenue	**321**	**462**	**351**
Fees and user charges	267	275	295
Operating grants and subsidies	18	18	17
Other direct revenue	36	169	39
Direct expenditure[1]	**1,126**	**1,187**	**1,322**
Employee benefits	500	536	567
Grants, contributions and sponsorship	119	130	144
Other direct expenditure	507	521	611

Note to table:
1. Net direct expenditure includes operating revenue and costs from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, and rates income.

Direct expenditure by area



Capital investment list

$(million)	Annual Plan 2019/20
Stormwater infrastructure	86.4
Water quality improvement	53.3
Catchment and asset planning	7.0
Healthy waters	**146.7**
Closed landfill and contaminated land remediation	9.2
Waste procurement programme	5.2
Resource recovery network	1.5
Waste solutions	**15.9**
Expanding community action	1.9
Environmental protection	0.5
Environmental services	**2.4**
City centre infrastructure development	92.3
Infrastructure development programme – regionwide	27.6
America's Cup 36 (AC36) auxiliary works	26.7
Development Programme Office	**146.6**
Wynyard Edge Alliance (AC36 event infrastructure)[1]	**83.0**
Total infrastructure and environmental services	**394.5**
Regulatory	3.3
Total regulatory	**3.3**
Local assets[2]	87.2
Open space acquisition	57.6
Parks	49.4
Locally driven initiatives capital projects	30.1
Libraries and community hubs	22.7
Active recreation	22.3
Climate change response fund	20.0
Co-governance – maunga and parks	13.7
Coastal management	13.3
Town centres and streetscapes	6.9
Cemeteries and crematorium	6.2
Non-service land acquisition	4.6

Social housing	3.7
Auckland emergency management	3.7
Amenities and infrastructure maintenance	2.2
Arts and culture	3.4
Community centres and venues	1.4
Total community	**348.4**
Corporate property	72.9
Organisational strategy	13.9
Information and communications technology	12.5
Built and cultural heritage	11.3
Fleet renewals	4.6
Other	24.7
Total organisational support	**139.9**
Grand total	**886.1**

Notes to table:

1. Wynyard Edge Alliance is jointly funded by Auckland Council and the Crown.
2. Local assets capital budget will be split by programme once the Local Board Work Programmes are adopted.

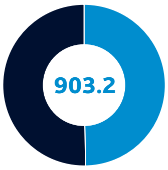
2.2 Auckland Transport

Auckland Transport
An Auckland Council Organisation

Transport plays a critical role in any modern city, shaping the development, supporting growth and enabling the safe, efficient and sustainable movement of people and goods. The Auckland Plan 2050 sets the strategic direction and outcomes for Auckland, and Auckland Transport plays a critical role in supporting Auckland Council to deliver these outcomes.

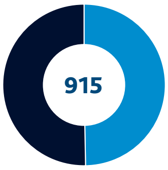
The City Rail Link project is 50% funded by Auckland Council but delivered by a joint venture with Central Government, City Rail Link Ltd.

Capital spend ($m) 2019/20



32% of total capital investment

Direct operating spend ($m) 2019/20



32% of total operational budget

WHAT WE'LL BE DEALING WITH IN 2019/2020

Rail boardings increasing by over 122% since 2013

Bus boardings increased by 40% since 2013

Manages and maintains 7,452km of roads

Help people to travel safely

We are increasing our effort and emphasis on travel safety to create a safe transport network, free from death and injury. Our key initiatives for 2019/2020 include:

- develop and obtain approval of a Vision Zero Strategy for Auckland
- deliver safety improvements to high risk roads and intersections and implement a safe speeds programme
- pilot safer schools' cameras and deliver initiatives that lower vehicle speeds around schools
- improve lighting and continue rollout of gates at rail stations to improve safety, security and reduce fare evasion.

Key performance measure(s)	LTP target for 2019/2020
the change from the previous financial year in the number of deaths and serious injuries on the local road network, expressed as a number	Reduce by at least 18 (663)

Encourage walking and cycling

Improving access and contributing to a more effective transport system by increasing mode share and reducing deaths and serious injuries among cyclists and making walking safer and easier. Key initiatives for 2019/2020 include:

- continued rollout of the Urban Cycleways Programme initiated in 2015
- developing business cases for the next generation of cycling improvements.

Key performance measure(s)	LTP target for 2019/2020
number of cycle movements past selected count sites	3.826 million

Improve access to frequent and attractive public transport

Moving away from a city in which the dominant mode of transport is by single-occupant private vehicle to a city where public transport and walking and cycling play an important role. Our key initiatives for 2019/2020 include:

- increase the number of electric trains on the network, improve train timetables
- deliver bus priority improvements to decrease bus journey times
- develop an accelerated mode shift plan in collaboration with Auckland Council and NZ Transport Agency
- continue construction of the Eastern Busway
- commence construction on the new Rosedale Bus Station
- start early works on the Puhinui bus-rail interchange
- complete construction of the Hibiscus Coast Bus Station
- introduce free public transport travel for children age 15 and under, at weekends and on public holidays.

Key performance measure(s)	LTP target for 2019/2020
total public transport boardings (millions) * As we are forecasting to reach this target early in 2018/2019, for the AT Statement of Intent we are targeting 103.6 million in 2019/2020.	100.6*
the percentage of passengers satisfied with public transport services * As we are forecasting to reach this target early in 2018/2019, for the AT Statement of Intent we are targeting 87% in 2019/2020.	85%*
the percentage of public transport trips that are punctual	95%

Make the best use of existing transport networks

Auckland already has an extensive transport network but opportunities to build new corridors or expand existing ones within the existing urban area are very limited. As a result, the major part of Auckland's growth will need to be accommodated within existing corridors, increasing the number of people using key routes. Key initiatives for 2019/2020 include:

- complete integration of the Auckland Transport Operations Centres (ATOC)
- upgrade the traffic light management system to allow more effective traffic handling and reduce congestion
- continue roll out of double decker buses
- undertake a number of rehabilitation and renewal projects on roads, footpaths and bridges, wharfs and public transport facilities
- continue delivering small-to-medium scale projects across the region that focus on enhancing people movement capacity, traffic flow and safety.

Key performance measure(s)	LTP target for 2019/2020
average AM peak period lane productivity across 30 monitored arterial routes * As we are forecasting to reach this target early in 2018/2019, for the AT Statement of Intent we are targeting 27,500 in 2019/2020.	22,000*
proportion of the freight network operating at Level of Service C or better during the inter-peak	85%
active and sustainable mode share at schools where Travelwise programme is implemented	40%
active and sustainable mode share for morning peak commuters where a Travelwise Choices programme is implemented	40%

Manage the impacts of the transport system on the environment

Transport is a significant contributor to Auckland's greenhouse gas footprint. Auckland Transport has an important role to play, alongside central government, the NZ Transport Agency (NZTA) and the council, in implementing initiatives to reduce this footprint. Key initiatives for 2019/2020 include:

- continue implementation of electric buses trial and install electric vehicle charging points at parking facilities
- rollout of LED street lighting
- installation of Tetratrap filters to catch pollutants washed off carriageways in priority locations.

Key performance measure(s)
There are no specific measures included in the 10-year Budget 2018-2028. Performance will be managed through the Statement of Intent.

Support growth, urban redevelopment and regeneration

Auckland Transport has a key role to play in supporting the council, local boards and the wider council group to facilitate urban regeneration and placemaking, and support development in brownfield and greenfield areas. Key initiatives for 2019/2020 include:

- working with Auckland Council and Panuku to deliver downtown improvements and America's Cup preparations (including Downtown Ferry Terminal improvements, the Quay Street seawall replacement, Wynyard Quarter Integrated Roads programme and downtown bus interchange facilities)
- continue working with NZ Transport Agency, Crown Infrastructure Partners and council to progress urban regeneration projects and improvements in the Northern, North Western and Southern growth areas.

Key performance measure(s)
There are no specific measures included in the 10-year Budget 2018-2028. Performance will be managed through the Statement of Intent.

Ensure value for money

Making the most of the funding and resources available is essential if Auckland is to deliver the transport system it needs. Auckland Transport is acutely aware of its responsibility as a public body to deliver maximum value for ratepayers and taxpayers and is committed to continuous review and improvements of its operations. Key initiatives for 2019/2020 include:

- commence implementation of an Enterprise Asset Management system to help Auckland Transport optimise timing of renewals and minimise lifecycle costs
- establish an Auckland Transport Investment Management Office to oversee the initiation, development and implementation of capital projects

- continue working closely with NZ Transport Agency to maximise co-funding of Auckland Transport's capital and operating programmes.

Key performance(s)	LTP target for 2019/2020
the percentage of the total public transport cost recovered through fares *A reduced target of 43-46% has been incorporated in the Statement of Intent to reflect recent changes in PT operating costs and fares, including the council's decision to provide free public transport for under 16-year olds on weekends and public holidays, and integrated ferry fares.	46-50%*
proportion of road assets in acceptable condition	95%
road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads	Rural 92% Urban 81%
percentage of footpaths in acceptable condition	95%
percentage of the sealed local road network that is resurfaced	5.8%
percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames	85%

Financial information

Direct operating performance

$(million)	Actual 2017/18	Long-term Plan 2018/19	Annual Plan 2019/20
Net direct expenditure	**244**	**252**	**263**
Direct revenue	**548**	**578**	**652**
Fees and user charges	239	265	295
Operating grants and subsidies	261	267	301
Other direct revenue	48	46	56
Direct expenditure[1]	**792**	**830**	**915**
Employee benefits	124	123	130
Grants, contributions and sponsorship	0	0	0
Other direct expenditure	668	707	785

Note to table:
1. Net direct expenditure includes operating revenue and costs from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, and rates income.

Capital investment list

$(million)	Annual Plan 2019/20
Urban regional safety programme	20.7
Rural regional safety programme	18.2
Minor safety improvements	10.6
Safer communities	12.4
Safety speed management	10.9
Road safety	**72.8**
AMETI eastern busway 1 (Panmure to Pakaranga)	49.4
AMETI eastern busway 2 (Pakuranga bus station/ Reeves road flyover)	11.9
AMETI eastern busway 3 (Ti Rakau busway)	5.1
Bus priorities – strategic programme	16.5
Suburban bus stations - Rosedale	12.3
CBD bus infrastructure	7.5
Electric train stabling	107.0
Puhinui interchange (bus-rail)	18.0
Integrated ticketing – improvements, replacement and national system	8.5
Public transport	**236.2**
Warkworth-Matakana link (state highway 1 to Matakana)	11.0
Glenvar Road / East Coast Road intersection and corridor improvements	0.9
Lake Road / Esmonde Road improvements	3.1
Kumeu/Huapai special housing area	5.8
Gills Road link	1.0
Lincoln Road – corridor improvements	15.8
Seal extensions	3.9
Roads and footpaths	**41.5**
Walking and cycling programme	62.8
Active transport	**62.8**
Seismic strengthening - Quay Street	40.3
Downtown bus improvements	11.7
Wynyard Quarter integrated road programme (Daldy street)	13.0
Downtown programme	**65.0**
Renewals	205.7

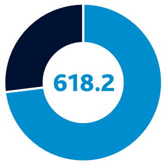
Renewals	**205.7**
Supporting growth – investigation into growth projects	10.0
Central external technical support services contracts	8.7
Network performance – travel demand	8.2
Local board initiatives	17.4
Wolverton culvert emergency work	15.0
Local residential growth fund	20.1
Airport access	12.4
Downtown ferry basin piers 3 and 4	50.3
Other capex	77.2
Other	**219.2**
Total Auckland Transport	**903.2**

The council's 50% funding commitment to the City Rail Link (CRL) is excluded from the above table as it is not direct capital expenditure but rather investment in City Rail Link Limited. Investment in the CRL in 2019/2020 is projected to be $203 million.

2.3 Watercare

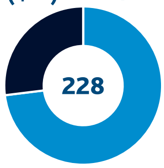
Watercare delivers high quality drinking water to its customers and treats wastewater to a high standard before discharging it into the environment. The company also maintains and expands water and wastewater infrastructure to cater for Auckland's growth. Its services are essential to life, keep people safe, and help communities to flourish.

Capital spend ($m) 2019/20



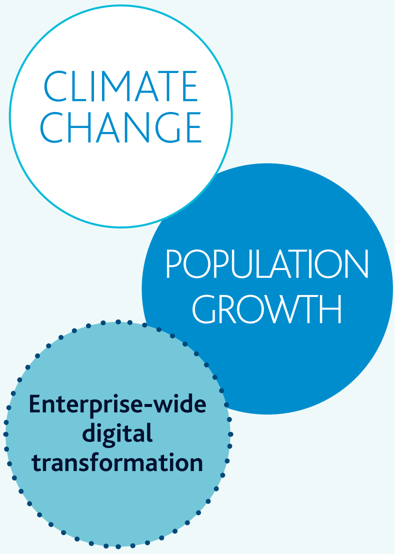
22% of total capital investment

Direct operating spend ($m) 2019/20



8% of total operational budget

WHAT WE'LL BE DEALING WITH IN 2019/2020



Investment and collaboration

Watercare provides core services while meeting the challenges of a changing natural and business environment, driving efficiencies, ensuring staff arrive home safe every day and addressing evolving customer expectations.

During 2019/2020, Watercare will continue to:

- collaborate with Healthy Waters and Auckland Transport to develop Auckland's Waters Strategy
- lead the development and implementation of the Western Isthmus Water Quality Improvement Programme
- investigate commercial arrangements and other funding sources to achieve savings or develop alternative revenue sources where this is in the best interests of the council group and doesn't compromise service delivery for Aucklanders or the delivery of Auckland's priorities
- invest in planned projects in our Asset Management Plan. Our challenge is meeting the demands of Auckland's growth without compromising quality, efficiency or the environment

- work with the council group and other stakeholders to combat climate change and its impact, such as through reducing or capturing carbon emissions. Initiatives underway are energy efficiency and energy neutrality at the Māngere and Rosedale wastewater treatment plants. We are also transitioning land from commercial to native forestry in the Hūnua Ranges, where millions of native plants will be planted over the next 30 years
- promote and foster kaitiakitanga (guardianship) outcomes for water.

Wastewater investment

Watercare provides safe, reliable wastewater services to 1.5 million Aucklanders, collecting and treating wastewater to a high standard 24/7. With two main wastewater treatment plants in Māngere and Rosedale, Auckland is serviced by over 8000km of wastewater pipes, 514 wastewater pump stations and 18 wastewater treatment plants. Key works for 2019/2020 include:

- Central Interceptor – construction commences in 2019
- Warkworth-Snells-Algies Wastewater Servicing – a new wastewater treatment plant at Snell's Beach targeted for completion by 2022
- Northern Interceptor – targeted for completion in 2021.

We measure success through reliably collecting and treating wastewater and returning it safely to the environment.

Key performance measure(s)	LTP target for 2019/2020
the number of dry weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system	≤5
compliance with Watercare'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 Watercare in relation to those resource consents	a) ≤2 b) ≤2 c) ≤2 d) 0
the total number of complaints received by Watercare about any of the following: a) sewerage odour, b) sewerage system faults, c) sewerage system blockages, d) Watercare's response to issues with its sewerage system, expressed per 1000 connections to Watercare's sewerage system	≤50

Water supply investment

Watercare provides safe, reliable Aa grade drinking water[1] to 1.5 million Aucklanders. They collect, treat and distribute water from 27 water sources, including dams, underground aquifers and the Waikato River, operating 15 water treatment plants, 85 water reservoirs, and over 9000km of water pipes. Key works for 2019/2020 include:

- Hunua No. 4 Watermain – completion is due in 2021
- North Harbour No. 2 Watermain – watermain duplication over the Upper Waitematā Harbour will be completed in 2020
- Pukekohe East Reservoirs – the first of two stages is targeted for completion in 2021.

We measure success by reliably delivering 'Aa'-grade water to all our customers.

Key performance measure(s)	LTP target for 2019/2020
the extent to which Watercare's drinking water supply complies with a) part 4 of the drinking water standards (bacteria compliance criteria), and b) part 5 of the drinking water standards (protozoal compliance criteria)	100%
the total number of complaints received by Watercare about any of the following: a) drinking water clarity, b) drinking water taste, c) drinking water odour, d) drinking water pressure or flow, e) continuity of supply, f) Watercare's response to any of these issues, expressed per 1000 connections to Watercare's networked reticulation system	≤10
the percentage of real water loss from Watercare's networked reticulation system (12 month rolling average)	≤13%

Note: 1. The Ministry of Health checks many different aspects of the water before it is given a two-letter grading. The first letter represents the quality of the water leaving the treatment plants. The second letter represents the quality of water received at homes and businesses. An Aa grade means the drinking water is high quality.

Financial information

Direct operating performance

$(million)	Actual 2017/18	Long-term Plan 2018/19	Annual Plan 2019/20
Net direct expenditure	**-393**	**-412**	**-435**
Direct revenue	**611**	**631**	**663**
Fees and user charges	491	507	533
Operating grants and subsidies	-	-	-
Other direct revenue	121	124	130
Direct expenditure[1]	**218**	**219**	**228**
Employee benefits	73	75	78
Grants, contributions and sponsorship	0	1	1
Other direct expenditure	145	143	149

Note to table:
1. Net direct expenditure includes operating revenue and costs from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, and rates income.

Capital investment list

$(million)	Annual Plan 2019/20
Treated water network	113.5
Hunua no. 4 water supply scheme	45.8
Waikato water treatment plant augmentation	10.8
North Harbour 2 watermain	10.4
Water treatment plant	10.1
Shared services process improvement	4.2
Shared services plant and equipment	3.6
Water source and headworks	2.2
Dam rehabilitation	0.7
Water ECS	0.9
Water sources regulatory compliance	0.5
Capex efficiency	-9.6
Water supply investment	**193.1**
Central Interceptor	137.0
Warkworth-Snells-Algies wastewater servicing	77.9
Northern Interceptor	76.5
Wastewater treatment	56.8
Collection system	37.9
Western Isthmus programme	19.2
South-west wastewater servicing	10.3
Shared services process improvement	14.5
Shared services plant and equipment	7.1
Wastewater ECS	3.5
Southern Interceptor augmentation	3.0
Wastewater treatment plant regulatory compliance	1.7
Capex efficiency	-20.3
Wastewater investment	**425.1**
Total Watercare	**618.2**

2.4 Panuku Development Auckland

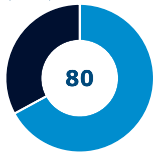
Panuku Development Auckland
An Auckland Council Organisation

Panuku Development Auckland is the council-controlled organisation that delivers urban regeneration in Tāmaki Makaurau (Auckland). We're here to radically improve your quality of living.

Capital spend ($m) 2019/20

6% of total capital investment

Direct operating spend ($m) 2019/20



3% of total operational budget

WHAT WE'LL BE DEALING WITH IN 2019/2020

- Continue to transform and unlock town centres across the region
- Lead the way in realising Auckland's Waterfront Plan to create a liveable, connected and smart-working waterfront.
- Start process to replace the temporary Wynyard Bridge with a larger structure to accommodate future growth in use.

Waterfront development

Auckland's waterfront is one of its greatest assets and Panuku is leading the realisation of Auckland's Waterfront Plan goals in creating:

1. a blue-green waterfront
2. a public waterfront
3. a smart working waterfront
4. a connected waterfront
5. a liveable waterfront.

Transform Waterfront sees Panuku continuing to build on the work already completed with the main projects in the Waterfront 2019/2020 programme include America's Cup enabling works, Wynyard Crossing replacement bridge, Westhaven Promenade Stage 2 and the Marina Pile Berth redevelopment.

Works include:

- AC36 Enabling works and Integration (America's Cup)
- Wynyard Crossing Replacement Bridge
- Westhaven Promenade Stage 2
- Pile Berth Redevelopment Project.

Key performance measure(s)	LTP target for 2019/2020
the percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront	80%
the percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year	73%
the percentage of marina customers surveyed who are satisfied with marina facilities and services	88%

Transform and unlock

Panuku plays a significant role in achieving the Homes and Places and Belonging and Participation outcomes in the Auckland Plan. Panuku leads the redevelopment of town centres, the creation of public spaces and it facilitates housing development. Place-based planning and engagement with the local community along with a funded Long-term Plan programme enables Panuku to shape spaces for Aucklanders to love. Areas of focus for 2019/2020 include:

- Manukau – begin work to extend the walking and cycling network across Barrowcliffe bridge, plan for upgrades and activation of public spaces, and continue work with the Crown in Manukau.
- Onehunga – continue construction of new public laneways within the town centre and begin enabling works for the future redevelopment of Onehunga Port.
- Takapuna – complete the new public car park on the Gasometer site and planning work on the new town square public space.
- Northcote – continue to acquire shop leaseholds to allow for the development of a new town centre. Begin construction works on the Greenway and detailed design for certain areas.

- Avondale – we'll be undertaking the acquisition of several properties to provide for the establishment of new integrated community facility. We'll also partner with the Crown and local agencies for the integrated Precinct Delivery Plan to understand the impacts of developments, public realm and network capacity demand. This includes collaborating with Auckland Transport to understand impacts to road corridor.
- Haumaru – complete a new housing facility for older persons in the Henderson Valley Road area.
- Henderson – we'll be undertaking detailed design and consenting for the Opanuku Link. The 2-4 Henderson Valley Road property will undergo subdivision works, including a new road, new greenway and upgraded Japanese bellhouse to support the sale of the land.

Key performance measure(s)

There are no specific measures included in the 10-year Budget 2018-2028. Performance will be managed through the Statement of Intent.

Financial information

Direct operating performance

$(million)	Actual 2017/18	Long-term Plan 2018/19	Annual Plan 2019/20
Net direct expenditure	**-11**	**-2**	**12**
Direct revenue	**71**	**62**	**68**
Fees and user charges	4	4	4
Operating grants and subsidies	-	-	-
Other direct revenue	67	58	64
Direct expenditure[1]	**60**	**60**	**80**
Employee benefits	22	24	32
Grants, contributions and sponsorship	0	0	0
Other direct expenditure	38	36	48

Note to table:
1. Net direct expenditure includes operating revenue and costs from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, and rates income.

Capital investment list

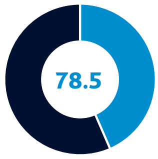
$(million)	Annual Plan 2019/20
Sealink relocation	9.5
Wynyard basin superyacht berth	11.5
America's Cup	**21.0**
Piles Westhaven	5.9
Westhaven western edge	3.7
Wynyard quarter marine superyacht refit	0.3
Marinas	**9.9**
Westhaven marine village stage 1	4.0
Decontamination of development sites	1.0
Waterfront commercial	**5.0**
Westhaven Promenade stage 2	16.6
Wynyard crossing	3.3
Vos Shed restoration stage 1	2.7
Skypath landing	1.7
East-west public transport connection	1.4
Other	6.2
Waterfront public	**31.9**
Renewals	**1.3**
Waterfront development total	**69.1**
Commercial property portfolio renewals	**9.5**
Strategic development fund	34.1
Transform and unlock	43.1
Investigatory fund development capex	2.8
Haumaru social housing	2.5
Strategic property development	**82.5**
Property development total	**92.0**
Total Panuku	**161.1**

2.5 Regional Facilities Auckland

Regional Facilities Auckland
An Auckland Council Organisation

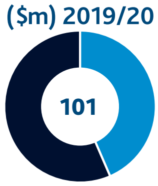
Regional Facilities Auckland's (RFA) portfolio includes some of Auckland's landmark assets and on a regional level they also provide governance advice to council for Museum of Transport and Technology (MOTAT) and Auckland War Memorial Museum. In addition, RFA provide operational or capital funding for a range of other Auckland assets including Trusts Arena, Vodafone Events Centre, North Shore Events Centre, and Stardome Observatory and Planetarium. Their business is to deliver great outcomes, by making, or encouraging, excellent commercial use of these venues.

Capital spend ($m) 2019/20



3% of total capital investment

Direct operating spend ($m) 2019/20



4% of total operational budget

WHAT WE'LL BE DEALING WITH IN 2019/2020

OWNS AND OPERATES
13 VENUES

Owns and operates
16,000
art works

Stadia

RFA has identified issues facing Auckland's current major outdoor stadiums and proposes focus areas for the next 20 years. These primarily provide more fit-for-purpose stadia that are more financially sustainable, better utilised and provide improved value-for-money through reduced duplication. Key initiatives for 2019/2020 include:

- renewals at Western Springs Stadium and upgrade of Stadium Road
- repairs to the grandstand roof at North Harbour Stadium as well as reconfiguration of the ground to accommodate the Auckland Tuatataras baseball team.

Zoo development

Using a phased approach, we are continuing to develop Auckland Zoo as a world class zoo and conservation facility. We're addressing the aging infrastructure and long-term under-investment to ensure the zoo meets modern standards of animal welfare, visitor amenity, wildlife exhibition and health and safety obligations. Key initiatives for 2019/2020 include:

- Southeast Asia and Pridelands enclosure renewal and renovation programme.

Aotea Centre development

Through refurbishing, developing and expanding the Aotea Centre we aim to create a vibrant Aotea Arts Quarter, a home for developing and presenting performing arts in Auckland. A proposal for funding further development and expansion of the Aotea Centre will be tabled in future 10-year budgets. Key initiatives for 2019/2020 include:

- complete internal refurbishment and external cladding
- design and planning work for Aotea expansion to enable tabling of the programme to the council as part of future 10-year budgets.

Stadia, Zoo development and Aotea Centre development contribute towards the key performance measures below:

Key performance(s)	LTP target for 2019/2020
the number of people who experience Regional Facilities Auckland's arts, environment and sports venues and events	3.7 million
the net promoter score for Regional Facilities Auckland's audiences and participants[1]	19
the percentage of operating expenses funded through non-rates revenues	65%

Note to table:
1. Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.

Financial information

Direct operating performance

$(million)	Actual 2017/18	Long-term Plan 2018/19	Annual Plan 2019/20
Net direct expenditure	**35**	**36**	**40**
Direct revenue	**59**	**62**	**61**
Fees and user charges	46	50	44
Operating grants and subsidies	2	1	1
Other direct revenue	11	11	16
Direct expenditure[1]	**94**	**98**	**101**
Employee benefits	47	45	45
Grants, contributions and sponsorship	2	1	1
Other direct expenditure	45	52	55

Note to table:
1. Net direct expenditure includes operating revenue and costs from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, and rates income.

Capital investment list

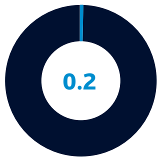
$(million)	Annual Plan 2019/20
Auckland Zoo	29.6
Auckland Zoo	**29.6**
Aotea Centre refurbishment	14.1
Aotea Centre renewals	0.6
Aotea Centre	**14.7**
Mt Smart stadium renewals	2.8
North Harbour stadium renewals	1.7
Western Springs renewals	1.5
North Harbour stadium development	0.8
Mt Smart stadium development	0.5
Auckland Stadiums	**7.3**
Property renewals	2.1
Art gallery collection development	0.3
Other renewals	0.3
Auckland Art Gallery	**2.7**
Civic Theatre refurbishment	7.8
Civic Theatre	**7.8**
Maritime museum	0.3
Speedway provision	5.0
Security upgrades	3.0
Property – Bruce Mason centre renewals	2.9
Live – Technical services renewals	2.0
Corporate – Other (RFA+)	2.0
Live – Events services renewals	0.5
Property – Viaduct events centre renewals	0.5
Other capital expenditure	0.2
Other	**16.4**
Total Regional Facilities Auckland	**78.5**

2.6 Auckland Tourism, Events and Economic Development (ATEED)

Auckland Tourism, Events and Economic Development
An Auckland Council Organisation

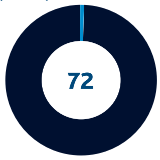
Auckland Tourism, Events and Economic Development (ATEED) is the region's economic development agency and an Auckland Council controlled organisation. Their programmes help make Auckland a desirable place to live, work, invest and do business and promote sustainable growth of the visitor economy.

Capital spend ($m) 2019/20



<1% of total capital investment

Direct operating spend ($m) 2019/20



2% of total operational budget

WHAT WE'LL BE DEALING WITH IN 2019/2020

Contribute $52.5 million to regional GDP from attracting or supporting major and business events.

120 MĀORI BUSINESSES benefitting from an ATEED programme intervention

Showcasing Auckland's unique culture and heritage through destination marketing, management, and development activities

Economic development

ATEED's economic development activities range from attracting international business and investment and nurturing international partnerships through to local economic development, supporting innovation and encouraging business growth. Key focus areas are:

- skills and workforce – youth employment, attracting high-skilled talent to Auckland and talent matching
- investment attraction and international partnerships
- local economic development – developing and managing the Local Discretionary Initiative work program with Local Boards and working with local businesses and associations
- innovation – continue to deliver GridAkl pop-up incubator spaces, promote low-carbon and the 'green economy' sector, drive social innovation for economic outcomes and skills development
- business growth – collaboration with partners to scale and sustain business support and connectivity, help support the growth of Māori and pacific business and entrepreneurs.

Key performance(s)	LTP target for 2019/2020
number of businesses that have been through an ATEED programme or benefited from an ATEED intervention	3,000
the number of Māori businesses that have been through an ATEED programme or benefited from an ATEED intervention	120

Destination

Destination work includes a focus on destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention. This is driven through implementation of the Destination AKL 2025 Strategy. Key focus areas are:

- tourism – showcasing Auckland's unique culture and heritage through destination marketing and destination management and development activities
- business events – developing Auckland's offering and narrative, tailoring it to the business events community, partnering to attract business events to Auckland
- major events – taking a lead role in attracting, investing in, leveraging, marketing and producing major events which create event related benefits and are important to the region
- international student attraction and retention – attracting high-value international students and positioning Auckland as a premium study destination.

Key performance(s)	LTP target for 2019/2020
contribution to regional GDP from major and business events attracted or supported	$52.5 million
number of visitor nights resulting from an ATEED intervention	370,000

Financial information

Direct operating performance

$(million)	Actual 2017/18	Long-term Plan 2018/19	Annual Plan 2019/20
Net direct expenditure	**48**	**50**	**50**
Direct revenue	**15**	**19**	**22**
Fees and user charges	2	1	1
Operating grants and subsidies	3	1	3
Other direct revenue	10	17	18
Direct expenditure[1]	**63**	**69**	**72**
Employee benefits	22	23	25
Grants, contributions and sponsorship	10	11	9
Other direct expenditure	31	35	38

Note to table:
1. Net direct expenditure includes operating revenue and costs from day-to-day operations and excludes accounting and finance factors such as depreciation, interest, and rates income.

Capital investment list

$(million)	Annual Plan 2019/20
Renewals	0.2
Total ATEED	0.2

Wāhanga tuatoru: A tātou pūtea
Part three: Our finances

3.1 Financial overview

Introduction

This section provides a high-level overview of our key financial information and explains how we fund our activities. This should be read in conjunction with the Prospective financial statements in Part 3.2 of this volume.

Key financial parameters for 2019/2020

$ million	10-year Budget 2018/2019	10-year Budget 2019/2020	Annual Budget 2019/2020
Total capital expenditure	2,178	2,168	**2,471**
Total operating expenditure	4,015	4,170	**4,243**
Rates revenue	1,797	1,878	**1,877**
Average general rates increase	2.5%	2.5%	**2.5%**
Total assets	51,333	54,190	**55,316**
Total borrowing	9,241	9,945	**9,720**
Total equity	38,474	40,641	**41,642**
Debt to revenue ratio	254%	260%	**253%**

Capital investment and debt levels

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

Our total capital expenditure programme for 2019/2020 is $2.47 billion, in addition we plan to invest over $200 million in City Rail Link Limited and Crown Infrastructure Partners are expected to invest in further infrastructure for growth areas. The total capital investment for Auckland over 2019/2020 is projected to be $2.75 billion.

Delivered by:	$ million
Auckland Council	886
Auckland Transport	903
Watercare	618
Regional Facilities Auckland	79
Ports of Auckland Limited	136
Panuku Development Auckland	161
Capital expenditure timing assumption	-312
Total capital expenditure	**2,471**
Investment in City Rail Link Limited	203
Crown Infrastructure Partners	88
Total capital investment	**2,762**

The following table shows how we plan to fund our capital expenditure and other capital outflows in 2019/2020.

Capital expenditure and other outflows $ million	Annual Budget 2019/2020
Growth	887
Service level improvement	824
Renewals	760
Weathertightness claims	160
Other	47
Total	**2,678**

Funding sources $ million	Annual Budget 2019/2020
Capital subsidies	517
Development contributions	258
Asset sales	255
Operating cash surplus	856
Borrowings	792
Total	**2,678**

The continued investment in Auckland will see us increasing council debt from $8.9 billion to $9.7 billion.

We consider this increase in debt to be appropriate on the basis that it is driven by investment in new assets with long useful lives. The council's total assets are projected to increase to over $55 billion by June 2020. The benefits from this expenditure will be spread over time and using debt financing means that costs will be shared with those people who will benefit from the assets in the future.

Our Financial Strategy sets limits on the council's borrowing, to maintain debt at a prudent and sustainable level. While total group debt is now projected to reach $13.5 billion by 2028, it will still remain at a prudent level in comparison to our income.

Operating expenditure and revenue sources

Operating expenditure covers the council's day-to-day operations and services, from collecting rubbish to maintaining parks and issuing building consents. It includes costs related to the capital expenditure programme such as interest, maintenance and depreciation.

It is forecast that the Auckland Council group will spend $4.2 billion in operating expenditure to support service delivery in 2019/2020.

The $4.1 billion of operating revenue sources includes a surplus of $856 million to fund capital expenditure.

Operating expenditure $ million	Annual Budget 2019/2020
Staff	960
Depreciation and amortisation	965
Interest	456
Other	1,862
Total	**4,243**

Operating funding sources $ million	Annual Budget 2019/2020
Rates	1,883
Fees and user charges	1,411
Subsidies and grants	321
Other	516
Total	**4,131**

Looking ahead

Decisions made in the development of this annual budget will have impacts beyond this budget year and the council has sought to forecast these, particularly to ensure that they do not affect our financial strategy settings as defined in the 10-year Budget 2018-2028.

The key items impacting projections are:

- the increased funding commitment required for the CRL project, and the offsetting funding actions
- revised timing of capital investment
- updated interest rates.

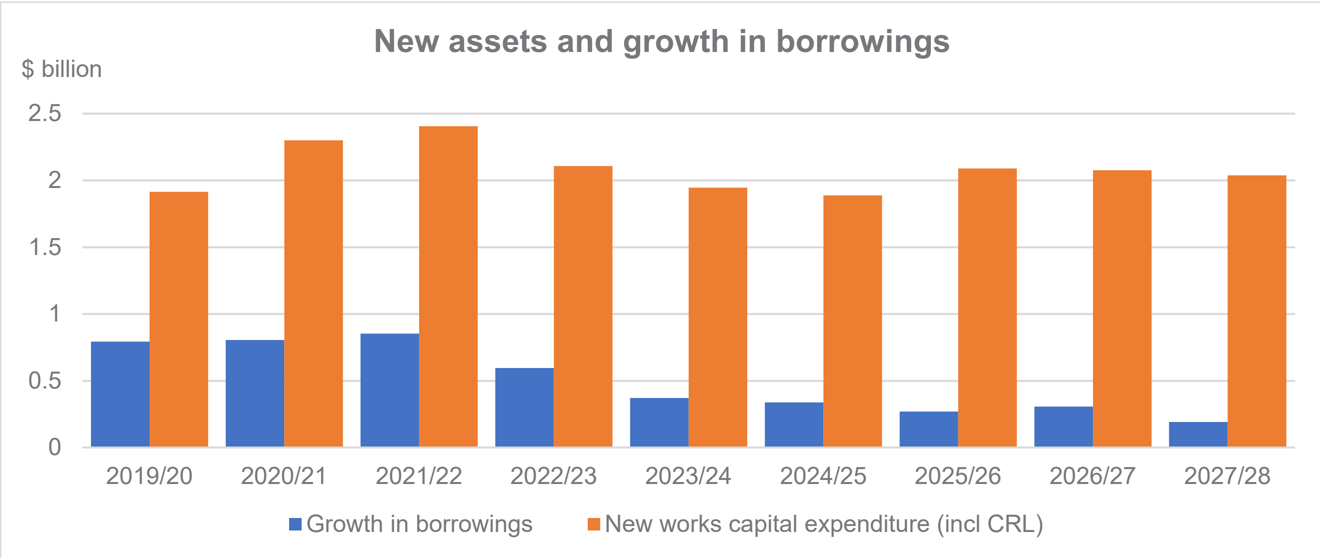
Planned capital investment

$ million	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
10-year Budget 2018-2028	2,510	2,515	2,597	2,587	2,681	2,753	2,711	2,691	2,650
Updated projection	2,762	2,691	2,912	2,669	2,670	2,646	2,746	2,803	2,754

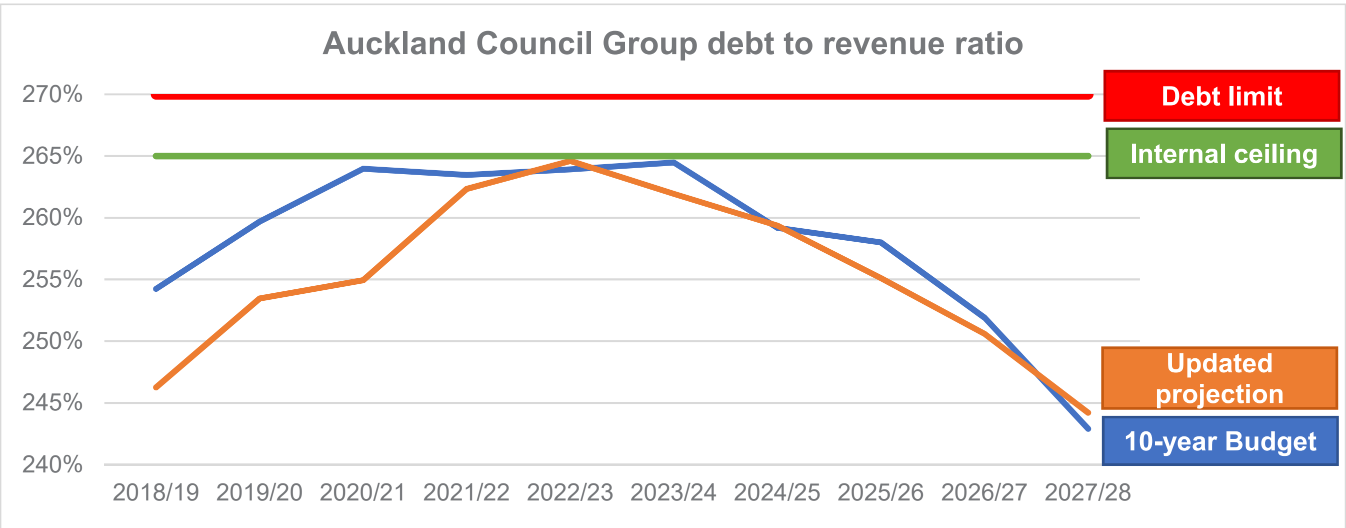
Planned operating expenditure

$ million	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
10-year Budget 2018-2028	4,172	4,347	4,521	4,688	4,852	5,034	5,213	5,404	5,611
Updated projection	4,243	4,364	4,546	4,725	4,893	5,074	5,245	5,430	5,646

Despite the limited capacity for additional borrowings across the period the council continues to invest significantly in new assets for Auckland.



These changes can be accommodated within the 10-year budget settings including rates increases no higher than 3.5 per cent and a debt to revenue ratio ceiling of 265 per cent.



3.2 Prospective financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council group consolidated

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual plan 2019/20	Variance from LTP 2019/20	Notes
Revenue					
Rates	1,796,730	1,877,746	1,877,457	(289)	
Fees and user charges	1,347,987	1,424,281	1,410,529	(13,752)	1
Grants and subsidies	698,840	784,015	837,395	53,380	2
Development and financial contributions	204,492	288,657	258,310	(30,347)	3
Other revenue	417,624	426,073	444,087	18,014	4
Vested assets	284,486	269,609	299,609	30,000	5
Finance revenue	12,698	12,998	11,064	(1,934)	
Total revenue	**4,762,857**	**5,083,379**	**5,138,451**	**55,072**	
Expenditure					
Employee benefits	905,289	927,418	959,552	32,134	6
Depreciation and amortisation	953,461	999,043	964,835	(34,208)	7
Grants, contributions and sponsorship	141,323	133,325	156,233	22,908	8
Other operating expenses	1,540,448	1,594,332	1,705,561	111,229	9
Finance costs	473,461	517,484	456,399	(61,085)	10
Total expenditure	**4,013,982**	**4,171,602**	**4,242,580**	**70,978**	
Operating surplus	**748,875**	**911,777**	**895,871**	**(15,906)**	
Share of surplus in associates and joint ventures	67,415	67,968	67,848	(120)	
Surplus before income tax	**816,290**	**979,745**	**963,719**	**(16,026)**	
Income tax expense	34,643	38,680	39,477	797	
Surplus after income tax	**781,647**	**941,065**	**924,242**	**(16,823)**	
Surplus after income tax is attributable to:					
Ratepayers of Auckland Council	781,647	941,065	924,242	(16,823)	
Other comprehensive revenue/ (expenditure)					
Net gain on revaluation of property, plant and equipment	0	1,225,740	1,219,210	(6,530)	
Tax on revaluation of property, plant and equipment	0	0	0	0	
Total other comprehensive revenue	**0**	**1,225,740**	**1,219,210**	**(6,530)**	
Total comprehensive revenue	**781,647**	**2,166,805**	**2,143,452**	**(23,353)**	

Notes to previous table:

1. The decrease in fees and user charges is mainly due to lower forecast Ports of Auckland Ltd. (POAL) revenue as a result of capacity constraints while in a phase of high capital investment, lower Regional Facilities revenue due to business interruption while carrying out major capital works at the Zoo, Queen Wharf and the Aotea Centre and a reclassification to other revenue . This is partially offset by a projected increase in public transport revenue as a result increased patronage and forecast revenue growth in Regulatory Services and Waste Services.
2. The increase in grants and subsidies is due to a timing change in forecast subsidies from central government for the 36th America's Cup and increased subsidies from NZTA to fund a portion of the increase in transport operating costs resulting from the forecast increase in public transport patronage.
3. The lower revenue reflects the updated Development Contributions Policy which applied a lower growth proportion and a longer recovery period to the capital programme than that assumed in the 10-year Budget 2018-2028. It also excluded some transport infrastructure to support local residential development that will be recovered separately.
4. The increase in other revenue is mainly due to increased income expected from public transport and a reclassification from fees and user charges to other revenue.
5. Continued high levels of development activity will result in an increase in forecast vested assets to be received from developers.
6. The increase in employee benefits can mainly be attributed to growth in Regulatory Services which is on-chargeable as fees and user charges, and reclassification from other operating expense to employee benefits to better reflect the expenditure profile. In addition to this, POAL staff costs are projected to increase due to major automation and improvement projects being undertaken to increase future capacity and efficiency. Panuku staff costs are also projected to increase due to increased capacity and capability requirements as a result of significant increases in planned waterfront and transform and unlock programmes.
7. The decrease in depreciation is mainly due to lower than planned capital expenditure in 2017/2018 and 2018/2019 and refinement of the composition of the planned capital expenditure programme since the 10-year Budget 2018-2028.
8. The increase in grants, contributions and sponsorship is mainly due to an allocation of funding to Locally Delivered Initiatives (LDI) from other operating expenses, an increase in regional amenities funding grants and the contribution to Auckland City Mission’s HomeGround project.
9. The increase in other operating expenditure is mainly due to higher public transport related costs due to increased projected patronage, updated budget for the Corporate Property Strategy (funded from asset sales), increased waste service costs, reclassification from capital expenditure to operating expenditure, budget timing changes including carry-forwards from 2018/19 into 2019/20 and is partially offset by a re-allocation of funding to grants, contributions and sponsorships for LDI.
10. The variance is mainly due to lower forecast interest rate and a lower opening debt position.

Prospective statement of changes in equity

Auckland Council group consolidated

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Contributed equity					
Opening balance	26,728,538	26,728,538	**26,732,016**	3,478	1
Surplus after income tax	0	0	0	0	
Other comprehensive revenue	0	0	0	0	
Total comprehensive revenue	**0**	**0**	**0**	0	
Transfer to/ (from) reserves	0	0	0	0	
Balance as at 30 June	**26,728,538**	**26,728,538**	**26,732,016**	**3,478**	
Accumulated funds					
Opening balance	1,495,971	2,263,641	**2,257,379**	(6,263)	1
Surplus/ (deficit) after income tax	781,647	941,065	924,245	(16,821)	2
Other comprehensive revenue	0	0	0	0	
Total comprehensive revenue	**781,647**	**941,065**	**924,245**	**(16,821)**	
Transfer to/ (from) reserves	(13,977)	33,594	60,139	26,545	3
Balance as at 30 June	**2,263,641**	**3,238,300**	**3,241,763**	**3,461**	
Reserves					
Opening balance	9,468,270	9,482,247	**10,508,664**	1,026,417	1
Surplus after income tax	0	0	0	0	
Other comprehensive revenue	0	1,225,740	1,219,210	(6,530)	
Total comprehensive revenue	**0**	**1,225,740**	**1,219,210**	**(6,530)**	
Transfer to/ (from) reserves	13,977	(33,594)	(60,139)	(26,545)	3
Balance as at 30 June	**9,482,247**	**10,674,393**	**11,667,735**	**993,342**	
Total equity					4
Opening balance	**37,692,779**	**38,474,426**	**39,498,059**	1,023,632	
Surplus after income tax	781,647	941,065	924,245	(16,821)	
Other comprehensive revenue	0	1,225,740	1,219,210	(6,530)	
Total comprehensive revenue	**781,647**	**2,166,805**	**2,143,455**	**(23,351)**	
Transfer to/ (from) reserves	0	0	0	0	
Balance as at 30 June	**38,474,426**	**40,641,231**	**41,641,514**	**1,000,281**	

Notes to table:

1. The variances are due to the updating of opening balances to reflect balances in the audited 2017/2018 annual report.
2. For variances in surplus/(deficit) after income tax refer to notes on the Prospective statement of comprehensive revenue and expenditure.
3. The transfer in accumulated funds and reserves reflects timing change on projects that are target rates funded.
4. There is no minority interest in the group. Total equity represents ratepayer equity.

Prospective statement of financial position

Auckland Council group consolidated

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Assets					
Current assets					
Cash and cash equivalents	200,000	200,000	100,000	(100,000)	1
Receivables and prepayments	415,555	439,851	465,605	25,754	
Derivative financial instruments	0	0	6,812	6,812	
Other financial assets	50,850	50,850	151,619	100,769	
Inventories	36,772	37,691	43,034	5,343	
Non-current assets held-for-sale	104,000	71,000	136,213	65,213	
Total current assets	**807,177**	**799,392**	**903,283**	**103,891**	
Non-current assets					
Receivables and prepayments	10,840	11,474	12,078	604	
Derivative financial instruments	170,000	170,000	282,190	112,190	
Other financial assets	165,138	174,629	141,112	(33,517)	
Property, plant and equipment	47,283,468	49,881,568	50,644,368	762,800	
Intangible assets	511,789	507,053	525,311	18,258	
Investment property	735,000	735,000	761,153	26,153	
Investments in associates and joint ventures	1,638,831	1,899,939	2,031,828	131,889	2
Other non-current assets	11,000	11,000	14,872	3,872	
Total non-current assets	**50,526,066**	**53,390,663**	**54,412,912**	**1,022,249**	
Total assets	**51,333,243**	**54,190,055**	**55,316,195**	**1,126,140**	
Liabilities					
Current liabilities					
Payables and accruals	888,876	897,208	1,050,197	152,989	
Employee entitlements	100,823	103,288	111,039	7,751	
Borrowings	1,252,535	1,347,906	922,500	(425,406)	3
Derivative financial instruments	7,000	7,000	5,488	(1,512)	
Provisions	65,806	47,705	62,334	14,629	4
Total current liabilities	**2,315,040**	**2,403,107**	**2,151,558**	**(251,549)**	
Non-current liabilities					
Payables and accruals	85,969	102,711	91,964	(10,747)	
Employee entitlements	5,307	5,437	5,397	(40)	
Borrowings	7,988,391	8,596,647	8,797,152	200,505	3
Derivative financial instruments	865,000	865,000	962,541	97,541	
Provisions	288,889	227,021	168,357	(58,664)	4
Deferred tax liabilities	1,310,221	1,348,901	1,497,712	148,811	
Total non-current liabilities	**10,543,777**	**11,145,717**	**11,523,123**	**377,406**	
Total liabilities	**12,858,817**	**13,548,824**	**13,674,681**	**125,857**	
Net assets	**38,474,426**	**40,641,231**	**41,641,514**	**1,000,283**	

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Equity					
Contributed equity	26,728,538	26,728,538	26,732,016	3,478	
Accumulated funds	2,263,641	3,238,300	3,241,763	3,463	
Reserves	9,482,247	10,674,393	11,667,735	993,342	
Total equity	**38,474,426**	**40,641,231**	**41,641,514**	**1,000,283**	

Notes to table:

1. The decrease in cash and cash equivalents is due to change to treasury assumptions on cash holding.
2. The variance is due to timing changes in the City Rail Link project funding.
3. The variance is mainly due to timing changes in the capital programme, including carry-forwards from 2018/2019 into 2019/2020.
4. The variance is due to increase in the opening balance of the weathertightness provision. This is due to revised cost estimates to remediate multi-unit buildings, which have escalated due to more certainty around the cost of remediation, and inability to share costs with other parties to the claim following their liquidation. The increase in opening balance is offset by increased forecast payments from the provision.

Other variances are mainly due to the updating of opening balances to reflect balances in the audited 2017/2018 annual report.

Prospective statement of cash flows

Auckland Council group consolidated

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Cash flows from operating activities					
Receipts from rates revenue	1,796,730	1,877,746	1,877,457	(289)	
Receipts from customers and other services	2,646,257	2,913,153	2,907,415	(5,738)	1
Interest received	12,698	12,998	11,064	(1,934)	
Dividends received	60,963	60,963	62,900	1,937	
Payments to suppliers and employees	(2,575,718)	(2,732,737)	(2,829,045)	(96,308)	2
Income tax refund/(paid)	0	0	0	0	
Interest paid	(467,773)	(514,084)	(452,999)	61,085	3
Net cash inflow from operating activities	**1,473,157**	**1,618,039**	**1,576,792**	**(41,247)**	
Cash flows from investing activities					
Sale of property, plant and equipment, investment property and intangible assets	177,000	104,000	254,639	150,639	4
Purchase of property, plant and equipment, investment property and intangible assets	(2,129,427)	(2,163,164)	(2,471,263)	(308,099)	5
Acquisition of other financial assets	(4,011)	(3,168)	(3,168)	0	
Proceeds from sale of other financial assets	1,021	1,088	0	(1,088)	
Investment in joint associates and ventures	(234,700)	(254,100)	(203,000)	51,100	6
Advances of loans to external parties	(49,962)	(10,162)	(50,162)	(40,000)	7
Proceeds from community loan repayments	2,388	3,840	4,475	635	
Net cash outflow from investing activities	**(2,237,691)**	**(2,321,666)**	**(2,468,479)**	**(146,813)**	
Cash flows from financing activities					
Proceeds from borrowings	1,772,682	1,956,162	2,081,687	125,525	
Repayment of borrowings	(1,181,148)	(1,252,535)	(1,290,000)	(37,465)	
Net cash inflow from financing activities	**591,534**	**703,627**	**791,687**	**88,060**	
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**(173,000)**	**0**	**(100,000)**	**(100,000)**	
Opening cash and cash equivalents and bank overdrafts	373,000	200,000	200,000	0	
Closing cash and cash equivalents and bank overdrafts	**200,000**	**200,000**	**100,000**	**(100,000)**	

Notes to table:

1. The variance in cash flows from operating activities reflects the updated projections included in the prospective statement of comprehensive revenue and expenditure.
2. The increase in payments to suppliers and employees reflects the updated projections included in the prospective statement of comprehensive revenue and expenditure.
3. The variance is mainly due to lower forecast interest rate and a lower opening debt position.
4. The increase is due to the sale of excess or underutilised corporate property assets as part of implementing our Corporate Property Strategy.
5. The increase in purchase of property, plant and equipment is mainly due to changes in the timing of capital expenditure being carry-forward from 2018/2019 into 2019/2020.
6. The decrease is due to timing changes in the City Rail Link project funding.
7. The variance is due to the change in timing, from 2018/2019 to 2019/2020, of the council's loan to Eden Park to refinance their external bank loan.

Notes to the prospective financial statements

Note 1: Statement of significant accounting policies

Basis of reporting

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

Financial information within this annual budget is prepared and disclosed on a full group basis (except where specifically stated otherwise). The Auckland Council Group (the Group) consists of the council, its Council-Controlled Organisations (CCOs), associates and joint ventures. A summary of substantive CCOs is provided in the table below. All entities are domiciled in New Zealand. The council considers that presenting group information enhances transparency of information about the cost of services provided to Auckland ratepayers and enables ratepayers to make more informed decisions about the impact of delivering the Auckland Plan.

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

The Group and council have a balance date of 30 June and these prospective financial statements are for the period from 1 July 2019 to 30 June 2020. The actual results achieved for the period covered by this plan are likely to vary from the information presented in this document, and these variances may be material. The Group and council do not intend to update the prospective financial statements after publication.

The substantive CCOs within the Group comprise the following:

Name	Principal activity and nature of relationship where there is no direct ownership	Percentage ownership %	
		2019	2018
Auckland Transport	Owns the public transport network and manages the transport infrastructure and services in Auckland. **Auckland Transport is a body corporate with perpetual succession and is treated under the LGACA 2009 as if the council is its sole shareholder.*	*	*
Auckland Tourism, Events and Economic Development Limited	Manages projects for economic development, tourism and events promotion in the Auckland region.	100	100
Panuku Development Auckland Limited	Facilitates the redevelopment of urban locations. Contributes to accommodating residential and commercial growth. Optimises the council's property portfolio. Continues to lead the development of the Auckland waterfront.	100	100
Regional Facilities Auckland (RFA)	Supports and promotes the engagement of the Auckland community in arts, culture, heritage, leisure, sports and entertainment activities and develops, owns and manages the venues for these activities. **Regional Facilities Auckland is a charitable trust of which Regional Facilities Auckland Ltd, a 100% owned subsidiary of the council, is the sole trustee.*	*	*
Watercare Services Limited (Watercare)	Owns and manages the Auckland region's water and wastewater assets. *Watercare is restricted by LGACA 2009 section 57(1)(b) from paying any dividend or distributing any surplus directly or indirectly to the council.*	100	100

Basis of preparation

These consolidated prospective financial statements are prepared:

- for the purposes of meeting the Group and council's requirements under the LGA 2002, the LGACA 2009 and the Local Government (Financial Reporting and Prudence) Regulations 2014;
- in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and comply with PBE Accounting Standards. In particular, these prospective financial statements have been prepared in accordance with PBE Financial Reporting Standard 42: *Prospective Financial Statements*;
- on a going concern basis and the accounting policies have been applied consistently throughout the planned period;
- on a historical cost basis with the exception of certain items identified in specific accounting policies below; and,
- in New Zealand dollars (NZD) and are rounded to the nearest thousand dollars, unless otherwise stated.

This information may not be suitable for use in any other context.

These consolidated prospective financial statements were adopted by the Governing Body of Auckland Council on 20 June 2019.

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

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

Comparative information

The Long-term Plan 2018-2028 adopted by the council on 28 June 2018, incorporating the amendment adopted on 20 June 2019, has been provided as a comparator for these consolidated prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these consolidated prospective financial statements which is based on the most up-to-date forecast information.

The prospective consolidated financial statements include the forecasts of the council and its subsidiaries which are added on a line-by-line basis adding together like items. Transactions and balances between the council and its CCOs are eliminated on consolidation. Investments in subsidiaries are carried at cost less any accumulated impairment. Where necessary, adjustments are made to the financial information of subsidiaries, associates and joint ventures to bring their accounting policies in line with the Group.

Significant judgements, estimates and assumptions

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances.

Significant judgements, estimates and assumptions have been applied in measuring certain provisions and property, plant and equipment revaluations.

Refer to note 2 for significant forecasting assumptions.

Implementation of new and amended standards

PBE International Financial Reporting Standard (IFRS) 9 Financial Instruments is effective from periods beginning on or after 1 January 2021. PBE IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and relaxes current requirements for hedge accounting. The Group has early adopted all of the requirements of PBE IFRS 9 Financial instruments (PBE IFRS 9) as of 1 July 2018.

The Group and the council have determined that adopting PBE IFRS 9 does not materially impact the financial instruments of the Group and the council, except for the borrower notes of the Group and the council which will be accounted for at fair value through surplus or deficit. For the purposes of this annual plan we have not budgeted for any fair value gains of losses on financial instruments.

The five new standards, PBE IPSAS 34 Separate Financial Statements, PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investment in Associates and Joint Ventures, PBE IPSAS 37 Joint Arrangements and PBE IPSAS 38 Disclosure of Interests in Other Entities, are effective from periods beginning on or after 1 January 2019. The Group and Auckland Council have assessed the impact of these new standards and initially concluded that there is unlikely to be a material impact to the financial statements when the standards are initially adopted.

All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to the Group and the council or are not expected to have a material impact on the financial statements of the Group and the council and, therefore, have not been disclosed.

Summary of significant accounting policies

Item	Policy
Prospective statement of comprehensive revenue and expenditure	
Revenue	The Group and the council derive its revenue from exchange or non-exchange transactions. Exchange transaction revenue arises when the Group provides goods or services to a third party and directly receives approximately equal value in return. Non-exchange transaction revenue arises when the Group receives value from another party without giving approximately equal value directly in exchange for the value received. Non-exchange revenue comprises rates, and transfer revenue. Transfer revenue includes grants and subsidies and fees and user charges derived from activities that are partially funded by rates. Revenue is measured at fair value which is usually the cash value of a transaction.

Type	Recognition & measurement
Rates	In full at point of issuance of the ratings notice and measured at the amount assessed, which is the fair value of the cash received or receivable.
Grants and subsidies	When they become receivable unless there is an obligation in substance to return the funds. If there is such an obligation, the grants are initially recorded at fair value as grants received in advance and recognised as revenue when conditions of the grant are satisfied.
Development contributions	When the council is capable of providing the service for which the contribution was levied.
Financial contributions	When they are expended on the activity for which the contribution was levied.
Vested assets[1]	When control of the asset is transferred to the Group at its fair value.
Fines and infringements	When the infringement notice is issued.
Finance revenue[2]	Using the effective interest method.
Dividend revenue	When the Group's right to receive the dividend is established.
Regional fuel tax	At the point when supply of fuel occurs in the Auckland region.
Fees and user charges	
Water and wastewater	When invoiced or accrued in the case of unbilled services at fair value of cash received or receivable.
Sale of goods	When the substantial risks and rewards of ownership have been passed to the buyer.
Sale of services	On a percentage of completion basis over the period of the service supplied.
Port operations	In the period the services are rendered, by reference to the percentage of completion of the specific transaction.
Consents	By reference to the percentage of completion of the transaction at balance date based on the actual service rendered
Licences and permits	On receipt of application as these are non-refundable.

1. Arise when property developers undertake development which requires them to build infrastructure in the development area. When the development is complete these are vested to the Group.
2. Includes interest revenue and realised gains from the early close-out of derivative positions.

Item	Policy
Expenditure	
Employee benefits	Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefit are recognised as an expense and liability when they accrue to employees.

Grants, contributions and sponsorship expense	Where grants and subsidies are discretionary, the expense is recognised when the Group has advised its decision to pay and when conditions, if any, are satisfied. Non-discretionary grants are recognised on receipt of application that meets the specified criteria.
Finance Costs	Finance costs include interest expense, the unwinding of discounts on provisions and financial assets; and net realised losses on the early close-out of derivatives. Interest expense is recognised using the effective interest rate method. Interest expense includes the amortisation of borrowing costs recognised over the borrowing term.
Income tax	The Group and the council are exempt from income tax under the Income Tax Act 2007 except for certain income received from CCOs and port-related earnings. Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantively enacted by the reporting date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive revenue and expenditure or directly in equity. Current tax is the amount of income tax payable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.
Operating Leases	Lessee The Group and the council lease property, plant and equipment from third parties in the normal course of business with lease terms varying from 1 month to 70 years. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the lease term. Lessor The Group and the council lease certain property, plant and equipment to third parties including land and buildings and some commercial and residential property. The leases have non-cancellable periods ranging from 1 month to 100 years with subsequent renewals negotiated with the lessee. Rental revenue (net of any incentives given to lessees) is recognised as income on a straight-line basis over the lease term.

Prospective statement of financial position	
Cash and cash equivalents	Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments. The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.
Receivables and prepayments	Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. <ins>Provision for impairment of receivables</ins> The Group and Auckland Council have early adopted PBE IFRS 9 as of 1 July 2018, which has an expected credit loss model for impairment of financial assets. The Group and the council have determined that adopting the credit loss model does not materially impact on the provision for impairment of receivables.
Derivative financial instruments	The Group and the council do not hold or issue derivative financial instruments for trading purposes. The Group uses derivative financial instruments, such as forward foreign currency contracts and interest rate swaps to mitigate risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative assets and derivative liabilities are classified as non-current when the remaining maturity is more than 12 months, or as current when the remaining maturity is less than 12 months.
Other financial assets	The Group's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Other financial assets of the Group include unit trusts, loans to related parties, credit support annex, bonds, borrower notes, community loans and listed and unlisted shares. For those financial instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy: Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Group is the bid price at reporting date. Level 2- Inputs other than quoted prices included within level 1 using observable market inputs for the asset or liability, either directly or indirectly. Level 3- Inputs for the asset or liability that are not based on observable market data.
Non-current assets held for sale	Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

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

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

Initial recognition and subsequent measurement

Property, plant and equipment is recognised initially at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Capital work in progress is recognised at cost less impairment and is not depreciated.

Revaluation

Infrastructure assets (except land), restricted assets (except improvements) and operational assets (except heritage assets and other operational assets) are revalued with sufficient regularity, at least every three years, to ensure that their carrying amounts do not differ materially from fair value. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. Revaluations are carried out on an asset class basis. Net revaluation gains are recognised in other comprehensive revenue and are accumulated to the asset revaluation reserve in equity for that class of asset. Revaluation loss that results in a debit balance in the asset revaluation reserve is recognised in surplus or deficit. Any subsequent gain on revaluation is recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expenditure.

Depreciation

Depreciation is provided on all property, plant and equipment except for land, works of art and specified cultural heritage assets.

Depreciation is calculated to write down the cost of assets on a straight line basis over their useful economic lives.

Asset class	Estimated useful life (years)	Revaluation method
Infrastructure		
Land	Indefinite	Cost less accumulated impairment losses
Roads	8-100	Depreciated replacement cost
Water and wastewater	3-200	Depreciated replacement cost
Machinery	3-200	Depreciated replacement cost
Stormwater	10-200	Depreciated replacement cost
Other infrastructure	10-120	Depreciated replacement cost
Operational		
Land and buildings	Land – Indefinite Buildings –1-101	Market value based on recent equivalent sales information. Depreciated replacement cost is used where no market exists for operational buildings with allowance for age and condition of building, and configuration
Marina structures	16-100	Depreciated replacement cost and cash flow method
Train stations	6-60	Depreciated replacement cost
Bus stations and shelters	10-40	Depreciated replacement cost
Works of art	Indefinite	Fair value

Rolling stock	3-35	Depreciated replacement cost
Wharves	4-100	Depreciated replacement cost
Cultural and heritage assets	various	Deemed cost less accumulated impairment losses
Other operational	1-100	Cost less accumulated depreciation and impairment losses
Restricted		
Parks and reserves	Indefinite	Fair value
Improvements	3-100	Cost less accumulated depreciation and impairment losses
Buildings	5-90	Depreciated replacement cost

Disposals

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

Service concession assets

Where the Group recognises an asset for the upgrades to the existing service concession assets, the Group also recognises a liability at the same amount as the asset. The liability recognised is reduced over the remaining period of the service concession arrangement.

Intangible assets

Initial recognition and subsequent measurement

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

Amortisation

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over the estimated useful economic life.

Asset class	Estimated useful life (years)	Subsequent measurement
Computer software	1-15	Cost less accumulated amortisation and impairment
Intellectual property	4-35	Cost less accumulated amortisation and impairment
Other intangible assets	1-63	Cost less accumulated amortisation and impairment

Disposals

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

Investment property

Investment property includes land, commercial buildings and water space licences held to generate income. Investment property is initially recognised at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Gains or losses arising from fair value changes are included in surplus or deficit. Investment properties are valued individually and not depreciated.

Investment in other entities

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

Asset impairment	Impairment of property, plant and equipment and intangible assets Intangible assets subsequently measured at cost that have indefinite useful life are tested annually for impairment. Property, plant and equipment and intangible assets subsequently measured at cost that have finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost. Property, plant and equipment that is measured at fair value, is not required to be separately tested for impairment. Impairment of financial assets Financial assets are assessed for impairment at each reporting date for impairment. Impairment is recognised in surplus or deficit.
Payables and accruals	Current payables and accruals are recognised at cost, are non-interest bearing and normally settled on 30-day terms; therefore the carrying value approximates fair value. Non-current payables and accruals are measured at the present value of the estimated future cash outflows.
Employee entitlements	Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported at the present value of estimated future cash outflows.
Borrowings	Borrowings are initially recognised at face value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.
Provisions	Provisions are recognised in the statement of financial position only where the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance cost in surplus or deficit.
Ratepayer equity	Ratepayer equity is the Auckland community's interest in the Group. Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes. Contributed equity is the net asset and liability position excluding restricted reserves at the time the council was formed.
Other policies	
Foreign currency transactions	Foreign currency transactions are translated into NZD using the spot rate at the balance date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation, using the exchange rates at balance date, of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Note 2: Significant forecasting assumptions

The significant forecasting assumptions are based on the assumptions published in the Long-term Plan 2018-2028 and only assumptions that have been adjusted for this Annual Plan are listed below.

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

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

Assumption data for Annual Budget 2019/2020 and source	Risks and impacts
Growth in the rating base	
Growth in the rating base is driven by property development, including new building and subdivision, which increases the size of the rating base over which the rates requirement is spread. The council adjusts this for prudence and timing lag and uses this projection, alongside the agreed average rates increase to existing ratepayers, to project the total rates revenue. The council projects a growth in its rating base for 2019/2020 of 1.7 per cent.	**Risk -** Growth differs significantly from forecasted Level of uncertainty - Moderate **Impacts** - If the growth in the rating base is higher or lower than that projected this will result in rates revenue above or below that projected. A 0.1 per cent variance in the growth experienced would result in a movement in total general rates revenue of $1.7 million.
Development contribution revenue	
Auckland Council's Financial Strategy and Revenue and Financing Policy state that growth-related infrastructure investment should be funded from development contributions. The council adopted a new Development Contribution Policy in December 2018 to enable the fair recovery of this investment. This policy came into effect from January 2019. The Development Contribution Policy will be further updated from time to time as required. For this plan we are assuming development contribution levels that enable the recovery of the growth-related infrastructure investment over the relevant growth units and the projected period these growth units are constructed.	**Risk -** that development growth occurs at a different pace than projected or the Development Contribution Policy does not enable a fair recovery of growth costs. Level of uncertainty – moderate for pace of growth and low for the policy. **Impacts -** If development occurs more slowly than projected, the recovery period will be extended and the expenditure will need to be funded from borrowing. It may also be that the capital programme needs to be slowed. If development occurs earlier than projected revenue levels will increase, and the capital programme may need to be accelerated to support the development.

Assumption data for Annual Budget 2019/2020 and source	Risks and impacts
Interest rates	
Auckland Council's Treasury department has provided interest rate projections for the ten-year period of the plan, based on an assessment of market yields and anticipated borrowing requirements. The council manages its risk to interest rate increases in the short-term to provide some certainty for cost of its borrowings. The council has assumed that it maintains its AA credit rating in preparing the interest rate projections. For 2019/20 year the forecast average interest rate on council borrowing is 5.02 per cent, and on cash holdings is 3 per cent.	**Risk** - Prevailing interest rates differ significantly from forecasted Level of uncertainty - low **Impacts** - For everyone notch change from the current credit rating we would expect a change in interest rates of between 0.05 per cent and 0.15 per cent per annum. Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. For every 100 basis point (1.0 per cent) change in market interest rates, the council's debt servicing costs would change by less than $10 million, due to the level of interest rate hedging currently in place.
Timing of capital expenditure	
This annual budget has been developed on the basis of the best available information on the likely timing of capital projects and programmes. Over the 10 years of the plan Auckland Council is forecasting $26.2 billion of capital investment. This is a significant programme of work with complex inter-relationships with other agencies and the Crown that could impact on delivery timings. There are also constraints on the group's overall capacity for capex delivery and constraints within the construction market, particularly in the short term. Within the 10-year Budget 2018-2028 an assumption was made that while all projects will be delivered over the next decade not all capital expenditure will be delivered in the specific financial years set out in the Group of Activities statements. The impact of this is that the capital investment projection for 2019/2020 has been reduced centrally to reflect an assumption that $312 million of planned investment will occur later in the 10-year budget period.	**Risk –** That the actual timing of the capital programme is different from that forecasted. Level of uncertainty – moderate **Impact –** Delivery of capital expenditure to a different time frame than projected would have both a financial impact and could impact the timing of when the proposed level of service improvements would be achieved. The financial implications would depend on the planned funding sources for the relevant capital expenditure and its associated expenses. The financial impact would be on funding requirements, borrowings, interest expense, depreciation expense and consequential operating expenditure. The actual timing of capital expenditure (and the achievement of related service level improvements) will be impacted by a number of factors. One of the key areas under the control of council is the quality of project management. Other areas such as the market's response to the increased programme certainty are beyond the control of the council.

Assumption data for Annual Budget 2019/2020 and source	Risks and impacts
Asset sales	
Auckland Council plans disposal of certain non-strategic assets over the next 10 years. These are primarily land and buildings which are not needed for providing the council services, not providing a market rental income, are poorly utilised or simply located in the wrong place. The target for 2019/2020 for these disposals is $24 million. Council also plans to dispose of property assets as part of its property and urban development activities (including Panuku's Unlock and Transform programmes). The council expects to realise $64 million in 2019/2020 through these activities. The council's corporate property strategy is a self-funding plan where the movement towards more efficient and fit-for-purpose corporate accommodation is funded through the sale of other assets within the corporate property portfolio. As part of this strategy the council expects to realise $116 million in asset sales in 2019/2020.	**Risk -** That sufficient disposals are not identified or realised to achieve the targets set. Level of uncertainty – moderate **Impact -** If the level of asset sales is higher or lower than forecast it will result in changes to the levels of debt repayments that can be made and consequentially to the council's interest cost.
Weathertightness claims	
The council has considered the financial impact of weathertightness claims, including those already lodged and potential claims. On the basis of an actuarial assessment, a provision was established at 1 November 2010 for future weathertightness claims. Based on an updated assessment completed in December 2018 the council is forecasting claim payments of $160 million for 2019/20. The cost of funding these settlements should not fall unfairly on ratepayers in the year of settlement. Rather than penalising current ratepayers with the full impact of these settlements, it is assumed they will be funded from borrowings and the repayment of these borrowings spread over 30 years.	**Risk** - The council's exposure to claims is different than the potential liability forecasted in this plan. Level of uncertainty – low **Impact** - If claims are higher or lower than forecast, then the council's levels of borrowing and the associated borrowing costs will also be higher or lower than forecast. Depending on how large the variance is, it may affect future forecast rate requirements.
Capital project projections	
Cost projections for individual capital projects are based on the best available information at the time of adoption and are set at a mid-point of the expected total project cost. For more complex projects a formal estimation process may be undertaken whereby a range of cost outcomes are estimated and budgets are set at a P50 level, being a level under which there is 50% confidence the final cost will sit. Supporting information to inform projections can include historical costs of similar projects, supplier quotes or estimates, independent cost estimations, or expert advice. By using a midpoint (or P50) projection across our significant, and broad-based, investment programme the expected outcome is that the overall cost of investment should equal the total of the mid-point estimates.	**Risk** – The variance above and below estimated midpoints is not even Level of uncertainty – moderate **Impact** – If the total cost of capital investment is higher or lower than the budget it will result in changes to the level of council borrowings required.

Assumption data for Annual Budget 2019/2020 and source	Risks and impacts
Government transport funding	
The Auckland Transport Alignment Project (ATAP) report was released by the Minister of Transport and the Mayor of Auckland in April 2018. This included a $28 billion, funded, programme of investment in transport activities for Auckland. Our assumptions for this plan are based on the commitments made through the ATAP process. For the 2019/2020 financial year we are assuming funding from NZTA will be made up of $301 million of operating subsidies and $474 million of capital subsidies.	**Risk -** The process of allocating funding to activity classes and projects within those classes does not enable funding to be granted at the agreed level. Level of uncertainty – high **Impact -** If the capital contribution level is lower than assumed, then transport capital expenditure would be less than projected. Conversely, if the level of capital contribution is higher than assumed this would enable an increase in transport capital expenditure. If the level of operating subsidy available increases this would reduce the amount of rates funding required for operating costs and free up this funding to invest in additional infrastructure or services. A reduction may necessitate reduced services or investment, or additional funding from another source such as increased borrowing or rates.

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

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

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20
Operating surplus/ (deficit) after income tax per Prospective Statement of comprehensive revenue	**781,647**	**941,065**	**924,242**	**(16,823)**
Items recognised as income in Statement of comprehensive revenue and as capital expenditure funding sources in Funding Impact Statement:				
Capital subsidies	(411,868)	(486,708)	(516,822)	(30,114)
Development contributions	(204,492)	(288,657)	(258,310)	30,347
Non-cash items recognised in Statement of comprehensive revenue and not included in Funding Impact Statement:				
Depreciation	953,461	999,043	964,835	(34,208)
Depreciation of make good provision added back in funding impact statement	(559)	(425)	(425)	0
Discounting of provisions	6,247	3,825	3,825	0
Recognition of revenue from vested assets	(284,486)	(269,609)	(299,609)	(30,000)
Amortisation of prepaid leases	(687)	(687)	(687)	0
Un-realised fair value gains and losses	0	0	(1,000)	(1,000)
				0
Other reconciling items:				0
Retro-fit your home targeted rate included in funding impact statement but not recognised as revenue in the statement of comprehensive income	4,272	6,264	6,183	(81)
Retro-fit your home targeted rate interest component recognised as revenue in the statement of comprehensive income	(1,884)	(2,424)	(1,708)	716
Share of equity accounted (surplus) /deficit from associates not distributed by way of dividends to Auckland Council	(6,456)	(7,007)	(6,483)	524
Prepaid lease revenue recognised in funding impact statement	12,275	16,836	2,619	(14,217)
Income tax recognised in statement of comprehensive revenue not included in the funding impact statement	34,643	38,680	39,477	797
Operating funding surplus/ (deficit) per Prospective Funding Impact Statement	**882,113**	**950,196**	**856,137**	**(94,059)**

Note 4: Reserve Funds

Auckland Council group

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

Reserve	Purpose	Activities
Cash flow hedge reserve	Gains from revaluation of the Diversified Financial Assets portfolio	Organisational support
Available-for-sale investment revaluation reserve	Recognition in group accounts of associated' reserves	Organisational support
Share of associates' reserves	Accumulated gains from asset revaluation	Investment
Asset revaluation reserve	Accumulated gains from asset revaluation	Various
Restrict equity reserves		
Statutory funds (Off street parking)	Funds accumulated under legislation (primarily related to subdivisions or off-street parking).	Parking and enforcement
Trust and bequests	These trusts are primarily related to assets held by council. The trust deeds restrict council's action in relation to these assets.	Various
Regional fuel tax reserve	Fuel tax collected for specific transport projects.	Roads and footpaths and Public transport and travel demand management
Other restricted equity	Reserve funds related to particular projects or assets whereby council is restricted in its decision-making ability.	Various
Targeted rates reserves		
Central City targeted rate reserve	Targeted rate collected for enhancement of central business district as a place to work, live, visit and do business.	Regional planning
Glorit Flood Gate Restoration targeted rate reserve	Targeted rate being collected to recover the costs of the restoration of the Glorit flood gate.	Stormwater management
Riverhaven Drive targeted rate reserve	Targeted rate being collected to recover the costs of the construction of a road.	Roads and footpaths
Jackson Crescent wastewater targeted rate reserve	Targeted rate collected to recover the cost of the council providing financial assistance to connect to a wastewater scheme.	Wastewater treatment and disposal
Point Wells wastewater targeted rate reserve	Targeted rate collected to recover the cost of the council providing financial assistance to connect to a wastewater scheme.	Wastewater treatment and disposal
Harbourview Orangihina Park targeted rate reserve	Targeted rate collected for development of Harbourview Orangihina Park.	Regional community services
Open space/ Volcanic cones	Legacy targeted rates. No longer levied.	Regional community services
Araparera	Araparera Forest harvest proceeds set aside for roading development in the area.	Development Auckland
Water quality targeted rate reserve	Targeted Rate collected to help fund the capital costs of investment in cleaning up Auckland's waterways.	Stormwater management
Natural environment targeted rate reserve	Targeted Rate collected to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.	Development Auckland
Accommodation provider targeted rate reserve	A targeted rate that helps fund the costs of visitor attraction, major events and destination and marketing.	Economic growth and visitor economy
Rodney Local Board transport targeted rate reserve	A targeted Rate that helps fund the capital and operating costs of additional transport investment and services.	Roads and footpaths and Public transport and travel demand management

The funding flows for these reserves are:

$000 Financial year ending 30 June	Annual report 30 June 2018	Deposits	Withdrawals	Budget 30 June 2019	Deposits	Withdrawals	Annual Plan 30 June 2020
Cash flow hedge reserve	4,376	0	0	4,376	0	0	4,376
Available-for-sale investment revaluation reserve	29,177	0	0	29,177	0	0	29,177
Share of associates' reserves	718,109	0	0	718,109	0	0	718,109
Asset revaluation reserve	9,535,442	0	0	9,535,442	1,219	0	10,754,652
Restricted equity reserves							
Statutory funds	10,564	323	(304)	10,583	315	(427)	10,470
Trust and bequests	1,589	50	(72)	1,567	49	(31)	1,585
Regional fuel tax reserve	0	117,341	(91,287)	26,054	150,000	(150,000)	26,054
Other restricted equity	56,796	5,999	(2,236)	71,340	7,624	(19,061)	59,903
Total restricted equity	**68,949**	**123,712**	**(93,899)**	**109,544**	**157,989**	**(169,520)**	**98,012**
Targeted rates reserves							
Central City targeted rate reserve	41,345	21,485	(13,401)	49,430	22,769	(45,044)	27,155
Glorit Flood Gate Restoration targeted rate reserve	(36)	36	0	0	0	0	0
Riverhaven Drive targeted rate reserve	(622)	54	0	(569)	55	0	(513)
Jackson Crescent wastewater targeted rate reserve	(3)	0	0	(2)	0	0	(2)
Point Wells wastewater targeted rate reserve	(79)	12	0	(66)	13	0	(54)
Harbourview Orangihina Park targeted rate reserve	1,435	44	0	1,480	46	0	1,526
Open space/ Volcanic cones	2,267	70	0	2,337	72	0	2,410
Araparera	2,863	55	(2,200)	718	0	(718)	0
Water quality targeted rate reserve	0	40,902	(8,111)	32,791	41,502	(58,931)	15,362
Natural environment targeted rate reserve	0	29,123	(9,867)	19,256	29,550	(34,961)	13,845
Accomondation provider targeted rate reserve	0	13,405	(10,442)	2,963	13,952	(16,915)	0
Rodney Local Board transport targeted rate reserve	0	4,183	(503)	3,680	4,237	(4,237)	3,680
Total targeted rates reserves	**47,170**	**109,371**	**(44,524)**	**112,017**	**112,198**	**(160,806)**	**63,409**
Total reserves	**10,403,223**	**233,083**	**(138,424)**	**10,508,665**	**271,406**	**(330,326)**	**11,667,735**

Note 5: Auckland Council (Parent) financial statements

Prospective statement of comprehensive revenue and expenditure

Auckland Council parent

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Revenue					
Rates	1,806,105	1,887,287	1,888,341	1,054	
Fees and user charges	276,634	284,012	299,104	15,092	1
Grants and subsidies	70,167	28,684	60,007	31,323	2
Development and financial contributions	204,492	288,657	258,310	(30,347)	3
Other revenue	514,467	259,597	237,204	(22,393)	4
Vested assets	84,486	68,866	98,866	30,000	5
Finance revenue	132,891	143,520	142,734	(786)	
Total revenue	**3,089,242**	**2,960,623**	**2,984,566**	**23,943**	
Expenditure					
Employee benefits	535,778	548,349	567,255	18,906	6
Depreciation and amortisation	276,388	293,678	291,385	(2,293)	
Grants, contributions and sponsorship	1,045,799	1,004,762	1,067,312	62,550	7
Other operating expenses	529,858	547,107	640,883	93,776	8
Finance costs	456,317	495,350	436,098	(59,252)	9
Total expenses	**2,844,140**	**2,889,246**	**3,002,933**	**113,687**	
Operating surplus/ (deficit)	**245,102**	**71,377**	**(18,367)**	**(89,744)**	
Other gains and losses	0	0	0	0	
Share of surplus/ (loss) in associates and joint ventures	65,388	66,206	66,206	0	
				0	
Operating surplus/ (deficit) before income tax	**310,490**	**137,583**	**47,839**	**(89,744)**	
Income tax expense	0	0	0	0	
Surplus/ (deficit) after income tax	**310,490**	**137,583**	**47,839**	**(89,744)**	
Other comprehensive revenue					
Net gain on revaluation of property, plant and equipment	0	6,531	0	(6,531)	
Total other comprehensive revenue	**0**	**6,531**	**0**	**(6,531)**	
Total comprehensive revenue/ (expenditure)	**310,490**	**144,114**	**47,839**	**(96,275)**	

Notes to table:

1. Fees and user charges increase is primarily due to forecast revenue growth in Regulatory Services and Waste Services.
2. The increase in grants and subsidies is due to a timing change in forecast subsidies from central government for the 36th America's Cup.
3. The lower revenue reflects the updated Development Contributions Policy which applied a lower growth proportion and a longer recovery period to the capital programme than that assumed in the 10-year Budget 2018-2028. It also excluded some transport infrastructure to support local residential development that will be recovered separately.
4. The decrease is primarily driven by lower projected dividends from POAL.
5. Continued high levels of development activity this will result in an increase in forecast vested assets to be received from developers.

Notes to previous table continued:

6. The increase in employee benefits can mainly be attributed to growth in Regulatory Services which is on-chargeable as fees and user charges, and reclassification from other operating expense to employee benefits to better reflect the expenditure profile.
7. The increase is primarily due to increases in the funding to CCOs including increased funding to Auckland Transport due to increased patronage and introducing free public transport travel for children age 15 and under, at weekends and public holidays, reclassification from other operating expenses as part of the Locally Delivered Initiatives(LDI) budget allocation and approved changes such as funding for the City Mission's HomeGround Project.
8. The increase is primarily due to a large contract transferred from Auckland Transport for the maintenance of streetscapes, implementation of the Corporate Property Strategy, carry-forward from 2018/2019 into 2019/2020 and other approved changes.
9. The variance is mainly due to lower forecast interest rate and lower opening debt position.

Prospective statement of movement in equity

Auckland Council parent

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Contributed equity					
Opening balance	26,569,092	26,569,092	26,569,092	0	
Surplus after income tax	0	0	0	0	
Other comprehensive revenue	0	0	0	0	
Total comprehensive revenue	0	0	0	0	
Transfer to/ (from) reserves	0	0	0	0	
Balance as at 30 June	**26,569,092**	**26,569,092**	**26,569,092**	**0**	
Accumulated funds					
Opening balance	(499,506)	(202,995)	(897,905)	(694,910)	1
Surplus/ (deficit) after income tax	310,490	137,583	47,839	(89,744)	2
Other comprehensive revenue	0	0	0	0	
Total comprehensive expenditure	310,490	137,583	47,839	(89,744)	
Transfer to/ (from) reserves	(13,977)	33,594	60,139	26,545	3
Balance as at 30 June	**(202,995)**	**(31,816)**	**(789,927)**	**(758,111)**	
Reserves					
Opening balance	3,705,104	3,719,081	3,865,606	146,525	1
Surplus after income tax	0	0	0	0	
Other comprehensive revenue	0	6,531	0	(6,531)	
Total comprehensive revenue	**0**	**6,531**	**0**	**(6,531)**	
Transfer to/ (from) reserves	13,977	(33,594)	(60,139)	(26,545)	3
Balance as at 30 June	**3,719,081**	**3,692,018**	**3,805,467**	**113,449**	
Total equity					
Opening balance	**29,774,690**	**30,085,178**	**29,536,793**	**(548,385)**	
Surplus/ (deficit) after income tax	310,488	137,585	47,839	(89,746)	
Other comprehensive revenue	0	6,531	0	(6,531)	
Total comprehensive revenue/ (expenditure)	**310,488**	**144,116**	**47,839**	**(96,277)**	
Transfer to/ (from) reserves	0	0	0	0	
Balance as at 30 June	**30,085,178**	**30,229,294**	**29,584,632**	**(644,662)**	

Notes to table:

1. The variances are due to the updating of opening balances to reflect balances in the audited 2017/2018 annual report.
2. For variances in surplus/(deficit) after income tax refer to notes on the Prospective statement of Comprehensive revenue and expenditure.
3. The transfer in accumulated funds and reserves reflects timing changes of projects that are target rates funded.

Prospective statement of financial position

Auckland Council parent

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Assets					
Current assets					
Cash and cash equivalents	180,000	180,000	80,000	(100,000)	1
Receivables and prepayments	326,416	332,447	271,347	(61,100)	
Derivative financial instruments	0	0	2,280	2,280	
Other financial assets	135,850	135,850	155,165	19,315	
Inventories	11,444	11,673	13,856	2,183	
Non-current assets held for sale	104,000	71,000	136,213	65,213	
Total current assets	**757,710**	**730,970**	**658,861**	**(72,109)**	
Non-current assets					
Receivables and prepayments	7,735	7,880	7,300	(580)	
Derivative financial instruments	173,434	173,434	290,484	117,050	
Other financial assets	2,036,138	2,184,929	2,177,443	(7,486)	
Property, plant and equipment	15,662,815	16,027,750	15,879,726	(148,024)	
Intangible assets	277,246	257,894	253,109	(4,785)	
Investment property	605,474	605,474	576,869	(28,605)	
Investments in subsidiaries	20,787,265	20,787,265	20,348,867	(438,398)	
Investments in associates and joint ventures	552,159	811,505	598,361	(213,144)	2
Other non-current assets	4,407	4,407	5,126	719	
Total non-current assets	40,106,673	40,860,538	40,137,285	(723,253) 0	
Total assets	**40,864,383**	**41,591,508**	**40,796,146**	**(795,362)**	
Liabilities					
Current liabilities					
Payables and accruals	665,715	631,315	679,494	48,179	
Employee entitlements	57,922	59,281	61,084	1,803	
Borrowings	1,109,362	1,195,527	744,999	(450,528)	
Derivative financial instruments	2,000	2,000	2,715	715	
Provisions	60,806	42,705	56,887	14,182	3
Total current liabilities	**1,895,805**	**1,930,828**	**1,545,179**	**(385,649)**	
Non-current liabilities					
Payables and accruals	81,443	96,582	115,677	19,095	
Employee entitlements	2,228	2,280	1,946	(334)	
Borrowings	7,656,323	8,250,986	8,446,523	195,537	
Derivative financial instruments	861,517	861,517	941,346	79,829	
Provisions	281,889	220,021	160,843	(59,178)	3
Total non-current liabilities	**8,883,400**	**9,431,386**	**9,666,335**	**234,949**	
Total liabilities	**10,779,205**	**11,362,214**	**11,211,514**	**(150,700)**	
Net assets	**30,085,178**	**30,229,294**	**29,584,632**	**(644,662)**	

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Equity					
Contributed equity	26,569,092	26,569,092	26,569,092	0	
Accumulated funds	(202,995)	(31,816)	(789,927)	(758,111)	
Reserves	3,719,081	3,692,018	3,805,467	113,449	
Total ratepayers equity	**30,085,178**	**30,229,294**	**29,584,632**	**(644,662)**	
Minority interests	0	0	0	0	
Total equity	**30,085,178**	**30,229,294**	**29,584,632**	**(644,662)**	

Notes to table:

1. The decrease in cash and cash equivalents are due to changes to treasury assumptions on cash holding.
2. The decrease is mainly due to the timing changes in the City Rail Link project funding.
3. The variance is due to increase in the opening balance (refer to note 1) and offset with higher weathertightness provision.

Other variances are mainly due to the updating of opening balances to reflect balances in the audited 2017/2018 annual report.

Prospective statement of cash flows

Auckland Council parent

$000 Financial year ending 30 June	Long-term Plan 2018/19	Long-term Plan 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20	Notes
Cash flows from operating activities					
Receipts from rates revenue	1,806,105	1,887,287	1,888,341	1,054	
Receipts from customers and other services	837,499	916,420	862,211	(54,209)	1
Interest received	132,891	143,520	142,734	(786)	
Dividend received	13,713	15,465	65,679	50,214	2
Payments to suppliers and employees	(2,134,344)	(2,177,381)	(2,427,260)	(249,879)	3
Interest paid	(450,629)	(491,950)	(432,698)	59,252	4
Net cash from operating activities	**205,235**	**293,361**	**99,007**	**(194,354)**	
Cash flows from investing activities					
Proceeds from sale of other financial assets	0	0	0	0	
Acquisition of other financial assets	(4,011)	(3,168)	(3,168)	0	
Advances of loans to related parties	(149,713)	(179,735)	(164,435)	15,300	5
Sale of property, plant and equipment, investment property and intangible assets	177,000	104,000	204,639	100,639	6
Purchase of property, plant and equipment, investment property and intangible assets	(617,070)	(634,864)	(735,218)	(100,354)	7
Proceeds from community loan repayments	2,388	3,840	4,475	635	
Investment in associates and joint ventures	(234,700)	(254,100)	(203,000)	51,100	8
Advances to external parties	(49,962)	(10,162)	(50,162)	(40,000)	9
Net cash from investing activities	**(876,068)**	**(974,189)**	**(946,869)**	**27,320**	
Cash flows from financing activities					
Proceeds from borrowings	1,544,192	1,790,190	1,922,860	132,670	
Repayment of borrowings	(1,046,359)	(1,109,362)	(1,174,998)	(65,636)	
Net cash from financing activities	**497,833**	**680,828**	**747,862**	**67,034**	
Net increase/(decrease) in cash and cash equivalents and bank overdraft	**(173,000)**	**0**	**(100,000)**	**(100,000)**	
Cash and cash equivalents and bank overdraft at beginning of the year	353,000	180,000	180,000	0	
Cash and cash equivalents and bank overdrafts at end of the year	**180,000**	**180,000**	**80,000**	**(100,000)**	

Notes to table:

1. The variance is mainly due to correction of split between receipts from customers and other services and dividend received as well as revised revenue and working capital forecasts.
2. The variance is due to correction of split between receipts from customers and other services and dividend received.
3. The variance is due to changes in expenditure and working capital forecasts.
4. The variance is mainly due to lower forecast interest rate and lower opening debt position.
5. The variance relates to timing changes of transactions between the council and its CCOs.
6. The increase is due to the sale of excess or underutilised corporate property assets as part of implementing our Corporate Property Strategy.
7. The variance is due to timing changes of capital expenditure being carry-forward from 2018/2019 into 2019/2020.
8. The variance is due to timing changes in the City Rail Link project funding.
9. The variance is due to the change in timing, from 2018/2019 to 2019/2020, of the council's loan to Eden Park to refinance their external bank loan.

Note 6: Group depreciation and amortisation by group of activity

$000 Financial year ending 30 June	LTP 2018/19	LTP 2019/20	Annual Plan 2019/20	Variance from LTP 2019/20
Roads and Footpaths	251,519	269,769	258,203	(11,566)
Public Transport and travel demand management	102,386	102,974	98,862	(4,112)
Wastewater	143,952	146,382	142,821	(3,561)
Water supply	108,393	109,493	109,544	51
Stormwater	60,553	63,025	63,025	0
Local Council Services	8,349	14,775	14,774	(1)
Regionally delivered council services	232,641	242,028	230,090	(11,938)
Council controlled services	45,668	50,597	47,515	(3,082)
	953,461	**999,043**	**964,834**	**(34,209)**

3.3 Rating policy overview

Last year the 10-year Budget 2018-2028 laid out how we plan to fund our activities through our Financial Strategy and our Revenue and Financing Policy. This included a general rates increase for 2019/2020 of 2.5 per cent, an increase in the Uniform Annual General Charge at the same rate, and a continuation of our policy to slowly reduce the share of rates paid by businesses.

This year, we consulted with Aucklanders on a number of rating changes, considered the feedback and decisions have been incorporated into this budget.

The decisions included:

- an increase to the base service charge within the Waste Management Targeted Rate to ensure the service delivery costs are recovered. This charge increased by $20.67 to $121.06 per year (40 cents per week)
- extending the food scraps collection targeted rate of $68.34 per annum to the properties on the North Shore that receive this service. In 2014 a free trial of the food scraps collection service started for 2000 properties in the North Shore area. The foods scraps service was introduced in the Papakura area from 2018/2019 and funded from a targeted rate. This change ensures all properties receiving the food scraps service are treated equally
- adjusting the urban rating area to incorporate around 400 properties in newly developed areas adjacent to existing urban areas
- changes to the rating of religious use properties. While places of worship are already exempt from rates this will see some other areas used by religious organisations for non-commercial purposes not charged rates.

More details of the consultation feedback and the final decisions can be found at aucklandcouncil.govt.nz.

3.4 Prospective funding impact statement

Prospective consolidated funding impact statement

Auckland Council group consolidated

$000 Financial year ending 30 June	LTP 2018/19	LTP 2019/20	Annual Plan 2019/20
Sources of operating funding:			
General rates, UAGCs, rates penalties	1,588,388	1,660,153	1,653,885
Targeted rates	212,615	223,859	229,756
Subsidies and grants for operating purposes	286,973	297,307	320,573
Fees and charges	1,347,989	1,424,281	1,410,532
Interest and dividends from investments	70,661	70,961	70,564
Local authorities fuel tax, fines, infringement fees and other receipts	430,324	442,794	445,172
Total operating funding	**3,936,950**	**4,119,355**	**4,130,482**
Applications of operating funding:			
Payment to staff and suppliers	2,587,623	2,655,498	2,821,770
Finance costs	467,214	513,661	452,575
Other operating funding applications	0	0	0
Total applications of operating funding	**3,054,837**	**3,169,159**	**3,274,345**
Surplus (deficit) of operating funding	**882,113**	**950,196**	**856,137**
Sources of capital funding:			
Subsidies and grants for capital expenditure	411,868	486,707	516,821
Development and financial contributions	204,491	288,657	258,309
Increase (decrease) in debt	591,532	703,627	791,686
Gross proceeds from sale of assets	177,000	104,000	254,639
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	**1,384,891**	**1,582,991**	**1,821,455**
Application of capital funding:			
Capital expenditure:			
- to meet additional demand	980,090	827,105	886,522
- to improve the level of service	539,727	759,619	824,357
- to replace existing assets	658,203	581,334	760,462
Increase (decrease) in reserves	32,319	81,369	160,095
Increase (decrease) in investments	56,665	283,760	46,156
Total applications of capital funding	**2,267,004**	**2,533,187**	**2,677,592**
Surplus (deficit) of capital funding	**(882,113)**	**(950,196)**	**(856,137)**
Funding balance			**0**

Rating mechanism

This section sets out how the council sets its rates for 2019/2020. It explains the basis on which rating liability will be assessed. In addition, it covers the council's early payment discount policy.

Background

The council's general rate is made up of the Uniform Annual General Charge (UAGC) and the value-based general rate. Revenue from the general rate is used to fund the council activities that are deemed to generally and equally benefit Auckland and that part of activities that are not funded by other sources.

Rating base information

The following table sets out the forecast rating base for Auckland Council as at 30 June 2019.

Capital value ($)	744,034,104,611
Land value ($)	498,753,343,265
Rating units	570,454
Separately used or inhabited parts of a property	637,124

How the increase in the rate requirement is applied

The increase in the general rate requirement is split to maintain the proportion of the UAGC at around 13.4 per cent of the total general rate (UAGC plus value based general rates). This is achieved by applying the general rates increase to the UAGC and rounding to the nearest dollar.

Uniform annual general charge (UAGC) and other fixed rates

The UAGC is a fixed rate that is used to fund general council activities. The council will apply the UAGC to all rateable land in the region per separately used or inhabited part of a rating unit (SUIP). The definition of a separately used or inhabited part of a rating unit is set out in the following section.

Where two or more rating units are contiguous or separated only by a road, railway, drain, water race, river, or stream, are owned by the same person or persons, and are used jointly as a single unit, the ratepayer will be liable for only one uniform annual general charge.

The council will also set the following targeted rates which will have a fixed rate component:

- Waste management targeted rate
- part of some Business Improvement District targeted rates
- City centre targeted rate for residential properties
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate
- Riverhaven Drive targeted rate
- Waitākere rural sewerage targeted rate
- Ōtara-Papatoetoe swimming pool targeted rate
- Māngere-Ōtāhuhu swimming pool targeted rate
- Rodney Local Board Transport targeted rate.

Funds raised by uniform fixed rates, which include the UAGC and any targeted rate set on a uniform fixed basis[1], cannot exceed 30 per cent of total rates revenue sought by the council for the year (under Section 21 of Local Government (Rating) Act 2002).

[1] Except rates set solely for water supply or sewerage disposal.

A UAGC of $424 (including GST) will be applied per SUIP for 2019/2020. This is estimated to produce around $230.2 million (excluding GST) for 2019/2020.

The definition of a separately used or inhabited part of a rating unit

The council defines a separately used or inhabited part (SUIP) of a rating unit as 'any part of a rating unit that is separately used or inhabited by the ratepayer, or by any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or any other agreement'. For the purposes of this definition, parts of a rating unit will be treated as separately used if they come within different differential categories, which are based on use. An example would be a rating unit that has a shop on the ground floor (which would be rated as business) and a residence upstairs (rated as residential).

Rating units used for commercial accommodation purposes, such as motels and hotels, will be treated for rating purposes as having one separately used or inhabited part, unless there are multiple businesses within the rating unit or another rating differential applies. Examples of how this might apply in practice are as follows:

- a business operating a motel on a rating unit will be treated for rating purposes as a single separately used or inhabited part. If that rating unit also includes a residential unit, in which the manager or owner resides, then the rating unit will be treated for rating purposes as having two separately used or inhabited parts
- a hotel will be treated for rating purposes as a single separately used or inhabited part, irrespective of the number of rooms. If, on the premises, there is a florist business and a souvenir business, then the rating unit will be treated for rating purposes as having three separately used or inhabited parts.

A similar approach applies to universities, hospitals, rest homes and storage container businesses. Vacant land will be treated for rating purposes as having one separately used or inhabited part.

Rating units that have licence to occupy titles, such as some retirement villages or rest homes, will be treated as having a separately used or inhabited part for each part of the property covered by a licence to occupy.

The above definition applies for the purposes of the UAGC as well as any targeted rate which is set on a "per SUIP" basis.

Value-based general rate

The value-based general rate will apply to all rateable land in the region and will be assessed on capital value and is assessed by multiplying the capital value of a rating unit by the rate per dollar that applies to that ratepayer differential group.

Rates differentials

General and targeted rates can be charged on a differential basis. This means that a differential is applied to the rate or rates so that some ratepayers may pay more or less than others with the same value rating unit.

The differential for urban residential land is set at 1.00. Business land attracts higher rates differentials than residential land. Lower differentials are applied to rural, farm/lifestyle and no road access land.

The council defines its rates differential categories using location and the use to which the land is put. When determining the use to which the land is put, the council will consider information it holds concerning the actual use of the land, and the land use classification that council has determined applies to the property under the Rating Valuation Rules.

Where there is no actual use of the land (i.e. the land is vacant), the council considers the location of the land and the highest and best use of the land to determine the appropriate rates differential. Highest and best use is determined by the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.

The definition for each rates differential category is listed in the table below. For clarity, where different parts of a rating unit fall within different differential categories then rates will be assessed for each part according to its differential category. Each part will also be classified as being a separate SUIP (see definition above).

Rates differential definitions

Differential group	Definition
Urban business	Land in the Urban Rating Area that is used for commercial, industrial, transport, utility or public communal – licensed purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land in the Urban Rating Area, where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Urban residential	Land in the Urban Rating Area that is used exclusively or almost exclusively, for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels.(1) Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)
Rural business	Land outside the Urban Rating Area that is used for commercial, industrial, transport, utility network(2), or public communal – licensed purposes. Also includes any land that is used for community services, but which is used for commercial, or governmental purposes, or which is covered by a liquor licence. Also includes land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and Bookabach for more than 180 nights in the 12 months ending 30 June of the previous financial year.
Rural residential	Land outside the Urban Rating Area that is used exclusively or almost exclusively for residential purposes, and includes tenanted residential land, rest homes and geriatric hospitals. It excludes hotels, motels, serviced apartments, boarding houses and hostels (1). Land used for community services and used by a not for profit ratepayer for the benefit of the community will be charged the residential rate (this does not include land covered by a liquor licence)
Farm and lifestyle	Any land that is used for lifestyle or rural industry purposes, excluding mineral extraction(3)
No road access	Includes all land (irrespective of use) for which direct or indirect access by road is unavailable or provided for, and all land situated on the islands of Ihumoana, Kaikoura, Karamuramu, Kauwahia, Kawau, Little Barrier, Mokohinau, Motahaku, Motuketekete, Motutapu, Motuihe, Pakatoa, Pakihi, Ponui, Rabbit, Rakitu, Rangiahua, Rotoroa and The Noises
Zero-rated	Includes land on all Hauraki Gulf islands and Manukau Harbour other than Waiheke, Great Barrier and the islands named in the definition of No road access. Also includes land used by religious organisations for: • housing for religious leaders which is onsite or adjacent to the place of religious worship • halls and gymnasiums used for community not-for-profit purposes • not-for-profit childcare for the benefit of the community • libraries • offices that are onsite and which exist for religious purposes • non-commercial op-shops operating from the same title • car parks serving multiple land uses but for which the primary purpose is for religious purposes.
Urban moderate-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year.
Rural moderate-occupancy online	Land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation that offer short-term rental accommodation services via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12

Differential group	Definition
accommodation provider	months ending 30 June of the previous financial year.
Urban medium-occupancy online accommodation provider	Land in the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.
Rural medium-occupancy online accommodation provider	Land outside the Urban Rating Area where a residence is let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year.

Notes to table:

1. Hotels, motels, serviced apartments, boarding houses and hostels will be rated as business except when the land is used exclusively or almost exclusively for residential purposes. Ratepayers must provide proof of long-term stay (at least 90 days) as at 30 June of the previous financial year. Proof should be in the form of a residential tenancy agreement or similar documentation.
2. Utility networks are classed as rural business differential. However, all other utility rating units are categorised based on their land use and location.
3. To be considered “lifestyle”, land must be in a rural or semi-rural area, must be predominantly used for residential purposes, must be larger than an ordinary residential allotment, and must be used for some small-scale non-commercial rural activity.
4. The Urban Rating Area includes land in the Metropolitan Urban Limit (MUL2010 as defined in the Auckland Regional Policy Statement) as well as land within Pukekohe township. It also includes around 400 properties outside these areas where the Urban Rating Area has been extended in Pukekohe West (Franklin), East Tamaki Heights (Howick), Takanini (Papakura), The Gardens (Manurewa), East Tamaki (Howick), Papatoetoe (Manukau). You can view a map of the Urban Rating Area at www.aucklandcouncil.govt.nz/rates or at any Auckland Council library or service centre.

The long-term differential strategy

In 2019/2020 the business differential ratios will be set so that 32 per cent of general rates (UAGC and value-based general rate) come from businesses.

The table below sets out the rates differentials and rates in the dollar of capital value to be applied in 2019/2020. This is estimated to produce around $1,443.4 million (excluding GST) for 2019/2020.

Value-based general rate differentials for 2019/2020

Property category	Effective relative differential ratio for general rate for 2019/2020	Rate in the dollar for 2019/2020 (including GST) ($)	Share of value-based general rate (excluding GST) ($)	Share of value-based general rate (%)
Urban business	2.80	0.00526750	467,957,151	32.4%
Urban residential	1.00	0.00188045	807,306,444	55.9%
Rural business	2.52	0.00474075	45,905,338	3.2%
Rural residential	0.90	0.00169241	47,630,720	3.3%
Farm and lifestyle	0.80	0.00150436	72,810,347	5.0%
No road access	0.25	0.00047011	234,072	Less than 0.1%
Zero-rated(1)	0.00	0.00000000	0	0.0%
Urban moderate-occupancy online accommodation provider	1.90	0.00357398	136,167	Less than 0.1%
Rural moderate-occupancy online accommodation	1.71	0.00321658	31,380	Less than 0.1%

Property category	Effective relative differential ratio for general rate for 2019/2020	Rate in the dollar for 2019/2020 (including GST) ($)	Share of value-based general rate (excluding GST) ($)	Share of value-based general rate (%)
provider				
Urban medium-occupancy online accommodation provider	1.45	0.00272721	1,111,920	0.1%
Rural medium-occupancy online accommodation provider	1.31	0.00245449	324,126	Less than 0.1%

Note to table: 1. Zero-rated ratepayers are liable for the UAGC only, which is automatically remitted through the rate remission policy.

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the value-based general rates requirement determined on their share of the city's land value rather than a share of the city's capital value as applies for other properties.

Targeted rates

The council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate. Unless otherwise stated, the targeted rates described below will be used as sources of funding for each year until 2027/2028.

Water Quality Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2027/2028 to clean up Auckland's waterways. The rate will fund expenditure within the following activities: Stormwater Management.

Activities to be funded

The Water Quality Targeted Rate (WQTR) will be used to help fund the capital costs of investment in cleaning up Auckland's waterways.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio will be set so that 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of $0.00010677 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business and Rural business) as defined for rating purposes, and $0.00006076 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around $41.5 million (excluding GST) for 2019/2020, $10.6 million from business and $30.9 million from non-business.

Natural Environment Targeted Rate

Background

The council is funding an additional investment from 2018/2019 to 2027/2028 to enhance Auckland's natural environment. The rate will fund expenditure within the following activities: Regional environmental services.

Activities to be funded

The Natural Environment Targeted Rate (NETR) will be used to help fund the capital and operating costs of investment to deliver enhanced environmental outcomes.

How the rate will be assessed

A differentiated targeted rate will be applied on the capital value of all rateable land except land categorised as zero-rated as defined for rating purposes. The business differential ratio will be set so that 25.8 per cent of the revenue requirement comes from businesses. A targeted rate of $0.00007603 (including GST) per dollar of capital value will be applied to all rateable land categorised as business (Urban business and Rural business) as defined for rating purposes, and $0.00004326 (including GST) per dollar of capital value to all rateable land not categorised as business (Urban residential, Rural residential, Farm and lifestyle, Urban moderate-occupancy online accommodation provider, Rural moderate-occupancy online accommodation provider, Urban medium-occupancy online accommodation provider, Rural medium-occupancy online accommodation provider, and No road access) as defined for rating purposes. This is estimated to produce around $29.6 million (excluding GST) for 2019/2020, $7.5 million from business and $22.0 million from non-business.

Waste Management targeted rate

Background

The benefit of the provision of waste management services in public areas e.g. public litter bins is funded through the general rate. Privately generated waste is funded through a mixture of targeted rates and pay as you throw charges.

The refuse, recycling, inorganic collection and other waste management services in Auckland are being standardised under the Waste Management and Minimisation Plan (WMMP). The service will be rolled out across the region gradually until full coverage is achieved in 2020/2021. Refuse collection is also being standardised. All areas will move to pre-paid bin collection. The food scraps collection service is currently available in Papakura and some parts of Northcote, Milford and Takapuna. This is scheduled to be rolled out to the whole of urban Auckland from 2020/2021.

Solid waste targeted rates for 2019/2020 include:

- a region-wide base rate to cover the cost of recycling, inorganic collection, resource recovery centres, the Hauraki Gulf Islands subsidy and other regional waste services
- a standard refuse rate will apply in the former Auckland City and the former Manukau City to fund refuse collection
- an additional targeted rate for Papakura and parts of North Shore to cover the cost of the food scraps collection
- additional rates may apply to properties that request additional recycling or refuse services.

Where user charges currently apply, these will continue.

The council is implementing the Auckland WMMP. Information on the plan can be found on the council's website.

Activities to be funded

The targeted rate for waste management is used to fund refuse collection and disposal services (including the inorganic refuse collection), recycling, food scraps collection, waste transfer stations and resource recovery centres within the solid waste and environmental services activity.

How the rate will be assessed

For land outside of the district of the former Auckland City Council where a service is provided or available, the targeted rate for the base service and the standard refuse service (for the former Manukau City) and the food scraps service (for the former Papakura District and the previous food scraps trial area in Northcote, Milford and Takapuna), will be charged on a per SUIP basis. See the UAGC section prior for the council's definition of a SUIP. The standard refuse service includes one 120 litre refuse bin (or equivalent).

For land within the district of the former Auckland City Council, the targeted rate for the base service and the standard refuse service will be charged based of the number and type of services supplied or available to each rating unit. For rating units made up of one SUIP, the council will provide one refuse collection service. For rating units made up of more than one SUIP, the council will provide the same service as was provided at 30 June 2019, unless otherwise informed by the owner of the rating unit (that is, at least one base service and one refuse collection service). Land which has an approved alternative service will be charged the waste service charge that excludes the approved alternative service or services. See sample properties at the end of this section for examples on how these apply.

For land within the former district of Auckland City and Manukau City, a large refuse rate will apply, on top of the standard refuse rate, if a 240 litre refuse bin is supplied instead of the standard 120 litre bin.

For all land across Auckland, an additional recycling rate will apply if an additional recycling service is supplied.

In the future, the waste management targeted rate may be adjusted to reflect changes in the nature of services and the costs of providing waste management services to reflect the implementation of the Auckland Waste Management and Minimisation Plan.

The following table sets out the waste management targeted rates to be applied in 2019/2020. This is estimated to produce around $91.5 million (excluding GST) for 2019/2020.

Waste management targeted rates

Service	Differential group	Amount of targeted rate for 2019/2020 (including GST) $	Charging basis	Share of targeted rate (excluding GST) ($)
Base service	Rating units in the former Auckland City	121.06	Per service available	17,204,870
	Rating units in the former Franklin District, Manukau City, North Shore City, Papakura District, Rodney District and Waitakere City	121.06	Per SUIP	40,146,890
Base service excluding recycling	Rating units in the former Auckland City	45.15	Per service available	1,117,537
Standard refuse	Rating units in the former Auckland City	129.93	Per service available	18,320,151
	Rating units in the former Manukau City	129.93	Per SUIP	12,779,104
Large refuse	Rating units in the former Auckland City and Manukau City	61.07	Per service available	672,587

Service	Differential group	Amount of targeted rate for 2019/2020 (including GST) $	Charging basis	Share of targeted rate (excluding GST) ($)
Additional recycling	All rating units	75.91	Per service available	103,291
Food scraps	Rating units in the former Papakura District and the former food scraps trial area in Northcote, Milford and Takapuna	68.34	Per SUIP	1,173,413

For the avoidance of doubt, properties that opt out of one or more council services in the former Auckland City area will be rated as below:

- land which has an approved alternative refuse service will be charged the base service rate ($121.06)
- land which has an approved alternative recycling service will be charged the standard refuse rate ($129.93) plus the base service excluding recycling rate ($45.15)
- land which has approved alternative refuse and recycling services will be charged the base service excluding recycling rate (45.15).

Accommodation provider targeted rate

Background

Auckland Council, through Auckland Tourism, Events, and Economic Development (ATEED), has a strong focus on developing Auckland's visitor economy into a sustainable year-round industry, including working with industry partners such as Tourism New Zealand and Auckland International Airport Limited to attract high-value visitors, and facilitating the establishment of world-class attractions. The Auckland Convention Bureau team attracts business events which inject millions annually into the economy.

ATEED is also focused on continuing to expand Auckland as a world-leading events city through attracting, delivering and/or supporting an annual portfolio of more than 30 major events.

Activities to be funded

The Accommodation provider targeted rate will be used to help part fund the costs of visitor attraction, major events and destination and marketing which are part of council's "economic growth and visitor economy" activity..

How the rate will be assessed

A differentiated targeted rate will be assessed on capital value and applied to all rateable land in Zones A and B defined as business, moderate-occupancy online accommodation provider, and medium-occupancy online accommodation provider for rating purposes operated as Tier one, two, three, four, five, or six accommodation. The capital value to which the targeted rate applies excludes the value of the portion not attributable to the provision of commercial accommodation.

The rate will be differentiated by provider type and by location as laid out below.

Provider type

The rate will be differentiated by provider type as described in the categories of accommodation below:

1. hotels
2. motels and motor inns
3. lodges
4. pub accommodation

5. serviced apartments
6. campgrounds, motor parks, and holiday parks
7. backpackers and short stay hostels
8. bed and breakfasts and homestays.
9. high-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 180 nights in the 12 months ending 30 June of the previous financial year)
10. moderate-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 135 nights and less than 181 nights in the 12 months ending 30 June of the previous financial year)
11. medium-occupancy online accommodation provider (residences let out on a short-term basis, via online web-based accommodation services that offer short-term rental accommodation via peer-to-peer online marketplace such as Airbnb and bookabach, for more than 28 nights and less than 136 nights in the 12 months ending 30 June of the previous financial year)

Long-stay residential accommodation is excluded from liability for the rate. Note that some motor inns, campgrounds, motor parks or holiday parks may be primarily long-stay accommodation and treated accordingly where appropriate supporting evidence can be provided. Additionally, any portion of commercial accommodation contracted for emergency housing by the Ministry of Social Development will be excluded from liability for the rate.

Where an accommodation operator offers differing accommodation types from one establishment then the different parts should be treated according to their differential category use. For example, many campgrounds, motor parks, and holiday parks offer a mixture of self-contained units (similar to motels), cabins (similar to backpackers), and camp sites.

Provider types will be grouped into the following seven tiers:

- Tier 1: hotels, serviced apartments and high-occupancy online accommodation providers*
- Tier 2: motels and motor inns, lodges, pub accommodation, and serviced apartments and high-occupancy online accommodation providers not included in Tier 1
- Tier 3: moderate-occupancy online accommodation providers that have characteristics similar to hotels (different to motels as described above)
- Tier 4: moderate-occupancy online accommodation providers that have characteristics similar to motels (as described above)
- Tier 5: medium-occupancy online accommodation providers that have characteristics similar to hotels (different to motels as described above)
- Tier 6: medium-occupancy online accommodation providers that have characteristics similar to motels (as described above)
- Tier 7: other accommodation providers such as backpackers, short stay hostels, bed and breakfasts, homestays and campgrounds.

* serviced apartments and high-occupancy online accommodation providers that have characteristics similar to motels (such as parking provided directly outside the apartment, managers accommodation on-site, buildings are 1 or 2 levels) will be classified as Tier 2 for the purposes of establishing liability for the Accommodation Provider targeted rate.

Location

The rate will also be differentiated by location as described in the zones below:

- Zone A: accommodation providers located in local board areas of Albert-Eden, Devonport-Takapuna, Mangere-Ōtāhuhu, Maungakiekie-Tamaki, Ōrākei, Waitematā.

- Zone B: accommodation providers located in local board areas of Henderson-Massey, Hibiscus and Bays, Howick, Kaipātiki, Manurewa, Ōtara-Papatoetoe, Puketāpapa, Upper Harbour, Waiheke, Whau.
- Zone C: accommodation providers located in local board areas of Franklin, Great Barrier, Papakura, Rodney and Waitakere Ranges.

Differential ratios

The table below sets out the differential ratios that are applied to the differential categories described above for the Accommodation provider targeted rate:

Differential ratios		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	1.0	0.6	0.50	0.30	0.25	0.15
	Zone B	0.5	0.3	0.25	0.15	0.125	0.075

Accommodation provider targeted rate

The following table sets out the Accommodation provider targeted rate to be applied to the differential categories described above for 2019/2020. This is estimated to produce around $13.95 million (excluding GST) for 2019/2020.

Rate in the dollar to be based on the capital value of the portion of the rating unit used for commercial accommodation (including GST) ($)		Provider type					
		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Location	Zone A	0.00565965	0.00339579	0.00282983	0.00169790	0.00141491	0.00084895
	Zone B	0.00282983	0.00169790	0.00141491	0.00084895	0.00070746	0.00042447

Accommodation located in Zone C or used for Tier 7 purposes will not be liable for the Accommodation provider targeted rate.

City centre targeted rate

Background

The City Centre targeted rate is to help fund the development and revitalisation of the city centre. The rate applies to business and residential land in the City Centre area.

Activities to be funded

The City Centre redevelopment programme aims to enhance the city centre as a place to work, live, visit and do business. It achieves this by providing a high-quality urban environment, promoting the competitive advantages of the city centre as a business location, and promoting the city centre as a place for high-quality education, research and development. The programme intends to reinforce and promote the city centre as a centre for arts and culture, with a unique identity as the heart and soul of Auckland. The rate will fund expenditure within the following activities: Regional planning; Roads and footpaths; Local parks, sports and recreation.

The targeted rate will continue until 2024/2025 to cover capital and operating expenditure generated by the projects in the City Centre redevelopment programme. From 2016/2017, unspent funds from the targeted rate have been used to transition the depreciation and consequential operating costs of capital works to the general rate so that from 2019/2020 these costs will be entirely funded from general rates.

How the rate will be assessed

A differentiated targeted rate will be applied to business and residential land, as defined for rating purposes, in the city centre. You can view a map of the city centre area at www.aucklandcouncil.govt.nz/rates or at any Auckland Council library or service centre.

A rate in the dollar of $0.00134668 (including GST) of rateable capital value will be applied to urban business land in 2019/2020. This is estimated to produce around $21.7 million (excluding GST) for 2019/2020.

A fixed rate of $61.63 (including GST) per SUIP (see UAGC section prior for the council's definition of a SUIP) will be applied to urban residential, urban moderate-occupancy online accommodation provider, and urban medium-occupancy online accommodation provider land in 2019/2020. This is estimated to produce around $1.05 million (excluding GST) for 2019/2020.

Rodney Local Board Transport Targeted Rate

Background

The council is funding additional transport investment to deliver improved transport outcomes in the Rodney Local Board area. The rate will fund expenditure within the following activities: Roads and footpaths and Public transport and travel demand management.

Activities to be funded

The Rodney Local Board Transport Targeted Rate (RLBTTR) will be used to help fund the capital and operating costs of additional transport investment and services.

How the rate will be assessed

The targeted rate will be applied as an amount per SUIP (see UAGC section prior for the council's definition of a SUIP) on all rateable land in the Rodney Local Board area except land categorised as zero-rated as defined for rating purposes. The amount of the targeted rate will be $150 (including GST) per SUIP. This is estimated to produce around $4.2 million (excluding GST) for 2019/2020.

Business Improvement District targeted rates

Background

Business Improvement Districts (BID) are areas within Auckland where local businesses have agreed to work together, with support from the council, to improve their business environment and attract new businesses and customers. The funding for these initiatives comes from BID targeted rates, which the businesses within a set boundary have voted and agreed to pay to fund BID projects and activities.

Activities to be funded

The main objectives of the BID programmes are to enhance the physical environment, promote business attraction, retention and development, and increase employment and local business investment in BID areas. The programmes may also involve activities intended to identify and reinforce the unique identity of a place and to promote that identity as part of its development. The rate will fund expenditure within the following activities: Local planning and development – locally driven initiatives, Local planning and development – asset based services.

How the rates will be assessed

The BID targeted rates will be applied to business land, as defined for rating purposes, that is located in defined areas in commercial centres outlined in the following table. For maps of the areas where the BID rates will apply, go to www.aucklandcouncil.govt.nz/rates.

The BID targeted rates will be assessed using a fixed rate and value-based rate on the capital value of the property. Each BID area may recommend to council that part of its budget be funded from a fixed rate of up to $575 (including GST) per rating unit. The remaining budget requirement will be funded from a value-based rate for each area and be applied as a rate in the dollar. There will be different rates for each BID programme.

The table below sets out the budgets and the rates for each BID area that the council will apply in 2019/2020. This is estimated to produce around $18.1 million (excluding GST) in targeted rates revenue for 2019/2020.

Business Improvement Districts fixed rates per rating unit and rates in the dollar of capital value

BID area	Amount of BID grant 2019/2020 (excluding GST) ($)	Amount of BID targeted rate revenue 2019/2020 (excluding GST) ($)	Amount to be funded by fixed charge for 2019/2020 (excluding GST) ($)	Fixed rate per rating unit for 2019/2020 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2019/2020 (excluding GST) ($)	Rate in the dollar for 2019/2020 to be multiplied by the capital value of the rating unit (including GST) ($)
Avondale	154,000	153,995	0	0.00	153,995	0.00129004
Birkenhead	187,000	187,414	0	0.00	187,414	0.00087804
Blockhouse Bay	58,000	57,792	0	0.00	57,792	0.00144318
Browns Bay	150,000	146,995	0	0.00	146,995	0.00050927
Devonport	120,000	120,218	17,391	250.00	102,827	0.00061454
Dominion Road	180,000	176,889	0	0.00	176,889	0.00051867
Ellerslie	162,000	162,000	0	0.00	162,000	0.00206997
Glen Eden	91,920	92,105	0	0.00	92,105	0.00099393
Glen Innes	166,000	166,309	0	0.00	166,309	0.00102698
Greater East Tāmaki	500,000	499,909	338,292	195.00	161,617	0.00002932
Heart of the City	4,782,614	4,741,246	0	0.00	4,741,246	0.00042571
Howick	162,715	162,070	0	0.00	162,070	0.00085871
Hunters Corner	126,590	127,358	0	0.00	127,358	0.00073224
Karangahape Road	435,438	415,924	0	0.00	415,924	0.00047306
Kingsland	210,000	211,015	0	0.00	211,015	0.00039138
Mairangi Bay	65,000	64,999	5,000	250.00	59,999	0.00131144
Māngere Bridge	28,800	28,800	0	0.00	28,800	0.00136493
Māngere East Village	6,100	6,100	0	0.00	6,100	0.00029693
Māngere Town	284,949	284,949	0	0.00	284,949	0.00401509
Manukau Central	490,000	457,970	0	0.00	457,970	0.00031892
Manurewa	157,000	159,146	0	0.00	159,146	0.00102984
Milford	137,332	137,332	0	0.00	137,332	0.00059440
Mt Eden Village	90,535	90,535	0	0.00	90,535	0.00059072
New Lynn	185,325	185,078	0	0.00	185,078	0.00056539
Newmarket	1,691,613	1,692,298	0	0.00	1,692,298	0.00065555

BID area	Amount of BID grant 2019/2020 (excluding GST) ($)	Amount of BID targeted rate revenue 2019/2020 (excluding GST) ($)	Amount to be funded by fixed charge for 2019/2020 (excluding GST) ($)	Fixed rate per rating unit for 2019/2020 (including GST) ($)	Amount to be funded by property value rate based on the capital value of the rating unit for 2019/2020 (excluding GST) ($)	Rate in the dollar for 2019/2020 to be multiplied by the capital value of the rating unit (including GST) ($)
North Harbour	690,621	687,450	343,683	150.00	343,767	0.00008634
North West District	180,000	171,122	91,739	250.00	79,383	0.00017654
Northcote	120,000	120,000	0	0.00	120,000	0.00233449
Old Papatoetoe	100,692	100,692	0	0.00	100,692	0.00129408
Onehunga	405,000	399,470	0	0.00	399,470	0.00108473
Orewa	241,509	241,279	0	0.00	241,279	0.00090239
Ōtāhuhu	628,425	632,263	0	0.00	632,263	0.00068580
Ōtara	94,730	94,730	0	0.00	94,730	0.00157883
Panmure	443,896	443,912	0	0.00	443,912	0.00154636
Papakura	250,000	250,599	0	0.00	250,599	0.00072879
Parnell	855,000	855,209	0	0.00	855,209	0.00054160
Ponsonby	518,744	515,030	0	0.00	515,030	0.00064550
Pukekohe	462,000	460,556	0	0.00	460,556	0.00052739
Remuera	242,564	238,988	0	0.00	238,988	0.00110559
Rosebank	455,000	452,081	0	0.00	452,081	0.00038817
South Harbour	81,325	81,324	0	0.00	81,324	0.00044042
St Heliers	138,484	138,484	0	0.00	138,484	0.00107267
Takapuna	443,895	442,015	0	0.00	442,015	0.00040090
Te Atatu	92,000	82,718	0	0.00	82,718	0.00112133
Torbay	15,915	15,915	0	0.00	15,915	0.00093853
Uptown	296,500	294,391	0	0.00	294,391	0.00016257
Waiuku	122,750	122,222	0	0.00	122,222	0.00096234
Wiri	737,000	728,703	0	0.00	728,703	0.00022056
Total	18,238,981	18,097,599	796,105		17,301,494	

Note to the table: Targeted rate amounts include surpluses and deficits (if any) carried over from 2017/2018 so may differ from grant amounts.

Business Improvement Districts fixed rate per property and rates in the dollar based on land value

Rates for Watercare land and defence land will be assessed on land value as required under section 22 of the Local Government (Rating) Act 2002 and Section 73 of the Local Government (Auckland Council) Act 2009. These properties will pay a share of the Business Improvement District value based rates requirement determined on their share of the BID areas land value rather than a share of the BID areas capital value as applies for other properties.

Māngere-Ōtāhuhu and Ōtara-Papatoetoe swimming pool targeted rates

Background

Auckland Council has a region-wide swimming pool pricing policy, whereby children 16 years and under have free access to swimming pool facilities and all adults are charged. These targeted rates fund free access to swimming pools for adults 17 years and over in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

Activities to be funded

To fund the cost of free adult entry to swimming pool facilities in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. The rate will fund expenditure within the following activity: Local parks sport and recreation – asset based services.

How the rate will be assessed

These local activity targeted rates apply to all residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider land, as defined for rating purposes that are located in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas.

The local activity targeted rate will be assessed using a fixed rate applied to each SUIP (see UAGC section prior for the council's definition of a SUIP) of a residential, urban moderate-occupancy online accommodation provider, urban medium-occupancy online accommodation provider, rural moderate-occupancy online accommodation provider, and rural medium-occupancy online accommodation provider land, as defined for rating purposes, in the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. There will be a different fixed rate for each local board area.

The following table sets out the local activity targeted rates that apply in 2019/2020 for the Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas. This is estimated to produce around $1.1 million (excluding GST) for 2019/2020.

Local board area	Local activity targeted rates	
	Fixed rate for each separately used or inhabited part of a rating unit for 2019/2020 (including GST) ($)	Revenue from the targeted rate (excluding GST) ($)
Māngere-Ōtāhuhu	32.64	539,202
Ōtara-Papatoetoe	30.74	579,595

Riverhaven Drive targeted rate

The council has constructed Riverhaven Drive for the benefit of the rating units in the immediate area. The construction of the road and the payment of the rate have been agreed with the association representing the owners of the rating units. The Riverhaven Drive targeted rate is used to repay the council for the cost of the road, including interest costs. The rate will fund expenditure within the following activities: Local planning and development – locally driven initiatives, Roads and footpaths.

The targeted rate applies to the land which benefits from the construction of a road that provides access to the rating unit. The rate will apply until the cost of the project is recovered. The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 25 years (2006/2007 to 2030/2031). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of $10,317.02 (including GST) per rating unit for 2019/2020. This is estimated to produce around $72,000 (excluding GST) for 2019/2020.

Waitākere rural sewerage targeted rate

The Waitākere rural sewerage targeted rate is set as a uniform charge on all rating units in the Non-Drainage Area of the former district of the Waitākere City Council that have certain types of on-site waste management systems. These are scheduled to be inspected and/or pumped out by the council within a three-yearly cycle, with funding provided through the targeted rate. The uniform charge is assessed in respect of each on site waste management system utilised in conjunction with the particular rating unit. The rate will fund expenditure within the following activities: Stormwater management.

A regional compliance programme will be put in place over the next two to three years to ensure on-site wastewater systems across the region are adequately maintained and inspected to minimise environmental risk. Implementation will be phased across Auckland, with Waitākere anticipated to come under the programme in 2019. The council is investigating options for integrating the pump out service with the new monitoring regime as part of the development of the Annual Budget 2020/2021, including the appropriate level of rate and the area the service should apply to. The pump out service and targeted rate will continue until the current contract expires in June 2021.

For 2019/2020 the targeted rate will be a uniform charge of $198.43 (including GST) for each on-site waste management system utilised in conjunction with the rating unit. This is estimated to produce around $0.7 million (excluding GST) for 2019/2020.

Retro-fit your home targeted rate

The Retro-fit Your Home targeted rate is set on land that has received financial assistance from Auckland Council for the installation of clean heat, insulation, water conservation, mechanical extraction and fire place decommissioning in respect of the land. The rate will fund expenditure within the following activities: Regulation.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for nine years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Retro-fit Your Home targeted rate that the council will apply in 2019/2020. This is estimated to produce around $6.2 million (excluding GST) for 2019/2020.

Retro-fit your home targeted rate

Year of repayment	Rate in the dollar for 2019/2020 to be multiplied by the ratepayers outstanding balance as at 30 June 2019 (including GST) ($)
1	0.14473001
2	0.15842723
3	0.17612165
4	0.19981239
5	0.23309779
6	0.28317444
7	0.36683420
8	0.53445250

Kumeu Huapai Riverhead wastewater targeted rate

The Kumeu Huapai Riverhead wastewater targeted rate is set on land that has received financial assistance from Auckland Council for the purchase and installation of equipment for pumping waste from the property to Watercare's pressurised wastewater scheme. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the Kumeu Huapai Riverhead wastewater targeted rate that council will apply in 2019/2020. This is estimated to produce around $6,100 (excluding GST) for 2019/2020.

Kumeu Huapai Riverhead wastewater targeted rate

Year of repayment	Rate in the dollar for 2019/2020 to be multiplied by the ratepayers outstanding balance as at 30 June 2019 (including GST) ($)
1	0.11695996
5	0.14371006
7	0.16643951

On-site wastewater systems (septic tank) upgrades targeted rate

The On-site wastewater systems (septic tank) upgrades targeted rate is set on land that has received financial assistance from Auckland Council for the replacement or upgrade of failing on-site wastewater systems (septic tanks) in the west coast lagoons (Piha, Te Henga and Karekare) and Little Oneroa (Waiheke Island) catchments. The rate will fund expenditure within the following activities: Regulation.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years. The outstanding balance will reduce each year as the principal is repaid.

The targeted rate will apply as a rate in the dollar, which is multiplied against the ratepayer's outstanding balance as at 30 June each year. The rate in the dollar is set at different levels for each year that the ratepayer has been repaying the financial assistance.

The following table sets out the On-site wastewater systems (septic tank) upgrades targeted rate that the council will apply in 2019/2020. This is estimated to produce around $2,000 (excluding GST) for 2019/2020.

On-site wastewater systems (septic tank) upgrades targeted rate

Year of repayment	Rate in the dollar for 2019/2020 to be multiplied by the ratepayers outstanding balance as at 30 June 2019 (including GST) ($)
1	0.11695996
2	0.12214511

Point Wells wastewater targeted rate

The Point Wells wastewater targeted rate is set on land that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in the Point Wells area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year according to the amount of assistance provided. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The following table sets out the Point Wells wastewater targeted rate that council will apply in 2019/2020. This is estimated to produce around $14,700 (excluding GST) for 2019/2020.

Point Wells wastewater targeted rate

Total assistance provided	Amount of targeted rate per rating unit for 2019/2020 (including GST) ($)
$8,000	$674.60
$8,500	$716.76
$9,000	$758.92
$9,500	$801.08
$10,000	$843.25

Jackson Crescent wastewater targeted rate

The Jackson Crescent wastewater targeted rate is set on the rating unit that received financial assistance to connect to the pressure wastewater collection (PWC) scheme in Jackson Crescent, Martins Bay area. The rate will fund expenditure within the following activity: Organisational support.

The council will charge interest on the financial assistance provided. The ratepayer will repay the financial assistance and interest on a table mortgage basis. The council will calculate the level of the targeted rate each year to fund the interest and principal repayment required for that year. The targeted rate will apply for 15 years (2009/2010 to 2023/2024). The outstanding balance will reduce each year as the principal is repaid.

The council will apply a uniform rate of $608.88 (including GST) per rating unit in 2019/2020. This is estimated to produce $529 (excluding GST) for 2019/2020.

Rates payable by instalment

Rates will be payable by four equal instalments due on:

- Instalment 1: 30 August 2019
- Instalment 2: 28 November 2019
- Instalment 3: 28 February 2020
- Instalment 4: 28 May 2020.

It is council policy that any payments received will be applied to the oldest outstanding rates before being applied to the current rates.

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2019/2020 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

A further 10 per cent penalty calculated on former years' rate arrears to be added on the first business day of the new financial year (or five working days after the rates resolution is adopted, whichever is the later) and then again six months later.

Early payment discount policy

Objectives

The council encourages ratepayers to pay their rates in full by the date that their first instalment is due by providing a discount.

Conditions and criteria

Ratepayers will qualify for the discount if their rates are paid in full, together with any outstanding prior years' rates and penalties, by 5.00pm on the day their first rates instalment for the new financial year is due.

Delegation of decision-making

Decisions about applying the discount will be made by staff in accordance with the Chief Executive's delegation register.

Review process

The council will set the rate of discount that ratepayers are eligible for on an annual basis. The discount will be set to return to those ratepayers making an early payment the interest cost saving to the council. The interest cost saving will be set based on the council's short term cost of borrowing for the financial year in which the discount will apply. In making this forecast the council will take into account current market interest rate forecasts provided by financial institutions. The reviewed discount rate will be adopted by a council resolution at the same time as other rates-related decisions are made as part of its annual plan or long-term plan decision making process.

If the council wants to make any significant change to the discount policy, it must consult with the public.

Discount in 2019/2020

The discount is 0.63 per cent for 2019/2020.

Sample properties

The following section is intended to provide examples of the individual rates for 2019/2020.The following targeted rates are not shown:

- Business improvement district targeted rates
- Riverhaven Drive targeted rate
- Point Wells wastewater targeted rate
- Jackson Crescent wastewater targeted rate
- On-site wastewater systems (septic tank) upgrades targeted rate.

For more information on these and other rates please see the relevant section of the Rating mechanism.

General rates, Water Quality Targeted Rate and Natural Environment Targeted Rate

The table below shows indicative rates (general rate, Water Quality Targeted Rate, and Natural Environment Targeted Rate) for fully rateable rating units with one SUIP at different values for each of the main differential categories. An extra UAGC charge should be added for each extra SUIP the rating unit has.

Differential category	Capital value ($)	UAGC (including GST) ($)	General rate (including GST) ($)	Water quality targeted rate (including GST) ($)	Natural Environment targeted rate (including GST)	Total rates (including GST) ($)
Urban - business	500,000	424	2,634	53	38	3,149
	1,500,000	424	7,901	160	114	8,599
	3,000,000	424	15,803	320	228	16,775
	10,000,000	424	52,675	1,068	760	54,927
Urban - residential	500,000	424	940	30	22	1,416
	750,000	424	1,410	46	32	1,912
	1,000,000	424	1,880	61	43	2,408
	1,500,000	424	2,821	91	65	3,401
Rural - business	500,000	424	2,370	53	38	2,886
	1,500,000	424	7,111	160	114	7,809
	3,000,000	424	14,222	320	228	15,195
	10,000,000	424	47,408	1,068	760	49,660
Rural - residential	500,000	424	846	30	22	1,322
	750,000	424	1,269	46	32	1,771
	1,000,000	424	1,692	61	43	2,220
	1,500,000	424	2,539	91	65	3,119
Farm/lifestyle	500,000	424	752	30	22	1,228
	1,500,000	424	2,257	91	65	2,837
	3,000,000	424	4,513	182	130	5,249
	10,000,000	424	15,044	608	433	16,508
Urban moderate-occupancy online accommodation provider	500,000	424	1,787	30	22	2,263
	750,000	424	2,680	46	32	3,183
	1,000,000	424	3,574	61	43	4,102
	1,500,000	424	5,361	91	65	5,941
Rural moderate-occupancy online accommodation provider	500,000	424	1,608	30	22	2,084
	750,000	424	2,412	46	32	2,914
	1,000,000	424	3,217	61	43	3,745
	1,500,000	424	4,825	91	65	5,405
Urban medium-occupancy online accommodation provider	500,000	424	1,364	30	22	1,840
	750,000	424	2,045	46	32	2,547
	1,000,000	424	2,727	61	43	3,255
	1,500,000	424	4,091	91	65	4,671
Rural medium-occupancy online accommodation provider	500,000	424	1,227	30	22	1,703
	750,000	424	1,841	46	32	2,343
	1,000,000	424	2,454	61	43	2,983
	1,500,000	424	3,682	91	65	4,262

The following tables contain indicative values for the most common targeted rates. If a rating unit is liable for one of these, then the value shown should be added to the general rates, water quality targeted rate, and natural environment targeted rate figure from the table above to determine the total rates liability.

Waste management targeted rate

Most rating units are liable for waste management targeted rates. These vary depending on the former council area that the property is located.

Former council area	Service	Total amount of charges (including GST) ($)				
	Number of waste management charges	1	2	3	5	10
Auckland City	Full service (base service plus standard refuse service)	251	502	753	1,255	2,510
	Opt out of refuse	121	242	363	605	1,211
	Opt out of recycling	175	350	525	875	1,751
	Opt out of both refuse and recycling	45	90	135	226	452
	Additional recycling	76	152	228	380	759
Manukau City	Full service (base service plus standard refuse service)	251	502	753	1,255	2,510
Papakura District, North Shore City, Waitākere City, Franklin District and Rodney District	Base service	121	242	363	605	1,211
Papakura District and the former food scrap trial area in North Shore	Food scraps	68	137	205	342	683

Accommodation provider targeted rate

Some rating units that provide visitor accommodation are liable for the Accommodation provider targeted rate.

Rating units in Zone A that provide visitor accommodation						
Capital value	Zone A – Tier 1 rate (including GST) ($)	Zone A – Tier 2 rate (including GST) ($)	Zone A – Tier 3 rate (including GST) ($)	Zone A – Tier 4 rate (including GST) ($)	Zone A – Tier 5 rate (including GST) ($)	Zone A – Tier 6 rate (including GST) ($)
500,000	2,830	1,698	1,415	849	707	424
1,500,000	8,489	5,094	4,245	2,547	2,122	1,273
3,000,000	16,979	10,187	8,489	5,094	4,245	2,547
10,000,000	56,597	33,958	28,298	16,979	14,149	8,490

Rating units in Zone B that provide visitor accommodation						
Capital value	Zone B – Tier 1 rate (including GST) ($)	Zone B – Tier 2 rate (including GST) ($)	Zone B – Tier 3 rate (including GST) ($)	Zone B – Tier 4 rate (including GST) ($)	Zone B – Tier 5 rate (including GST) ($)	Zone B – Tier 6 rate (including GST) ($)
500,000	1,415	849	707	424	354	212
1,500,000	4,245	2,547	2,122	1,273	1,061	637

Rating units in Zone B that provide visitor accommodation						
Capital value	Zone B – Tier 1 rate (including GST) ($)	Zone B – Tier 2 rate (including GST) ($)	Zone B – Tier 3 rate (including GST) ($)	Zone B – Tier 4 rate (including GST) ($)	Zone B – Tier 5 rate (including GST) ($)	Zone B – Tier 6 rate (including GST) ($)
3,000,000	8,489	5,094	4,245	2,547	2,122	1,273
10,000,000	28,298	16,979	14,149	8,490	7,075	4,245

City centre targeted rate

All rating units in the City Centre are liable for the City Centre targeted rate.

Business rating units located in the city centre area	
Capital value	Rate (including GST) ($)
500,000	673
1,500,000	2,020
3,000,000	4,040
10,000,000	13,467
Residential rating units located in the city centre area	
Number of separately used or inhabited parts	**Rate (including GST) ($)**
1	62
2	123
3	185
5	308
10	616

Rodney Local Board Transport Targeted Rate

Rating units in the Rodney local board area are liable for the Rodney Local Board Transport Targeted Rate.

	Total targeted rate amount (including GST) ($)				
Number of separately used or inhabited parts	1	2	3	5	10
Rate amount	$150	$300	$450	$750	$1,500

Swimming pool targeted rates

Residential rating units in Māngere-Ōtāhuhu and Ōtara-Papatoetoe local board areas are liable for Swimming Pool targeted rates.

Residential rating units located in	Total targeted rate amount (including GST) ($)				
Number of separately used or inhabited parts	1	2	3	5	10
Māngere-Ōtāhuhu	33	65	98	163	326
Ōtara-Papatoetoe	31	61	92	154	307

Waitākere rural sewerage targeted rate

Some residential rating units not connected to the wastewater system in the former Waitākere City area are liable for the Waitākere Rural Sewerage targeted rate.

Residential rating units located in	Total targeted rate amount (including GST) ($)					
	Number of septic tanks pumped out once every 3 years	1	2	3	5	10
Former Waitākere City that have septic tanks pumped out by council		198	397	595	992	1,984

Retro-fit your home targeted rate

Ratepayers who have taken advantage of the Retro-fit Your Home scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance at beginning of 2019/2020 ($)			
	1,500	2,000	2,500	3,500
Rate for 1st year of repayment (including GST) ($)	217	289	362	507
Rate for 2nd year of repayment (including GST) ($)	238	317	396	554
Rate for 3rd year of repayment (including GST) ($)	264	352	440	616
Rate for 4th year of repayment (including GST) ($)	300	400	500	699
Rate for 5th year of repayment (including GST) ($)	350	466	583	816
Rate for 6th year of repayment (including GST) ($)	425	566	708	991
Rate for 7th year of repayment (including GST) ($)	550	734	917	1,284
Rate for 8th year of repayment (including GST) ($)	802	1,069	1,336	1,871

Kumeu Huapai Riverhead wastewater targeted rate

Ratepayers who have taken advantage of the Kumeu Huapai Riverhead wastewater scheme repay the financial assistance provided via a targeted rate.

Category	Outstanding balance at beginning of 2019/2020 ($)			
	5,000	7,000	9,000	11,000
Rate for 1st year of repayment (including GST) ($)	585	819	1,053	1,287
Rate for 5th year of repayment (including GST) ($)	719	1,006	1,293	1,581
Rate for 7th year of repayment (including GST) ($)	832	1,165	1,498	1,831

3.5 Financial reporting and prudence benchmarks

Annual plan disclosure statement for the year ending 30 June 2020

What is the purpose of this statement?

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

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

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
• income	$1.79 billion	$1.74 billion	Yes
• increases	3.5%	2.5%	Yes
Debt affordability benchmark			
• group debt as a percentage of group revenue	270%	254%	Yes
Balanced budget benchmark	100%	110%	Yes
Essential services benchmark	100%	227%	Yes
Debt servicing benchmark	15%	10%	Yes

Notes

1. Rates affordability benchmark

For this benchmark:

- the group's planned rates income, including growth in the rating base, for the year is compared with quantified limits on rates contained in the financial strategy included in the group's long-term plan; and
- the group's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the group's long-term plan.

The group meets the rates affordability benchmark if:

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

2. Debt affordability benchmark

For this benchmark, the group's planned borrowing is compared with the quantified limit on borrowing contained in the financial strategy included in the group's long-term plan and treasury management policy.

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

The council has set a prudential limit of group debt being less than 270 per cent of group revenue. When assessing our debt to revenue ratio against this limit, a number of adjustments are made which are consistent with Standard and Poor's approach when they undertake their credit rating assessment[1].

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

3. Balanced budget benchmark

For this benchmark, the group's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The group meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential services benchmark

For this benchmark, the group's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The group meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt servicing benchmark

For this benchmark, the group's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

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

Additional information

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

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

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

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

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

Wāhanga tuawhā: Te Whakarāpopototanga o te Mahere Whakahaere 2019/2020 mō te Tūpuna Maunga o Tāmaki Makaurau Authority

Part four: Summary of the Tūpuna Maunga o Tamaki Makaurau Authority – Operational Plan 2019/2020

The Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 (the Act) requires the Tūpuna Maunga o Tāmaki Makaurau Authority (Tūpuna Maunga Authority) and Auckland Council to prepare an Annual Operational Plan and a summary of that plan for inclusion in the Auckland Council's Annual Operational Plan 2019/20 process.

The Tūpuna Maunga Authority and Auckland Council are required to approve the Annual Operational Plan. The draft Tūpuna Maunga Operational Plan 2019/20 must be considered and adopted concurrently with the Auckland Council's Operational Plan 2019/20. A summary of the Tūpuna Maunga Authority's indicative funding requirements are outlined in this Section.

Ngā Mana Whenua O Tāmaki Makaurau

Ngā Mana Whenua o Tāmaki Makaurau negotiated a collective settlement of their historical Treaty claims with the Crown. Ngā Mana Whenua o Tāmaki Makaurau is the collective name of the 13 iwi/hapū with historical Treaty claims in wider Tāmaki Makaurau. The iwi/hapū are grouped into the following three rōpū:

Marutūāhu Rōpū	Ngāti Whātua	Waiohua Tāmaki Rōpū
Ngāti Maru	Ngāti Whātua o Kaipara	Ngāi Tai ki Tāmaki
Ngāti Pāoa	Ngāti Whātua Ōrākei	Ngāti Tamaoho
Ngāti Tamaterā	Te Rūnanga o Ngāti Whātua	Ngāti Te Ata
Ngāti Whanaunga		Te Ākitai Waiohua
Te Patukirikiri		Te Kawerau ā Maki

The Ngā Mana Whenua O Tāmaki Makaurau Collective Redress Act 2014

The Collective Redress Act 2014 vested the Crown owned land in 14 Tūpuna Maunga (ancestral mountains / volcanic cones) in Ngā Mana Whenua o Tamaki Makaurau. They are held for the common benefit of the iwi/hapū of Ngā Mana Whenua o Tāmaki Makaurau and the other people of Auckland. The Tūpuna Maunga are vested as reserves under the Reserves Act 1977.

The 14 Tūpuna Maunga covered by the Act include:

- Matukutūruru - Wiri Mountain
- Maungakiekie - One Tree Hill
- Maungarei - Mount Wellington
- Maungawhau - Mount Eden
- Owairaka / Te Ahi-ka-a-Rakatura - Mount Albert
- Pukewīwī / Puketāpapa - Mount Roskill
- Te Kōpuke / Tītīkōpuke - Mount St John
- Ōhinerau - Mount Hobson
- Ohuiarangi - Pigeon Mountain
- Te Tātua a Riukiuta – Big King
- Ōtāhuhu – Mt Richmond
- Takarunga - Mount Victoria
- Maungauika - North Head
- Rarotonga - Mount Smart.

Co-Governance

The Act also established the Tūpuna Maunga Authority, a bespoke co-governance entity, to administer the Tūpuna Maunga.

The Authority has six representatives from Ngā Mana Whenua o Tāmaki Makaurau, six from Auckland Council and one non-voting Crown representative appointed by the Minister for Arts, Culture and Heritage. The term of the Authority aligns with the term of the Council.

Under the Act the Tūpuna Maunga Authority is the administering body for each maunga for the purposes of the Reserves Act 1977, with two exceptions of Maungauika / North Head and Rarotonga / Mt Smart.

Maungauika / North Head has been administered by the Crown (Department of Conservation) but is now in the process of being transferred to the Tūpuna Maunga Authority. Routine management will then be undertaken by council under the direction of the Tūpuna Maunga Authority in the same way as for the other maunga.

Responsibility for administration and management of Rarotonga / Mt Smart remains with Auckland Council (Regional Facilities Auckland) under the Mount Smart Regional Recreation Centre Act 1985 and Reserves Act 1977.

The Tūpuna Maunga Authority is also the administering body for Te Pane-o-Mataaho/ Te Ara Pueru/Māngere Mountain and the Maungakiekie / One Tree Hill northern land.

The legislation provides for funding and staff resourcing through Auckland Council. The Authority is currently supported by a core team of seven council staff across the Governance and Parks, Sport and Recreation units.

The scale of this co-governance arrangement is unparalleled in Auckland and the resulting unified and cohesive approach to caring for the maunga has garnered wide spread support.

Strategic Framework: Tūpuna Maunga Values

In its Integrated Management Plan for the Tūpuna Maunga, the Tūpuna Maunga Authority has articulated a set of values of the Tūpuna Maunga. The values promote the statutory purpose of the Tūpuna Maunga under section 109 of the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014, where in exercising its powers and functions the Authority must have regard to the spiritual, ancestral, cultural, customary and historical significance of the Tūpuna Maunga to Ngā Mana Whenua.

The values weave together and give expression to mana whenua and other world views, and the connections and histories in a manner that highlights the way in which these views complement each other and create a richness to the relationship people have with the Tūpuna Maunga and multiple ways in which ways in which these relationships are thought of and expressed.

The values provide a strategic framework to guide the Tūpuna Maunga Authority in making any decision about the Tūpuna Maunga. The values are the key driver of the Tūpuna Maunga 10 year work programme that was confirmed through the Long Term Plan 2018 -2028.

The values are as follows:

Values	What this means for the Tūpuna Maunga
Waituatanga/ Spiritual	- restore and recognise the relationship between the Maunga and its people - tread gently - recognise the tihi is sacred - treat the Maunga as taonga tuku iho – treasures handed down the generations
Mana Aotūroa/ Cultural and Heritage	- enable Mana Whenua role as kaitiaki over the Tūpuna Maunga - encourage culturally safe access - restoring customary practices and associated knowledge - recognise European and other histories and interaction with the Maunga

Values	What this means for the Tūpuna Maunga
Takotoranga /Landscape	- protect the integrity of the Tūpuna Maunga - encourage design that reflects Tūpuna Maunga Values - promote a connected network of Maunga - preserve the visual and physical integrity of the maunga as landmarks of Tāmaki - active restoration and enhancement of the natural features of the Maunga - encourage activities that are in keeping with the natural and indigenous landscape
Mauri Pūnaha Hauropi/Ecology and Biodiversity	- strengthen ecological linkages between the Maunga - Maunga tū mauri ora, maunga tū Makaurau ora /if the Maunga are well, Auckland is well - restore the biodiversity of the Tūpuna Maunga
Mana Hononga Tangata /Living Connection	- a place to host people - actively nurture positive relationships - give expression to the history and cultural values of the Maunga - rekindle the sense of living connection between the Maunga and the people
Whai Rawa Whakauka/ Economic and Commercial	- focus on commercial activities that create value and enhance experience - explore alternative and self-sustaining funding opportunities - foster partnerships and collaboration - alignment with the Tūpuna Maunga Values
Mana Whai a Rēhia/Recreational	- promote health and wellbeing - encourage informal inclusive recreation activities - balance informal and formal recreation - recreational activities consistent with tikanga Māori - Maunga are special places and treasures handed down

Tūpuna Maunga Operational Plan 2019/20

Each financial year, the Tūpuna Maunga Authority and Council must agree an annual operational plan to provide a framework in which the Council will carry out its functions for the routine management of the Tūpuna Maunga and administered lands for that financial year, under the direction of the Tūpuna Maunga Authority.

The draft Tūpuna Maunga Operational Plan 2019/20 identifies a number of projects to be delivered or commenced in the coming financial year and the subsequent two financial years. The draft Tūpuna Maunga Operational Plan 2019/20 also sets out the 10 year work programme and funding envelope confirmed through the Long Term Plan 2018 -2028. The draft budget for 2019-20 and the subsequent years fits within this funding envelope.

A copy of the draft Operational Plan can be found at www.aucklandcouncil.govt.nz

Priority programmes and projects include:

Policy and Management

- completion of several key strategy documents to deliver on the values and pathways outlined in the Tūpuna Maunga Integrated Management Plan
- transfer of Maungauika / North Head administration from DoC to Auckland Council, and transfer of land contiguous to other Tūpuna Maunga.

Healing

- protection and restoration of the tihi (summits) through restriction of vehicle access to the tihi and significant track and viewing platform developments
- protection and restoration of historic kumara pits, pā sites and wāhi tapu
- restoration of indigenous native ecosystems; reintroducing native plants and attracting native animal species; removing inappropriate exotic trees and weeds

- pest control on all maunga in line with Auckland's plan to be pest free by 2050.

Development

- cultural interpretation including distinct entrance ways, pou whenua, visitor information hubs and educational signage
- exemplary visitor infrastructure including tracks and viewing platforms, toilets and play spaces
- removal of redundant infrastructure (built structures, water reservoirs, impermeable surfaces, etc) and returning areas to open space
- commercial activities to develop alternative revenue streams to invest in the protection and enhancement of the values of the Tūpuna Maunga.

Connection

- Mana whenua living connection programme focusing on their role as kaitiaki (guardians), restoring customary practices and associated knowledge and enabling cultural activities
- on-site staff to protect and enhance the Tūpuna Maunga and the visitor experience
- volunteer programmes to connect communities to the Tūpuna Maunga
- education programmes, community events and a bespoke website that celebrates the living connection that all communities have with the Tūpuna Maunga.

All projects are designed to deliver outcomes for the 13 iwi/hapū of the Tāmaki Collective and all the people of Auckland, enhance the mana and mauri of the Tūpuna Maunga and deliver improved open spaces across the eight local board areas.

They will also enable a compelling case in a future UNESCO World Heritage bid for the Tūpuna Maunga, which will contribute to a Māori identity that is Auckland's point of difference in the world.

Summary of Indicative Funding Requirements

The funding for Tūpuna Maunga is set at a regional level. The 10-year budget to enable the priority projects and programmes that was endorsed in the council's 10-year Budget (Long-term Plan) 2018-2028 is shown in Table 2.

The draft budget for 2019-20 and the subsequent years fits within this endorsed funding envelope.

Table 2 Funding envelope for the Tūpuna Maunga Authority endorsed in the Council's 10-year Budget (Long-term Plan) 2018-2028

Long Term Plan 2018-2028 funding requirement
Tūpuna Maunga Authority

Funding Envelope	2018/19 $000's	2019/20 $000's	2020/21 $000's	2021/22 $000's	2022/23 $000's	2023/24 $000's	2024/25 $000's	2025/26 $000's	2026/27 $000's	2027/28 $000's
Net Operating expenditure:*										
Net Operating expenditure 2018-2028**	3,518	3,484	3,493	3,489	3,512	3,642	3,897	3,917	3,917	3,917
Net Operating expenditure 2018-2028 (including inflation)***	3,578	3,615	3,696	3,766	3,867	4,090	4,464	4,577	4,668	4,762
Capital expenditure:										
Capital expenditure 2018-2028	5,093	7,008	7,110	6,925	8,875	9,086	9,395	9,820	12,780	12,800
Total LTP Funding requirement 2018-2028	**8,611**	**10,492**	**10,603**	**10,414**	**12,387**	**12,728**	**13,292**	**13,737**	**16,697**	**16,717**
Total LTP Funding requirement 2018-2028 (including inflation)	**8,671**	**10,623**	**10,806**	**10,691**	**12,742**	**13,176**	**13,859**	**14,397**	**17,448**	**17,562**

Notes:
* Net operating expenditure excludes depreciation
** Figures are in 2017/18 year values
*** Inflation is calculated at Council agreed rates

Wāhanga tuarima: Tā mātou tuapapa whakahaere
Part five: Additional information

5.1 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), and seven reporting and standing committees (Appointments and Performance Review, Audit and Risk, Civil Defence and Emergency Management, Community Development and Safety, Regulatory, Strategic Procurement and Auckland Domain).

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.

Local boards

The 21 local boards are a key part of the governance of Auckland Council with a wide-ranging role that spans most council services and activities. Local boards make decisions on local matters, provide local leadership, support strong local communities and provide important local input into region-wide strategies and plans.

Local boards:

- make decisions on local matters, including setting the standards of services delivered locally
- identify the views of local people on regional strategies, policies, plans and bylaws and communicate these to the governing body
- develop and implement local board plans (every three years)
- develop, monitor and report on local board agreements (every year)
- provide local leadership and develop relationships with the governing body, the community and community organisations in the local area
- identify and develop bylaws for the local board area and propose them to the governing body
- monitoring and reporting on the implementation of local board agreements
- any additional responsibilities delegated by the governing body, such as decisions within regional bylaws.

Each year, local boards and the governing body agree individual local board agreements, which set out the local activities, services and levels of service that will be provided over the coming year. The agreements for 2019/2020 are included in this annual budget and can be found in Volume 2.

To find out which local board area you are in, follow this path from the website home page: About Council > Local Boards > Find your ward and local board

Council-controlled organisations

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.

The Independent Māori Statutory Board

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-being issues that are significant to Māori. It provides direction and guidance to help improve council's responsiveness to Māori.

The board and the council will also meet at least four times each year to discuss the council's performance of its duties. The nine Independent Māori Statutory Board members are:

- Mr David Taipari, Chairperson
- Mr Glenn Wilcox, Deputy Chairperson
- Mr Renata Blair
- Mr James Brown
- Hon. Tau Henare
- Ms Liane Ngāmane
- Mr Terrence (Muka) Hohneck
- Mr Tony Kake
- Mr Denis Kirkwood.

For more details on the IMSB, please visit www.imsb.maori.nz.

Co-governance arrangements

As a result of Treaty of Waitangi Settlements, legislation has established co-governance entities which require the involvement of the council:

i. The Ngāti Whātua Ōrākei Reserves Board was established under the Ōrākei Act 1991 and currently operates under the Ngāti Whātua Ōrākei Claims Settlement Act 2012 and has three council appointees.
ii. Te Poari o Kaipātiki ki Kaipara (officially the Parakai Recreation Reserve Board) is established under the Ngāti Whātua o Kaipara Claims Settlement Act 2013 and has three council appointees.
iii. The Tūpuna Maunga o Tāmaki Makaurau Authority (or Maunga Authority) is established under the Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 and has six council appointees.

In addition, the council nominates two members of the Mutukaroa (Hamlins Hill) Management Trust and four members of the Te Motu a Hiaroa (Puketutu Island) Governance Trust and local board members participate alongside mana whenua in the Pukekiwiriki Pā Joint Management Committee and Rangihoa and Tawaiparera Committee.

Advisory panels

As one of council's engagement mechanisms with diverse communities, the advisory panels provide advice to the governing body and council staff within the remit of the Auckland Plan on the following areas:

- Auckland Council's regional policies, plans and strategies
- regional and strategic matters including those that Council-Controlled Organisations deal with
- any matter of particular interest or concern to diverse communities.

Auckland Council has six demographic advisory panels and three sector panels.

Demographic advisory panels:

- Disability Advisory Panel
- Ethnic Peoples Advisory Panel
- Pacific Peoples Advisory Panel
- Rainbow Communities Advisory Panel
- Seniors Advisory Panel
- Youth Advisory Panel.

Sector panels:

- Auckland City Centre Advisory Board
- Rural Advisory Panel
- Heritage Advisory Panel.

For more detail on Auckland Council's advisory panels, please visit our website www.aucklandcouncil.govt.nz

Information can be found under: About council > Your mayor and representatives > Advisory panel

5.2 Glossary of terms

Term	Definition
Activity	The goods or services the council provides
Annual Plan (Also known as Annual Budget)	The plan that sets out what the council will be working to achieve in a financial year, how it will spend its money, the level of service to be provided, and the level of rates and other revenue required to fund that spending
Asset	An item of value, usually of a physical nature, that has a useful life of more than 12 months and has future economic benefits over a period of time. Infrastructural assets provide the basic facilities, services and installations needed for a community or society to function, such as stormwater drainage pipes. Non-infrastructural assets are the organisation's other assets that provide either administrative or operational functions, such as computer software
AT	Auckland Transport
ATAP	The Auckland Transport Alignment Project, a collaborative project between Auckland Council and Central Government to align strategic transport priorities for the Auckland region.
ATEED	Auckland Tourism, Events and Economic Development
Auckland Council or the council	The local government of Auckland established on 1 November 2010. The council is made up of the governing body, 21 local boards, and the council organisation (operational staff)
BID	Business improvement district
Centres	Localities identified as urban centres which include the city centre and fringe, metropolitan centres, town centres and local centres. Centres are typically higher density, compact mixed-use environments with high quality public transport links and provide a wide range of community, recreational, social and other activities
CRL	The City Rail Link project
CRL Limited	The separate legal entity that will deliver the CRL
COMET	COMET Auckland (Community and Education Trust)
Commercial activities	Retail, information and communication, finance and insurance, and other service sectors. These sectors typically can afford relatively higher land prices/rents, and locate well in town centres
Council-controlled organisation (CCO)	A company or other entity under the control of local authorities through their shareholding of 50 per cent or more, voting rights of 50 per cent or more, or right to appoint 50 per cent or more of the directors. Some organisations may meet this definition but are exempted as council-controlled organisations
Depreciation	The charge representing consumption or use of an asset, assessed by spreading the asset's value over its estimated economic life. Depreciation includes amortisation of intangible assets unless otherwise stated
FULSS	The Future Urban Land Supply Strategy
Development contributions	Contributions from developers, collected to help fund new infrastructure required by growth, as set out in the Local Government Act 2002. This can be a financial contribution or provision of services or an asset of the same value
Governing Body	The governing body is made up of the mayor and 20 councillors. It shares its responsibility for decision-making with the local boards. The governing body focuses on the big picture and on Auckland-wide strategic decisions. Because each ward may vary in population, some wards have more than one councillor
Grants and subsidies	Revenue received from an external agency to help fund an activity or service that the council provides
Gross operating expenditure	Total without deductions of depreciation and finance costs
Hapū	Kinship group, clan, tribe, sub tribe - section of a large kinship group
Household	One or more people usually resident in the same dwelling, who share living facilities. A household can contain one or more families or no families at all. A household that

Term	Definition
	does not contain a family nucleus could contain unrelated people, related people, or could simply be a person living alone
Infrastructure	The fixed, long-lived structures that facilitate the production of goods and services and underpin many aspects of quality of life. Infrastructure refers to physical networks, principally transport, water, energy, and communications
Iwi	Groups of whānau or hapū related through a common ancestor
Kaitiaki	Guardians of the environment
Kaitiakitanga	Guardianship including stewardship; processes and practices for looking after the environment, guardianship that is rooted in tradition
Local boards	There are 21 local boards which share responsibility for decision-making with the governing body. They represent their local communities and make decisions on local issues, activities and facilities
Local Board Agreement	An annual agreement between the governing body and each local board, setting out how the council will, in that year, reflect the priorities and preferences in its local board plan for the year in respect of various things, including the local activities to be provided in the local board area
Local Board Plan	A plan that reflects the priorities and preferences of the communities within the local board area in respect of the level and nature of local activities to be provided by the council over the next three years
Local Government Act 2002 (LGA 2002)	Legislation that defines the powers and responsibilities of territorial local authorities such as Auckland Council
Local Government (Rating) Act 2002 (LGRA)	Defines how territorial local authorities such as Auckland Council can set, assess and collect rates
Long-term Plan or the LTP (Also known as the 10-year budget)	This document sets out the council's vision, activities, projects, policies, and budgets for a 10-year period. Also commonly referred to as the LTP, the 10-year budget
Mana whenua	Iwi, the people of the land who have mana or customary authority. Their historical, cultural and genealogical heritage are attached to the land and sea
Mataawaka	Māori who live in Auckland but do not whakapapa to mana whenua
Mātauranga Māori	Māori wisdom. In a traditional context, this means the knowledge, comprehension or understanding of everything visible or invisible that exists across the universe
Maunga	Mountain, mount, peak; Auckland's volcanic cones
Mauri	Mauri is the pure state of an object or substance. Sometimes referred to as the 'life force', mauri is contingent upon all things being in balance or in harmony
New Zealand Transport Agency (NZTA)	Plans and delivers sustainable transport networks across New Zealand, In Auckland and has responsibility for maintaining the state highway network roads
One Local Initiative	As part of the 10-year Budget, each of our 21 Local Boards has identified a project that they believe to be the most important for their local community
Pā	Fortified Māori settlements, villages and towns
Papakāinga	A location including meeting facilities, homes, vegetable gardens, a cemetery and other things required to sustain a whānau, hapū or iwi. Known previously as unfortified Māori settlements, villages and towns
Papakāinga housing	Housing development within a papakāinga framework
Penlink	Penlink is a proposed alternative route between the Whangaparaoa Peninsula and State Highway 1 (SH1) at Redvale
Rangatahi	Younger generation, youth
Rangatira	Chief
Rangatiratanga	Chiefly authority. A state of being. It is expressed in who we are, and how we do things; ability to make decisions for the benefit of their people and the community in general; confers not only status but also responsibility to ensure that the natural world and its resources are maintained into the future; recognises iwi and hapū right to manage resources or kaitiakitanga over the ancestral lands and waters. The Māori

Term	Definition
	version of article 2 of the Treaty uses the word 'rangātiratanga' in promising to uphold the authority that tribes had always had over their lands and taonga
Rates	A charge against the property to help fund services and assets that the council provides
Rūnanga	Assembly or council in an iwi context
RLTP	The Regional Land Transport Plan provides the blue print for Transport in Auckland over the next decade.
RFT	Regional Fuel Tax
RPMP	Regional Pest Management Plan
Taonga	A treasured item, which may be tangible or intangible
Tāmaki Makaurau	The Māori name for Auckland
Tangata Whenua	Indigenous peoples of the land
Targeted rates	A targeted rate is a rate set to fund activities where greater transparency in funding is desired or where the council considers the cost should be met by particular groups of ratepayers, as they will be the prime beneficiaries of the activity
Te Tiriti o Waitangi / The Treaty of Waitangi	The written principles on which the British and Māori agreed to found a nation state and build a government
Te Toa Takitini	A top-down council group approach to better enable the council group to identify, invest, and track progress on activities that deliver on the Auckland Plan, transform the organisation and deliver Aucklanders great value for money. It derives 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
The Auckland Plan 2050	Our long-term spatial plan for Auckland looks ahead to 2050. It considers how we will address our key challenges of high population growth, shared prosperity, and environmental degradation
Tikanga	Customary lore and practice
UAGC	Uniform Annual General Charge – a fixed rate set uniformly across all properties regardless of property value or category, applied to every separately used or inhabited part of a rating unit (e.g. a dwelling on a section, a shop in a mall, or a granny flat)
Unitary Plan	The Auckland Unitary Plan is the planning rule book that sets out what can be built and where. It is essential for protecting what makes our city special, while unlocking housing and economic growth and strengthening our community.
Waka	Canoe, vehicle, conveyance
Waste	Any matter, whether liquid, gas or solid, which is discharged, unwanted or discarded by the current generator or owner as having little or no economic value, and which may include materials that can be reused, recycled or recovered
Watercare	Watercare Services Limited
WMMP	Waste Management and Minimisation Plan, the first Auckland-wide plan, aiming at an aspirational goal of Zero Waste, helping people to minimise their waste and create economic opportunities in doing so

5.3 Key word index

Me pēhea te whakapā mai ki te kaunihera
How to contact the council

Online	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 aucklandcouncil.govt.nz

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